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

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

Name of Debtor: ERICKSON RETIREMENT COMMUNITIES, LLC

Case Number: 09-37010

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of 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): Capmark Bank

Name and address where notices should be sent:
Capmark Bank
100 S. Wacker Drive, Suite 400, Chicago, IL 60606
Attn: Denise Koprowski, Vice President

RECEIVED
FEB 25 2010
BMC GROUP

Telephone number: (312) 845-1820

☐ 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):

Telephone number:

☐ 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: $10,359,397.04

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: $ SEE ATTACHED **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: $ 10,385,273.93 **Amount Unsecured:** $ _____

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

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)
SEE ATTACHED
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

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.*

Date: 2/19/10

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 address above. Attach copy of power of attorney, if any.

CAPMARK BANK
By: Denise Koprowski

FOR COURT USE ONLY

Erickson Ret. Comm. LLC
01181

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 Ashburn Campus, LLC, Case No. 09-37018
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

ASHBURN CAMPUS, LLC ("**Ashburn**"), ERICKSON RETIREMENT COMMUNITIES, LLC ("**ERC**"), ERICKSON CONSTRUCTION, LLC ("**Erickson Construction**"), and ERICKSON GROUP, LLC ("**Erickson Group**") are each indebted to Capmark Bank, Chevy Chase Bank, A Division of Capital One, N.A., Citizens Bank of Pennsylvania, Manufacturers and Traders Trust Company, Manufacturers and Traders Trust Company, Successor by Merger to Provident Bank of Maryland, PNC Bank, National Association, Successor to Mercantile-Safe Deposit and Trust Company, Sandy Spring Bank, TD Bank, National Association, Successor to Commerce Bank, The Bank of Glen Burnie, Wachovia Bank, National Association, Wells Fargo Bank, National Association, and Wilmington Trust FSB, each in its capacity as a Lender (each a "**Lender**" and collectively, "**Lenders**"), and PNC Bank, National Association, Successor to Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent for the Lenders ("**Administrative Agent**," and together with the Lenders, collectively, "**Banks**"), under and/or in connection with a revolving loan facility ("**Construction Loan**") that the Lenders extended to Ashburn.

PNC Bank, National Association, files this Proof of Claim on its own behalf in its capacity as a Lender, and in its capacity as Administrative and Collateral Agent 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 Administrative Agent ("**Administrative Agent's Claim**") and are incorporated herein by reference.

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

a. The following Amended and Restated Revolving Loan Notes each dated August 14, 2007 (each a "**Revolving Loan Note**" and collectively, "**Revolving Loan Notes**") executed and delivered by Ashburn and in the respective amounts and payable to the order of the respective Lender set forth below:

i. Revolving Loan Note in the stated principal amount of $20,100,000.00 payable to the order of Capmark Bank;
ii. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Chevy Chase Bank, A Division of Capital One, N.A.;
iii. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Citizens Bank of Pennsylvania;

iv. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Manufacturers and Traders Trust Company;

v. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Manufacturers and Traders Trust Company, Successor by Merger to Provident Bank of Maryland;

vi. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of PNC Bank, National Association, Successor To Mercantile-Safe Deposit and Trust Company;

vii. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Sandy Spring Bank;

viii. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of TD Bank, National Association, Successor to Commerce Bank;

ix. Revolving Loan Note in the stated principal amount of $4,900,000.00 payable to the order of The Bank of Glen Burnie;

x. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Wachovia Bank, National Association;

xi. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Wells Fargo Bank, National Association; and

xii. Revolving Loan Note in the stated principal amount of $10,000,000.00 payable to the order of Wilmington Trust FSB.

b. The Construction Loan Agreement dated as of May 31, 2007, by and between Ashburn, the Administrative Agent, and the Lenders parties thereto from time to time, as amended and modified pursuant to the First Comprehensive Amendment to Loan Documents dated as of August 14, 2007, Assignment and Acceptances dated to be effective as of August 14, 2007 with respect to each of the Lenders listed above, the Second Comprehensive Amendment to Loan Documents dated as of June 20, 2008, the Waiver Agreement dated as of April 30, 2009, the Standstill Agreement dated as of June 1, 2009, the Forbearance Agreement made to be effective as of 12:00 PM (EST) on June 30, 2009, the Funding Addendum to Forbearance Agreement made to be effective as of 12:00 PM (EST) on June 30, 2009, and 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, modified, assumed and assigned, collectively, "**Construction Loan Agreement**").

c. The Guaranty Agreement dated as of May 31, 2007 by and between ERC and the Administrative Agent for the Lenders ("**Guaranty**").

d. The Subordination Agreement dated as of May 31, 2007 in favor of the Administrative Agent for the Lenders by Erickson Construction as creditor and by Ashburn and ERC ("**Erickson Construction Subordination**").

e. The Subordination Agreement dated as of May 31, 2007 in favor of the Administrative Agent for the Lenders by Erickson Group, John C. Erickson and Nancy A. Erickson, as creditors, and by Ashburn and ERC ("**Erickson Group Subordination**").

True and correct copies of the Revolving Loan Notes, the Construction Loan Agreement, and the Guaranty are provided on the Exhibit CD as **Exhibit 1**, **Exhibit 2**, and **Exhibit 3**, 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 4**. The Erickson Group Subordination together with other documents comprising the Erickson Group Subordination Documents (defined below) are provided on the Exhibit CD as **Exhibit 5**.

2. The indebtedness and obligations that are owed to the Banks by Ashburn, ERC, Erickson Construction, and Erickson Group under the Revolving Loan Notes, the Construction Loan Agreement, the Guaranty, the Erickson Construction Subordination, and the Erickson Group Subordination, are secured by, *inter alia*, various assets of Ashburn, ERC, Erickson Construction, Erickson Group, 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 Ashburn ("**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 May 31, 2007 by and between ERC, as pledgor, and the Administrative Agent, as secured party ("**Pledge Agreement**"); and (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 Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306271, Liber U00515, folio 1979.

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 Ashburn, 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 "Ashby Ponds" ("**Retirement Community**") and located at, and generally known as, 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia, and more particularly described in Exhibit A attached to the Deed of Trust (as defined below) ("**Land**"), all leases, rents, profits arising from the aforesaid property, and all other rights, titles, and interests of Ashburn in and to such property pursuant to, and as described in and evidenced by: (A) the Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of May 31, 2007 by Ashburn to the trustee named therein for the benefit of the Administrative Agent for the Lenders, recorded among the

Land Records of Loudoun County, Virginia as instrument no. 20070612-0044111 (as amended, "**Deed of Trust**"); (B) the Assignment of Rents and Leases dated as of May 31, 2007 by Ashburn to the Administrative Agent for the Lenders, recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070612-0044112; (C) the Environmental Compliance Certificate and Agreement dated as of May 31, 2007 by Ashburn and ERC, in favor of the Administrative Agent for the Lenders; and (D) and the various Financing Statements (as defined below) (all of the foregoing, as amended and/or restated, collectively, "**Mortgage Security Documents**");

ii. first-priority, duly perfected security interests, pledges, grants, assignments, and other liens in, to and against all of Ashburn'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 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 Ashburn 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 Ashburn 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 May 31, 2007 by Ashburn and ERC in favor of the Administrative Agent for the Lenders ("**Security Agreement**"), (B) the Mortgage Security Documents, and (C) the UCC-1 Financing Statement against Ashburn, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as file no. 181292166, in Liber U00493, folio 0562, as amended by the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00515, folio 1975, UCC-1 Financing Statement against Ashburn, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as file no. 181306270, in Liber U00515, folio 1977, the UCC-1 Financing Statement against Ashburn, as debtor, in favor of the Administrative Agent, as secured party, recorded among the Land Records of Loudoun County Virginia as instrument no. 20061227-0106968, and UCC-1 Financing Statement against Ashburn, as debtor,

in favor of the Administrative Agent, as secured party, recorded among the Land Records of Loudoun County Virginia as instrument no. 20070514-0036395 (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 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 Ashburn 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 May 31, 2007 by Ashburn and ERC to the Administrative Agent for the Lenders ("**Assignment of Project Documents**"), (B) General Contractor's Agreement to Complete dated as of May 31, 2007 by Erickson Construction for the benefit of the Administrative Agent for the Lenders, the Architect's Agreement to Complete dated as of May 29, 2007 by Marks-Thomas Architects for the benefit of the Administrative Agent for the Lenders, the Engineer's Agreement to Complete dated as of June 4, 2007 by Dewberry & Davis LLC for the benefit of the Administrative Agent for the Lenders, the Landscape Architect's Agreement to Complete dated as of May 28, 2007 by Lewis, Scully, Gionet for the benefit of the Administrative Agent for the Lenders, (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 Ashby Ponds, 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 Ashburn, 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 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, "**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 Ashburn pursuant to, the Community Loan Agreement, 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 May 31, 2007 by the Tenant in favor of Ashburn ("**Tenant Security Agreement**"), and as contemplated by the Trust Agreement (as defined below), all of which were collaterally assigned by Ashburn to the Administrative Agent for the Lenders, and as evidenced by the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Ashburn, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306272, Liber U00515, folio 1986, and assigned by Ashburn to the Administrative Agent for the Lenders pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00515, folio 1988, and the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Ashburn, as secured party, recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070514-0036456, assigned by Ashburn to the Administrative Agent pursuant to the UCC Financing Statement Amendment recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070514, page 0036460 (together with the Tenant Security Agreement, collectively, "**Tenant Security Documents**"), all pursuant to and as further described in and evidenced by (A) the Security Agreement, (B) the Financing Statements, (C) the Consent of Ashby Ponds, Inc. dated as of May 31, 2007 ("**Ashby Consent**"), and (D) Agreement Regarding Bank Branch dated as of May 31, 2007 by Tenant ("**Bank Branch Agreement**").

d. first priority, duly perfected security interest, pledge, and lien in, to and against, and grant, in trust, for the benefit of the Administrative Agent of any and all existing and future "**Trust Funds**" and "**Trust Accounts**" including but not limited to "**Initial Entrance Deposits**", deposited into a Trust Account as Trust Funds, as an intended source of repayment of the Loan, all Trust Funds deemed to constitute loan advances to Ashburn under the Community Loan Documents, and all obligations of Tenant and Ashburn to hold Trust Funds in trust for the benefit of the Administrative Agent for the benefit of the Lenders, pursuant to and as described in the Trust Agreement for Initial Entrance Deposits at Ashby Ponds dated as of May 31, 2007 by Tenant and Ashburn for the benefit of the Administrative Agent ("**Trust Agreement**").

e. 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 its 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 Ashburn, 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 as contemplated by the Trust Agreement), 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 Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306271, Liber U00515, folio 1979 and among the Land Records of Loudoun County, Virginia as instrument no. 20070514-0036447 (collectively, "**ERC Financing Statements**");

ii. a first-priority, duly perfected security interest and lien in, to and against all of ERC's assets, including, without limitation, 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), 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), equipment, fixtures, inventory, chattel paper, licenses, cash and deposits, deposit accounts, bank accounts, instruments, documents, goods, motor vehicles, letter-of-credit rights and 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, and (B) the ERC Financing Statements; and

iii. first-priority, duly perfected security interests, pledges, grants, assignments, and other liens in, to and against all Project Documents, all Development 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 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 Ashburn 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 Assignment of Project Documents, (B) Completion Agreements, (C) Security Agreement, and (D) the ERC Financing Statements.

f. All right, title, and interests of the Banks pursuant to, and as described in and evidenced by, and all claims against John C. Erickson, Nancy A. Erickson, and Erickson Group under, the Erickson Group Subordination, and the duly perfected security interests, pledges, assignments, and other liens held by the Administrative Agent for the Lenders in and to the "Subordinated Indebtedness," as defined in the Erickson Group Subordination, and all proceeds thereof, and all rights and interests of John C. Erickson, Nancy A. Erickson, and/or Erickson Group in any of the "Subordinated Documents," as such term is defined in the Erickson Group Subordination, and as described in the UCC-1 Financing Statement against John C. Erickson and Nancy A. Erickson, as debtors, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306274, Liber U00515, folio 1992, and among the financing statement records of the Florida Secured Transactions Registry as document no. 20070553554X, and the UCC-1 Financing Statement against Erickson Group, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306275, Liber U00515, folio 1994 (together with the Erickson Group Subordination, collectively, "**Erickson Group Subordination Documents**").

g. 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 May 31, 2007 ("**Ashby Ponds Subordination**") by Tenant, and the duly perfected security interests, pledges, assignments, and other liens held by the Administrative Agent for the Lenders in and to the "Subordinated Indebtedness" as defined in the Ashby Ponds Subordination, and all proceeds thereof, and all rights and interests of Tenant in any of the "Subordinated Documents," as such term is defined in the Ashby Ponds Subordination, and as described in the UCC-1 Financing Statement against Tenant, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306273, Liber U00515, folio 1990, and all right, title and interest of the Tenant in, to and under the Junior Deed of Trust (as such term is defined

below) pursuant to the Collateral Assignment of Junior Deed of Trust dated as of May 31, 2007 by the Tenant to the Administrative Agent for the Lenders recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070612-0044114 (collectively, "**Ashby Ponds Subordination Documents**").

h. 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 May 31, 2007 ("**Tenant Subordination**") by Tenant, and pursuant to, and as described in and evidenced by, the Curative Rights Agreement dated as of May 31, 2007 by Tenant, with the consent and joinder of Ashburn and ERC for the benefit of the Administrative Agent for the Lenders (together with the Tenant Subordination, collectively, "**Tenant Subordination Documents**").

i. 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 Administrative Agent for the Lenders in and to the "Subordinated Indebtedness," as defined in the Erickson Construction Subordination, and all proceeds thereof, and all rights and interests of Erickson Construction in any of the "Subordinated Documents," as such term is defined in the Erickson Construction Subordination, and as described in the UCC-1 Financing Statement against Erickson Construction, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181306276, Liber U00515, folio 1996 (together with the Erickson Construction Subordination, collectively, "**Erickson Construction Subordination Documents**").

j. All right, title, and interest of the Banks pursuant to, and as described in and evidenced by, and all claims against Strategic Ashby Ponds Lender, LLC ("**Strategic/Ashby Ponds**") under, (A) the Subordination and Standstill Tri-Party Agreement dated as of May 31, 2007 ("**Tri-Party Agreement**") among the Administrative Agent for the Lenders, Ashburn, and Strategic/Ashby Ponds recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070612-0044117, *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 Strategic/Ashby Ponds under the "Junior Loan Documents" (as defined in the Tri-Party Agreement), including but not limited to, the liens granted to Strategic/Ashby Ponds with respect to the Retirement Community and the Land to the liens held by Administrative Agent for the Lenders, subordinating payment of the "Subordinated Obligations" (as defined in the Tri-Party Agreement) to the prior payment in full of the Construction Loan, and subordinating the terms, conditions and covenants of the Junior Loan 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 first-priority duly perfected security interests, pledges, assignments, and other liens held by the Administrative Agent for the Lenders in and to all rights of Strategic/Ashby Ponds in, to and under the Junior Loan Documents, including but not limited to, the Loan Agreement dated as of May 31, 2007 by and between Ashburn and Strategic/Ashby Ponds, the Promissory Note dated as of May 31, 2007 in the originally stated principal amount of Fifty Million Dollars ($50,000,000.00) by Ashburn and payable to the order of Strategic/Ashby Ponds, and the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of

May 31, 2007 from Ashburn to the trustees named therein for the benefit of Strategic/Ashby Ponds recorded among the Land Records of Loudoun County Virginia as instrument no. 20070612-0044115, the Member Interest Pledge Agreement dated as of May 31, 2007 by ERC for the benefit of Strategic/Ashby Ponds, and all rights and interests of Strategic/Ashby Ponds thereunder, as further described in the Tri-Party Agreement and in the UCC-1 Financing Statement against Strategic/Ashby Ponds, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Delaware Secretary of State as document no. 2007-2196565 (together with the Tri-Party Agreement, collectively, "**Strategic/Ashby Ponds Subordination Documents**").

k. All right, title, and interest of the Banks pursuant to, and as described in and evidenced by, and all claims against Strategic/Ashby Ponds under, the Cross Tri-Party Agreement dated as of May 31, 2007 ("**Strategic/Ashby Ponds Cross Tri-Party Agreement**") among Strategic/Ashby Ponds, Concord Campus, L.P., and the PNC Bank, National Association in its capacity as Administrative Agent ("**Concord Agent**") for the lenders party thereto from time to time under the Construction Loan Agreement dated as of August 30, 2005 (as amended from time to time, the "**Concord Loan Agreement**,") recorded among the Land Records of Delaware County, Pennsylvania as instrument no. 2007053485, in RD Book 04129, Page 275, *et seq., inter alia* subordinating all of the obligations of payment and performance owed to Strategic/Ashby Ponds by Concord Campus, LP to the obligations owed by Concord Campus, LP to the Concord Agent and the lenders under the Concord Loan Agreement, and the mortgages, security interests, pledges, assignments, and other liens held by Strategic/Ashby Ponds in and to the assets and property of Concord Campus, LP to the liens held by the Concord Agent for the benefit of the lenders under the Concord Loan Agreement, and the first-priority duly perfected security interests in and to all of Strategic/Ashby Ponds' right, title, and interest as mortgagee under the Leasehold Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing between Strategic/Ashby Ponds and Concord Campus, L.P. dated May 31, 2007 and recorded among the Land Records of Delaware County, Pennsylvania as instrument no. 2007053484, in RD book 04129, page 0216, and the Guaranty Agreement between Strategic/Ashby Ponds and Concord Campus, L.P. dated May 31, 2007, as further evidenced by the UCC-1 Financing Statement against Strategic/Ashby Ponds, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Delaware Secretary of State as document no. 2007-2196680 (together with the Strategic/Ashby Ponds Cross Tri-Party Agreement, collectively "**Strategic/Ashby Ponds Tri-Party Documents**"), and all right, title, and interest of the Banks pursuant to, and as described in and evidenced by, and all claims against Strategic Concord Landholder, LP ("**Strategic/Concord**") under, the Cross Tri-Party Agreement dated as of May 31, 2007 ("**Strategic/Concord Cross Tri-Party Agreement**") among Strategic/Concord, Ashburn, and the Administrative Agent for the Lenders recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070612-0044118, *inter alia*, subordinating all of the obligations of payment and performance owed to Strategic/Concord by Ashburn to the obligations owed by Ashburn to the Administrative Agent and the Lenders, and the mortgages, security interests, pledges, assignments, and other liens held by Strategic/Concord in and to the assets and property of Ashburn to the liens held by the Administrative Agent for the Lenders, and the first-priority duly perfected security interests in and to all of Strategic/Concord's right, title, and interest as "Beneficiary" under the Indemnity Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing between Strategic/Concord and Ashburn dated May 31, 2007 recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070612-0044116, and the Guaranty Agreement

between Strategic/Concord and Ashburn dated as of May 31, 2007, as further evidenced by the UCC-1 Financing Statement against Strategic/Concord, as debtor, in favor of the Administrative Agent, as secured party, recorded among the financing statement records of the Delaware Secretary of State as document no. 2007-2196797 (together with the Strategic/Concord Cross Tri-Party Agreement, collectively "**Strategic/Concord Tri-Party 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, Ashby Consent, Bank Branch Agreement, Trust Agreement, Ashby Ponds Subordination Documents, Tenant Subordination Documents, Strategic/Ashby Ponds Subordination Documents, Strategic/Ashby Ponds Tri-Party Documents, and Strategic/Concord Tri-Party Documents are provided on the Exhibit CD as **Exhibit 6**, **Exhibit 7**, **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 May 31, 2007 by and between Ashburn and the Tenant, a copy of which is 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 May 31, 2007 by and between the Tenant and Ashburn, the Working Capital Promissory Note dated as of May 31, 2007 by the Tenant and payable to the order of Ashburn in the originally stated principal amount of Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000.00), the Lockbox Account Agreement dated as of May 31, 2007 by and between the Tenant, as assignor, and Ashburn, as secured party, 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 May 31, 2007 by and between the Tenant and Ashburn, the Community Loan Note dated as of May 31, 2007 by Ashburn and payable to the order of Tenant in the originally stated principal amount of Six Hundred Fifty Million, Nine Hundred Thirty-Nine Thousand, Six Hundred Thirty One Dollars ($650,939,631.00), the Credit Line Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing dated as of May 31, 2007 ("**Junior Deed of Trust**") by Ashburn to the trustee named therein for the benefit of the Tenant recorded among the Land Records of Loudoun County, Virginia as instrument no. 20070612-0044113, copies of which are provided on the Exhibit CD as **Exhibit 23**. The Management Agreement (defined above) includes, without limitation, the Management and Marketing Agreement dated as of May 31, 2007 between the Tenant and ERC, 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 May 31, 2007 by and between Ashburn and ERC, a copy of which is provided on the Exhibit CD as **Exhibit 25**.

The Revolving Loan Notes, the Construction Loan Agreement, the Guaranty, the Erickson Construction Subordination Documents, the Erickson Group Subordination Documents, the Pledge Agreement and ERC Financing Statements, Mortgage Security Documents, Security Agreement and Financing Statements, Assignment of Project Documents, Completion Agreements, Tenant Security Documents, Ashby Consent, Bank Branch Agreement, Trust Agreement, Ashby Ponds Subordination Documents, Tenant Subordination Documents,

Strategic/Ashby Ponds Subordination Documents, Strategic/Ashby Ponds Tri-Party Documents, Strategic/Concord Tri-Party Documents, Community Documents, Lease, Working Capital Loan Documents, Community Loan Documents, Management Agreement, Development Agreement, 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**"), Ashburn 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. Capmark Bank

Principal:	$ 9,937,492.60
Interest:	$ 75,330.48
Late charges:	$ 2,400.12
Forbearance fees:	$ 321,599.83
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 8,727.25
(Counsel for Capmark Bank):	$
Professional fees (non-legal):	$ 13,731.19
Other fees and charges:	$ 115.57
Total (as of Petition Date):	**$10,359,397.04**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $1,518.23)

2. Chevy Chase Bank, A Division of Capital One, N.A.

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for Chevy Chase Bank):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

3. Citizens Bank of Pennsylvania

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for Citizens Bank of PA):	$ 4,253.75
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,158,182.65**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

4. Manufacturers and Traders Trust Company

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for M&T Bank):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

5. Manufacturers and Traders Trust Company, Successor by Merger to Provident Bank of Maryland

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for M&T Bank/Provident):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

6. PNC Bank, National Association, Successor to Mercantile-Safe Deposit and Trust Company

Principal:	$4,944,058.03
Interest:	$ 37,478.05
Late charges:	$ 1,194.10
Forbearance fees:	$ 160,000.95
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.94
(Counsel for PNC Bank, N.A.):	$
Professional fees (non-legal):	$ 6,831.48
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,962.05**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

7. Sandy Spring Bank

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for Sandy Spring Bank):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

8. TD Bank, National Association, Successor to Commerce Bank

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for TD Bank, N.A.):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

9. The Bank of Glen Burnie

Principal:	$2,422,572.84
Interest:	$ 18,364.14
Late charges:	$ 585.10
Forbearance fees:	$ 78,399.96
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 2,127.54
(Counsel for Bank of Glen Burnie):	$
Professional fees (non-legal):	$ 3,347.41
Other fees and charges:	$ 28.17
Total (as of Petition Date):	**$2,525,425.16**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $370.12)

10. Wachovia Bank, National Association

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for Wachovia Bank, N.A.):	$ 2,450.00
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,156,378.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

11. Wells Fargo Bank, National Association

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for Wells Fargo Bank, N.A.):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

12. Wilmington Trust FSB

Principal:	$4,944,026.17
Interest:	$ 37,477.86
Late charges:	$ 1,194.09
Forbearance fees:	$ 159,999.92
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 4,341.92
(Counsel for Wilmington Trust):	$
Professional fees (non-legal):	$ 6,831.44
Other fees and charges:	$ 57.50
Total (as of Petition Date):	**$5,153,928.90**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

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:	$61,800,359.00
Interest:	$ 468,473.41
Late charges:	$ 14,926.12
Forbearance fees:	$ 2,000,000.00
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 54,273.99
(Counsel for Other Lenders):	$ 6,703.75
Professional fees (non-legal):	$ 85,393.03
Other fees and charges:	$ 718.75
Total (as of Petition Date):	**$64,430,848.05**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $9,441.72)

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

1. Capmark Bank

Interest:	$110,830.63
Late Charges:	$ 4,630.60
Legal fees and expenses:	
(Counsel for Administrative Agent):	$ 15,778.23
(Counsel for Capmark Bank):	$ 2,137.74
Professional fees (non-legal):	$ 10,008.21
Appraisal fees:	$ 2,412.00
Total (10/19/09 – 12/31/09):	**$145,797.41**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $1,518.23)

2. Chevy Chase Bank, A Division of Capital One, N.A.

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for Chevy Chase Bank):	$_____
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

3. Citizens Bank of Pennsylvania

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for Citizens Bank of PA):	$ 4,967.39
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$76,439.86**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

4. Manufacturers and Traders Trust Company

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for M&T Bank):	$_____
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

5. Manufacturers and Traders Trust Company, Successor by Merger to Provident Bank of Maryland

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for M&T Bank/Provident):	$_____
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

6. PNC Bank, National Association, Successor to Mercantile-Safe Deposit and Trust Company

Interest:	$55,139.97
Late Charges:	$ 2,303.79
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.91
(Counsel for PNC Bank, N.A.):	$_____
Professional fees (non-legal):	$ 4,979.24
Appraisal fees:	$ 1,200.01
Total (10/19/09 – 12/31/09):	**$71,472.92**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

7. Sandy Spring Bank

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for Sandy Spring Bank):	$_____
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

8. TD Bank, National Association, Successor to Commerce Bank

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for TD Bank):	$
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

9. The Bank of Glen Burnie

Interest:	$27,018.41
Late Charges:	$ 1,128.85
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 3,846.43
(Counsel for Bank of Glen Burnie):	$
Professional fees (non-legal):	$ 2,439.81
Appraisal fees:	$ 588.00
Total (10/19/09 – 12/31/09):	**$35,021.50**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $370.12)

10. Wachovia Bank, National Association

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for Wachovia Bank, N.A.):	$10,472.52
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$81,944.99**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

11. Wells Fargo Bank, National Association

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for Wells Fargo Bank, N.A.):	$ _____
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

12. Wilmington Trust FSB

Interest:	$55,139.62
Late Charges:	$ 2,303.78
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 7,849.86
(Counsel for Wilmington Trust):	$ _____
Professional fees (non-legal):	$ 4,979.21
Appraisal fees:	$ 1,200.00
Total (10/19/09 – 12/31/09):	**$71,472.47**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $755.34)

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

Interest:	$ 689,245.56
Late Charges:	$ 28,797.25
Legal fees and expenses	
(Counsel for Administrative Agent):	$ 98,123.35
(Counsel for Other Lenders):	$ 17,577.65
Professional fees (non-legal):	$ 62,240.14
Appraisal fees:	$ 15,000.00
Total (10/19/09 – 12/31/09):	**$ 910,983.95**

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = $9,441.72)

In addition to the foregoing amounts, the Banks, individually and collectively, reserve the right to collect as part of their respective claims against Ashburn, 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 Ashburn, 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 Administrative Agent 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 Administrative Agent's Claim if such Bank disagrees with the amount, basis, documentation or any other assertion set forth in the Administrative Agent'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.

MINTZ LEVIN

Jacquelyn A. Cannata | 617 348 4886 | jacannata@mintz.com

One Financial Center
Boston, MA 02111
617-542-6000
617-542-2241 fax
www.mintz.com

February 23, 2010

FEDERAL EXPRESS

RECEIVED
FEB 25 2010
BMC GROUP

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

Re: Erickson Retirement Communities, LLC
Case No. 09-37010

Dear Sir or Madam:

Enclosed for filing in the above-referenced matter please find an original and a copy of a proof of claim on behalf of Capmark Bank together with a CD containing Exhibits to this claim.

Please date stamp the enclosed copy and return same in the enclosed self addressed envelope. Thank you for your attention to this matter.

Very truly yours,

Jacquelyn A. Cannata

Enclosure
cc: Denise Koprowski, Vice President
Adrienne K. Walker, Esq.

ACTIVE 4793436v.1

EXHIBIT 1

"Revolving Loan Notes"

FACE AMOUNT OF NOTE	LENDER NAME
$20,100,000.00	Capmark Bank
$10,000,000.00	Chevy Chase Bank, a Division of Capital One, N.A.
$10,000,000.00	Citizens Bank Of Pennsylvania
$10,000,000.00	Manufacturers And Traders Trust Company
$10,000,000.00	Manufacturers And Traders Trust Company, Successor By Merger To Provident Bank Of Maryland
$10,000,000.00	PNC Bank, National Association, Successor To Mercantile-Safe Deposit And Trust Company
$10,000.000.00	Sandy Spring Bank
$10,000,000.00	TD Bank, National Association, Successor To Commerce Bank
$ 4,900,000.00	The Bank Of Glen Burnie
$10,000,000.00	Wachovia Bank, National Association
$10,000,000.00	Wells Fargo Bank, National Association
$10,000,000.00	Wilmington Trust FSB

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $20,100,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of CAPMARK BANK, (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Twenty Million One Hundred Thousand Dollars ($20,100,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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**

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Document," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of CHEVY CHASE BANK FSB (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 and the Other Notes, pro rata, as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Citizens Bank of Pennsylvania (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 and the Other Notes, pro rata, as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Manufacturers and Traders Trust Company (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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any other Loan Document referenced or incorporated by reference therein (individually, a "**Loan Document**," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Provident Bank (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement)

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which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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**

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Document," and collectively, the **"Loan Documents"**), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the **"Default Interest Rate"**), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

August 14, 2007 $10,000,000.00

AMENDED AND RESTATED
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 offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**") 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent ("**Administrative Agent**") if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in

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the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

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

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

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Sandy Spring Bank (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement)

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which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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**

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Document," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Commerce Bank, N.A. (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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any other Loan Document referenced or incorporated by reference therein (individually, a "**Loan Document**," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

August 14, 2007 $4,900,000.00

AMENDED AND RESTATED
REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to THE BANK OF GLEN BURNIE, (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent, (the "**Administrative Agent**") 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 Four Million Nine Hundred Thousand Dollars ($4,900,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-

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ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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any other Loan Document referenced or incorporated by reference therein (individually, a "**Loan Document**," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Wachovia Bank, National Association (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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any other Loan Document referenced or incorporated by reference therein (individually, a "**Loan Document**," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Wells Fargo Bank, N.A., (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 with (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of

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(a) one hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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any other Loan Document referenced or incorporated by reference therein (individually, a "**Loan Document**," and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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THIS NOTE IS ENTERED INTO PURSUANT TO THE TERMS OF THAT CERTAIN CONSTRUCTION LOAN AGREEMENT DATED AS OF MAY 31, 2007. THIS NOTE IS SPLIT FROM, GIVEN IN EXCHANGE FOR BUT NOT IN REPAYMENT OF, SUPERSEDES, AND, TOGETHER WITH THOSE OTHER NOTES FROM THE OTHER LENDERS REFERRED TO IN THE CONSTRUCTION LOAN AGREEMENT, IS AN AMENDMENT AND RESTATEMENT OF, THE AMENDED AND RESTATED REVOLVING LOAN NOTE DATED MAY 31, 2007 IN THE FACE AMOUNT OF ONE HUNDRED TWENTY FIVE MILLION DOLLARS ($125,000,000) PAYABLE BY ASHBURN CAMPUS, LLC TO MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY. NEITHER THE EXECUTION AND DELIVERY OF THIS NOTE BY THE BORROWER NOR THE ACCEPTANCE OF IT BY THE LENDER IS INTENDED TO CONSTITUTE A NOVATION.

Document: 1.2

August 14, 2007 $10,000,000

AMENDED AND RESTATED REVOLVING LOAN NOTE

FOR VALUE RECEIVED, the undersigned (hereinafter, the "**Borrower**") promises to pay to the order of Wilmington Trust FSB (the "**Lender**") at the offices of Mercantile-Safe Deposit and Trust Company, Collateral and Administrative Agent (the "**Administrative Agent**"), 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 Ten Million Dollars ($10,000,000.00) (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 May 1, 2014 (the "**Maturity Date**") which is the final and absolute due date of this Note, or on such earlier date specified by the Administrative Agent if demand for prepayment of this Note is made pursuant to Section 5 hereof or if this Note is accelerated pursuant to Section 7 hereof. The following terms shall apply to this Note:

1. 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 Administrative Agent from time to time, such rate to be adjusted on any date on which a change in the Administrative Agent's prime rate is effective. The prime rate as used herein refers to that interest rate set by the Administrative Agent from time to time as an interest rate base for borrowings. The prime rate is one of several interest rate bases used by the Administrative Agent. The Lender lends at rates above and below the Administrative Agent's prime rate.

2. Repayment. This Note is the Note referred to in, and is entitled to the benefits of, the Construction Loan Agreement among the Lender, the other lenders referred to therein (the "**Other Lenders**"), the Borrower, and the Administrative Agent, dated May 31, 2007 (the "**Loan Agreement**"). The outstanding principal amount of this Note shall be repaid as provided for in the Loan Agreement, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month from and to the extent of (a) one

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hundred percent (100%) of all Initial Entrance Deposits (as described in the Loan Agreement) which are deposited in the Trust Account (as described in the Loan Agreement) or otherwise loaned to Borrower by Tenant (as defined in the Loan Agreement), and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. This Note shall also be subject to mandatory prepayment on the terms set forth in Section 5 hereof. 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 Administrative Agent and billed to the Borrower for each appropriate period; provided, however, that failure of the Lender or the Administrative Agent 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 as provided for in the Loan Agreement, in whole or in part at any time or from time to time without premium or penalty. This Note is subject to mandatory prepayment at the option of the Lender, acting through the Administrative Agent, in the Lender's sole discretion, but subject to and in accordance with the terms of the Loan Agreement, in an amount equal to the unpaid principal balance, all accrued and unpaid interest and all other amounts due hereunder, at any time between February 1, 2010 and August 1, 2010 (the "**Mandatory Prepayment Period**"). The Lender, through the Administrative Agent, may make demand for prepayment by written notice to the Borrower at any time during the Mandatory Prepayment Period, and the Borrower shall have a period of ninety (90) days following receipt of any such notice from the Administrative Agent in which to pay this Note in full. Notwithstanding the foregoing, the Lender, through the Administrative Agent, may (but shall have no obligation to) give written notice of mandatory prepayment prior to the commencement of the Mandatory Prepayment Period, and if the Lender does so the Lender, through the Administrative Agent, need not give a second notice once such Mandatory Prepayment Period commences, but the ninety (90) day period in which Borrower may pay this Note upon demand shall not commence until the date the Mandatory Prepayment Period begins.

6. Late Payment Fee. Should any payment of interest, or principal and interest, due hereunder be received by the Administrative Agent or any subsequent 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

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any other Loan Document referenced or incorporated by reference therein (individually, a "**Loan Document,**" and collectively, the "**Loan Documents**"), the Administrative Agent may, in the Administrative Agent's sole and absolute discretion, but subject to the terms and conditions of the Loan Agreement, and without notice or demand (unless otherwise specifically required under an applicable Loan Document), declare the entire unpaid balance of principal plus accrued interest and any other sums due hereunder immediately due and payable.

8. Default Interest Rate. At any time after a default in the payment of any installment of interest, or of principal and interest, or in the payment of any other sums due hereunder, or upon the occurrence of any Event of Default as defined in the Loan Agreement or in any of the other Loan Documents, the Administrative Agent may raise the rate of interest accruing on the disbursed unpaid principal balance by two (2) percentage points above the rate of interest otherwise applicable (the "**Default Interest Rate**"), independent of whether the Administrative Agent elects to accelerate the unpaid principal balance as a result of such default.

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

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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 Administrative Agent on behalf of the Lender shall deem necessary or desirable.

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

11. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, the Borrower shall pay all of the Administrative Agent's and 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, endorser, or guarantor, waive presentment, notice of dishonor and protest.

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

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

15. 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.

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

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

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

If to the Administrative Agent or Lender:

c/o 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 1800
Baltimore, Maryland 21202

If to the Borrower:

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

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

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

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

19. Choice of Law. This Note and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

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EXHIBIT 24

"Management Agreement"

Management And Marketing Agreement

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ASHBY PONDS

MANAGEMENT AND MARKETING AGREEMENT

THIS MANAGEMENT AND MARKETING AGREEMENT (this "Agreement") is made as of this 31st day of May, 2007 between ASHBY PONDS, INC., a Maryland nonstock corporation (hereinafter referred to as "AP"), and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company having offices at 701 Maiden Choice Lane, Catonsville, Maryland 21228 (hereinafter referred to as "Erickson").

RECITALS

AP is leasing certain property and improvements located in Ashburn, Virginia (the "Premises"), pursuant to a Master Lease and Use Agreement (the "Master Lease") of even date herewith by and between AP and Ashburn Campus, LLC ("Owner"). AP intends to operate on the Premises a continuing care retirement community to be known as Ashby Ponds (the "Community").

WHEREAS, AP wishes to engage Erickson to provide management and marketing services for the Community. Specifically, AP desires that the Community be operated and marketed as an Erickson branded continuing care retirement community, consistent with the management, operations, and programs of the other continuing care retirement communities managed by Erickson.

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, AP and Erickson agree as follows:

1. **Definitions**

Applicable Standards - All laws, rules, regulations, orders, ordinances, rules, regulations or requirements of any applicable governmental or quasi-governmental authority having jurisdiction over the Community or the Premises, including, without limitation, those which are applicable to the operation of the Community as a continuing care retirement community, including all residential, medical, nursing, recreational, commercial and other uses incidental thereto, as well as all applicable contractual obligations.

Approval – Means the approvals described in Section 3.2.2.

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Budget - The budget to be prepared by Erickson pursuant to Section 5.2 of this Agreement and approved by AP.

Budget Policy - The budget policy adopted by AP at the March 2007 meeting of its board of directors as such budget policy may be amended from time to time by AP's board.

Community – The operation of a continuing care retirement community on the Premises.

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

Erickson Brand – Initially, the facilities, programs and services of the exemplary scope, quality and consistency as currently experienced by the Residents and currently in effect in the Community and in others managed by Erickson, as the same shall be modified for the Community in accordance with the Budget, including, without limitation, Erickson's national marketing, purchasing, risk management, health care and other services that are operated in conjunction with other communities managed by Erickson As each annual budget is adopted by AP, the Erickson Brand shall mean and refer to the programs and services provided by Erickson in accordance with such approved budget.

Management Fee - The fee payable to Erickson 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 operate, administer and manage of the Community as a continuing care retirement community, including all independent living, assisted living and skilled nursing units, medical, nursing, recreational, commercial and other uses incidental thereto, in a manner consistent with Applicable Standards and the Erickson Brand, and in accordance with the terms and limitations of this Agreement, including, without limitation, services identified on Exhibit B.

Master Lease - Shall have the meaning given such term in the Recitals of this Agreement.

Maturity - Means the earlier to occur of (i) the date on which initial settlement by residents of 97% of the planned independent living units to be built at the Community has occurred, and (ii) the date of purchase of the Community by AP.

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Mission - Means the purpose of AP to make its CCRC as affordable as possible to middle income seniors while providing high quality services as further described in Exhibit E hereto.

Occupancy Fees - Means the monthly occupancy fees paid by Residents with respect to independent living units and assisted living units, and the daily fee paid to the Community with respect to the skilled nursing units, as such fees may be determined separately by category of unit (e.g., total Occupancy Fees just for independent living units) or by a combination of units (e.g., total Occupancy Fees for assisted and skilled nursing units). Occupancy Fees shall not include rents from commercial leases, food service fees, home health service fees, grounds and maintenance fees, laundry and 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 AP's Board of Directors, by resolution, agrees to include said revenue or fees in the definition of Occupancy Fees.

Occupancy Rate - Means the percentage derived by dividing the "Billed Units" by the "Available Billed Units" as such terms are used in the Budget Policy.

Permit - Means the permits, rights, franchises and privileges referred to in Section 3.2.3.

Qualified Persons - Means individuals eligible for admission as Residents to the Community meeting age, financial, medical and other requirements, which requirements are recommended by Erickson and approved by AP.

Residence and Care Agreement - The continuing care contract executed between AP and each Resident of the Community meeting Applicable Standards, detailing the rights and obligations of the Resident and the rights and obligations of AP.

Resident - A person who occupies a residential unit (independent living, assisted or skilled nursing) in the Community pursuant to a Residence and Care Agreement.

State - The State of Virginia, the state in which the Community is located.

2. REPRESENTATIONS AND WARRANTIES

2.1. Representations and Warranties of Erickson. Erickson hereby represents and warrants to AP that Erickson is a limited liability company duly organized, validly existing and in good standing under the laws of the State of

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Maryland, 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. Erickson is not the subject of any lawsuit which if adversely determined, could adversely affect Erickson's ability to perform under this Agreement, nor are any such actions threatened and Erickson has not received notice of any violation of any federal, state or local laws, regulations or rules.

2.2. Representations and Warranties of AP. AP hereby represents and warrants to Erickson that AP is a corporation duly organized, validly existing and in good standing under the laws of the State of Maryland; 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. AP and Erickson 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, unless such termination of the Master Lease is due to (a) the expiration of the Lease Term (as defined in the Master Lease) or (b) upon AP's acquisition of the Community. Nothing contained in this Agreement or any other agreement between AP and Erickson is intended to modify AP's obligations under the Master Lease.

3. DUTIES OF ERICKSON

3.1 Engagement. AP hereby appoints and engages Erickson as an independent contractor to furnish Management Services for the Community; provided, however, nothing in this Agreement shall be construed to preclude AP from engaging other persons to provide legal, financial, design, consulting and other services, in AP's sole discretion. Further provided, Erickson shall have no right or authority to commit or otherwise obligate AP in any manner whatsoever except to the extent specifically provided for in this Agreement or as otherwise expressly authorized by AP. Without limiting the generality of the foregoing, Management Services shall include the obligations listed in this Article 3.

3.1.2 Admissions. Erickson, in the name of AP, shall only enter in Residence and Care Agreements with Qualified Persons.

3.2. Certification and Licensure.

3.2.1. Erickson shall prepare any annual disclosure statements and application(s) on behalf of AP to be presented periodically to the appropriate

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governmental agencies for certificate(s) of registration for operation of the Community as a continuing care retirement community, or any expansions or changes therein. Erickson shall prepare any application(s) on behalf of AP to be presented to such agency having jurisdiction for a license for operation of a portion of the Community as a comprehensive care nursing facility, or any expansions or changes therein. Erickson shall cooperate fully with AP to obtain and maintain in full force and effect such of the Approvals as are required for the operation of the Community's comprehensive care nursing facility pursuant to the licensure, as renewed and amended from time to time.

3.2.2. Erickson shall prepare and AP shall submit, and Erickson shall maintain in full force and effect, all other necessary federal, state and local approvals for the operation of the Community as well as approvals from non-governmental accreditation organizations as may be required from time to time, as renewed and amended from time to time.

3.2.3. Erickson covenants that Erickson 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 allowed to lapse or forfeited so long as the same shall be necessary or desirable for the operation of the Community, and that Erickson will use its best efforts to procure the extension or renewal of each and every permit, right, franchise or privilege so expiring and necessary or desirable for the operation of the Community. Erickson shall promptly provide written notice to AP of a threatened or pending violation in connection with any permit, right, franchise or privilege relating to the Community.

3.3. Conduct. Erickson 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—and to ensure compliance with all Applicable Standards. Erickson shall not take any action or follow a course of conduct that is not in compliance with any Applicable Standard, fail to take action necessary to comply with any Applicable Standard, or take any action which will or may cause the Community to lose its certifications or licenses under the terms of all applicable laws, rules or regulations. Erickson will not take any action that would adversely affect the 501(c)(3) status of AP or the tax exempt status of any of its future bonds.

3.4. Communication with AP. Erickson shall communicate with AP at least quarterly with respect to all material issues affecting the operation and management of the Community. This communication shall include a report regarding all current, material, litigation; the termination of any residents as well as any trends noted by Erickson relating to potential liability issues, and such other reports as AP may reasonably request. Erickson agrees to cause a representative of Erickson to attend meetings with AP at any time or times during normal business hours as requested by AP. In addition, Erickson shall provide immediate written notice to AP of any

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threatened or pending default relating to any obligation of Erickson under this Agreement or of any event that would cause Manager's representations set forth in paragraph 2.1 to not continue to be correct.

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, Erickson shall investigate, hire or contract with, supervise and discharge all personnel necessary or appropriate for the operation of the Community. Erickson 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 AP or by Erickson, 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. Erickson shall establish and maintain a comprehensive system of records, books, and accounts for the Community in a manner satisfactory to AP and as necessary to allow AP to comply with AP'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, AP shall appoint a firm of independent certified public accountants ("auditor") to perform an audit, in accordance with Generally Accepted Auditing Standards, of AP's annual financial statements prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). Erickson agrees to fully cooperate with the auditor by preparing financial statements that conform to GAAP and providing books, records, documents, and other materials requested by the auditor in the performance of the audits in a timely manner.

3.6.3. Erickson shall prepare all reports required of AP under contracts, including loan and bond documents, to which AP is a party; shall monitor compliance with loan and bond covenants applicable to AP; and shall timely provide summary periodic reports to AP with respect thereto.

3.6.4. Erickson shall cause the timely and competent preparation of AP's federal and state information returns required by the Internal Revenue Service and state regulatory authorities in connection with AP's tax-exempt status for review and signature by a AP principal officer. In addition, Erickson shall cause any reports required to be made under the Medicare or Medicaid programs (or any successor programs) of the United States Department of Health and Human Services or by the State to be prepared in a timely and competent manner.

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3.6.5. Erickson shall prepare all additional reports, statements or certifications required by Applicable Standards to be filed by AP including, without limitation, all federal, state and local government/regulatory filings (e.g., charitable solicitation registration), federal, state and local information and other returns, and will also prepare any other reports, statements or certificates as AP may reasonably request from time to time.

3.6.6. Erickson shall maintain a system of internal control designed to ensure accurate financial reporting, compliance with Applicable Standards and prevention of losses from errors, omissions, employee dishonesty or fraud.

3.7. Maintenance and Repairs.

3.7.1. Erickson 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 and provided in accordance with the requirements of the Budget Policy.

3.7.2. Erickson 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, except for an Extraordinary Expense (approved by AP), within the limits of the funds available therefor in the Budget.

3.8. Service Requests of Residents. Erickson 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 AP with appropriate recommendations.

3.9 Goals. AP, after consultation with Erickson, may establish goals for performance standards relating to occupancy, services and resident satisfaction, employee turnover and satisfaction, financial performance (including operating margin and cash flow requirements), and patient health care. Erickson shall use commercially reasonable efforts to achieve the goals. However, if Erickson uses such efforts, a failure to achieve any of the goals, in and of itself, shall not constitute a default hereunder. In the event a goal is not met, Erickson shall submit a report to AP setting forth a plan of action it proposes to undertake in order to achieve the goal. Upon the approval of the plan by AP, Erickson shall diligently implement the plan.

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3.10. Applicable Standards. Erickson shall take or cause to be taken the action necessary or appropriate to promptly comply with or contest or challenge any and all Applicable Standards and orders of the Board of Fire Underwriters or other similar bodies, within the limits of the -Budget. In the event Erickson deems the Budget to be insufficient, it can request approval of AP to incur an extraordinary expense and AP, through its Board or the Executive Committee of the Board, shall promptly respond.

3.11. Compliance with Policies and Mission. Erickson shall comply with the Applicable Standards, and Erickson shall use due care to cause the Community to be in compliance. In addition, Erickson shall become knowledgeable regarding the policies and the Mission of AP in connection with the operation of the Community and Erickson's duties under this Agreement and shall use due care to cause the Community to be operated in accordance with such policies and mission.

3.12. Utility Service and Purchases. As more fully set forth in Article 5 hereof and within the guidelines of the Budget, Erickson 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 Budget, Erickson 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, Erickson shall act at all times in the best interest of the Community.

3.13. Compliance of Residents. Erickson shall at all times during the term of this Agreement operate and maintain the Community according to Applicable Standards. Erickson 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. Erickson may terminate any Resident's occupancy when, in Erickson's judgment, sufficient cause occurs under the terms of the Resident's Residence and Care Agreements and in accordance with Applicable Standards.

3.14. Legal Action. Erickson shall immediately notify AP of the service or receipt of any notice, complaint, order, or other notice of adverse action received from any third person, including any individual or any governmental or accrediting agency, if, in Erickson's opinion, an adverse ruling in such action would have a material adverse affect on AP, and there is a material chance of liability or if publicity regarding the alleged incident could have an adverse affect on AP's reputation. In such event, Erickson shall, in consultation with AP and AP's attorneys and consultants, take such action as may be necessary or appropriate to promptly comply with or to contest of challenge any and all such orders, complaints or other requirements affecting the Community. In addition to the reports required hereunder and under Section 3.4 hereof, Erickson shall provide reports to AP or to such person as AP may designate of any material adverse actions that have been settled by AP.

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3.15. Residence and Care Agreements. The initial form of the Residence and Care Agreement shall be approved by AP. Changes to the Residence and Care Agreement may be made by Erickson in accordance with Applicable Standards. Erickson shall promptly report to AP any material changes to the Residence and Care Agreement. Erickson agrees to perform in a manner consistent with Applicable Standards all obligations of AP 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. Budget. Erickson shall prepare, or cause to be prepared, the Budget identified in Article 5 hereof.

3.17. Marketing. Erickson shall market the Units which become available after their first occupancy, including advertising of the Community, selection of media, production of brochures, and sponsorship of special events, to maintain proper public exposure of the Community space. This obligation shall run concurrently with the marketing program of Owner and shall not compete but shall compliment such program.

3.18. Negotiation of Contracts. Erickson shall use its best efforts to obtain and execute in the name of, or as agent for, AP.

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 Erickson may contract with independent realtors for leasing services where appropriate; and further provided that any such agreement which does not directly relate to the provision of services to Residents or employees shall require the consent of AP;

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

In connection with this Section 3.18, Erickson will follow all nondiscriminatory tenant selection policies required by federal, state and local governing bodies.

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3.19. Occupancy Fees. Erickson 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. AP hereby authorizes Erickson 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 AP, to institute suit, at AP's expense, with respect to payments as may be required from time to time.

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

3.22. Policies and Procedures. Erickson shall establish and implement such operational policies and procedures, and develop such new policies and procedures, as Erickson may deem necessary to cause or to ensure the establishment and maintenance of the Operational Standards, which policies and procedures shall be reasonably approved by AP.

3.23. Unauthorized Acts. Notwithstanding anything to the contrary herein, Erickson shall have no authority to:

a. Borrow on behalf of or loan any funds of the Community except as specifically approved by AP;

b. Create or permit any lien on all or any portion of the Premises or sell, convey or otherwise transfer all or any portion of the Premises without AP's approval, which approval may be withheld in AP's sole discretion except for replacement of furnishings and equipment and operating equipment in the ordinary course of business;

c. Do or permit any act or omission which would impair materially the use of the Community for its intended use;

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d. Do or permit any act or omission which would violate the Applicable Standards or the terms of any Permit or Approval with respect to the Community or the Premises or which would cause any such Permit or Approval to lapse or expire; or

e. Do or permit any act or omission or incur any liability which exceeds Erickson's authority under this Agreement.

3.24. Protected Health Information and Patient Records.

a. Erickson acknowledges and agrees that certain portions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d through 1320d-8 ("HIPAA") and certain regulations promulgated or to be promulgated pursuant thereto (the "HIPAA Regulations"), apply or will apply to AP, Erickson, and their relationship and dealings under this Agreement. Erickson shall enter into a business associate agreement with AP and shall enter into such other agreements as are required, or as may be required in the future, in AP's reasonable discretion, to satisfy the relative obligations of both AP and Erickson under applicable HIPAA Regulations. In the event of any inconsistency between the provisions of this Agreement and the provisions of such agreement(s), the provisions of such agreement(s) shall control.

b. Erickson shall be responsible for the preparation and maintenance of all medical records, trust account records and other records pertaining to patients of any medical facility of the Community. Erickson shall comply, and shall require all of its employees, contractors, directors, officers and agents to comply, with (i) all requirements of the HIPAA Regulations, (ii) all state and local laws governing the creation, use, maintenance, destruction, transmission and disclosure of protected health information (as defined in 45 C.F.R. § 164.501) that apply to AP and/or Erickson under this Agreement and (iii) the business associate agreement between AP and Erickson.

3.25. Non-Discrimination. In performing its obligations under this Agreement, Erickson will comply with the provisions of any Federal, State or local law prohibiting discrimination in employment and housing on the grounds of race, color, creed, sex, marital status, national origin or physical or mental handicap including Title VI of the Civil Rights Act of 1968.

3.26. Medicare Access to Records Clause. If this Agreement is deemed subject to 42 U.S.C. § 1395X(V)(1)(I) and 42 C.F.R. Part 420, Subpart D 420.300 *et seq.*, then in accordance with such law, Erickson shall, until the expiration of four (4) years after the furnishing of any Medicare reimbursable services pursuant to this Agreement, upon proper written request, allow the Comptroller General of the United States, the

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Secretary of Health and Human Services, and their duly authorized representatives access to this Agreement and to Erickson's books, documents, and records necessary to certify the nature and extent of costs of Medicare reimbursable services provided under this Agreement. In accordance with such laws and regulations, if Medicare reimbursable services provided by Erickson under this Agreement are carried out by means of a subcontract with an organization related to Erickson, and such related organization provides the services at a value or cost of ten thousand dollars ($10,000) or more over a twelve (12) month period, then the subcontract between Erickson and the related organizations shall contain a clause comparable to this paragraph.

3.27. Erickson's Financial Statements. Erickson will provide AP with financial statements for Erickson and its parent company, and for all partnerships and off balance sheet investments on an annual basis. In addition, Erickson agrees to allow AP or AP's representatives to have access to reports by financial institutions or credit rating or reporting companies on the credit status of Manager and its affiliates. In addition, Erickson agrees to advise AP of any adverse event which has or may have a material negative impact upon Erickson's financial condition.

3.28. Additional Services. It is the intention of the parties that the Management Services provided by Erickson includes all services that are necessary to the operation of the Community. AP may ask Erickson to consider enhancements to such services, and Erickson will cooperate with AP in fully evaluating the costs and benefits of any such request.

3.29 Notice of Termination of Key Management Employees. Erickson shall promptly notify AP of the termination of employment of any person at the Executive Vice President level or above or of any material change in the functions to be performed by any such employees. A failure to provide this notice shall not constitute a default hereunder.

4. RIGHTS AND DUTIES OF AP

AP shall be responsible for the following duties and obligations:

4.1. Reserved Rights and Obligations as to Erickson. Notwithstanding any provision in this Agreement to the contrary and in addition to any other rights or obligations of AP in this Agreement, AP 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 Erickson; (ii) the termination of Erickson; (iii) the replacement of Erickson, and (iv) retaining outside consultants. In addition, AP shall, at all times, retain full authority to investigate and review any matter affecting the Residents and to require Erickson to respond with respect to any such

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matter in the best interest of the Community within the parameters of this Agreement. In addition, AP shall have the right to review the compensation for all Community Employees and Management Personnel against reasonable marketplace standards and require adherence to such standards. Upon request, Erickson shall provide AP with any relevant compensation surveys it has obtained.

4.2. Exclusive Agreement. AP shall retain Erickson as the sole and exclusive marketing and managing agent of the Premises.

4.3. Compensation. In consideration for Erickson's performance of its obligations in accordance with this Agreement, AP shall pay to Erickson, on or before the fifteenth (15th) day of each calendar month, the Monthly Fee (as defined below), in addition to the reimbursement and other payments set forth below. The "Monthly Fee" shall be in the amount shown on Exhibit C attached hereto, or as provided in Section 4.3.2 below.

4.3.1. All compensation payable to Erickson hereunder shall comply with the requirements of Section 4958 of the Internal Revenue Code and the requirements of Rev. Proc. 97-13 issued by the Internal Revenue Service, as such Revenue Procedure may be modified or superseded. To the extent any reimbursements payable to Erickson hereunder (including allocated expenses, marketing, cost of reoccupancy) are not solely for actual and direct costs paid to unrelated parties, such amounts shall be treated as compensation and taken into account in determining compliance with Section 4958 of the Internal Revenue Code and with Section 5.03(4) of Rev. Proc. 97-13.

In the event it is determined that Erickson's compensation exceeds that which is permitted by Section 4958 of the Internal Revenue Code or Section 5.03(4) of Rev. Proc. 97-13, Erickson agrees to modify its compensation so as to be in compliance.

4.3.2. Beginning January 1 in the year following the year in which the Community has achieved Maturity (the "Start Date"), compensation payable to Erickson shall be determined as follows: A fixed fee (the "Base Fee") shall be equal to an amount to be determined and agreed upon by the parties prior to Maturity. The "Base ILU Fee Percentage" shall be 2 ½% and the "Base Health Unit Fee Percentage" shall be 4%. The Base ILU Fee Percentage will increase by ½% for each 1% (or portion thereof) (the "Additional ILU Fee Percentage") of Occupancy Fees actually received from Residents with respect to the independent living units in excess of an Occupancy Rate of 90%, to a maximum of 5.5%, and the Base Health Unit Fee Percentage will increase by 1% (the "Additional Health Unit Fee Percentage") to 5% where the Occupancy Rate of the assisted living and skilled nursing units (together, the "Health Units") actually exceeds 93%. The total management fee payable to Erickson shall be

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equal to the sum of (a) the Base ILU Fee Percentage plus, to the extent applicable, the Additional ILU Fee Percentage multiplied by the Occupancy Fees actually collected from the independent living units, plus (b) the Base Health Unit Fee Percentage plus, to the extent applicable, the Additional Health Unit Fee Percentage multiplied by the Occupancy Fees actually collected from the Health Units, but the total management fee shall not be less than the Base Fee and shall not exceed twice the Base Fee. For purposes of the preceding sentence, the sum of the Base Health Unit Fee percentage and the Additional Health Unit Fee Percentage, shall be deemed to be 5% until the earlier to occur of (i) the date on which the planned Health Units to be built at the Community first achieve an Occupancy Rate of 93% and (ii) three years from the Start Date. In lieu of the Monthly Fee shown on Exhibit C hereto, a Monthly Fee will be paid in an amount equal to one-twelfth of the annual fee payable based on the Occupancy Rate and Occupancy Fees reflected in the Budget for the year. Five percent of each Monthly Fee will be retained by the Community. The total fee payable to Erickson for the year shall be adjusted based on the results of the annual audit and verification of actual Occupancy Fees received and the actual average annual Occupancy Rates of the independent living units and Health Units determined for the entire calendar year. Based on the results of the audit, all or a portion of the retainage may then be released, and AP shall pay any additional amount determined to be due to Erickson under this Section 4.3.2, (so long as the total management fee payable hereunder does not exceed twice the Base Fee), or the total fee may be reduced (but not below the Base Fee), in which case Erickson shall be required to repay AP to the extent the retainage is insufficient to do so.

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The Table below sets forth the computation of the Management Fee.

Management Fee Percentage of Occupancy Fees

	Independent Living		Assisted Living & Skilled Nursing	
Occupancy Rate Of Independent Living Units and Health Units, as applicable	Base ILU Fee %	Additional ILU Fee %	Base Health Unit Fee %	Additional Health Unit Fee %
90% or less	2.5%		4.0%	
More than 90% & not more than 91%	2.5%	0.5%	4.0%	
More than 91% & not more than 92%	2.5%	1.0%	4.0%	
More than 92% & not more than 93%	2.5%	1.5%	4.0%	
More than 93% & not more than 94%	2.5%	2.0%	4.0%	1.0%
More than 94% & not more than 95%	2.5%	2.5%	4.0%	1.0%
More than 95%	2.5%	3.0%	4.0%	1.0%

4.3.3. Payment of the Monthly Fee to Erickson and amounts payable under Section 4.3.2 hereof shall be subordinate to payment of AP's other operating expenses and debt service, and shall be deferred (a) on and after Maturity, if there are no financing covenants then in effect which prescribe the circumstances as to when a deferral of fees shall occur, if AP fails to achieve at least 90% occupancy of the independent living units, or (b) otherwise, in accordance with covenants or subordination provisions, if any, contained in any documents executed in connection with any financing entered into by AP. Any fees so deferred shall be payable when permitted by this Section 4.3.3.

4.4. Reimbursement for Reoccupancy. AP shall reimburse Erickson for the marketing cost of reoccupancy of existing units by a new Resident to cover the cost

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of obtaining that new Resident consistent with Section 3.17 hereof. 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 Erickson hereunder during that year. To the extent required by Revenue Procedure 97-13 (or any applicable supplementary or superceding document issued by the Internal Revenue Service), payment of costs hereunder shall be taken into account by Erickson for purposes of determining compliance with the requirements and limitations of Section 5.03(4) of Rev. Proc. 97-13.

4.5. Reimbursement for Management Personnel and Out-of-Pocket Expenses. AP shall reimburse Erickson for the actual cost of salary and benefits for the Management Personnel, as described in Article 9 of this Agreement, based on the time spent providing services to AP or the Community. Erickson also shall be reimbursed for actual out-of-pocket expenditures which are related to Erickson'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. To the extent required by Revenue Procedure 97-13 (or any applicable supplementary, or superseding document issued by the Internal Revenue Service), the reimbursement of any costs hereunder paid to persons or entities related to Erickson shall be taken into account by Erickson for purposes of determining compliance with the requirements and limitations of Section 5.03(4) of Rev. Proc. 97-13.

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

4.7. Review of Operations. AP will have the right at all times to conduct on-site evaluations of any or all of the Management Services which Erickson has agreed to provide pursuant to this Agreement so that AP may prepare a written report setting forth the results of such evaluations. AP may engage, at AP's cost and expense, a third party to perform such evaluation on its behalf. Such review may include (i) the overall quality and performance of Erickson; (ii) reviewing compliance with the Management Agreement, including services provided, cost of services and compensation of Erickson; (iii) reviewing the annual operating and capital budget of the Facility; (iv) evaluating the condition of Facility assets; (v) reviewing the adequacy of reserves for the maintenance, repair and replacement of Facility assets; (vi) reviewing the level of resident satisfaction; and (vii) reviewing compliance with laws and regulations applicable to the Facility.

Upon reasonable notice, an authorized representative of Erickson shall be available during on-site evaluations. Erickson shall cooperate with such evaluation by

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responding to inquiries and providing access to documents, records or other materials that are requested. Erickson shall correct any deficiencies noted in these evaluations within thirty (30) days of the receipt of the written report from AP. In the event the correction cannot be made within thirty (30) days, Erickson shall provide AP with a written plan for the correction, including a timetable of proposed actions.

5. BUDGET.

5.1. Budget. Erickson shall prepare and shall periodically report upon an annual operating budget and capital budget for each calendar year in accordance with the requirements of the Budget Policy, which budget shall be subject to the review and approval by AP. AP agrees that it shall not amend the Budget policy without Erickson's consent, to the extent the amended Budget Policy imposes additional burdens, responsibilities or liabilities on Erickson or change to the Erickson Brand.

5.2 Erickson Brand. AP and Erickson acknowledge and agree that the Community shall be operated consistent with the Erickson Brand. Accordingly, in order to assure Erickson that AP will provide the resources necessary in order to implement the Erickson Brand, AP agrees to approve each calendar year a budget that meets or exceeds the amounts budgeted for those services, policies, and programs that are representative of the Erickson Brand; provided, however, that, following Maturity, if the revenues of the Community are not projected to satisfy the guidelines of the Budget Policy for such calendar year, Erickson shall recommend such alterations to the programs constituting the Erickson Brand as are necessary to satisfy the Budget Policy.

6. FUNDS AND ACCOUNTS

6.1. Books and Records. Erickson shall maintain and keep available, at its office, at all times, complete up-to-date books and records of the operation of the Premises. Such books and records shall be maintained so as to facilitate the preparation of financial statements in conformity with generally accepted accounting principles and to facilitate the preparation of reports called for in the Budget Policy. AP 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 or Fidelity Bonds. At AP's option Erickson shall require that any employees who handle or are responsible for handling of funds referable to or derived from the Premises shall be bonded, at AP's expense, by a commercial blanket bond in an amount specified by AP. AP is to receive a certificate of insurance indicating bonding coverage (if required) which shall be subject to the condition that AP be given ten (10) day prior notice before cancellation.

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6.3. Revenue. All revenue generated from the operation of the Community (including any rebates received by Erickson arising from purchases made on behalf of the Community or an expense which was allocated to the Community) shall be received by Erickson and deposited in an account(s) at a bank or banks designated by AP. Erickson or Erickson'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, Erickson shall periodically transfer the remaining balance of cash to AP's general or other funds or shall deposit the same to such investment account(s) as AP may direct. AP 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) refunds of Entrance Deposits to Residents, Erickson 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 AP. For items that are not included in the Capital Budget with an identified and available source, Erickson shall not expend in excess of one hundred thousand dollars ($100,000) for capital repairs or replacements unless specifically authorized by AP.

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 Erickson in excess of amounts set forth in the Budget with the understanding that Erickson will confer with AP by telephone or personally followed by a written report regarding every such emergency expenditure.

6.7. Commingling of Funds. At no time will the funds of AP be commingled with the funds or accounts of Erickson.

6.8. Banking relationships and Financing. AP shall retain full authority to approve and modify all AP banking relationships, investment management relationships, assumption of debt or refinancing of debt.

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7. INSURANCE

7.1. Responsibility to Maintain. Erickson shall obtain recommendations for and shall cause to be placed in force, at AP's expense, all forms of insurance needed to protect adequately AP, any mortgagee of the Premises, Erickson and the Community, in accordance with Applicable Standards. Unless otherwise directed in advance by AP, such insurance shall consist of the same coverage as was in place in the immediately preceding year. Erickson shall promptly notify AP of any material decrease or increase in such coverage.

7.2. Types of Insurance/Policy Limits.

(a) 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 AP, any mortgagee of the Premises, and Erickson; provided, however, at least the insurance coverage described in Part I of Exhibit A shall be maintained, unless otherwise agreed to by the parties. AP shall be authorized to revise the minimum insurance requirements set forth in Exhibit A in its sole discretion.

(b) Part II of Exhibit A sets forth the insurance that Erickson is required to purchase and maintain at its expense by carrier and amounts, including, E&O, workers compensation, comprehensive crime insurance, employment practice liability, auto liability and umbrella.

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

7.4. Certificates. Erickson 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. Erickson shall provide or engage staff at the Community in accordance with the approved Budget. Except as provided in the next paragraph, Erickson shall have full authority to engage, dismiss, reprimand, or otherwise deal with all employees of AP pursuant to this Agreement as may be necessary for the operation of the Community in accordance with Applicable Standards (the "Community Employees"). Unless AP otherwise approves, Community Employees shall consist of those at the manager, supervisor and service levels and shall be

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employees of AP. AP expressly understands and agrees that such actions taken by Erickson with respect to Community Employees shall take place in accordance with such personnel policies as Erickson may choose to establish on behalf of AP and pursuant to the standards of salaries, benefits and other compensation which Erickson may choose to provide and pay to Community Employees on behalf of AP; provided, however, that such policies shall be subject to review and revision by AP and such salaries, benefits and other compensation are in accordance with the Operating Budget as provided in Article 5 hereof.

Executive Director. Erickson will provide an on-site Executive Director (the "Executive Director") for the Community, together with such other personnel at the director level or above as are necessary for the efficient and effective provision of Management Services hereunder. The Executive Director will be responsible for day-to-day supervision of all Management Personnel and all Community Personnel, as hereinafter defined, who will report, either directly or indirectly, to the Executive Director or other Management Personnel. The Executive Director and the Management Personnel will be employees of Erickson, however, subject to the provisions of Sections 4.3 and 4.5, *infra*, all AP approved salaries and benefits of the Management Personnel shall be reimbursed to Erickson by AP as a cost of operations of the Community. Erickson represents and warrants that it is an equal opportunity employer. The Executive Director and other Management Personnel will be selected by Erickson.

In the event Erickson assigns personnel to AP on less than a full time basis, AP shall only pay for the appropriate salaries, benefits, and other expenses relating to the services provided to AP, or as otherwise approved by AP.

If so directed by AP for good cause shown, Erickson shall immediately replace the Executive Director with another individual selected by Erickson. For purposes of this Agreement, "good cause" means that any of the following has actually occurred; the Executive Director (i) engages in any acts or omissions with respect to AP's business affairs involving material dishonesty, or acts or omissions with respect to AP's business affairs that demonstrate a material lack of integrity (ii) is convicted of a felony; (iii) engages in grossly negligent acts or omissions or willful misconduct with respect to AP's business; or (iv) engages in continuing willful or intentional failure to carry out express written instructions of the Board which are within the scope of the Executive Director's duties hereunder and which failure continues for more than ten (10) days after the Board serves Executive Director written notice of the same.

8.2. Qualifications. Erickson shall take reasonable means to ensure that the Community Employees are qualified to perform the duties associated with their respective positions in accordance with Applicable Standards.

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8.3. Maintenance of Staffing Levels. Erickson shall be responsible for assuring that all Community Employee positions are filled on a timely basis. Toward that end, Erickson shall, as required, advertise all vacancies, provide for interviews of candidates and make employment decisions.

8.4. Training. Erickson 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. Erickson 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 Erickson, 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 Budget or as provided in Article 5 hereof.

8.5.2 Related Parties. Erickson may, with the advance written approval of AP, contract in the name of, or as agent for, AP with affiliates or other related parties of Erickson for the benefit of the Community provided that such contracts are on the same or similar terms as if negotiated and consummated on an "arms-length" basis and are in the best interest of AP; Provided, that Erickson shall, prior to the execution of such agreement, fully advise AP of the nature of Erickson's affiliation with the related party. Further provided, AP reserves the right to approve the contract or to require that Erickson demonstrate that such contract is arms-length. Erickson shall, in all other ways, and at all times comply fully with these conditions, and with all other terms and conditions of the Board approved AP's Conflict of Interest Policy as the same now exists and/or is the same may hereafter be developed or amended.

8.5.3 Attached hereto, labeled as Exhibit D, and made a part hereof by reference is a listing of all related parties with whom Erickson has contracted to provide services to AP.

9. MANAGEMENT PERSONNEL

9.1. Hiring of Management Personnel. In addition to Erickson's obligations pursuant to Article 8 hereof, Erickson 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. AP expressly understands and agrees that actions taken by Erickson with respect to the Management Personnel

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shall take place in accordance with Erickson's personnel policies and pursuant to the standards of salaries, benefits and other compensation which Erickson may from time to time provide and pay in accordance with the approved Budget. All salaries, payroll taxes and unemployment insurance of the Management Personnel shall be timely paid by Erickson and Erickson shall indemnify and hold AP harmless with respect to Erickson's failure to perform such function in a timely manner.

9.1.2. Conflicts of interest policies. Erickson shall obtain conflicts statements conforming to AP's policy from Erickson employees who have procurement authority for AP and from Erickson's senior management, and shall report any conflicts to AP.

9.2. Consulting and Professional Services of Certain Key Personnel. Erickson shall use its best efforts to have Management Services performed by Community Employees or Management Personnel. However, Erickson reserves the right to hire outside consultants or professionals to perform such Management Services, if such use is deemed reasonably practicable, and to the extent permitted by the Operating Budget. 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. Erickson 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 Erickson's undertakings pursuant to this Agreement within the nursing home division of the Community. The Administrator shall be an employee of Erickson, provided, however, that the salary benefits and other compensation of the Administrator shall be timely paid by AP 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 (unless such termination is due to AP acquiring the Premises or the interests in the entity owning the Premises), or (ii) five (5) years from the date hereof; provided, however, that unless (x) this Agreement has otherwise been terminated hereunder (including a termination pursuant to Section 10.1.3 hereof), (y) AP has given thirty (30) days' written notice to Erickson prior to the end of the original term hereof, or (z) Erickson has given one hundred eighty (180)

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days' written notice to AP prior to the end of the original term hereof, this Agreement shall automatically renew for successive one-year terms at the conclusion of the term hereof, but shall remain subject to all of the termination provisions herein and to termination at any time during each such one-year renewal term for any reason, or for no reason at all, upon thirty (30) days' prior written notice by AP to Erickson, or upon one-hundred-eighty (180) days' prior written notice by Erickson to AP.

10.1.1. AP and Erickson 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 AP, provided such Event of Default does not occur as a result of the acts or omissions of Erickson. Any such termination by Owner or its successors or assigns must be in writing delivered to Erickson and AP and shall be effective on the thirtieth (30th) day following the mailing of such notice of termination.

10.1.2. Notwithstanding anything to the contrary expressed or implied in this Agreement, it is understood and agreed that if, AP receives notice that the Internal Revenue Service believes that any failure on the part of AP to take action with respect to this Agreement, that any provision or provisions of this Agreement, or that any action taken by Erickson hereunder may adversely affect the 501(c)(3) tax exempt status of AP or of the tax exempt bonds issued for its benefit, and/or may subject AP to civil or criminal penalties under any provision of the Social Security Act and/or any other federal or state law, the parties shall meet to renegotiate any such provisions. However, in the event that the parties are unable to mutually agree upon satisfactory replacement provisions within a reasonable time, AP shall have the right to unilaterally terminate this Agreement upon one month written notice to Erickson.

10.1.3. Termination Without Cause. After this Agreement has been in effect for three (3) years, AP may terminate this Agreement at any time for any reason, or for no reason at all, upon thirty (30) days' prior written notice.

Erickson may terminate this Agreement upon six months' written notice if (i) Erickson requests approval of AP of an enhancement of the Erickson Brand in excess of that permitted by the Budget, AP declines, and Erickson reasonably believes such action will be detrimental to the Erickson Brand, or (ii) AP requires a reduction to a program or fails to fully fund a program in accordance with Article 5, if Erickson believes that such action will be detrimental to the Erickson Brand.

10.2. Termination by AP. AP may terminate this Agreement upon the occurrence of any of the following events of default:

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10.2.1. Either (i) the failure by Erickson to observe or perform any of its agreements, covenants, warranties or representations contained in this Agreement or (ii) if occupancy, resident satisfaction, employee turnover and satisfaction services, financial performance and patient health care are significantly below the level which is consistent with the Erickson Brand, and such failure shall remain uncured for a period of forty-five (45) days after written notice thereof, specifying such failure, has been given to Erickson (notwithstanding the obligation of AP to provide forty-five days notice, if AP believes in good faith that the best interest of the Community so requires, Erickson's right to manage the Community may be suspended during the notice period, but such suspension shall not affect Erickson's contract rights with respect to compensation under this Agreement); or

10.2.2. Without notice or demand upon the commencement by Erickson 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 Erickson; 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 Erickson 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 Erickson; or

10.2.6. The failure by Erickson 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 Erickson.

10.2.7. At the option of AP, this Agreement may be terminated or modified to the extent necessary in the event of a change in law, regulation or ruling of court or agency, or there is a change in interpretation of existing law or rule, or action is threatened, that would adversely affect AP's 501(c)(3) status, or the tax-exempt status of its bonds or if this Agreement violates any applicable law, regulation or rule and cannot be cured.

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

10.3.1. The failure by AP 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 AP; or

10.3.2. The failure by AP 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 AP's failure is to due to Erickson's fault, Erickson shall have no right of termination.

10.4. Cooperation Upon Termination.

10.4.1. AP and Erickson 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, Erickson shall promptly account to AP 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 AP all books, records, leases, license and concession agreements, vouchers, bills, and other documents referable to the Premises in Erickson's possession.

10.4.3. Erickson hereby grants to AP a license (to the extent licensable) coupled with an interest, commencing upon the termination of this Agreement for any reason (other than a default by AP) and continuing for a period not to exceed twelve (12) months, to use the proprietary documents, manuals, systems, software, resident data base, management information systems and other materials owned by Erickson and used by Erickson in connection with its management of the Community, such license to be limited to use by AP only in connection with the operation of the Community. Such license is nontransferable and shall terminate (except as to the resident data base) on the earlier to occur of (i) twelve (12) months or (ii) one hundred twenty (120) days from the commencement of management of the

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Community by a management company other than Erickson. In consideration of the license herein granted, AP will pay to Erickson a reasonable fee for the use of the materials and systems, consistent with market rates at that time, but in no event to exceed thirty percent (30%) of the management fee paid to Erickson in the month immediately preceding the termination.

Upon any termination of this Agreement, all right, title and interest of the Erickson in and to any licenses, permits, qualifications, approvals, leases, residency agreements, trade contracts and/or other agreements that are necessary for the operation of the Community shall, at the option of AP (to the extent assignable), be assigned to AP; provided, however, that this paragraph does not apply to matters addressed in the preceding paragraph nor to bulk purchase contracts relating to multiple communities.

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 Erickson, or a trustee or assignee for the benefit of creditors, receiver or custodian is appointed for Erickson or its assets, the obligation of Erickson or such affiliates to provide records and reports and to permit the review of operations as set forth herein shall not abate.

11. INDEMNIFICATION.

a. Erickson will indemnify, defend and hold AP, its officers, directors employees and agents harmless from any claim, loss, liability, cost, damage or expense (including court costs, attorney fees and other expenses of litigation) suffered by, or claimed or asserted against AP, directly or indirectly, by any individual (including an individual employed by Erickson or any Erickson entity at the time of the alleged incident giving rise to the claim), corporation, general partnership, limited partnership or other entity of any kind or nature, arising out of or resulting from (i) the failure by Erickson to institute reasonable business practices for the operation of the Community or for the performance of Erickson's responsibilities under this Agreement, (ii) the negligence or willful misconduct of Erickson by reason of exceeding its authority granted under this Agreement or otherwise granted to Erickson by AP, (iii) the negligence or willful misconduct of Erickson in selecting, training or performing oversight and management of either the Community Employees or employees of Erickson, (iv) the willful misconduct of any Erickson employee or agent, or (v) the negligence or willful misconduct of the Executive Director or any Erickson employee holding a position above the Executive Director. Erickson will also indemnify, defend and hold AP, its officers, directors employees and agents harmless from any claim, loss, liability, cost, damage or expense (including court costs, attorney fees and other expense of litigation) suffered by, or claimed or asserted against AP, directly or indirectly, by any individual employed by Erickson or any Erickson entity at the time of the alleged

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incident giving rise to the claim arising out of or resulting from the negligence or willful misconduct of AP employees.

b. AP will indemnify, defend and hold Erickson, its officers, directors, employee or agents harmless from any claim, loss, liability, cost, damage or expense (including court costs, attorney fees and other expenses of litigation) suffered by, or claimed or asserted against Erickson, directly or indirectly, by any individual (including an individual employed by AP at the time of the alleged incident giving rise to the claim), corporation, general partnership, limited partnership or other entity of any kind or nature, arising out of or resulting from (i) the negligence or willful misconduct of AP or any of its employees or agents, or (ii) the negligence of any employee of Erickson (a) acting within the scope of such employee's employment and (b) performing or attempting to perform any obligations of Erickson under this Agreement, except to the extent that such claim, loss, liability, cost, damage or expense constitutes an indemnity obligation of Erickson under Section 11(a) of this Agreement.

c. AP shall have the right to engage a forensic consultant for the purpose of investigating the circumstances giving rise to a loss. Erickson will cooperate with the investigation.

Survival of Obligations. Notwithstanding any provisions to the contrary set forth elsewhere in this Agreement, the obligations of Erickson under Subsections 3.6, 10.4, 10.5, 11(a), 11(c) and 13.7, and of AP under Subsections 11(b) and 13.7 shall survive termination of this Agreement and Erickson shall remain bound by the provisions thereof.

12. CONSTRUCTION OF CONTRACT

12.1. Entire Agreement. This Agreement represents the entire agreement between AP and Erickson and supersedes all prior agreements and negotiations.

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

12.3. 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.

12.4. 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.

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12.5. 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.

12.6. 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.

12.7. 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.

12.8. Negation of Partnership, Joint Venture and Equity Interest. Nothing contained in this Agreement shall constitute or be construed to be or to create a partnership, joint venture or lease between AP and Erickson with respect to the Community or any equity interest in the Community on the part of Erickson. The relationship of Erickson to AP under this Agreement is that of an independent contractor.

13. MISCELLANEOUS

13.1 Marketing. AP approves the use of Erickson's name, service mark, and logo in connection with any and all advertising or other marketing or promotional materials distributed by Erickson in connection with its duties under this Agreement, or in connection with the marketing and development of the Community. In addition, AP consents to the use of AP's name, service mark, and logo in connection with any and all advertising, promotional or marketing materials in connection with Erickson's national, regional, or local marketing campaigns, including use of such marks in connection with the promotion of all, or less than all, other continuing care retirement communities managed by Erickson.

13.2. Notice of Violations. Promptly after receipt thereof, Erickson shall deliver to AP a copy of any notice of violation of any Applicable Standard, Approval or Permit, and written notice of all citations, notices, reports or correspondence or verbal warnings with respect thereto, whether such notice, citation, report or warning is from a governmental authority, or from any insurance company which shall have issued the then existing insurance policies.

13.3. Assignment. Erickson shall not assign this Agreement or its interest therein without the written consent of AP; however, said consent shall not be

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unreasonably withheld. A merger, consolidation, sale of all or substantially all of the assets or any change of control event of Erickson shall be deemed an Assignment.

13.4. Binding Agreement. This Agreement shall be binding upon and inure to the benefit of AP, its successors and assigns, and shall be binding upon and inure to the benefit of Erickson, its successors and assigns.

13.5. Confidentiality. No provision of this Agreement shall be disclosed by AP or Erickson to any person, firm or corporation without a prior written approval of the other party, except that either party may disclose any provision hereof without the consent of the other party to its lenders (including its bondholders, letter of credit banks and counterparties in derivative transactions), attorneys, accountants or regulators, or to the extent necessary to comply with any statute, governmental rule or regulation, subpoena or court order to which such party may be subject.

13.6 Standard. In performing all of its duties under this Agreement, Erickson shall so perform at a level which complies with the standard of a reasonably diligent manager under the circumstances.

13.7. Arbitration.

a. Any dispute, claim or controversy of any kind between the parties arising out of this Agreement or involving the interpretation or application of any provision of this Agreement shall be submitted to arbitration within 50 miles of the Community, in accordance with the commercial arbitration rules of the American Arbitration Association; provided, that (a) each party shall be required to submit its proposed resolution of such dispute, claim or controversy in writing to the arbitrator(s) after the presentation of evidence at the arbitration hearing; and (b) the arbitrator(s) may render a decision adopting in full one or the other of such proposed resolutions. However, compromises or alternative resolutions may be considered and allowed by the arbitrator(s). There shall be no award of punitive or exemplary damages. The parties jointly shall agree on three arbitrators. If the parties are unable to agree in good faith within a reasonable time on the selection of arbitrators, either party may request appointment of arbitrators by the American Arbitration Association. The arbitration decision shall be final and binding on both parties unless the arbitration is fraudulent or so grossly erroneous as to necessarily imply bad faith. Either party may raise the issue of fraud or gross error in a court proceeding. General costs of arbitration (arbitration fees, location costs, etc., excluding attorney and expert fees) are to be shared by both parties equally, provided that a majority of the arbitrators may choose to award general costs of arbitration against the losing party if the arbitrators determine that the position urged by the losing party was not reasonable. All settlement negotiations and arbitration proceedings are to be confidential.

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b. In addition to discovery allowed under the Rules of the American Arbitration Association, each party shall promptly provide copies of documents reasonably requested by the other and shall promptly respond to requests for admissions and written interrogatories requested by the other which request and interrogatories shall not exceed 30 in number (including subparts) except as may be allowed by the arbitrators upon a showing of good cause. The arbitrators shall decide any disagreement relating to discovery. Each party may take the deposition of up to 5 individuals without prior approval of the arbitrators. Additional oral depositions may be taken upon good cause shown and the approval of the arbitrators. Reasonable Protective Orders prohibiting disclosure of documents except to parties, their attorneys, the arbitrators, or others such as experts who have a need to review the documents in connection with the arbitration, may be issued by the arbitrators.

c. In the event a party necessary to a complete resolution of the matter cannot be joined in the arbitration the matter shall be resolved in a Maryland Court (state or federal) of appropriate jurisdiction.

13.8. Notice. Any notice required to be given under this Agreement shall be mailed or delivered, addressed, as the case may be, to AP to 701 Maiden Choice Lane, Catonsville, Maryland 21228, Attention: President, with a copy sent to its counsel, Herman B. Rosenthal, Esquire, Whiteford, Taylor & Preston L.L.P. Seven St. Paul Street, Suite 1400, Baltimore, Maryland 21202 and to Erickson at 701 Maiden Choice Lane, Catonsville, Maryland 21228, Attention: General Counsel or to such other addresses as such party may designate by notice given to the other as provided in this paragraph. All payments required to be made by AP to Erickson under this Agreement shall be deposited to Erickson's operating account at Mercantile Safe Deposit and Trust Company, and all statements and other documents required to be furnished and delivered to AP by Erickson shall be delivered either by hand or by regular mail at the address designated in this paragraph.

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

Exhibit A	Insurance Requirement
Exhibit B	Management Services
Exhibit C	Management Fee
Exhibit D	Related Parties to Erickson
Exhibit E	Mission

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IN WITNESS WHEREOF, the parties have executed this Management and Marketing Agreement as of the date first written above.

WITNESS:

By: _____

ASHBY PONDS, INC.

By: _____
Ronald E. Walker
President

WITNESS:

By: _____

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____
Gerald F. Doherty
Executive Vice President

APPROVED FOR
LEGAL SUFFICIENCY _____

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EXHIBIT A

INSURANCE REQUIREMENTS

Erickson shall obtain and maintain in its own name all insurance required to be maintained by AP under the Master Lease as follows:

Part I (AP Insurance)
Part II (ERC Insurance)

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EXHIBIT B

NON-INCLUSIVE MANAGEMENT SERVICES

Accounting
Activities
Administration
Admissions
Corporate Compliance
Engineering Services
Food Service & Dietary
General Services
Grounds and Maintenance
Health Care
Housekeeping & Laundry
Human Resources
Information Services
Marketing/Remarketing
Medical/nursing care and other programs required by the residents of the Community's skilled nursing facility.
Nursing Home Administration
Pastoral Care
Physician Services (Senior Campus Physicians)
Resident communications such as newsletters
Resident handbooks
Resident Life
Resident satisfaction and quality assurance
Resident utilities including water, electricity, sewer, heating and air conditioning, and basic cable
Security
Transportation
Wellness and health monitoring program

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EXHIBIT C

MONTHLY MANAGEMENT FEE

Calendar Year	Annual Management Fee	Monthly Management Fee
2008	$98,019	$12,252.38
2009	$381,290	$31,774.17
2010	$615,374	$51,281.17
2011	$853,296	$71,108.00
2012	$1,482,073	$123,506.08

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EXHIBIT D

RELATED PARTIES TO ERICKSON PROVIDING SERVICES TO AP

ERICKSON ADVANTAGE
SENIOR CAMPUS CARE
SENIOR CAMPUS CARE, LLC (VA)

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EXHIBIT E

MISSION

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Oak Crest Village National Board of Directors

Mission

To share our gifts to create communities that celebrate life.

Active quality of life for seniors
- Large scale retirement campuses to promote activity & healthy living
- Resident centered service culture
- Resident run activities with professional support

Excellence in services and programs
- Board ultimate authority in services, programs, fees, facilities & financing
- Board review of services and programs personally and in meeting with Residents Advisory Council
- Board takes a long term institutional responsibility vs. short term resident view and medium term for-profit view

Affordable to middle income seniors
- Board fiduciary responsibility to long term viability of institution for current and future residents
- Financing authority lowers cost of capital
- Exempt from income tax
- Reduced property tax
- Net income is used to benefit institution
- 100% Refundable Entrance Deposit
- Fee For Service Health Care

Life care commitment
- No resident should ever have to leave a community as a result of financial inability to pay for the cost of their care
- Benevolent Care fundraising

Growth
- Make this lifestyle available to an increasing number of seniors
  - Increase affordability
  - Develop in current markets
  - Develop in new markets

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EXHIBIT 23

"Community Loan Documents"

1. Community Loan Agreement
2. Community Loan Note
3. Credit Line Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing

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ASHBY PONDS

COMMUNITY LOAN AGREEMENT

THIS COMMUNITY LOAN AGREEMENT (this "Loan Agreement") is made as of this 31st day of May, 2007 by and between ASHBY PONDS, INC., a Maryland nonstock corporation ("AP") located at 701 Maiden Choice Lane, Baltimore, Maryland 21228, and ASHBURN CAMPUS, LLC, a Maryland limited liability company ("AC"), 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 AP and AC, AP is in possession of the Retirement Community located in Ashburn, Virginia. AP 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).

To finance the acquisition, development, improvement and construction of the Property and the Retirement Community, AP and AC have determined that AC shall, from time to time, borrow from AP the Loan, consisting of all Initial Entrance Deposits paid or to be paid by the Residents.

As collateral security for AC's payment and performance of its obligations under this Loan Agreement and the Note, AC shall execute the Mortgage in favor of AP, encumbering the Property upon which the Retirement Community is located.

The parties intend that the aggregate Loan of all Entrance Deposits loaned by AP to AC shall not exceed Six Hundred Fifty Million Nine Hundred Thirty-Nine Thousand Six Hundred Thirty-One Dollars ($650,939,631). 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, AP and AC 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 AP and AC 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, AC and AP agree as follows:

1. Definitions. For the purposes of this Loan Agreement and the Loan Documents, the following terms shall have the indicated meanings:

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AC – Ashburn Campus, LLC, a Maryland limited liability company authorized to do business in Virginia.

AP –Ashby Ponds, Inc., a Maryland nonstock corporation authorized to do business in Virginia.

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 AP 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 AC 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 AC under this Loan Agreement come into possession of AP, 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.

Initial Entrance Deposit – The first full Entrance Deposit received from a Resident of a Unit.

Initial Move-In Period - The period for each Phase beginning with substantial completion of construction for such Residential Building 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 AP to AC 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.

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Master Lease - The Master Lease and Use Agreement of even date herewith between AP and AC.

Mortgage - The mortgage or deed of trust of even date herewith granted by AC to AP and encumbering the Property to secure AC's payment and performance of its obligations under this Loan Agreement and the Note.

Note - The promissory note to be executed by AC evidencing the Loan, in substantially the form attached hereto as Exhibit C.

Phase - Each interval of development of the Retirement Community, consisting of a building and/or other improvements.

Property - The real property located in Ashburn, Virginia upon which the Retirement Community will be built and which is more particularly described in the Mortgage.

Regulatory Escrow - The escrow account (if any) established by AP 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 AP and each Resident of the Retirement Community, detailing the residential and other rights and obligations of the Resident and the rights and obligations of AP.

Resident - Each occupant of the Retirement Community pursuant to a Residence and Care Agreement.

Residential Building – A building constructed on the Property in which Independent Living Units, Assisted Living Units or Nursing Units are located.

Retirement Community - The continuing care community located on the Property.

2. The Loan. Upon and subject to the terms and conditions set forth herein, AP agrees to lend to AC, and AC agrees to borrow from AP, a sum equal to the Initial Entrance Deposits received by AP, 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 AP to AC. The Loan shall be disbursed as follows:

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3.1. AP agrees to disburse to AC 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 AP 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 AP shall require such Resident to execute and deliver to AP 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 AP, AP 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 AC as a Loan advance.

4. Interest Payments.

4.1. During the Initial Move-In Period for each Phase, AC agrees to pay interest monthly on the aggregate Loan advances disbursed for such Phase at the rate of one-twelfth (1/12) of four and five-tenths percent (4.5%) per annum. The interest shall be payable to AP 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 Initial Entrance Deposits for all of the remaining unsettled Continuing Care Units in such Phase, plus the amounts outstanding, if any, of the Resident's promissory notes referenced in Section 3.2 above applicable to such Phase. Upon completion of the Initial Move-In Period for each Phase, the monthly payment for such Phase shall be calculated as if the aggregate amount of principal attributed to such Phase is amortized in equal monthly installments over a thirty (30) year term at the rate of four and five-tenths percent (4.5%), per annum (even though the full face amount of such Note and the entire principal attributed to such Phase have not been advanced). Due to the fact that the principal amount outstanding under the 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 AC's receipt of such additional Loan advances. Thereafter, as AP 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 for such Phase, AP shall disburse to AC such sums received as advances on the Loan, and such advances shall be confirmed by written notice from AP to AC. Interest shall be due and payable on such Loan advances only from the date of such Loan advance.

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4.3. AP acknowledges and agrees that AC may offset any sums due from AP to AC under the Master Lease against payments due from AC to AP under the Note and the other Loan Documents. In addition, AC acknowledges and agrees that AP may offset any sums due from AC to AP under the Note and the other Loan Documents against payments due from AP to AC under the Master Lease.

5. The Note.

5.1. Upon execution and delivery of this Loan Agreement by the parties hereto, AP shall execute and deliver to AC the Note in the form attached hereto as Exhibit C, and AC agrees to commence monthly interest payments on the Loan advances for such Phase (and each Phase thereafter upon commencement of the Initial Move-In Period for that Phase), calculated in accordance with the terms of this Loan Agreement and the Note.

5.2. AC 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 under the Note to principal and interest under the Note. AC further agrees to provide to AP, upon request, a written statement of the principal amount due under the Note, and the application of monthly payments under the Note.

6. Security by AP.

6.1. The parties acknowledge that AC is relying on the commitment of AP to advance funds in accordance with the terms of this Loan Agreement, and that in the event AP defaults in such obligation, AC will suffer material adverse consequences. Consequently, as collateral security for AP's obligations hereunder, AP herewith assigns and sets over to AC all of its right, title and interest in and to (i) the Residence and Care Agreements; and (ii) the Entrance Deposits; and grants to AC a security interest therein. AP 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 AP in any of its obligations under this Loan Agreement, AC shall have the right to exercise all rights of AP under the Residence and Care Agreements, including the right to enter into such modifications, terminations or amendments thereof as AC 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 AC satisfies any laws, rules and regulations applicable to AC exercising such rights), all without notice to or concurrence of AP.

6.2. As additional security for all of AP's obligations hereunder, and to the extent not prohibited by law, AP assigns and sets over to AC all of AP'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 AP and the Retirement Community; and (iv) any and all personalty of AP 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. AP 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. AP acknowledges and agrees that AC may collaterally assign this Loan Agreement and the other Loan Documents to any lender providing financing for construction of all or any part of the Retirement Community (the "Bank"), as security for any Development Loan made by the Bank to AC. AP agrees to recognize the Bank and its successors or assigns rights to Loan advances upon AP's receipt of written notice from the Bank that AC 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. AC hereby represents, covenants and warrants as follows:

7.1.1. AC has been duly established as a Maryland limited liability company, is validly existing and authorized to do business and is in good standing in the State of Maryland; is qualified to do business in the State of Virginia; 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 AC to AP are true and correct.

7.1.2. The borrowings evidenced by this Loan Agreement and the Note are duly within the power of AC, 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 AC or any of its members is a party or is bound. This Loan Agreement and the Note, when executed and delivered by AC, shall constitute legal, valid, and binding obligations of AC, enforceable against AC according to their terms.

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7.1.3. AC has an insurable title in 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 D attached hereto.

7.2. Contemporaneous with the execution of this Loan Agreement, AP covenants to deliver to AC:

7.2.1. A copy of the Articles of Incorporation and By-Laws of AP;

7.2.2. A certificate as to AP's qualification to do business in the State of Virginia or such other evidence of the due organization and valid existence of AP as may be reasonably acceptable to AC; and

7.2.3. A resolution executed by the Board of Directors of AP, consenting to the lending of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement by AP.

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, AC shall deliver to AP:

8.1.2. A copy of the Articles of Organization and Operating Agreement of AC;

8.1.3. Certificates as to the good standing and/or existence of AC in the State of Maryland and the State of Virginia;

8.1.4. A resolution executed by the members of AC, consenting to the borrowing of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement, the Note and the Mortgage by AC;

8.1.5. The Note, in the form attached hereto as Exhibit C; and

8.1.6. The Mortgage, in a form acceptable to AP.

8.2. All representations and warranties of AC contained in this Loan Agreement 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 AC under any of the Loan Documents or the Master Lease nor

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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 AC to make any payment of principal or interest under this Loan Agreement or the Note within ten (10) days after the due date thereof, AP, at AP's option may elect to terminate this Loan Agreement, in which event AP's obligation to disburse Loan advances shall immediately terminate. AP may also, in such event and at its sole discretion, declare the Note 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 AC.

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. AP 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 AC 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 AC to any holder of any Development Loans AC'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 AC 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 AP nor AC 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) AP 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, AP 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

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entity or entities are legally responsible, then (ii) to AC. AC and AP 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 Virginia, and venue for any proceedings under this Loan Agreement shall be in the State of Virginia.

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/Partners. 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 AP, includes but is not limited to the Entrance Deposits in AP'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, partners or any officer, director or employee of a member or partners 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 or partner of a party for any obligation arising independently of their status as a member or partner 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 AP 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 AP) shall preclude other or further exercise thereof or the exercise of any other rights. Waiver by AP of any default by AC, 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.

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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 – Title Exceptions

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IN WITNESS WHEREOF, the parties hereto have caused this Community Loan Agreement to be duly executed as of the date first above written.

WITNESS:

ASHBY PONDS, INC.

By: _____ (SEAL)
Ronald E. Walker
President

WITNESS:

ASHBURN CAMPUS, LLC
By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

APPROVED AS TO LEGAL SUFFICIENCY _____

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ASHBY PONDS
COMMUNITY LOAN AGREEMENT

EXHIBIT A

SCHEDULE OF ANTICIPATED ENTRANCE DEPOSITS

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Ashburn Campus, LLC
Entrance Deposits

Phase	# of Units	Amenities $5,000	Entrance Deposits	Inflation Rate*	New Inflated Deposit	Date of First Settlement
Residential Building 1.1	77	96,250	27,034,000	0.0000%	27,130,250	May-08
Residential Building 1.2	77	96,250	25,699,000	0.0000%	25,795,250	Jun-08
Residential Building 1.3	145	181,250	50,077,000	0.0000%	50,258,250	Aug-08
Residential Building 1.4	78	97,500	27,814,000	3.0000%	28,745,920	Apr-09
Residential Building 1.5	79	98,750	27,282,000	3.0000%	28,199,210	May-09
Residential Building 1.6	80	100,000	28,039,000	6.0900%	29,846,575	Apr-10
Residential Building 2.1	118	147,500	38,925,000	6.0900%	41,443,033	Sep-10
Residential Building 2.2	65	81,250	23,325,000	9.2727%	25,569,107	Jul-11
Residential Building 2.3	99	123,750	34,758,000	9.2727%	38,105,848	Dec-11
Residential Building 2.4	102	127,500	35,429,000	12.5509%	40,003,152	Aug-12
Residential Building 2.5	77	96,250	28,904,000	15.9274%	31,285,360	Mar-13
Residential Building 2.6	76	95,000	25,708,000	15.9274%	29,897,618	Apr-13
Residential Building 3.1	91	113,750	30,773,000	19.4052%	36,858,321	Apr-14
Residential Building 3.2	126	157,500	42,248,000	19.4052%	50,603,821	Dec-14
Residential Building 3.3	111	138,750	39,533,000	22.9874%	48,759,354	Aug-15
Residential Building 3.4	112	140,000	39,109,000	26.6770%	49,682,111	May-16
Residential Building 3.5	72	90,000	24,765,000	30.4773%	32,428,803	Jan-17
Extended Care 1.0	132		16,429,842	9.2727%	17,953,114	Dec-11
Extended Care 2.0	96		14,082,550	30.4773%	18,374,534	Jan-17
Total	1,813	1,981,250	577,955,193		650,939,831	

Deposits

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.1
Opening Date May-08

			Base Year 2008 Deposit $	RB 1.1	RB 1.1
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	4	1,044,000
1 BR & DEN	Glenwood	K33.5	261,000	5	1,305,000
2 BR / 1 1/2 B *	Keswick	S41.5	285,000	5	1,430,000
2BR HC		0 S41.5HC	288,000	1	288,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	6	1,866,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B****		0 R51m	361,000	12	4,332,000
2 BR / 2B	Radcliffe	G62	361,000	4	1,444,000
2 BR / 2B****		0 G62m	368,000	4	1,464,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Somerton	R61m	424,000	2	848,000
2 BR / 2B	Stratford	LG61	477,000	12	5,724,000
2 BR / 2B	Wakefield	K71	534,000	3	1,602,000
	Total:			77	27,034,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	27,130,250
Projected Deposits without Amenities (Inflated)			0.00%	77	27,034,000
Total Amenities					96,250
Total Projected Deposits					27,130,250

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.2
Opening Date Jun-08

			Base Year 2008 Deposit $	RB 1.2	RB 1.2
Unit categories:					
1 BR **	Berkshire	R11	201,000	4	804,000
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	288,000	5	1,440,000
2BR HC		0 S41.5HC	288,000	1	288,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	6	1,794,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B****		0 R51m	361,000	15	5,415,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stretford	LG51	477,000	4	1,908,000
2 BR / 2B	Thurmont	H53	477,000	8	3,816,000
	Total:			77	25,099,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	25,795,250
Projected Deposits without Amenities (Inflated)			0.00%	77	25,699,000
Total Amenities					96,250
Total Projected Deposits					25,795,250

RB1.2

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.3
Opening Date Aug-08

			Base Year 2008 Deposit $	RB 1.3	RB 1.3
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	12	2,652,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
Large 1 BR	(K33.5alm)	C11.5	238,000	4	952,000
1 BR & DEN	Galloway	K31.5	261,000	7	1,827,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	10	2,860,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	7	2,093,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	11	3,421,000
3 BR / 2B****		0 R51m	381,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B****		0 G52m	366,000	4	1,464,000
2 BR / 2B***		0 J5	335,000	3	1,005,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	12	5,088,000
2 BR / 2B	Stratford	LG61	477,000	5	2,385,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	12	6,408,000
	Total:			145	50,077,000
Amenities					
		25% of Units * $5,000		25%	181,250
				145	181,250
Total with Amenities				145	50,258,250
Projected Deposits without Amenities (Inflated)			0.00%	145	50,077,000
Total Amenities					181,250
Total Projected Deposits					50,258,250

RB1.3

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.4
Opening Date Apr-09

			Base Year 2006 Deposit $	RB 1.4	RB 1.4
Unit categories:					
1 BR *	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	3	663,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR		0 S21m	231,000	1	231,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	1	299,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	3	933,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B*****		0 R51m	361,000	12	4,332,000
2 BR / 2B	Redcliffe	G52	351,000	11	3,971,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	11	5,247,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			78	27,914,000
Amenities					
		25% of Units * $5,000		25%	97,500
				78	97,500
Total with Amenities				78	27,911,500
Projected Deposits without Amenities (inflated)			3.00%	78	28,648,420
Total Amenities					97,500
Total Projected Deposits					28,745,920

RB1.4

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.5
Opening Date May-09

			Base Year 2008 Deposit $	RB 1.5	RB 1.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	281,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	4	1,144,000
2BR HC		S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	18	5,598,000
2 BR / 1 1/2 B ****		R42.5m	302,000	1	302,000
3 BR / 2B****		R51m	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
	Total:			79	27,282,000
Amenities					
		25% of Units * $5,000		25%	98,750
Total with Amenities				79	27,380,750
Projected Deposits without Amenities (Inflated)			3.00%	79	28,100,460
Total Amenities					98,750
Total Projected Deposits					28,199,210

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.6
Opening Date Apr-10

				Base Year 2008 Deposit $	RB 1.6	RB 1.6
Unit categories:						
1 BR **	Berkshire		R11	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	5	1,105,000
Large 1 BR	Crofton		LG21	224,000	0	0
Large 1 BR	Carlisle		S21	231,000	2	462,000
Large 1 BR		0	S21m	231,000	0	0
Large 1 BR	(K33.5slm)		C11.5	238,000	3	714,000
1 BR & DEN	Galloway		K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	5	1,430,000
2BR HC		0	S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	2	604,000
3 BR / 2B****		0	R51m	361,000	16	5,776,000
2 BR / 2B	Plymouth		G51	338,000	0	0
2 BR / 2B	Radcliffe		G52	361,000	8	2,888,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Stratford		LG61	477,000	12	5,724,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				80	28,039,000
Amenities						
			25% of Units * $5,000		25%	100,000
					80	100,000
Total with Amenities					80	28,139,000
Projected Deposits without Amenities (Inflated)				6.09%	80	29,746,575
Total Amenities						100,000
Total Projected Deposits						29,846,575

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.1
Opening Date Sep-10

				Base Year 2008 Deposit $	RB 2.1	RB 2.1
Unit categories:						
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	12	2,652,000
Large 1 BR	Carlisle		S21	231,000	3	693,000
Large 1 BR	(K33.5alm)		C11.5	238,000	1	238,000
1 BR & DEN	Galloway		K31.5	261,000	7	1,827,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	17	5,287,000
2 BR / 1 1/2 B ****		0	R42.6m	302,000	3	906,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	7	2,177,000
2 BR / 2B	Pendleton		R51	361,000	16	5,776,000
2 BR / 2B	Plymouth		G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe		G52	361,000	5	1,805,000
2 BR / 2B***		0	J5	336,000	2	670,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	4	1,696,000
2 BR / 2B	Stratford		LG61	477,000	5	2,385,000
2 BR / 2B***		0	H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				118	38,925,000
Amenities						
		25% of Units * $5,000			25%	147,500
					118	147,500
Total with Amenities					118	39,072,500
Projected Deposits without Amenities (Inflated)				6.09%	118	41,295,533
Total Amenities						147,500
Total Projected Deposits						41,443,033

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.2
Opening Date Jul-11

			Base Year 2008 Deposit $	RB 2.2	RB 2.2
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Crofton	LG21	224,000	0	0
Large 1 BR	Carlisle	S21	231,000	1	231,000
1 BR & DEN	Glenwood	K33.5	261,000	1	261,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	2	572,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	6	1,794,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	6	2,028,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Somerton	R61m	424,000	0	0
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thurmont	H63	477,000	0	0
3 BR / 2B****		0 H63m	477,000	8	3,816,000
2 BR / 2B	Wakefield	K71	534,000	3	1,602,000
	Total:			65	23,325,000
Amentities					
		25% of Units * $5,000		25%	81,250
				65	81,250
Total with Amenities				65	23,406,250
Projected Deposits without Amenities (Inflated)			9.27%	65	25,487,857
Total Amenities					81,250
Total Projected Deposits					25,569,107

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.3
Opening Date Dec-11

				Base Year 2008 Deposit $	RB 2.3	RB 2.3
Unit categories:						
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Carlisle		S21	231,000	2	462,000
Large 1 BR		0	S21m	231,000	1	231,000
1 BR & DEN	Galloway		K31.5	261,000	4	1,044,000
1 BR & DEN	Glenwood		K33.6	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		841.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	1	299,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	2	622,000
2 BR / 2B	Pendleton		R51	361,000	16	5,776,000
2 BR / 2B	Plymouth		G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe		G52	361,000	7	2,527,000
2 BR / 2B***		0	J5	335,000	1	335,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	7	3,339,000
2 BR / 2B	Thornbury		H61	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				99	34,759,000
Amenities						
			25% of Units * $5,000		25%	123,750
					99	123,750
Total with Amenities					99	34,882,750
Projected Deposits without Amenities (Inflated)				9.27%	99	37,982,098
Total Amenities						123,750
Total Projected Deposits						38,105,848

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.4
Opening Date Aug-12

			Base Year 2008 Deposit $	**RB 2.4**	**RB 2.4**
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
1 BR & DEN	Galloway	K31.5	261,000	7	1,827,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	12	3,732,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	14	4,732,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	8	3,248,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			102	35,429,000
Amentities					
		25% of Units * $5,000		25%	127,500
				102	127,500
Total with Amenities				102	35,556,500
Projected Deposits without Amenities (Inflated)			12.55%	102	39,875,652
Total Amenities					127,500
Total Projected Deposits					40,003,152

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.5
Opening Date Mar-13

			Base Year 2008 Deposit $	RB 2.5	RB 2.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	3	663,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	12	3,732,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	4	1,208,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	1	311,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Radcliffe	G52	361,000	8	2,888,000
2 BR / 2B	Somerton	R61	424,000	9	3,816,000
2 BR / 2B	Stratford	LG61	477,000	8	3,816,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
	Total:			77	26,904,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	27,000,250
Projected Deposits without Amenities (Inflated)			15.93%	77	31,189,110
Total Amenities					96,250
Total Projected Deposits					31,285,360

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.6
Opening Date Apr-13

			Base Year 2008 Deposit $	RB 2.6	RB 2.6
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	8	2,288,000
2BR HC	0	S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	6	1,866,000
2 BR / 1 1/2 B ****	0	R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	8	2,888,000
2 BR / 2B	Radcliffe	G52	361,000	5	1,805,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	5	2,385,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			76	25,708,000
Amenities					
		25% of Units * $5,000		25%	95,000
				76	95,000
Total with Amenities				76	25,803,000
Projected Deposits without Amenities (Inflated)			15.93%	76	29,802,618
Total Amenities					95,000
Total Projected Deposits					**29,897,618**

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.1
Opening Date Apr-14

			Base Year 2008 Deposit $	RB 3.1	RB 3.1
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	9	1,989,000
Large 1 BR	Crofton	LG21	224,000	1	224,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR	(K33.5slm)	C11.5	238,000	3	714,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	13	4,043,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	16	5,776,000
2 BR / 2B	Plymouth	G51	338,000	6	2,028,000
2 BR / 2B	Radcliffe	G52	361,000	3	1,083,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	12	5,088,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
	Total:			91	30,773,000
Amenities					
		25% of Units * $5,000		25%	113,750
				91	113,750
Total with Amenities				91	30,886,750
Projected Deposits without Amenities (Inflated)			19.41%	91	36,744,571
Total Amenities					113,750
Total Projected Deposits					36,858,321

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.2
Opening Date Dec-14

				Base Year 2008 Deposit $	RB 3.2	RB 3.2
Unit categories:						
1 BR **	Berkshire		R11	201,000	3	603,000
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	8	1,768,000
Large 1 BR	Crofton		LG21	224,000	1	224,000
Large 1 BR	Carlisle		S21	231,000	3	693,000
1 BR & DEN	Galloway		K31.5	261,000	11	2,871,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	2	604,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	8	2,488,000
2 BR / 2B	Pendleton		R51	361,000	20	7,220,000
2 BR / 2B	Radcliffe		G52	361,000	7	2,527,000
2 BR / 2B****		0	G52m	366,000	4	1,464,000
2 BR / 2B	Sutton		K61	406,000	8	3,248,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	12	5,724,000
2 BR / 2B***		0	H61m	483,000	3	1,449,000
	Total:				126	42,248,000
Amenities						
			25% of Units * $5,000		25%	157,500
					126	157,500
Total with Amenities					126	42,405,500
Projected Deposits without Amenities (Inflated)				19.41%	126	50,446,321
Total Amenities						157,500
Total Projected Deposits						50,603,821

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.3
Opening Date Aug-15

				Base Year 2008 Deposit $	RB 3.3	RB 3.3
Unit categories:						
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Carlisle		S21	231,000	1	231,000
Large 1 BR		0	S21m	231,000	2	462,000
1 BR & DEN	Galloway		K31.5	261,000	6	1,566,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	11	3,421,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 2B	Pendleton		R51	361,000	24	8,664,000
2 BR / 2B	Radcliffe		G52	361,000	12	4,332,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	12	5,724,000
2 BR / 2B***		0	H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				111	39,533,000
Amentities						
			25% of Units * $5,000		25%	138,750
					111	138,750
Total with Amenities					111	39,671,750
Projected Deposits without Amenities (Inflated)				22.99%	111	48,620,604
Total Amenities						138,750
Total Projected Deposits						48,759,354

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.4
Opening Date May-16

			Base Year 2008 Deposit $	RB 3.4	RB 3.4
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
Large 1 BR	(K33.5sim)	C11.5	238,000	1	238,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	19	5,909,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	7	2,177,000
2 BR / 2B	Pendleton	R51	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	12	4,056,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	8	4,272,000
	Total:			112	39,109,000
Amenities					
		25% of Units * $5,000		25%	140,000
				112	140,000
Total with Amenities				112	39,249,000
Projected Deposits without Amenities (Inflated)			26.68%	112	49,542,111
Total Amenities					140,000
Total Projected Deposits					49,682,111

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.5
Opening Date Jan-17

			Base Year 2008 Deposit $	RB 3.5	RB 3.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1BR & DEN***		0 E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	3	933,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	5	1,510,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Stratford	LG61	477,000	8	3,816,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			72	24,785,000
Amenities					
		25% of Units * $5,000		25%	90,000
				72	90,000
Total with Amenities				72	24,875,000
Projected Deposits without Amenities (Inflated)			30.48%	72	32,338,803
Total Amenities					90,000
Total Projected Deposits					32,428,803

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ASHBY PONDS
COMMUNITY LOAN AGREEMENT

EXHIBIT B

NOTICE ADDRESSES

Notice shall be given as follows:

AP:	Ashby Ponds, Inc. c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: President
With a Copy to:	Herman B. Rosenthal, Esquire Whiteford, Taylor & Preston L.L.P. 7 St. Paul Street, Suite 1400 Baltimore, Maryland 21202
AC:	Ashburn Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: Legal Department

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
COMMUNITY LOAN AGREEMENT

EXHIBIT C

FORM OF PROMISSORY NOTE

Capmark - CD#28 - Control ID#1181

May 31, 2007 $650,939,631

COMMUNITY LOAN NOTE

FOR VALUE RECEIVED, Ashburn Campus, LLC ("AC") promises to pay to the order of Ashby Ponds, Inc.("AP") at AP's offices 701 Maiden Choice Lane, Baltimore, Maryland 21228, the aggregate principal sum of Six Hundred Fifty Million Nine Hundred Thirty-Nine Thousand Six Hundred Thirty-One Dollars ($650,939,631), 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 AC, on the "Maturity Date" (as hereinafter defined). 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 four and five-tenths percent (4.5%) per annum of the outstanding principal of the Note.

2. Repayment. During the Initial Move-In Period for each Phase, as defined in the Community Loan Agreement by and between AP and AC dated as of even date herewith, (the "Community Loan Agreement"), AC agrees to pay AP interest monthly in arrears on the first calendar day of the month on the aggregate Loan advances disbursed for such Phase at the rate of one twelfth (1/12) of four and five-tenths percent (4.5%) per annum. Upon completion of the Initial Move-In Period for a Phase, AC agrees to pay to AP equal monthly installments of principal and interest in an amount to be calculated based on amortizing the aggregate principal amount attributable to such Phase at 6.6% per annum over thirty (30) years (even though the full face amount of this Note or such principal has not been advanced as of the date hereof.) If additional Loan advances are made pursuant to the terms of the Community Loan Agreement for such Phase, the monthly payments shall not increase, but the portion of such payment allocated to the payment of interest shall increase. To the extent required above, the payments of principal and interest for each Phase shall commence on the first day of the first Calendar Month following the date Loan proceeds are first advanced by AP to AC under the Community Loan Agreement, and continue thereafter on the same 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 360th month thereafter (such date as calculated in this Clause 2(ii) shall be the "Maturity Date"), 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 AP and billed to AC for each appropriate period; provided, however, that failure of AP to bill to AC shall not relieve AC's payment obligations hereunder.

4. Application of Payments. All payments made hereunder shall be applied first to accrued interest, and then to principal.

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5. Prepayment. AC 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 AC as defined in the Community Loan Agreement, AP 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 AP elects to accelerate the unpaid principal balance as a result of such default.

7. Interest Rate after Judgment. If judgment is entered against AC 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, AC shall pay all of AP's costs, fees (including reasonable attorney's fees) and expenses resulting from such referral.

9. Waiver of Protest. AC, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. AC and AP 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 AC 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. AC 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 AC, 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 AP shall be assigned pursuant to the terms and provisions of the Community Loan Agreement.

13. Limitation of Liability of Members/Partners. 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 AP, includes but is not limited to the Entrance Deposits in AP's possession or control, to the extent not

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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 partners of the parties, or any officer, director or employee of a member or partner of the parties or their assets. Nothing herein contained shall limit or impair the liability of a member or partner of a party for any obligation arising independently of their status as a member or partner of such party.

WITNESS:

ASHBURN CAMPUS, LLC
By: Erickson Retirement Communities, LLC
Sole Member

_____

By:_____
Gerald F. Doherty
Executive Vice President

STATE OF MARYLAND)
) ss
COUNTY OF BALTIMORE)

I hereby certify that on the _____ day of _____, 2007, personally appeared before me, a Notary Public of the State of Maryland, Gerald F. Doherty, 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:

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ASHBY PONDS COMMUNITY LOAN AGREEMENT

EXHIBIT D

TITLE EXCEPTIONS

Capmark - CD#28 - Control ID#1181

Your Ref: ASHBURN CAMPUS

Order No: 1802-70136

SCHEDULE B - SECTION II
EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

GENERAL EXCEPTIONS:

B. Rights or claims of parties in possession not shown by the public records.

C. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law, and not shown by the public records.

D. Taxes or special exceptions which are not shown as existing liens by the public records.

E. Easements or claims of easements not shown by the public records.

F. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.

NOTE: The above Items B through F will be removed upon compliance with affidavit and survey requirements in Item 1g of Section 1 above.

SPECIAL EXCEPTIONS:

N 1. Taxes subsequent to those for the second half of the year 2006, a lien not yet due and payable, and in addition thereto, possible supplemental assessment for taxes for the recent improvements constructed on the premises, if any, a lien not yet due and payable.

AH 2. Rights of parties entitled to possession, as tenants only, under unrecorded leases.

AN 3. Terms, provisions, restrictions, conditions, easements and reservations set forth in Development Agreement dated November 16, 1987, recorded in Deed Book 968, at Page 1223, as affected by Agreement Relating to Development Agreement dated March 1, 1989, recorded in Deed Book 1029, at Page 1285 and by Assumption Agreement dated April 11, 1997, recorded in Deed Book 1496, at Page 106 as the same have been terminated, replaced, amended and restated in full so as to constitute a single, integrated document by that certain Amended and Restated Development Agreement and Amended and Restated Agreement Related to Development Agreement dated as of September 4, 2003 and recorded as Instrument No.

*** CONTINUED ***

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20041014-0110914.

O 4. Easement(s) granted to the Board of Supervisors of Loudoun County, Virginia, in Deed of Dedication, Quitclaim, and Easement dated July 13, 2004, recorded as Instrument 20040729-0077906 (Plat recorded as Instrument 20040729-0077907).

P 5. Easement(s) granted to Chesapeake and Potomac Telephone Company by Agreement dated May 3, 1930, recorded in Deed Book 10-F, at Page 355.

Q 6. Easement(s) granted to Virginia Electric and Power Company by Agreement dated October 4, 1954, recorded in Deed Book 340, at Page 415, by Agreement dated February 9, 1956, recorded in Deed Book 354, at Page 315, and by Agreement dated September 8, 1959, recorded in Deed Book 392, at Page 284.

R 7. Easement(s) granted to Virginia Public Service Company by Agreement dated September 4, 1929, recorded in Deed Book 10-E at Page 137, and by Agreement dated August 15, 1932, recorded in Deed Book 10-P at Page 18.

S 8. Easement(s) granted to Loudoun County Sanitation Authority by Agreement dated April 1, 1987, recorded in Deed Book 942, at Page 676.

T 9. Easement(s) granted to United States of America in Deed of Easement dated March 4, 1992, recorded in Deed Book 1157, at Page 199.

U 10. Terms and Conditions of Agreement between Bles South Associates and Ashburn Village Joint Venture dated January 14, 1987, recorded in Deed Book 932, at Page 689.

V 11. Terms and conditions of Agreement between Loudoun County Sanitation Authority and Bles South Associates dated March 1, 1989, recorded in Deed Book 1029, at Page 1273.

W 12. Agreement contained in Acknowledgement of Floodplain Limits Increase dated July 29, 2004, recorded as Instrument No. 20040830-0091628.

X 13. Easement(s) granted to Level 3 Communications by Easement Agreement recorded as Instrument No. 20050726-0081233 (Note: This instrument refers to an Exhibit but none was attached).

Y 14. Rights of others in and to the uninterrupted flow of Beaverdam Run.

AA 15. Matters depicted on Survey entitled ALTA/ACSM Land Title Survey prepared by Dewberry & Davis of Leesburg Virginia, dated December 4, 2006 and last revised on May 21, 2007 entitled "ALTA/ACSM Land Title Survey For Ashburn Campus, LLC" (D&D Job PB-191R-LC), including the following:

a. Flood plain and channel of Beaverdam Run;

b. Fences on property boundaries and through property, not necessarily on property lines;

c. Driveway from Smith Switch Road to the Insured land crosses over the land retained by Seller.

AB 16. Matters depicted on that certain plat entitled "SUBDIVISION WAIVER PLAT on the lands of EDWARD ST.

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JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156, including the following:

a. Loudoun County Major Flood Plain;

b. Scenic Creek Valley Buffer;

c. LDN 60 1-Mile Noise Buffer.

AC 17. Declaration of Covenants, Conditions and Restrictions dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104676, as amended by Amendment No. 1 to Declaration of Covenants, Conditions and Restrictions "Safe Harbor Agreement" dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104678.

AD 18. Buffer Yard Declaration dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104680.

AE 19. Terms and conditions of, and easements granted by, that certain Easement Agreement by and among Edward St. John LLC, Beaumeade Investors LLC and Ashburn Campus, LLC dated as of December 15, 2006 and recorded on December 15, 2006 as Instrument No. 20061215-0104679.

AK 20. Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of December 21, 2006, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, to ALEXANDER TITLE AGENCY INCORPORATED, as Trustee, in favor of MERCANTILE SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, recorded among the Land Records of Loudoun County, Virginia on December 27, 2006 as Document No. 20061227-010967, as modified by Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture filing dated as of May 1, 2007 recorded on May ____, 2007 as Instrument No. _____.

AL 21. Assignment of Rents and Leases dated as of the 1st day of May, 2007, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, recorded among the Land Records of Loudoun County, Virginia as Instrument No. _____.

AM 22. UCC-1 Financing Statement recorded on Decembet 27, 2006 as Instrument No. 20061227-0106968 showing Ashburn Campus, LLC as Debtor and Mercantile-Safe Deposit and Trust Company, as amended by UCC-3 Financing Statement recorded on _____ as Instrument No. _____. (NOTE: To be a subordinate matter on 1st Loan Policy and an exception to 2nd Loan Policy.)

AO 23. Such matters occurring subsequent to December 14, 2006, as would be shown by a current survey and inspection of the land.

AP 24. Deed of Trust and Security Agreement from Ashburn Campus, LLC as Grantor to Alexander Title Agency, Incorporated, as Trustee for the benefit of Ashby Ponds, Inc. as Beneficiary, securing the maximum principal amount of $650,939,631.00, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia

AQ 25. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Erickson Retirement, LLC as Debtor and Mercantile-Safe Deposit and Trust

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Company as Secured Party

AR 26. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Ashby Ponds Inc. as Debtor and Ashburn Campus, LLC as Secured Party, as assigned to Mercantile-Safe Deposit and Trust Company filed May __, 2007 as Instrument _____

AS 27. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Ashburn Campus, LLC as Debtor and Strategic Ashby Ponds Lender LLC as Secured Party

AT 28. Subordination and Standstill Tri-Party Agreement by and between Mercantile-Safe Deposit and Trust Company, Strategic Ashby Ponds Lender LLC and Ashburn Campus, LLC, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia.

AU 29. Unrecorded lease by and between Ashburn Campus, LLC and Ashby Ponds, Inc., dated May __, 2007.

AZ 30. Deed of Trust and Security Agreement from Ashburn Campus, LLC as Grantor to Alexander Title Agency, Incorporated, as Trustee for the benefit of Strategic Concord Landholder, LP, as Beneficiary, securing the maximum principal amount of $25,000,000.00, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia.

Authorized Signatory

(** THIS IS THE FINAL PAGE **)

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May 31, 2007 $650,939,631

COMMUNITY LOAN NOTE

FOR VALUE RECEIVED, Ashburn Campus, LLC ("AC") promises to pay to the order of Ashby Ponds, Inc.("AP") at AP's offices 701 Maiden Choice Lane, Baltimore, Maryland 21228, the aggregate principal sum of Six Hundred Fifty Million Nine Hundred Thirty-Nine Thousand Six Hundred Thirty-One Dollars ($650,939,631), 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 AC, on the "Maturity Date" (as hereinafter defined). 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 four and five-tenths percent (4.5%) per annum of the outstanding principal of the Note.

2. Repayment. During the Initial Move-In Period for each Phase, as defined in the Community Loan Agreement by and between AP and AC dated as of even date herewith, (the "Community Loan Agreement"), AC agrees to pay AP interest monthly in arrears on the first calendar day of the month on the aggregate Loan advances disbursed for such Phase at the rate of one twelfth (1/12) of four and five-tenths percent (4.5%) per annum. Upon completion of the Initial Move-In Period for a Phase, AC agrees to pay to AP equal monthly installments of principal and interest in an amount to be calculated based on amortizing the aggregate principal amount attributable to such Phase at 6.6% per annum over thirty (30) years (even though the full face amount of this Note or such principal has not been advanced as of the date hereof.) If additional Loan advances are made pursuant to the terms of the Community Loan Agreement for such Phase, the monthly payments shall not increase, but the portion of such payment allocated to the payment of interest shall increase. To the extent required above, the payments of principal and interest for each Phase shall commence on the first day of the first Calendar Month following the date Loan proceeds are first advanced by AP to AC under the Community Loan Agreement, and continue thereafter on the same 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 360th month thereafter (such date as calculated in this Clause 2(ii) shall be the "Maturity Date"), 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 AP and billed to AC for each appropriate period; provided, however, that failure of AP to bill to AC shall not relieve AC's payment obligations hereunder.

4. Application of Payments. All payments made hereunder shall be applied first to accrued interest, and then to principal.

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5. Prepayment. AC 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 AC as defined in the Community Loan Agreement, AP 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 AP elects to accelerate the unpaid principal balance as a result of such default.

7. Interest Rate after Judgment. If judgment is entered against AC 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, AC shall pay all of AP's costs, fees (including reasonable attorney's fees) and expenses resulting from such referral.

9. Waiver of Protest. AC, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. AC and AP 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 AC 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. AC 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 AC, 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 AP shall be assigned pursuant to the terms and provisions of the Community Loan Agreement.

13. Limitation of Liability of Members/Partners. 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 AP, includes but is not limited to the Entrance Deposits in AP's possession or control, to the extent not

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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 partners of the parties, or any officer, director or employee of a member or partner of the parties or their assets. Nothing herein contained shall limit or impair the liability of a member or partner of a party for any obligation arising independently of their status as a member or partner of such party.

WITNESS:

Cathy M. Thorpe

ASHBURN CAMPUS, LLC
By: Erickson Retirement Communities, LLC
Sole Member

By: _____
~~Gerald~~ F. Doherty
Executive Vice President

STATE OF MARYLAND)
COUNTY OF ~~BALTIMORE~~ Anne Arundel) ss

I hereby certify that on the 6th day of June, 2007, personally appeared before me, a Notary Public of the State of Maryland, Gerald F. Doherty, 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.

Dawn E. Hughes
Notary Public
My commission expires:

DAWN E. HUGHES
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires February 23, 2009

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(3)

PARCEL ID # 060-49-8809

20070612-0044113
Loudoun County, VA Pgs: 23
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

PREPARED OUT OF STATE BY:
Gerald F. Doherty, Esq.
Ashburn Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

CREDIT LINE DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(COMMUNITY LOAN)

THIS IS A CREDIT LINE DEED OF TRUST

The maximum aggregate amount of principal to be secured at any one time under this Deed of Trust is $650,939,631 plus interest and any other costs incurred in connection therewith.

Name of the noteholder secured by this Deed of Trust:	ASHBY PONDS, INC.
Address at which communications to the noteholder may be mailed or delivered:	ASHBY PONDS, INC. 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: General Counsel

This Document Serves as a Fixture Filing under Section 9-502 of the Virginia Uniform Commercial Code.

Organizational Identification Number for the Grantor: W10088078

THIS CREDIT LINE DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is made as of May 31, 2007, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, whose mailing address and chief executive office is located at 701 Maiden Choice Lane, Baltimore, Maryland 21228, hereinafter called "Grantor," to ALEXANDER TITLE AGENCY INCORPORATED, a Virginia corporation, ("Trustee") for the benefit of ASHBY PONDS, INC., a Maryland nonstock corporation, whose mailing address is 701 Maiden Choice Lane, Baltimore, Maryland 21228, hereinafter called "Beneficiary."

Section 1. Definitions. In addition to terms defined elsewhere in this Deed of Trust, the following capitalized terms have the following meanings:

(a) "Beneficiary" means Ashby Ponds, Inc., a Maryland nonstock corporation, whose address is 701 Maiden Choice Lane, Baltimore, Maryland 21228, and the subsequent holder or holders, from time to time, of the Note.

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(b) "Charges" means all fees, charges and/or other things of value, if any, contracted for, charged, received, taken or reserved by Beneficiary in connection with the transactions relating to the Note and the Loan Documents, which are treated as interest under applicable law.

(c) "Code" means the Uniform Commercial Code, as amended from time to time, in effect in the state in which the Mortgaged Property is located.

(d) "Community Loan Agreement" means that certain Community Loan Agreement dated of even date with this Deed of Trust between Grantor and Beneficiary.

(e) "Event of Default" means (a) a default of the Grantor under the Community Loan Agreement or any of the other Loan Documents continuing beyond any applicable cure period, as defined therein, or (b) any default in the payment or performance of the obligations of the Grantor hereunder continuing for more than 30 days following notice from Grantor.

(f) "Fixtures" means all materials, supplies, equipment, systems, apparatus, and other items now owned or hereafter acquired by Grantor and now or hereafter attached to, installed in, or used in connection with (temporarily or permanently) any of the Improvements or the Land, which are now owned or hereafter acquired by Grantor and are now or hereafter attached to the Land or the Improvements, and including but not limited to any and all partitions, dynamos, window screens and shades, draperies, rugs and other floor coverings, awnings, motors, engines, boilers, furnaces, pipes, cleaning, call and sprinkler systems, fire extinguishing apparatus and equipment, water tanks, swimming pools, heating, ventilating, refrigeration, plumbing, laundry, lighting, generating, cleaning, waste disposal, transportation (of people or things, including but not limited to, stairways, elevators, escalators, and conveyors), incinerating, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and lighting, traffic control, waste disposal, raw and potable water, gas, electrical, storm and sanitary sewer, telephone and cable television facilities, and all other utilities whether or not situated in easements, together with all accessions, appurtenances, replacements, betterments, and substitutions for any of the foregoing and the proceeds thereof.

(g) "Improvements" means all buildings, structures and improvements now located or later to be constructed on the Land.

(h) "Indebtedness" means (a) the principal of, interest on, or other sums evidenced by the Note or the Community Loan Agreement; (b) any other amounts, payments, or premiums payable under the Community Loan Agreement or any of the other Loan Documents; (c) such additional or future sums (whether or not obligatory), with interest thereon, as may hereafter be borrowed or advanced from Beneficiary, its successors or assigns, by the then record owner of the Mortgaged Property, when evidenced by a promissory note which, by its terms, is secured hereby (it being contemplated by Grantor and Beneficiary that such future indebtedness may be incurred); and (d) any and all other indebtedness, obligations, and liabilities of any kind or character of Grantor to Beneficiary, now or hereafter existing, absolute or contingent, due or not due, arising by operation of law or otherwise, or direct or indirect, primary or secondary,

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joint, several, joint and several, fixed or contingent, secured or unsecured by additional or different security or securities, including indebtedness, obligations, and liabilities to Beneficiary of Grantor as a member of any partnership, joint venture, trust or other type of business association, or other group, and whether incurred by Grantor as principal, surety, endorser, guarantor, accommodation party or otherwise, and any and all renewals, modifications, amendments, restatements, rearrangements, consolidations, substitutions, replacements, enlargements, and extensions thereof, it being contemplated by Grantor and Beneficiary that Grantor may hereafter become indebted to Beneficiary in further sum or sums. Notwithstanding the foregoing provisions of this definition, this Deed of Trust shall not secure any such other loan, advance, debt, obligation or liability with respect to which Beneficiary is by applicable law prohibited from obtaining a lien on real estate, nor shall this definition operate or be effective to constitute or require any assumption or payment by any person, in any way, of any debt or obligation of any other person to the extent that the same would violate or exceed the limit provided in any applicable usury or other law.

(i) "Land" means the real property located in the County of Loudoun, Commonwealth of Virginia and more particularly described in Exhibit A attached hereto, together with all existing and future easements and rights affording access to it.

(j) "Lease(s)" means all existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating to the use and enjoyment of all or any part of the Land and Improvements.

(k) "Loan" means the aggregate funds advanced from time to time by Beneficiary to Grantor pursuant to the Community Loan Agreement.

(l) "Loan Documents" means this Deed of Trust, the Note, the Community Loan Agreement, or any other documents evidencing or securing the Loan.

(m) "Maximum Lawful Rate" means the maximum lawful rate of interest which may be contracted for, charged, taken, received or reserved by Beneficiary in accordance with the applicable laws of the Commonwealth of Virginia (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, receive or reserve a greater amount of interest than under Virginia law), taking into account all Charges made in connection with the transaction evidenced by the Note, the Community Loan Agreement or any of the other Loan Documents.

(n) "Mortgaged Property" means any and all of the Grantor's right, title and interest in the following:

(i) the Land,

(ii) the Improvements,

(iii) all existing and future appurtenances, privileges, easements, franchises and tenements of the Land, including, without limitation, all minerals, oil, gas, other hydrocarbons and associated substances which may be in, under or produced from

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any part of the Land, all development rights and credits, air rights, water, water rights (whether riparian, appropriate or otherwise, and whether or not appurtenant) and water stock, and any land lying in the street, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements;

(iv) all Leases, and any and all guaranties and other agreements relating to or made in connection with any of such leases and the Rents thereunder subject, however, to the right of Grantor to receive and use the same and to exercise all rights and privileges as landlord under all of the leases until an Event of Default shall have occurred and be continuing under this Deed of Trust, together with the rights and privileges of the Grantor as landlord thereunder;

(v) all goods, materials, supplies, chattels, furniture, Fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust;

(vi) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, which have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements;

(vii) all water and water rights, ditches and ditch rights, reservoir and reservoir rights, stock or interests in irrigation or ditch companies, minerals, oil and gas rights, royalties, lease or leasehold interests owned by Grantor, now or hereafter used or useful in connection with, appurtenant to or related to the Land and Improvements;

(viii) any of Grantor's funds now or later to be held by or on behalf of Beneficiary;

(ix) all rights to the payment of money, accounts, accounts receivable, reserves, deferred payments, refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including, without limitation, all earnest money sales deposits) or deposited by Grantor with third parties (including, without limitation, all utility deposits), contract rights, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, notes, drafts and letters of credit (other than letters of credit in favor of Beneficiary), which arise from or are related to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally;

(x) all proceeds, including, without limitation, all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including, without limitation, proceeds of all present and future fire, hazards or casualty

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insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including, without limitation, causes of action arising in tort, contract, fraud or concealment of a material fact;

(xi) all books and records pertaining to any and all of the above described property, including, without limitation, computer-readable memory and any computer hardware or software necessary to access and process such memory

(xii) all unearned premiums accrued, accruing, or to accrue under any and all insurance policies now or hereafter obtained by the Grantor pursuant to the provisions of the Deed of Trust;

(xiii) all (a) agreements heretofore or hereafter entered into relating to the construction, ownership, operation, management, leasing or use of the Land or Improvements; (b) any and all present and future amendments, modifications, supplements, and addenda to any of the items described in (a) above; (c) any and all guarantees, warranties and other undertakings (including, without limitation, payment and performance bonds) heretofore or hereafter entered into or delivered with respect to any of the items describe in clauses (a) through (b) above; (d) all trade names, trademarks, logos and other materials used to identify or advertise, or otherwise relating to the Land or Improvements; and (e) all building permits, governmental permits, licenses, variances, conditional or special use permits, and other authorizations now or hereafter issued in connection with the construction, development, ownership, operating, management, leasing or use of the Land or Improvements, to the fullest extent that the same or any interest therein may be legally assigned by Grantor; and

(xiv) all proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

(o) "Note" means that certain Community Loan Note of even date herewith in the stated principal amount of $650,939,631, incorporated herein by this reference, executed by Grantor and payable to the order of Beneficiary, evidencing the Loan and secured by, among other things, this Deed of Trust; and any and all renewals, modifications, amendments, rearrangements, consolidations, reinstatements, enlargements, or extensions of such promissory note or of any promissory note or notes given in renewal, substitution or replacement therefor. The entire unpaid principal balance, all accrued and unpaid interest and all other amounts payable shall be due and payable on May 31, 2037.

(p) "Obligation(s)" means the payment of all amounts due under and the performance of all agreements, obligations, conditions, covenants, provisions and stipulations of Grantor to Trustee or Beneficiary now existing or hereafter arising or incurred under this Deed of Trust, the Community Loan Agreement or any Loan Documents as each may from time to time be amended, whether individually or collectively, direct or indirect, joint or several, absolute or

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contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising thereunder or hereunder by contract, operation of law or otherwise. This Deed of Trust secures future advances up to the total maximum principal amount of $650,939,631, plus interest and any other costs pursuant to the Loan Documents and shall be effective to secure payment of all advances under the Note, both obligatory and optional, up to such amount, to the same extent and with the same effect and priority as if such total amount had been fully disbursed on or before the date of recording of this Deed of Trust.

(q) "Permitted Exceptions" means the liens, easements, restrictions, security interests, and other matters (if any) as reflected on Exhibit B attached hereto and incorporated herein by reference and the liens and security interests created by the Community Loan Agreement or any Loan Documents.

(r) "Rents" means income, receipts, revenues, rents, issues and profits now or hereafter arising from or out of the Leases or from or out of the Mortgaged Property or any part thereof, including, without limitation, room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, claims for damages arising from any breach of the Leases, proceeds from any sale or other disposition of all or any portion of the Mortgaged Property, and all other benefits arising from the use or enjoyment of, or the lease, sale or other disposition of, all or any portion of the Mortgaged Property, together with the immediate and continuing right to receive all of the foregoing.

Section 2. Granting Clause. To secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations, Grantor grants, bargains, sells, and conveys to Trustee, in trust, with power of sale, for the use and benefit of Beneficiary, the Mortgaged Property, subject, however, to the Permitted Exceptions, TO HAVE AND TO HOLD the Mortgaged Property unto Trustee, forever, and Grantor does hereby bind itself, its successors, and assigns to WARRANT AND FOREVER DEFEND the title to the Mortgaged Property unto Trustee against every person whomsoever lawfully claiming or to claim the same or any part thereof; provided, however, that if Grantor shall pay (or cause to be paid) the Indebtedness as and when the same shall become due and payable and shall fully perform and discharge (or cause to be fully performed and discharged) the Obligations on or before the date same are to be performed and discharged, then the liens, security interests, estates, and rights granted by the Community Loan Agreement or any of the other Loan Documents shall terminate, in accordance with the provisions hereof, otherwise same shall remain in full force and effect. A certificate or other written statement executed on behalf of Trustee or Beneficiary confirming that the Indebtedness has not been fully paid or the Obligations have not been fully performed or discharged shall be sufficient evidence thereof for the purpose of reliance by third parties on such fact.

Section 3. Certain Covenants and Conditions.

(a) Waiver and Modification. Whether or not for additional interest or other consideration paid or payable to the Beneficiary, no forbearance on the part of the Beneficiary or extension of the time for the payment of the whole or any part of the Obligations secured hereby,

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whether oral or in writing, or any other indulgence given by the Beneficiary to Grantor or to any other part claiming any interest in or to the Mortgaged Property, shall operate to release or in any manner affect the original liability of Grantor, or the priority of this Deed of Trust, or to limit, prejudice or impair any right of the Beneficiary, including, without limitation, the right to realize upon the security, or any part thereof, for the Obligations secured hereby or any of them, notice of any such extension, forbearance or indulgence being hereby waived by Grantor and all those claiming by, through or under Grantor. No consent or waiver, express or implied, by the Beneficiary to or of any default by Grantor shall be construed as a consent or waiver to or of any further default in the same or any other term, condition, covenant or provision of this Deed of Trust or of the Obligations secured hereby.

Section 4. Security Agreement.

(a) Security Interest. This Deed of Trust (a) shall be construed as a Deed of Trust on real property, and (b) shall also constitute and serve as a "Security Agreement" on personal property within the meaning of, and shall constitute until the grant of this Deed of Trust shall terminate as provided in Section 2 hereof, a first and prior security interest under the Code as to property within the scope thereof and in the state where the Mortgaged Property is located with respect to all fixtures and articles of personal property and any other property included in the Mortgaged Property, now owned or hereafter acquired by Grantor, which might otherwise be deemed "personal property" (and all accessions thereto and the proceeds thereof) (collectively, the "Personal Property"). To this end, Grantor GRANTS to, has GRANTED, BARGAINED, CONVEYED, ASSIGNED, TRANSFERRED, and SET OVER, and by these presents does GRANT, BARGAIN, CONVEY, ASSIGN, TRANSFER and SET OVER, unto Beneficiary, as secured party, a first and prior security interest and all of Grantor's right, title and interest in, to, under and with respect to the Personal Property to secure the full and timely payment of the Indebtedness and the full and timely performance and discharge of the Obligations. It is the intent of Grantor, Beneficiary, and Trustee that this Deed of Trust encumber all Leases and that all items contained in the definition of "Leases" which are included within the Code be covered by the security interest granted in this Section; and all items contained in the definition of "Leases" which are excluded from the Code be covered by the provisions of Section 2 hereof. Grantor will cooperate with Beneficiary in obtaining control with respect to portions of the Personal Property that are either or both deposit accounts or letter of credit rights.

(b) Financing Statements. Grantor hereby agrees with Beneficiary to execute and deliver to Beneficiary, in form and substance satisfactory to Beneficiary, such "Financing Statements" and such further assurances as Beneficiary may, from time to time, reasonably consider necessary to create, perfect, and preserve Beneficiary's security interest herein granted, and Beneficiary may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law to so create, perfect, and preserve such security interest. Grantor authorizes Beneficiary to file such "Financing Statements" describing such portions of the Mortgaged Property as Beneficiary may desire.

(c) Fixture Filing. This Deed of Trust shall also constitute a "fixture filing" for the purposes of the Code with respect to the part of the Mortgaged Property which are or are to become fixtures; information concerning the security interest herein granted may be obtained from either party at the address of such party set forth herein. For purposes of the security

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interest herein granted, Grantor is the "debtor" and Beneficiary is the "secured party," and the addresses of debtor (Grantor) and secured party (Beneficiary) are set forth in the first paragraph of this Deed of Trust.

(d) No Changes. Grantor will not change its principal place of business or chief executive office, or change the state of its organization or registration, or change its name, without in each instance, the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld or delayed. Beneficiary's consent will, however, be conditioned upon, among other things, the execution and delivery of additional financing statements, security agreements, and other instruments which may be necessary to effectively evidence or perfect the Beneficiary's security interest in the Mortgaged Property as a result of such changes.

Section 5. Assignment of Rents.

(a) To facilitate and secure payment and performance of the Obligations, Grantor hereby absolutely and presently transfers and assigns to Beneficiary all right, title and interest of Grantor in and to all Leases and all Rents arising from or out of the Leases or from or out of the Property or any part thereof. Beneficiary hereby grants to Grantor a license to collect and retain Rents prior to the occurrence of any Event of Default hereunder, such license shall be revocable by Beneficiary without notice to Grantor at any time after the occurrence of an Event of Default, and immediately upon any such revocation, Beneficiary shall be entitled to receive, and Grantor shall deliver to Beneficiary, any and all Rents theretofore collected which remain in the possession or control of Grantor. In furtherance of this Assignment, and not in lieu hereof, Beneficiary may require a separate assignment of rents and leases and/or separate specific assignments of rents and leases covering one or more of the Leases; the terms of all such assignments are incorporated herein by reference.

(b) Grantor hereby authorizes and directs the lessees and tenants under the Leases that, upon written notice from Beneficiary, all Rents shall be paid directly to Beneficiary as they become due. Grantor hereby relieves the lessees and tenants from any liability to Grantor by reason of the payment of the Rents to Beneficiary. Nevertheless, Grantor shall be entitled to collect the Rents until Beneficiary notifies the lessees and tenants in writing to pay the Rents to Beneficiary. Beneficiary is hereby authorized to give such notification upon the occurrence of an Event of Default and at any time thereafter while such Event of Default is continuing. Receipt and application of the Rents by Beneficiary shall not constitute a waiver of any right of Beneficiary under this Deed of Trust or applicable law, shall not cure any Event of Default hereunder, and shall not invalidate or affect any act done in connection with such Event of Default, including, without limitation, foreclosure proceedings.

(c) Beneficiary does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon Grantor as though this assignment had not been made. Beneficiary shall not be liable for the failure or inability to collect any Rents.

(d) Neither the assignment of rents and leases contained herein or in any separate assignment nor the exercise by Beneficiary of any of its rights or remedies thereunder or in connection therewith, prior to Beneficiary obtaining actual possession of the Property, shall

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constitute Beneficiary a "mortgagee in possession" or otherwise make Beneficiary responsible or liable in any manner with respect to the Property or the occupancy, operation or use thereof.

Section 6. Default and Remedies. If an Event of Default shall occur, the Beneficiary may exercise any and all remedies provided under this Deed of Trust, under the Note, and under any and all other instruments and documents providing security for the Obligations, or any other remedies available under applicable law or anyone or more of such remedies, including one or more of the following:

(a) Acceleration. Declare all of the Obligations to be immediately due and payable without any further presentment, demand, protest or notice of any kind being required.

(b) Foreclosure; Power of Sale. Foreclose this Deed of Trust, insofar as it encumbers the Property, either by judicial action or through Trustee. If this Deed of Trust encumbers more than one parcel of real estate, foreclosure may be by separate parcel or en masse, as Beneficiary may elect in its sole discretion. Foreclosure through Trustee will be initiated by Beneficiary's filing of its notice of election and demand for sale with Trustee. Upon the filing of such notice of election and demand for sale, Trustee shall promptly comply with all notice and other requirements of the laws of Virginia then in force with respect to such sales, and shall give four (4) weeks' public notice of the time and place of such sale by advertisement weekly in some newspaper of general circulation then published in the County or City and County in which the Property is located. Any sale conducted by Trustee pursuant to this Section shall be held at the front door of the county courthouse for such County or City and County, or on the Property, or at such other place as similar sales are then customarily held in such County or City and County, provided that the actual place of sale shall be specified in the notice of sale. All fees, costs and expenses of any kind incurred by Beneficiary in connection with foreclosure of this Deed of Trust, including, without limitation, the costs of any appraisals of the Property obtained by Beneficiary, all costs of any receivership for the Property advanced by Beneficiary, and all attorneys' and consultants' fees incurred by Beneficiary, shall constitute a part of the Obligations and may be included as part of the amount owing from Grantor to Beneficiary at any foreclosure sale. The proceeds of any sale under this Section shall be applied first to the fees and expenses of the officer conducting the sale, and then to the reduction or discharge of the Obligations; any surplus remaining shall be paid over to Grantor or to such other person or persons as may be lawfully entitled to such surplus. At the conclusion of any foreclosure sale, the officer conducting the sale shall execute and deliver to the purchaser at the sale a certificate of purchase which shall describe the property sold to such purchaser and shall state that upon the expiration of the applicable periods for redemption, the holder of such certificate will be entitled to a deed to the property described in the certificate. After the expiration of all applicable periods of redemption, unless the property sold has been redeemed by Grantor, the officer who conducted such sale shall, upon request, execute and deliver an appropriate deed to the holder of the certificate of purchase or the last certificate of redemption, as the case may be. Beneficiary or Beneficiary's designee may purchase the Property at any sale. Nothing in this Section dealing with foreclosure procedures or specifying particular actions to be taken by Beneficiary or by Trustee or any similar officer shall be deemed to contradict or add to the requirements and procedures now or hereafter specified by Virginia law, and any such inconsistency shall be

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resolved in favor of Virginia law applicable at the time of foreclosure. Grantor hereby waives the benefits of any legal or equitable doctrine or principle of marshalling.

(c) Receiver. Apply without notice for the appointment of a receiver of all or any part of the Mortgaged Property and the rents and profits thereof, and such receiver shall have all the broad and effective functions and powers anywhere entrusted by a court to a receiver. Beneficiary shall be entitled to the appointment of such receiver forthwith as a matter of absolute right, without regard to the adequacy or inadequacy of the value of the Mortgaged Property or the solvency or insolvency of Grantor or any other defendant, upon *ex parte* application to any court of competent jurisdiction. Grantor hereby waives any right to any hearing or notice of hearing prior to the appointment of a receiver and waives any right to object to the appointment of such receiver and expressly consents thereto. The income, profits, rents, issues and revenues from the Mortgaged Property shall be applied by such receiver according to the provisions of this Deed of Trust and the practice of the court appointing such receiver.

(d) Rents. Without regard to the adequacy of any security for the Obligations or the solvency of Grantor or any other person or entity, send notifications to any and all lessees and tenants under the Leases that all Rents shall be paid to Beneficiary. All Rents collected by Beneficiary may be applied in any manner that Beneficiary deems advisable.

(e) Beneficiary's Uniform Commercial Code Remedies. Exercise its rights of enforcement with respect to Fixtures and Personal Property under the Code, and in conjunction with, in addition to or in substitution for the rights and remedies under the Code.

Section 7. No Representation by Beneficiary. By accepting or approving anything required to be observed, performed, or fulfilled or to be given to Beneficiary pursuant to the Community Loan Agreement or any of the other Loan Documents, including without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Beneficiary shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness, or legal effect of the same, or of any term, provision, or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty or affirmation with respect thereto by Beneficiary.

Section 8. Miscellaneous.

(a) Maximum Interest. It is expressly stipulated and agreed to be the intent of Grantor and Beneficiary at all times to comply strictly with the applicable Virginia law governing the maximum rate or amount of interest payable on the Note or the Indebtedness (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Virginia law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to the Note, Community Loan Agreement or any of the other Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the transaction or transactions that are the subject matter of the Community Loan Agreement or any of the other Loan Documents, (ii) contracted for, charged or received by reason of Beneficiary's exercise of the option to accelerate the maturity of the Note and/or the Indebtedness, or (iii) Grantor will have paid or Beneficiary will have received by

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reason of any voluntary prepayment by Grantor of the Note and/or the Indebtedness, then it is Grantor's and Beneficiary's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be credited on the principal balance of the Note and/or the Indebtedness (or, if the Note and all Indebtedness have been or would thereby be paid in full, refunded to Grantor), and the provisions of the Note, Community Loan Agreement or any other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

(b) Release. If the Indebtedness is paid in full in accordance with the terms of this Deed of Trust, the Note, the Community Loan Agreement or any of the other Loan Documents, and if Grantor shall well and truly perform each and every of the Obligations to be performed and discharged in accordance with the terms of this Deed of Trust, the Note, the Community Loan Agreement or any of the other Loan Documents, then this conveyance shall become null and void and be released at Grantor's request and expense, and Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereof or in the Community Loan Agreement or any of the other Loan Documents.

(c) Notices. All notices, requests and other communications hereunder shall be made as follows:

Grantor:	Ashburn Campus, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Financial Officer Phone: (410) 242-2880 Fax: (410) 402-2348
with copies to:	Erickson Retirement Communities, LLC Attn: General Counsel 701 Maiden Choice Lane Baltimore, Maryland 21228 Phone: (410) 402-2350 Fax: (410) 402-2348
Beneficiary:	Ashby Ponds, Inc. 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Legal Department Phone: (410) 242-2880 Fax: (410) 402-2348

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with copies to: Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
Seven Saint Paul Street, Suite 1500
Baltimore, Maryland 21202-1626
Phone: (410) 347-8704
Fax: 410) 223.3484

(d) Successors and Assigns: Joint and Several Liability: Partial Invalidity. All the covenants and agreements of the Grantor herein contained shall be binding upon the Grantor and the successors and assigns of the Grantor. In case any one or more of the provisions of this Deed of Trust may be found to be invalid, or unenforceable for any reason or in any respect, such invalidity or unenforceability shall not limit or impair enforcement of any other provisions thereof.

(e) Modification. No change, amendment, modification, cancellation or discharge of this Deed of Trust, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

(f) Captions. Section headings are inserted for convenience of reference only, do not form part of this Deed of Trust and shall be disregarded for purposes of the interpretation of the terms of this Deed of Trust.

(g) Governing Law. This Deed of Trust shall be governed by and construed in accordance, with the laws of the Commonwealth of Virginia.

(h) ENTIRE AGREEMENT; AMENDMENT. THIS DEED OF TRUST AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions hereof and the Community Loan Agreement or any of the other Loan Documents may be amended or waived only by an instrument in writing signed by Grantor and Beneficiary.

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(i) Short Form References. This Deed of Trust shall be construed to incorporate by short form references below the following provisions of Section 55-60 of the Code of Virginia of 1950, as amended:

Exemptions waived.

Subject to all [call] upon default.

Renewal, extension or reinstatement permitted.

Deferred purchase money.

Substitution of Trustee permitted.

Any Trustee may act.

[SIGNATURES TO FOLLOW]

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IN WITNESS WHEREOF, this Deed of Trust has been executed as of the date first written above.

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, its sole member

By: _____
Gerald F. Doherty,
Executive Vice President

STATE/~~COMMONWEALTH~~ OF Maryland, County OF Baltimore, TO WIT:

I HEREBY CERTIFY, that on this 31st day of May, 2007, before me, the undersigned Notary Public of said State/Commonwealth, personally appeared Gerald F. Doherty, _____, who acknowledged himself to be the Executive Vice President of Erikson Retirement Communities, LLC, a Maryland limited liability company, sole member of Ashburn Campus, LLC, a Maryland limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Executive Vice President of the sole member of said limited liability company by signing the name of the limited liability company by himself as Executive Vice President of its sole member.

WITNESS my hand and Notarial Seal.

Cathy M. Thompson
Notary Public

My Commission Expires:

[SEAL]

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

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EXHIBIT A

Land Description

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Description

All of that certain lot or Parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

Parcel B-1 as shown on that certain plat entitled "Subdivision Waiver Plat of the lands of Edward St. John, LLC and Beaumeade Investors, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

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Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

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(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104677.

AND BEING the same property as described in Chicago Title Insurance Company ALTA Plain English Title Insurance Commitment No. 04-0065 with a revised date of December 19, 2006.

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EXHIBIT B

Permitted Exceptions

Capmark - CD#28 - Control ID#1181

Your Ref: ASHBURN CAMPUS

Order No: 1802-70136

SCHEDULE B - SECTION II
EXCEPTIONS

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

A. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

GENERAL EXCEPTIONS:

B. Rights or claims of parties in possession not shown by the public records.

C. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law, and not shown by the public records.

D. Taxes or special exceptions which are not shown as existing liens by the public records.

E. Easements or claims of easements not shown by the public records.

F. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land.

NOTE: The above Items B through F will be removed upon compliance with affidavit and survey requirements in Item 1g of Section 1 above.

SPECIAL EXCEPTIONS:

N 1. Taxes subsequent to those for the second half of the year 2006, a lien not yet due and payable, and in addition thereto, possible supplemental assessment for taxes for the recent improvements constructed on the premises, if any, a lien not yet due and payable.

AH 2. Rights of parties entitled to possession, as tenants only, under unrecorded leases.

AN 3. Terms, provisions, restrictions, conditions, easements and reservations set forth in Development Agreement dated November 16, 1987, recorded in Deed Book 968, at Page 1223, as affected by Agreement Relating to Development Agreement dated March 1, 1989, recorded in Deed Book 1029, at Page 1285 and by Assumption Agreement dated April 11, 1997, recorded in Deed Book 1496, at Page 106 as the same have been terminated, replaced, amended and restated in full so as to constitute a single, integrated document by that certain Amended and Restated Development Agreement and Amended and Restated Agreement Related to Development Agreement dated as of September 4, 2003 and recorded as Instrument No.

*** CONTINUED ***

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20041014-0110914.

O 4. Easement(s) granted to the Board of Supervisors of Loudoun County, Virginia, in Deed of Dedication, Quitclaim, and Easement dated July 13, 2004, recorded as Instrument 20040729-0077906 (Plat recorded as Instrument 20040729-0077907).

P 5. Easement(s) granted to Chesapeake and Potomac Telephone Company by Agreement dated May 3, 1930, recorded in Deed Book 10-F, at Page 355.

Q 6. Easement(s) granted to Virginia Electric and Power Company by Agreement dated October 4, 1954, recorded in Deed Book 340, at Page 415, by Agreement dated February 9, 1956, recorded in Deed Book 354, at Page 315, and by Agreement dated September 8, 1959, recorded in Deed Book 392, at Page 284.

R 7. Easement(s) granted to Virginia Public Service Company by Agreement dated September 4, 1929, recorded in Deed Book 10-E at Page 137, and by Agreement dated August 15, 1932, recorded in Deed Book 10-P at Page 18.

S 8. Easement(s) granted to Loudoun County Sanitation Authority by Agreement dated April 1, 1987, recorded in Deed Book 942, at Page 676.

T 9. Easement(s) granted to United States of America in Deed of Easement dated March 4, 1992, recorded in Deed Book 1157, at Page 199.

U 10. Terms and Conditions of Agreement between Bles South Associates and Ashburn Village Joint Venture dated January 14, 1987, recorded in Deed Book 932, at Page 689.

V 11. Terms and conditions of Agreement between Loudoun County Sanitation Authority and Bles South Associates dated March 1, 1989, recorded in Deed Book 1029, at Page 1273.

W 12. Agreement contained in Acknowledgement of Floodplain Limits Increase dated July 29, 2004, recorded as Instrument No. 20040830-0091628.

X 13. Easement(s) granted to Level 3 Communications by Easement Agreement recorded as Instrument No. 20050726-0081233 (Note: This instrument refers to an Exhibit but none was attached).

Y 14. Rights of others in and to the uninterrupted flow of Beaverdam Run.

AA 15. Matters depicted on Survey entitled ALTA/ACSM Land Title Survey prepared by Dewberry & Davis of Leesburg Virginia, dated December 4, 2006 and last revised on May 21, 2007 entitled "ALTA/ACSM Land Title Survey For Ashburn Campus, LLC" (D&D Job PB-191R-LC), including the following:

a. Flood plain and channel of Beaverdam Run;

b. Fences on property boundaries and through property, not necessarily on property lines;

c. Driveway from Smith Switch Road to the insured land crosses over the land retained by Seller.

AB 16. Matters depicted on that certain plat entitled "SUBDIVISION WAIVER PLAT on the lands of EDWARD ST.

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JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156, including the following:

a. Loudoun County Major Flood Plain;

b. Scenic Creek Valley Buffer;

c. LDN 60 1-Mile Noise Buffer.

AC 17. Declaration of Covenants, Conditions and Restrictions dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104676, as amended by Amendment No. 1 to Declaration of Covenants, Conditions and Restrictions "Safe Harbor Agreement" dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104678.

AD 18. Buffer Yard Declaration dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104680.

AE 19. Terms and conditions of, and easements granted by, that certain Easement Agreement by and among Edward St. John LLC, Beaumeade Investors LLC and Ashburn Campus, LLC dated as of December 15, 2006 and recorded on December 15, 2006 as Instrument No. 20061215-0104679.

AK 20. Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of December 21, 2006, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, to ALEXANDER TITLE AGENCY INCORPORATED, as Trustee, in favor of MERCANTILE SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, recorded among the Land Records of Loudoun County, Virginia on December 27, 2006 as Document No. 20061227-010967, as modified by Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture filing dated as of May 1, 2007 recorded on May ____, 2007 as Instrument No. _____.

AL 21. Assignment of Rents and Leases dated as of the 1st day of May, 2007, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, recorded among the Land Records of Loudoun County, Virginia as Instrument No. _____.

AM 22. UCC-1 Financing Statement recorded on Decembet 27, 2006 as Instrument No. 20061227-0106968 showing Ashburn Campus, LLC as Debtor and Mercantile-Safe Deposit and Trust Company, as amended by UCC-3 Financing Statement recorded on _____ as Instrument No. _____. (NOTE: To be a subordinate matter on 1st Loan Policy and an exception to 2nd Loan Policy.)

AO 23. Such matters occurring subsequent to December 14, 2006, as would be shown by a current survey and inspection of the land.

AP 24. Deed of Trust and Security Agreement from Ashburn Campus, LLC as Grantor to Alexander Title Agency, Incorporated, as Trustee for the benefit of Ashby Ponds, Inc. as Beneficiary, securing the maximum principal amount of $650,939,631.00, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia

AQ 25. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Erickson Retirement, LLC as Debtor and Mercantile-Safe Deposit and Trust

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Company as Secured Party

AR 26. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Ashby Ponds Inc. as Debtor and Ashburn Campus, LLC as Secured Party, as assigned to Mercantile-Safe Deposit and Trust Company filed May __, 2007 as Instrument _____

AS 27. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Ashburn Campus, LLC as Debtor and Strategic Ashby Ponds Lender LLC as Secured Party

AT 28. Subordination and Standstill Tri-Party Agreement by and between Mercantile-Safe Deposit and Trust Company, Strategic Ashby Ponds Lender LLC and Ashburn Campus, LLC, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia.

AU 29. Unrecorded lease by and between Ashburn Campus, LLC and Ashby Ponds, Inc., dated May __, 2007.

AZ 30. Deed of Trust and Security Agreement from Ashburn Campus, LLC as Grantor to Alexander Title Agency, Incorporated, as Trustee for the benefit of Strategic Concord Landholder, LP, as Beneficiary, securing the maximum principal amount of $25,000,000.00, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia.

Authorized Signatory

(** THIS IS THE FINAL PAGE **)

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
18070136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

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EXHIBIT 22

"Working Capital Loan Documents"

1. Working Capital Loan Agreement
2. Working Capital Promissory Note
3. Lockbox Account Agreement

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ASHBY PONDS

WORKING CAPITAL LOAN AGREEMENT

THIS WORKING CAPITAL LOAN AGREEMENT (this "Loan Agreement") is made as of this 31st day of May, 2007, by and between ASHBY PONDS, INC., a Maryland nonstock corporation ("AP"), having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228, and ASHBURN CAMPUS, LLC, a Maryland limited liability company ("AC"), having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

AC is the owner of certain property located in Ashburn, Virginia (the "Property"), which AC intends to develop as a continuing care retirement community (the "Retirement Community").

AP and AC have entered into a Master Lease and Use Agreement of even date herewith (the "Master Lease"); pursuant to which AP shall lease the Property.

Under the Master Lease, AP 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 AP shall borrow from AC from time to time certain sums as a loan to enable AP to perform its aforementioned obligations pursuant to the Master Lease.

To secure AP's obligations under the Loan, AP has executed a Lockbox Account Agreement dated of even date herewith (the "Lockbox Agreement").

The parties intend that the aggregate loan made by AC to AP shall not exceed at any one time an amount equal to Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000).

As evidence of the loan, AP 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:

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1. Definitions. For the purposes of this Loan Agreement and the Note, the following terms shall have the indicated meanings:

AC – Ashburn Campus, LLC, a Maryland limited liability company authorized to do business in Virginia, and its successors and assigns under this Loan Agreement.

AP – Ashby Ponds, Inc., a Maryland nonstock corporation authorized to do business in Virginia, and its successors and assigns under this Loan Agreement.

Capital Budget -The annual budget prepared by AP setting out all capital repairs and replacements AP is obligated to perform pursuant to the terms of the Master Lease, which budget shall be prepared by AP and submitted to AC no later than February 15 of each year.

Construction Financing - The loan or loans made by a bank or other financial institution to AC 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 AC to AP.

Disbursement Request - The written request by AP to AC for an advance of the Loan.

Loan - The funds advanced by AC to AP 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 AP in connection with the Loan, including, but not limited to, that certain Lockbox Account Agreement dated of even date herewith by and between AP and AC.

Master Lease - That certain Master Lease and Use Agreement by and between AC and AP dated as of the date of this Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

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Note - The Working Capital Promissory Note of even date herewith, executed by AP, 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 AP setting forth AP's costs and income with respect to the operation of the Retirement Community, which operating budget shall be prepared and submitted to AC for review and approval no later than February 15 of each year.

Operating Deficiency – The excess of AP's Total Operating Expenses over AP's Operating Revenues for any period.

Operating Revenues – The sum of AP's gross resident and patient service revenues plus other operating revenues and non-operating revenues, but excluding contractual allowances and provisions for uncollectible accounts, free care and discounted care, amortization of resident deposits, unrealized investment income, non-cash gains and any other non-cash items.

Premises - The Property, together with all improvements located thereon, leased to AP pursuant to the Master Lease.

Property - The real property of AC located in Ashburn, Virginia which Property is more particularly described in Exhibit A attached hereto.

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

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.

Total Operating Expenses – For any period the sum of all expenses of AP for such period, exclusive of items that do not require the expenditure of cash (including, without limitation, depreciation and amortization), including management fees, determined in accordance with generally accepted accounting principles consistently applied and in accordance with the Operating Budget.

2. The Loan. Upon and subject to the terms and conditions set forth herein, AC agrees to lend to AP, and AP agrees to borrow from AC the Loan, in an aggregate principal amount

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outstanding at any one time not to exceed Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000), to be disbursed as set forth herein. Notwithstanding any term to the contrary herein, AC shall not be obligated to lend to AP any sums in excess of Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000).

3. Loan Disbursement. Not more often than once a month, AP shall send to AC a Disbursement Request for the amount of any proposed advance under the Loan. Such written request shall include supporting documentation, acceptable to AC in AC'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 AC has reviewed and approved in accordance with the Master Lease. Subject to the provisions of Article 8 of this Loan Agreement, AC shall disburse to AP the Loan advances within ten (10) business days of receipt of the Disbursement Request and supporting documentation acceptable to AC.

4. The Note. As evidence of the Loan, AP has executed and delivered the Note to AC in the original principal balance of Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000).

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. AP 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 AP hereby represents, covenants, and warrants that:

7.1.1. AP has been duly established as a Maryland corporation, is authorized to do business in and is in good standing in the State of Virginia, 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 AP, 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 AP or any of its members is party or is bound. This Loan Agreement, the Loan Documents and the Note, when executed and delivered by AP, shall constitute the legal, valid, and binding obligations of AP according to their terms.

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7.1.3. All Loan advances disbursed pursuant to this Loan Agreement shall be used by AP 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 AP forwarded by AP to AC are true, correct and complete, and unmodified as of the date hereof.

7.2 Contemporaneous with the execution of this Loan Agreement, AC shall deliver to AP:

7.2.1. A copy of the Articles of Organization and the Operating Agreement of AC;

7.2.2. Certificate of the Maryland State Department of Assessments and Taxation as to the good standing of AC; and

7.2.3. A resolution executed by the members of AC consenting to the lending of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement by AC.

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, AP shall deliver to AC:

8.1.1. A copy of the Articles of Incorporation and By-Laws of AP;

8.1.2. Certificate of the Maryland State Department of Assessments and Taxation as to the good standing of AP;

8.1.3. Certificate of the State of Virginia as to the registration or qualification of AP to transact business in Virginia;

8.1.4. A resolution executed by the Board of Directors of AP consenting to the borrowing of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement and the Note by AP;

8.1.5. The Note, fully executed by AP;

8.1.6. All other Loan Documents, fully executed by AP.

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8.2. All representations and warranties of AP 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 AP 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, AC shall have received an advance under the Construction Financing equivalent to any such proposed Loan disbursement that is authorized to be disbursed to AP under the Loan.

9. Default.

9.1. AP 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. AP 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. AP 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 AC 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. AP fails to perform or satisfy any of its covenants or obligations under the Master Lease and fails to cure said default within the time provided in the Master Lease (if any);

9.1.4. AP uses any of the disbursed Loan advances for any purpose other than valid operating expenses of the Retirement Community;

9.1.5. AP is adjudicated to be bankrupt or insolvent;

9.1.6. AP makes an assignment for the benefit of its creditors;

9.1.7. AP consents or applies for the appointment of a trustee or receiver for AP;

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9.1.8. Any voluntary or involuntary petition is filed by or against AP 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. AP 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 AP under this Loan Agreement, AC's obligation to disburse Loan advances shall immediately terminate. AC 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 AP. AC's rights upon default are in addition to any rights which AC may have at law or in equity.

10. Entire Agreement. This Loan Agreement, the Loan Documents 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, the Loan Documents and the Note may be amended only in writing upon execution of both parties.

11. Assignment. AP shall not assign its rights and obligations under this Loan Agreement or the Note without the prior written consent of AC.

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.

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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 AC 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 AC) shall preclude other or further exercise thereof, or the exercise of any other rights. Waiver by AC of any default by AP, 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 AP's obligations hereunder, AP herewith assigns and sets over to AC 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 AC a security interest therein. AP 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 AP in any of its obligations under this Loan Agreement, AC shall have the right to exercise all rights of AP 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 AC 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 AP. In such event, AP will give notice to each resident subject to a Residence and Care Agreement assigned hereunder that AC has succeeded to AP's rights thereunder. In addition, AP herewith assigns and sets over to AC 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 AP and the Retirement Community, together with all additions to, modifications of and substitutions for any of the foregoing.

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20. Limitation on Liability of Members/Partners. 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 or partners of the parties, or any officer, director or employee of a member or partner of the parties or their assets. Nothing herein contained shall limit or impair the liability of a member or partner of a party for any obligation arising independently of their status as a member or partner of such party.

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the date first above written.

WITNESS:

ASHBY PONDS, INC.

By: _____ (Seal)
Ronald E. Walker
President

WITNESS:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

APPROVED AS TO LEGAL SUFFICIENCY _____

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WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
ASHBY PONDS, INC.
AND
ASHBURN CAMPUS, LLC

EXHIBIT A

Property Description

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Description

All of that certain lot or Parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

Parcel B-1 as shown on that certain plat entitled "Subdivision Waiver Plat of the lands of Edward St. John, LLC and Beaumeade Investors, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

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Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

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(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104677.

AND BEING the same property as described in Chicago Title Insurance Company ALTA Plain English Title Insurance Commitment No. 04-0065 with a revised date of December 19, 2006.

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WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
ASHBY PONDS, INC.
AND
ASHBURN CAMPUS, LLC

EXHIBIT B

Notice Addresses

Notice shall be given as follows:

AC: Ashburn Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Legal Department

AP: Ashby Ponds, Inc.
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: President

With a copy to:

Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1500
Baltimore, Maryland 21202-1626

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WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
ASHBY PONDS, INC.
AND
ASHBURN CAMPUS, LLC

EXHIBIT C

FORM OF PROMISSORY NOTE

Capmark - CD#28 - Control ID#1181

May 31, 2007 $33,600,000

WORKING CAPITAL PROMISSORY NOTE

FOR VALUE RECEIVED, ASHBY PONDS, INC. ("AP") promises to pay to the order of ASHBURN CAMPUS, LLC ("AC") at AC's offices at 701 Maiden Choice Lane, Baltimore, Maryland, 21228, the principal sum of Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000) (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 AP, 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, from time to time.

2. Repayment. Interest accrued hereunder shall be paid to AC over the term hereof monthly in arrears, beginning on July 1, 2007 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 AC and billed to AP for each appropriate period; provided, however, that failure of AC to bill AP shall not relieve AP'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. AP 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 AP as defined in the Loan Agreement, AC 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 AC elects to accelerate the unpaid principal balance as a result of such default.

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7. Interest Rate after Judgment. If judgment is entered against AP 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, AP shall pay all of AC's costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

9. Waiver of Protest. AP, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. AP and AC 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 AP, 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. AP 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 AP, 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:

_____

ASHBY PONDS, INC.

By:_____ (Seal)
Name: Ronald E. Walker
Title: President

APPROVED AS TO LEGAL SUFFICIENCY _____

Capmark - CD#28 - Control ID#1181

May 31, 2007 $33,600,000

WORKING CAPITAL PROMISSORY NOTE

FOR VALUE RECEIVED, ASHBY PONDS, INC. ("AP") promises to pay to the order of ASHBURN CAMPUS, LLC ("AC") at AC's offices at 701 Maiden Choice Lane, Baltimore, Maryland, 21228, the principal sum of Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000) (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 AP, 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, from time to time.

2. Repayment. Interest accrued hereunder shall be paid to AC over the term hereof monthly in arrears, beginning on July 1, 2007 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 AC and billed to AP for each appropriate period; provided, however, that failure of AC to bill AP shall not relieve AP'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. AP 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 AP as defined in the Loan Agreement, AC 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 AC elects to accelerate the unpaid principal balance as a result of such default.

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7. Interest Rate after Judgment. If judgment is entered against AP 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, AP shall pay all of AC's costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

9. Waiver of Protest. AP, and all parties to this Note, whether maker, indorser, or guarantor, waive presentment, notice of dishonor and protest.

10. Waiver of Jury Trial. AP and AC 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 AP, 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. AP 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 AP, 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:

ASHBY PONDS, INC.

By: Ronald E. Walker (Seal)
Name: Ronald E. Walker
Title: President

APPROVED AS TO LEGAL SUFFICIENCY

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ASHBY PONDS

LOCKBOX ACCOUNT AGREEMENT

THIS LOCKBOX ACCOUNT AGREEMENT is made as of the 31st day of May, 2007 by and among ASHBY PONDS, INC. a Maryland nonstock corporation ("Assignor"), and ASHBURN 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 Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000) (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 Ashby Ponds Retirement Community located in Ashburn, Virginia (the "Retirement Community").

B. Assignor has agreed to make a loan to Secured Party in the principal amount of up to Six Hundred Fifty Million Nine Hundred Thirty-Nine Thousand Six Hundred Thirty-One Dollars ($650,939,631) (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 to 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 License and Residence and Care Agreement 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 to evidence the Working Capital Loan, Community Loan Agreement, or Lease, 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

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(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 and 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.

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(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 its 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 authorized to operate in Virginia. 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

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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

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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:	Ashby Ponds, Inc. 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: President
With a copy to	Herman B. Rosenthal, Esquire Whiteford, Taylor & Preston L.L.P. 7 St. Paul Street, Suite 1500 Baltimore, MD 21202-1626
If to the Secured Party:	Ashburn Campus, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attn: Chief Financial Officer
With a copy to	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228

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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.

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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 $125,000,000 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").

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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:

Cathy M. Thompson

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

Cathy A. Walker

ASHBY PONDS, INC.

By: Ronald E. Walker
Ronald E. Walker
President

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EXHIBIT A

FORM OF RESIDENT LETTER

ASHBY PONDS, INC.

By Certified Mail and
Regular Mail

_____
_____
_____

Re: Payment of Monthly Fees under Your Residence and Care Agreement at Ashby Ponds

Dear Resident:

Beginning _____, 200__, please pay all monthly fees and other charges due under your Residence and Care Agreement by check made payable to "_____" 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 Ashburn Campus, LLC.

Please be advised that Ashburn 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,

ASHBY PONDS, INC.

Ronald E. Walker
President

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EXHIBIT 21

"Lease"

Master Lease And Use Agreement

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ASHBY PONDS, INC.
MASTER LEASE AND USE AGREEMENT

THIS MASTER LEASE AND USE AGREEMENT (this "Lease"), is made as of this 31st day of May, 2007 by and between ASHBURN CAMPUS, LLC, a Maryland limited liability company, hereinafter called "AC," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228; and ASHBY PONDS, INC., a Maryland nonstock corporation, hereinafter called "AP," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

R.1. AC is the owner of certain real property located in Ashburn, Virginia (the "Property"), a legal description of which is attached hereto as Exhibit A.

R.2. AC intends to lease the Property, together with all improvements and personalty located thereon, to AP. AC and AP intend that this Lease shall set forth the general conditions and provisions for AP's use of the Property.

R.3. Subject to feasibility and other factors to be determined by AC, the parties intend that AC shall develop the Property by Phases.

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, AC demises and leases unto AP, and AP hereby hires from AC, 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:

AC – Ashburn Campus, LLC and its successors and assigns under this Lease.

Accepted Premises – That portion of the Premises that have been substantially completed by AC and accepted by AP.

Additional Rent - The additional expenses to be paid by AP as Rent pursuant to this Lease.

Annual Rent - The total Rent for the Premises on a per annum basis.

AP – Ashby Ponds, Inc., and its successors and assigns under this Lease.

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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.

Care Center - The structure(s) in which Nursing Units are located.

Commencement Date – Shall have the meaning given such term in Subsection 4.1.1. of this Lease.

Common Areas - The areas of the Premises not consisting of Units.

Community Building - A building constructed on the Property in which dining, recreational, retail and offices uses are located.

Community Loan - Amounts loaned from time to time by AP to AC 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 AP, as lender and AC, 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 deposit required to be paid (either in cash or by promissory note) to AP 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 Claim – means all claims arising under Environmental Requirements.

Environmental Requirements - All applicable laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, common law rulings and decrees, now or hereafter enacted, adopted, 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).

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. §§ 6901 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 regulated under Environmental Requirements. 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 built or to be built on the Property or supplied by AC for lease to AP, and all replacements thereto.

Independent Living Unit - An accommodation at the Retirement Community for a Resident who is able to live independently within AP's guidelines.

Initial Commencement Date - The Commencement Date for the first Residential Building.

Initial Move-In Period - The period for each Phase beginning with the substantial completion of construction for such Residential Building and ending with the achievement of ninety-five percent (95%) occupancy of such Residential Building. Completion of the Initial Move-In Period shall be the achievement of the ninety-five percent (95%) occupancy level in such Residential Building.

Lease - This Master Lease and Use Agreement.

Lease Term - The duration of this Lease as defined in Article 4 of 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 Care Center.

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 Retirement 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 AC in its sole discretion.

Premises - The Property and Improvements leased and demised to AP by AC pursuant to this Lease.

Property - The real property located in Ashburn, Virginia described in Exhibit A attached hereto.

Release – means any presence, emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration, or release of Hazardous Materials from any source into or upon the environment, including the air, soil, improvements, surface water, groundwater, the sewer, septic system, storm drain, publicly owned treatment works, or waste treatments, storage, or disposal systems.

Rent - The rental, including all Additional Rent, paid by AP to AC on the Premises.

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

Resident - An occupant of the Retirement Community pursuant to a Residence and Care Agreement.

Residential Building – A building constructed on the Property in which Independent Living Units, Assisted Living Units or Nursing Units are located.

Retirement Community - The continuing life-care community located on the Property.

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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 AC without the requirement of consent by AP).

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 AC to AP in the amount up to Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000) pursuant to that Working Capital Loan Agreement dated of even date herewith, to provide AP with a line of working capital to fund AP's purchase of the fixtures, furnishings, and equipment necessary for operation of the Premises and to fund AP's short-term operating costs with advances as needed.

Working Capital Loan Note - The note to be executed by AP evidencing the Working Capital Loan.

2. PREMISES

2.1. AP and AC acknowledge and agree that AC hereby leases to AP the Premises, and AP hereby leases from AC, the Premises, effective as of the date of this Lease, and any and all Improvements hereinafter constructed on the Property during the Term of this Lease. AC and AP acknowledge that the Premises, if fully completed by AC, are intended to include all of the Improvements as more fully depicted in the Site Plan attached hereto as Exhibit C. AP expressly acknowledges and agrees that AC 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 AP or by any other person or entity which is not specifically shown on the Site Plan shall require AC's prior written consent.

3.2. AP shall provide or shall cause to be provided all services required to be provided by AP under Residence and Care Agreements, in the form that has been attached hereto as Exhibit B. All proposed material alterations to the Residence and Care Agreements must be approved in advance in writing by AC.

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 AC.

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3.4. AP 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, AP 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 Ashburn, Virginia Metropolitan Area for the previous calendar year, unless an Entrance Deposit schedule with smaller increases is approved in writing by AC.

4. TERM

4.1. The rights and obligations of the parties shall be effective as of the date of this Lease; provided, however, that AP'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 that the Phase is accepted by AP and first occupied by AP for its intended use. 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. AP shall have the option to extend the Lease Term for three (3) additional ten (10) year terms by giving written notice to AC of AP's election to extend the Lease Term, which notice must be given during the Option Notice Period, provided, however, that in the event AP does not extend the Lease Term during the Option Notice Period, AC shall give AP written notice of such failure to extend, and AP shall have an additional thirty (30) days following receipt of such notice in which to extend the Lease Term.

5. RENT OBLIGATION

5.1. As of the Initial Commencement Date, AP hereby agrees to pay to AC as Rent for the Premises 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. AP covenants, without any previous demand therefor and without set-off, counterclaim, or deduction, except as provided in Section 5.3, to pay the Rent at the times and in the manner provided.

5.2. AC and AP acknowledge and agree that this Lease is intended to be absolutely "net" to AC, except as expressly provided otherwise in this Lease. Therefore, AP agrees to pay to AC promptly upon demand all sums payable by or assessed against AC as a result of AC's entry into this Lease or as a result of AC's ownership of such portion of the Premises as have been accepted by AP, except to the extent that AC is expressly liable for such cost or expense pursuant to the terms of this Lease. AC expressly agrees that AC is responsible for all taxes

and assessments allocable to those portions of the Premises that have not yet been accepted by AP.

5.3. AP acknowledges and agrees that AC may offset any sums due from AP to AC under this Lease against payments due from AC to AP under the Community Loan Agreement and related documents. In addition, AC acknowledges and agrees that AP may offset any sums due from AC to AP under the Community Loan Agreement and related documents against payments due from AP to AC under 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. AP shall, as Additional Rent, remit to AC AP's proportional share of all Applicable Taxes becoming due and payable during the Lease Term irrespective of any law or regulation which may impose such Applicable Taxes on AC. Applicable Taxes for the Tax Periods in which the Lease Term begins or terminates shall be apportioned in proportion to 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 AP as Additional Rent and shall be remitted by AP either (i) to the appropriate collecting authority, or (ii) to AC, if not payable by AP 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 AP 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. AP shall remit or cause to be remitted directly to the appropriate taxing authority all personal property taxes on AP's personal property located upon the Premises.

6.5. AP 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 AP shall have obtained the prior written consent of AC thereto. If AC elects to contest the amount or validity, in whole or in part, of the Applicable Taxes or special assessments, AP shall cooperate fully with AC in such contest.

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7. INSURANCE AND USE FEES

7.1. AP shall maintain comprehensive public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Accepted Premises and the streets and alleys adjoining the Accepted Premises, affording protection of at least $3,000,000 single limit per occurrence of loss or damage, subject to such deductibles as AC may permit. If during the Lease Term changed conditions or other pertinent factors, in the reasonable judgment of AC, should render inadequate the insurance limits referred to above, AP shall furnish on demand such additional coverage as may be reasonably required by AC. All such insurance shall be:

(i) primary and noncontributory to any other insurance maintained by AC, and

(ii) effected at AP's expense under valid and enforceable policies issued by insurers of recognized responsibility which are qualified to do business in the state in which the Property is located; 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 AC.

7.2. All policies shall name AP as insured and, as additional insureds, AC and any lender providing construction financing for all or any part of the Retirement Community, as their interests may appear, 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 AC. Certificates of insurance evidencing coverage of such policies shall be delivered by AP to AC and any lender providing construction financing for all or any part of the Retirement Community, as their interests may appear, prior to the Initial Commencement Date, and similar replacement certificates shall be delivered by AP to such entities at least fifteen (15) days prior to the expiration dates of expiring policies. If AP does not provide such evidence of valid liability insurance coverage, then AC, at its option, may provide said coverage at any time and without notice to AP. The cost thereof will be charged to AP as Additional Rent and shall be payable upon demand.

7.3. AP shall obtain and maintain throughout the Lease Term fire and special form insurance covering the Accepted Premises in an amount not less than 100% of the then replacement cost of such Improvements on the Premises, being the cost of replacing such Improvements, subject to such deductibles as AC shall permit, in AC's reasonable discretion from time to time.

7.4. All such fire and special form insurance shall be effected at AP's expense under valid and enforceable polices issued by insurers approved by AC. Such policies shall name AC or AC's designee and any lender providing construction financing for all or any part of the Retirement Community as sole loss payee as trustee for the proceeds and shall insure AC, AP and any construction lender as their respective interests may appear. Each policy or certificate shall, to the extent obtainable, contain an agreement by the insurer that such

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policies shall not be canceled or substantially modified without at least thirty (30) days' prior notice to AC. Memoranda of such policies shall be delivered by AP to AC prior to the Initial Commencement Date, and similar replacement policies shall be delivered by AP to such entities and at least fifteen (15) days prior to the expiration dates of expiring policies. If AP does not provide such evidence to AC of valid liability insurance coverage, then AC, at its option, may provide said coverage at any time and without notice to AP. The cost thereof will be charged to AP as Additional Rent and shall be payable upon demand.

7.5. AP, 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 AC from time to time for its protection against any loss, hazard, or liability to which AC may be exposed. In addition, AC shall be named as an insured on any excess or umbrella insurance policies maintained by AP.

7.6. AP covenants that it will not do nor permit to be done, nor keep nor permit to be kept upon the Accepted Premises, anything which will contravene the policy or policies of insurance against loss by fire or other causes. AP covenants that under no circumstances will it keep or permit to be kept, do or permit to be done in or about the Accepted Premises, anything of a character so hazardous as to render it difficult, impracticable or impossible to secure insurance in companies acceptable to AC, and further, immediately upon notice, to remove from the Accepted 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. AC and AP 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.

7.8. Notwithstanding anything to the contrary contained in this Lease, for the first seven (7) years following the Initial Commencement Date AC agrees to reimburse to AP, annually, a sum equal to (i) all insurance costs paid, per annum, for public liability insurance or comparable insurance required to be carried by AP pursuant to Section 7.1 of this Lease or to be paid by AP under the Management Agreement for any other agreement, in excess of (ii) the average insurance costs paid per annum at continuing care retirement communities managed by Erickson Retirement Communities, LLC (the "Baseline Communities"). Insurance costs shall include but are not necessarily limited to, premiums and deductibles and costs of self-insurance or other risk management programs. The amounts set forth in clause (ii) shall be adjusted so that they are comparable basis with AP's insurance costs, taking into account the number of types of units at AP's community and the Baseline Communities and the types of coverage at such communities, the purpose of such payment by AC being to reflect any increased insurance costs arising from the insurance market in Virginia as opposed to the insurance costs in other parts of the United States where the Baseline

Communities are located. Prior to the Initial Commencement Date, the parties shall establish a protocol for computing the amounts in clauses (i) and (ii).

The terms of this Section 7.8 shall survive the termination of this Lease.

8. UTILITIES; PERMITS

8.1. AP agrees to pay or cause to be paid all charges and taxes incurred by AP or others claiming under or through AP 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 Accepted Premises or any part thereof at any time during the Lease Term.

8.2. AC shall make application for and obtain the necessary permits and licenses for construction and development of the Improvements. AP 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 AC agrees to execute and deliver to AP such applications as are necessary and are requested by AP to obtain such licenses and permits, provided AC is not obligated to incur any cost, expense or liability in connection therewith.

9. MAINTENANCE; ENVIRONMENTAL MATTERS; COOPERATION

9.1. AP agrees to keep and use the Accepted Premises in a safe, clean, orderly and sanitary manner. AP shall provide security services for the Accepted Premises. AP will keep all sidewalks, driveways and parking areas included in the Accepted Premises and subject to the Lease free of ice, snow and debris.

9.1.1. AP shall, during the Lease Term, keep the interior and exterior of the Accepted 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 Accepted Premises, its apparatus or appurtenances by AP, its agents, servants or employees or by any Resident or any invitee of any Resident, at AP's own expense. AP is obligated to prepare, for AC'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 AC, AP shall be obligated to comply with such budgets and to cause such renovation and refurbishment to be done, unless AC consents in writing to a deviation from such plan, which consent may be refused in AC's sole discretion.

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9.1.2. All such replacements shall be and remain the property of AC throughout the term of this Lease, and upon expiration of this Lease. AP agrees to execute and deliver to AC such documents as AC may reasonably request to confirm AC's ownership of such replacements.

9.1.3. AP 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 upon the Commencement Date for each Phase of the Premises, reasonable wear and tear, permitted alterations, refurbishments, renovations and changes excepted. AP shall be charged with the protection of its own fixtures and personal property, and in no event shall AC 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 AC or any other person.

9.2. (a) AC shall, at its expense, remove or remediate in accordance with Environmental Requirements, Hazardous Materials located on the Property as of the date of this Lease that are known to AC, including any matters revealed in the environmental investigations of the Property prepared for AC and its affiliates (the "Environmental Reports"). AP shall neither take any action nor utilize the Premises in such a manner which would contaminate the Premises with Hazardous Materials. Should AP or persons under its control use any Hazardous Material on the Premises during the term of the Lease, such Hazardous Material shall be handled in accordance with all Environmental Requirements and manufacturers' requirements.

(b) Notwithstanding any provisions of this Agreement, AP shall indemnify, defend, and hold harmless AC from claims, losses penalties, sanctions, orders, damages or other costs, including reasonable attorneys' fees, incurred should contamination or other Environmental Claim arise from AP's use and operation of the Premises hereunder.

(c) Notwithstanding any other provision of this Agreement, AC shall indemnify, defend, and hold harmless AP from claims, losses, penalties, sanctions, orders, damages or other costs, including reasonable attorneys' fees incurred should contamination or other Environmental Claim arise from (i) facts, circumstances, conditions or Releases existing, initiated or occurring at the Property on or prior to the date of this Lease, to the extent known to AC (including the matters revealed in the Environmental Reports), or (ii) AC's development or use of the Property, unless and to the extent caused by AP's use and operation of the Premises hereunder. NO LENDER (OTHER THAN AC) HOLDING ANY SECURITY INTEREST IN THE PREMISES SHALL BE LIABLE TO AP UNDER THIS SUBSECTION (C), WHETHER BY VIRTUE OF ANY COLLATERAL ASSIGNMENT OF THIS LEASE BY AC, OR OTHERWISE.

(d) Notwithstanding any other provision of this Lease, the provisions of Section 9.2(b) and (c) shall survive any expiration or termination of this Lease.

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9.3. AP shall use reasonable efforts to cooperate, at no cost or liability to AP, with AC in the development of each of the Phases.

9.4. Except as provided in Section 9.3, AP 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 Accepted Premises, and to the plumbing, heating, electrical, elevator, sprinkler and air conditioning systems in the Accepted 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. AC covenants that, as of the Commencement Date for each Phase, the Phase to be leased to AP as part of the Premises shall be constructed in a good and workmanlike manner, 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. AP acknowledges and agrees that AP's sole remedy for a failure by AC to comply with the terms of this Section 10.1 shall be to seek specific performance and/or to pursue actual damages incurred by AP in performing AC's obligations under this Section 10.1.

10.2. AP 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 AC, after submission of the plans therefor, such consent not to be unreasonably withheld. AP 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 AP's expense.

10.3. AP covenants promptly to comply with and do all things required by any notice served upon it or upon AC in relation to the Premises or any part thereof, from any applicable government or governmental agency, if the same shall be caused by AP's use or occupancy of the Premises, or any alteration, addition or change to the Premises performed by AP or by any change or addition to any Laws.

10.4 All alterations, changes, and improvements made by AP, whether at AP's behest or for the compliance with local, state, and U.S. laws or regulations, shall be made at AP's expense.

10.5. AP covenants that no liens, including mechanic's liens, shall attach to the Premises by virtue of any alteration, refurbishment, renovation or change made by AP, and that if any such lien is filed AP will cause the same to be removed within thirty (30) days after such

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filing and shall indemnify and hold harmless AC from any damages resulting from such liens.

11. SIGNS AND APPEARANCE

AP shall not place or permit any signs in or about the Premises without the written permission of AC, such consent not to be unreasonably withheld. AP 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 AC, such consent not to be unreasonably withheld.

12. SUBLETTING OR ASSIGNMENT

AP covenants that AP'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 AC. AP further covenants that this Lease shall not be assigned to any person or entity without the prior written consent of AC. 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 AP to sublet or to assign this Lease shall be in AC's sole discretion. If AC consents in writing to a subletting or an assignment of the Lease, AP hereunder shall remain liable for the performance of all the covenants and conditions of this Lease. Notwithstanding the provisions of this Article 12, AP need not obtain AC'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. AC 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 AP, which approval will not be unreasonably withheld. AC 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 AP or to the Retirement Community.

13. INDEMNITY

13.1. AP shall and will save, hold and keep harmless and indemnify AC 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 AP 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 AP, its employees, residents, or invitees, whether such damage, including personal injury, be sustained by AC or its officers, agents, employees, residents, or invitees by residents of the Premises, or by other persons or corporations which seek to hold AC liable.

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13.2. AC will save, hold, keep harmless and indemnify AP from and against any and all costs of repairs and claims for damages whatsoever and the cost of defending against same, of any kind or nature, including personal injuries, to the extent arising out of the negligent or faulty construction of the improvements and occurring prior to the time the improvements become part of the Accepted Premises; whether such costs or damage, including personal injury, be sustained by AP or its officers, agents, employees, residents; or invitees by residents of the Premises; or by other persons or corporations who seek to hold AP liable.

14. QUIET ENJOYMENT; SUBORDINATION TO MORTGAGE

14.1. AC covenants that AP shall quietly enjoy possession of the Premises during the Lease Term, so long as AP shall not be in default hereunder.

14.2. AC agrees that all Residence and Care Agreements entered into with Residents of the Premises shall be honored by AC, even in the event of termination of this Lease, and that any holder of any security interest in the Premises claiming under AC will not disturb the possessory rights of such Residents under Residence and Care Agreements so long as such Residents are not in default thereunder. AC'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. AP and AC hereby agree that in event of any termination of this Lease, AP shall, at the election of AC, assign over to AC or AC's designee, absolutely and free of any claim or right of AP, all of AP'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 AP's rights and privileges under the Community Loan. AC or AC's designee (as the case may be) will assume all of the obligations of AP 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, AP shall assign to AC all of AP's rights under any subleases, licenses, contracts and operating agreements with respect to the Premises requested by AC to be assigned to AC, subject to assumption by AC of all obligations of AP under each agreement so assigned, arising subsequent to the date of such assignment.

14.5. AP 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, AP shall have entered into a non-disturbance agreement with AC'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

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interest of AC as a result of such enforcement will not terminate this Lease nor disturb AP in the possession and use of the Premises pursuant to this Lease and AP's rights hereunder (except as provided for in this Lease or on such other terms as may be agreed upon between AP and AC's lender). AP 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 AP 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. AP agrees that upon the request of AC, or any mortgagee or beneficiary, AP 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 AC covering the Premises, AP hereby attorns to, and covenants and agrees to execute instrument in writing reasonably satisfactory to the new owner, whereby AP attorns to such successor in interest and recognizes such successor as AC under this Lease.

15. INSPECTION OF PREMISES

AP agrees that AC 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 AC'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. AC shall give AP reasonable notice of any inspection; provided, however, that in the case of emergency, AC 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 AC's judgment as to render up to fifty percent (50%) of the gross square footage of any Building unavailable, then AP shall restore such Building as speedily as possible, and Rent shall abate proportionately on such Building until the repairs are substantially completed. For purposes of such restoration, any and all insurance proceeds to be obtained by AP in accordance with Article 7 of this Lease payable on account of such loss (excluding any rental loss insurance) shall be made available to AP to cover the cost of such restoration. Any proceeds from rental loss insurance shall be paid to AC. Any insurance deductible payment shall be paid by AP. 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 AC's judgment as to render more than fifty percent (50%) of the gross square footage of any

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Building unavailable, then AC shall restore such Building as speedily as possible, and Rent shall abate proportionately on such Building until the repairs are substantially completed. For purposes of such restoration, any and all insurance proceeds to be obtained by AP in accordance with Article 7 of this Lease payable on account of such loss (excluding any rental loss insurance) shall be made available to AC, and any lender providing construction financing for all or any part of the Retirement Community, 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 AP. Such restoration shall provide substantially equivalent facilities to those damaged or destroyed, to the extent of available insurance proceeds.

16.3. If AP 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, AP, at AP'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, AP must obtain the consent of AC 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 AC under threat of condemnation proceedings, then this Lease shall terminate as to the part so taken or sold on the day when AP is required to yield possession thereof. AC 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 AC 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 AC and AP, then this Lease shall terminate as of the date when AP is required to yield possession.

17.3. AC 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. AP 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 AP, provided that such award does not diminish any award receivable by AC as a result of such taking. AC shall notify AP within ten (10) days of receipt of notice of the taking or condemnation.

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18. DEFAULT BY AP

18.1. The following events shall be deemed an "Event of Default":

(i) appointment of a receiver or trustee for AP in any court, which appointment is not vacated within thirty (30) days;

(ii) if AP 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 AP 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 AP, such filing is not vacated within thirty (30) days;

(iv) AP fails to pay the Rent reserved hereunder within ten (10) days of the due date thereof, AC provides written notice to AP of such failure, and AP fails to pay such Rent within five (5) business days following receipt of notice from AC;

(v) AP 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 AP, which violation shall remain uncured for a period of thirty (30) days after notice thereof in writing, provided, however, that in the event such default cannot reasonably be cured through the use of diligent efforts within thirty (30) days, AP shall be afforded an additional thirty (30) days to diligently pursue such care.

18.2. If an Event of Default shall occur, AC may, at its option, but subject to the requirement set forth in Section 14.2 hereinabove that AC honor the rights of Residents of Units in the Premises, under Residence and Care Agreements:

(i) terminate this Lease, in which event AC 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 AP, for the account of AP, in which event AC may carry out, amend, terminate or modify any and all contracts and agreements previously entered into by AP 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

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account of AP, 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 AC shall, unless AC has previously terminated the Lease on account of default, return the Premises to AP, accounting for all income received and expenses incurred; or

(iii) set off against sums due and owing by AC to AP under the Community Loan any sums due and payable by AP to AC under this Lease, to the extent such sums are not received by AC when due; or

(iv) exercise any other remedy available to AC at law or in equity.

18.3. AC'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 Virginia. In the event that AC declares an Event of Default and re-enters the Premises, AC may grant or assign AP'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 AP covenants and agrees to cooperate with AC with respect to any threatened or attempted appointment of a receiver for the Retirement Community by AP or by any other governmental or quasi-governmental entity exercising regulatory or oversight control over continuing care retirement communities in Virginia.

19. AP HOLDING OVER

If AP shall not immediately surrender possession of the Premises at the expiration of the Lease Term or the sooner termination of this Lease, AP shall become a tenant from month to month, provided the Rent shall be paid to and accepted by AC, 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 AC shall accept such Rent from AP, AC shall continue to be entitled to re-take possession of the Premises without any prior notice whatever to AP. If AP shall fail to surrender possession of the Premises immediately upon the expiration of the Lease Term or the sooner termination of the Lease, AP hereby agrees that all of the obligations of AP and all rights of AC applicable during the Lease Term shall be equally applicable during such period of subsequent occupancy, regardless of the type of tenancy created.

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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 AC'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 AP'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, AP will submit to AC 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 AP's assets, liabilities and net worth, all in accordance with sound accounting principles, consistently applied. AP shall, at its own expense, contract with and pay for an independent certified public accountant(s) to prepare such financial statements.

21.2. AP will submit to AC annually, not later than sixty (60) days prior to the beginning of each of AP'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 AP 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). In addition, AP shall supply to AC, as promptly as reasonably possible, such other information as AC 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. [Reserved.]

21.4. As collateral security for AP's obligations hereunder, AP assigns and sets over to AC all of AP'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 AP thereunder), and grants to AC a security interest therein. AP 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 AC's security interest in the Residence and Care Agreements. In event of default by AP in any of its obligations under this Lease, AC shall have the right to exercise all rights of AP 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

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periods, and to enter into such modifications, terminations or amendments thereof as AC 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 AP. In such event, AP will give notice to each Resident subject to a Residence and Care Agreement assigned hereunder that AC has succeeded to AP's rights thereunder. AP agrees that AC, as security for any indebtedness of AC, may assign its interest in such assignments.

21.5. As additional security for all of AP's obligations hereunder, and to the extent not prohibited by law, AP assigns and sets over to AC all of AP'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 AP and the Retirement Community; and (iv) any and all personalty of AP 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. AP 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. AP shall, upon request, execute a Collateral Assignment of Residence and Care Agreements and Assignment of Licenses to evidence these assignments. AP agrees that AC, as security for any indebtedness of AC, may assign its interest in such documents.

21.6. AP's accounts and books of record maintained by AC with respect to the operation of the Premises shall be subject to examination and audit by AC at any time during the Lease Term and any renewals hereof. In the Event of Default by AP 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 AP and shall be payable by AP as Additional Rent due hereunder promptly upon submission by AC of any bill or bills therefor.

21.7. As AC's security hereunder may be impaired hereunder unless Entrance Deposits are collected in full, AP agrees that it shall enforce collection of all sums due and owing to AP under any promissory note given by a Resident in payment of his or her Entrance Deposit.

21.8. AP 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 AP's interest in the Community Loan.

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22. COMMON AREAS/ RESERVATIONS

22.1 AC 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) construction and installation of utilities and stormwater management facilities;

(v) perform AC's rights or obligations under this Lease

(vi) perform grading; and

(vii) such other purposes as AC may reasonably deem necessary.

Upon the request of AC, AP will execute any and all documents necessary to evidence such rights and easements as AC may request.

22.2 AP agrees to execute and deliver to AC such easements, grants, licenses, leases or other agreements relating to the Premises as AC may request that are necessary or desirable for the construction or development of the Retirement Community, provided such documents do not impose any material obligation or liability on AP.

22.3 AC for itself and for its agents, and contractors, reserves the right to enter the Premises to complete the development 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.

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

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24. MISCELLANEOUS

24.1. AP hereby warrants and represents to AC that AP 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. AC hereby warrants and represents to AP that AC is a limited liability company, validly existing and in good standing 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.

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 Virginia and venue for all proceedings with respect to this Lease shall be in the State of Virginia.

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 AP's rights shall inure only to those assigns for which AP has obtained AC's prior written consent in accordance with Article 12 of this Lease.

24.6. The failure or delay by AC 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 AC at law or in equity.

24.7. The provisions of this Lease shall not be construed to create a joint venture or partnership between AC and AP.

24.8. In the event of a default by AC of its obligations under this Lease, AP hereby waives any recourse to which AP may be entitled, at law or in equity, against the members of AC.

24.9. AP shall, within five (5) days of request therefor by AC, execute and deliver to AC or, at AC's request, to any prospective purchaser, assignee, or any lien holder, 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 AP hereunder; (d) that AP has accepted possession of the Premises; (e) as to whether, to the best knowledge, information, and belief of the signer of the certificate, AC or AP is then in default hereunder and the nature of the default; (f) as to any other fact or condition reasonably requested by AC

or such other addressee; and (g) that the statements contained in the certificate may be relied upon by AC or such other addressee.

24.10. AC and AP agree that neither this Lease nor any memorandum thereof shall be recorded without the consent of both parties hereto.

24.11. AC and AP acknowledge and agree that, in the event that AC hereafter acquires AP's interest in this Lease, this Lease, at AC's option, shall not be terminated due to merger and shall continue in full force and effect, and AC may at any time thereafter transfer or assign AP's interest in this Lease to any qualified provider of continuing care services under the laws of the State of Virginia.

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 lien holder, for whom AP has executed a subordination agreement pursuant to Section 14 of this Lease, shall foreclose on the Premises, AP agrees to attorn to the new landlord or lien holder, as the case may be, and shall execute and deliver, upon request therefor, a written agreement of attornment confirming that AP is and remains bound under the terms and provisions of this Lease.

24.14 AP and AC hereby voluntarily and intentionally waive any right they may have to a trail by jury in any action, proceeding or litigation directly or indirectly arising out of, under or in connection with this Lease. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Lease. This waiver is knowingly, intentionally, and voluntarily made by AP and AC who acknowledge that they have been represented in the execution of this Lease 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. AP and AC further acknowledge that they have read and understand the meaning and ramifications of this waiver provision.

25. LIMITATION ON LIABILITY OF MEMBERS/PARTNERS.

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 partners or members of the parties, or any officer, director or employee of a partner or member or their assets. Nothing herein contained shall limit or impair the liability of a partner or member of a party for any obligation arising independently of their status as a partner or member of such party.

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26. LANDLORD WORKING CAPITAL LOAN TO AP

AC shall provide the Working Capital Loan to AP on such terms as are acceptable to AC and AP. 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 AC and AP and the Working Capital Loan Note. AP 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 AC, AP hereby expressly disclaims any reliance on such projections.

27. AP'S OPTION TO BUY

AP shall have a Purchase Option for the Premises upon the occurrence of the tenth (10th) anniversary of the date of this Lease, 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, AP shall give AC 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. AC and AP 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 AP. AP and AC 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 AC's attorney's fees but inclusive of title insurance premiums and recordation and transfer taxes, shall be borne by AP.

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 AP to AC 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 AP shall have defaulted under the terms of this Lease.

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27.5 The parties agree and acknowledge that the purchase price to be paid by AP at such time as AP 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 AP'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 Virginia selected by AC from a list of not less than four such appraisers submitted by AP. In the event AC refuses to select any of the appraisers submitted by AP, within ten (10) days of such refusal, AC and AP shall each select a MAI qualified appraiser in Virginia ("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 AP during the Lease Term but not capital replacements made by AP 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. AC and AP 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. AC and AP 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.

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IN WITNESS WHEREOF, the parties hereto have caused this Master Lease and Use Agreement to be executed and delivered as of the date first written above.

WITNESS:

AC: Ashburn Campus, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald E. Doherty
Executive Vice President

WITNESS:

AP: Ashby Ponds, Inc.

By: _____ (SEAL)
Ronald E. Walker
President

APPROVED AS TO LEGAL SUFFICIENCY _____

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TABLE OF EXHIBITS

Exhibit A:	Legal Description of the Property
Exhibit B:	Residence and Care Agreement
Exhibit C:	Site Plan
Exhibit D:	Fees and Deposits
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Exhibit F:	Notices

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ASHBY PONDS RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

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Description

All of that certain lot or Parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

Parcel B-1 as shown on that certain plat entitled "Subdivision Waiver Plat of the lands of Edward St. John, LLC and Beaumeade Investors, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

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Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

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(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104677.

AND BEING the same property as described in Chicago Title Insurance Company ALTA Plain English Title Insurance Commitment No. 04-0065 with a revised date of December 19, 2006.

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ASHBY PONDS RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT

EXHIBIT B
RESIDENCE AND CARE AGREEMENT

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ASHBY PONDS
RESIDENCE AND CARE AGREEMENT

April 2007

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ASHBY PONDS
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the ____ day of _____, _____ by and between ASHBY PONDS, INC. (referred to in this Agreement as "ASHBY PONDS") and _____ (referred to in this Agreement as the "Resident(s)").

RECITALS

R.1 Ashby Ponds (the "Community") is a continuing care retirement community located in Ashburn, Virginia developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 ASHBY PONDS is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Virginia. ASHBY PONDS 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:

Section 1. DESCRIPTION OF COMMUNITY

The Community is being developed in phases over a ___ year period, subject to obtaining all necessary or required governmental approvals and licenses. The Community shall consist of Independent Living Units, Assisted Living Units and Nursing Units.

1.1 Independent Living Units. The Community is planned to have approximately _____ independent living units within 3 residential neighborhoods with community buildings. The community buildings include a dining room, classrooms, cardrooms, lounges, and other common areas. The Community is planned to include banks, beauty salons, convenience stores, guest rooms, an auditorium, a conference center, a full-service outpatient Medical Center, and a pool. Each residential neighborhood is planned to include at least one unique facility, such as the Medical Center, the swimming pool, health club, or the like.

1.2 Renaissance Gardens. Renaissance Gardens refers to the Community's on-site health care neighborhood. Renaissance Gardens will house both the Assisted Living Units and the Nursing Units. Each floor of the Renaissance Gardens will include a dining room, a resident lounge, activity rooms and a bathing core. Renaissance Gardens will be constructed in several phases. Until

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Renaissance Gardens is opened, ASHBY PONDS will enter into transfer agreements for its Residents with outside assisted living and nursing care centers.

1.2.1 Assisted Living Units. Renaissance Gardens will include a total of approximately ____ Assisted Living Units to be completed in phases. 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 circumstances 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 and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by Resident in the event of such a transfer.

1.2.2 Nursing Units. Renaissance Gardens will include approximately ___ Nursing Units to be completed in phases. It is expected that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, the Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by Resident in the event of such a transfer.

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 Living Unit: _____, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. Resident may not assign or sublet the right to occupy a Living Unit to any other person. ASHBY PONDS shall provide the Living 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 will be required to meet ASHBY PONDS's financial and health-related qualifications for entrance into the Community. These financial qualifications are meant to serve as a financial protection for the larger community of residents. ASHBY PONDS 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 Ashby Ponds, the Resident may terminate the Agreement in accordance with Section 12.2 of this Agreement. If the Resident's spouse is accepted by Ashby Ponds, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

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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. ASHBY PONDS will provide furnishings and equipment, as required by law, for Nursing Units.

3.4 Customized Improvements. Resident may decorate the Living 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. If Resident contracts with an outside contractor, the firm or individual contracted with for making the approved improvements, and the plans under which those changes will be made, will be subject to the approval of the Executive Director. If Resident contracts with ASHBY PONDS to make the changes, Resident and ASHBY PONDS shall sign an agreement to memorialize the details concerning the improvements and any charges related to such changes. For charges related to the removal of any improvements, please see Section 9.4. No customized improvements may be made to a Nursing Unit.

Section 4. SERVICES TO RESIDENTS

ASHBY PONDS 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. ASHBY PONDS may not change the scope of services or care to Resident except upon thirty (30) days notice to the applicable Residents.

4.1 Independent Living Services. Covered Services included in the Independent Living Monthly Service Package are:

One meal a day;
Pullcord communication system;
Security/Safety Officers on duty 24 hours;
Maintenance of buildings, grounds and equipment;
All utilities (except personal telephone);
Basic cable television service;
Pre-wiring for telephone;
On-Campus shuttle transportation;
Scheduled local transportation to local shopping and metro, as determined by Community;
Insurance on buildings, grounds and equipment;
Insurance of the Independent Living Unit and all items 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.

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4.2 Assisted Living Services. Covered Services included in the Assisted Living Monthly Service Package are as follows. Further details on the services available at each level of assisted living care, on ASHBY PONDS's and Resident's rights and obligations in Assisted Living are set forth in the Assisted Living Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated level of care, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
Administration of medications (not included in level A or B);
Individualized plan of care;
Three meals per day;
Regularly scheduled Registered Nurse review and assessment;
Hospital visits by Renaissance Gardens physician;
Laundry service (not included in Level A);
Light housekeeping care, including emptying trash, light dusting, bathroom and floor cleaning as needed (not included in Level A);
Medical appointment scheduling, as needed;
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;
On-campus shuttle transportation;
Scheduled local shuttle transportation to local shopping and metro, as determined by Community (if medically appropriate);
Maintenance and insurance of buildings, grounds and equipment;
Sewage, trash and general snow removal; and
Use of all public rooms and common areas of the Community.

4.3 Nursing Care Services. Covered Services included in the Nursing Fee are as follows. Further details on the services available for nursing care, on ASHBY PONDS's and Resident's rights and obligations are set forth in the Nursing Admission Addendum to the Residence and Care Agreement:

Nursing care;
Three meals a day;
Tray service;
Individual care plans;
Planned activities;
Social work services;

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Laundry services for linens and towels owned by ASHBY PONDS (Personal linen and laundry will be charged as an Ancillary charge);
Housekeeping;
Nurse/ Resident communication system;
Security/Safety Officers on duty 24 hours;
Basic Cable Service;
All utilities (except personal telephone);
Maintenance of buildings, grounds and equipment;
Pre-wiring for telephone;
Insurance on buildings, grounds and equipment;
Insurance of the Nursing Unit and all items 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.

Section 5. ANCILLARY SERVICES

5.1 Services Available through Ashby Ponds. ASHBY PONDS anticipates that the following services will be available to Resident for an additional fee. These services will be phased in as the Community is developed and some services may not be immediately available. Other services which are not listed may also be available.

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;
On-site health club membership;
Lodging in guest rooms on a temporary and space available basis;
Personal storage space;
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. ASHBY PONDS also expects to contract 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. Such services may be covered by Medicare or by Resident's other medical insurance. ASHBY PONDS does not charge Resident any additional fee for use of or access to these outside providers. These services will be provided at an additional fee and will be billed separately by the outside provider. These services will be phased in as the Community is developed and some services may not be immediately available.

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5.3 Services Not Provided. **Hospice care (still true)?**, acute care, hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit or and comprehensive care in a Nursing Unit are not provided by ASHBY PONDS or covered under the terms of this Agreement. ASHBY PONDS 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 temporary basis, subject to the reasonable policies and procedures of ASHBY PONDS 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 ASHBY PONDS 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. ENTRANCE DEPOSIT

7.1 Payment of Deposit. Resident shall pay to ASHBY PONDS an Entrance Deposit as shown in Schedule I, which shall be made in a series of deposits on or before taking occupancy of Resident's Unit at the Community . ASHBY PONDS does not require an additional Joint Resident Entrance Fee if Joint Residents occupy the same Living Unit.

7.2 Escrow of Deposit & Release from Escrow. The deposits made by Resident towards the total Entrance Deposit will be held in escrow in a banking institution, acting as an escrow agent, until Resident either occupies the Living Unit or the Living Unit is available for immediate occupancy. When the applicable conditions have been fulfilled, the Entrance Deposit will be released from escrow in full and will be held or used by ASHBY PONDS until the termination of this Agreement as provided in Section 12. Once released from escrow, the initial Entrance Deposits are loaned by ASHBY PONDS to the landowner pay off the cost of the construction loan for the Community. Entrance Deposits received from subsequent occupants of each Living Unit will be partly used to refund the Entrance Deposit paid by the prior occupant. Any positive difference between the new Entrance Deposit and the amount refunded to the prior occupant will be kept by ASHBY PONDS for capital repairs and improvements and for the reserve funds required by ASHBY

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PONDS's lease agreement. However, Resident retains a right to a refund of the Entrance Deposit subject to the terms and conditions set forth in Sections 7.4, 7.5, and 7.6 of this Agreement.

Deposits in escrow will be returned by the escrow agent to Resident only in the following circumstances: i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started or within such longer period as determined appropriate by the State Corporation Commission in writing; ii) if Resident dies before occupying a unit; iii) if the construction of the facility, not yet operating, is stopped indefinitely before the Community is completed; or iv) upon rescission of the Residence and Care Agreement pursuant to the terms of this Agreement.

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. No interest shall be paid to Resident on a Resident's Entrance Deposit.

7.3 Adjustments to Entrance Deposit. Resident's Entrance Deposit may be increased only in the circumstances listed below. 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 unless Ashby Ponds gives its prior written consent in its sole discretion.

7.3.1 If a Resident who has paid an Entrance Deposit for a Living Unit transfers permanently to a Living Unit requiring a higher Entrance Deposit, Resident shall pay to ASHBY PONDS an additional deposit equal to the difference between the Entrance Deposit then in effect for the higher Entrance Deposit Living Unit and the Entrance Deposit then in effect for the Resident's present Living Unit.

7.3.2 If a Resident's spouse is accepted by Ashby Ponds as a new resident in the Community and is placed in a different Living Unit than that of Resident (See Section 3.2 of this Agreement), the new spouse must pay an additional Entrance Deposit for the new Living Unit of the spouse, and the new spouse must sign a separate Residence and Care Agreement for the new Living Unit.

7.4 Refund of Deposit Prior to Occupancy. The Entrance Deposit shall be refunded by ASHBY PONDS to Resident or the Resident's legal representative, as appropriate, prior to occupancy in the following circumstances:

7.4.1 Resident rescinds the Residence and Care Agreement within seven (7) days of making an initial deposit or executing this Agreement or at any time prior to occupancy;

7.4.2 Resident dies before occupying the unit or is precluded from occupying the unit through illness, injury, or incapacity; or

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7.4.3 ASHBY PONDS 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 ASHBY PONDS'S receipt of actual notice of the termination of this Agreement. 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 Living Unit, and ASHBY PONDS 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.

7.5 Refund of Deposit after Occupancy. After occupancy of the Living Unit and subject to the terms and conditions of Section 7.6 of this Agreement, ASHBY PONDS shall pay a refund of the Entrance Deposit to the Resident as follows:

7.5.1 Termination by Resident during Lifetime. If Resident terminates the Agreement at any time after the Occupancy Date, ASHBY PONDS shall pay a refund of the Entrance Deposit within sixty (60) days after fulfillment of the following conditions: (1) Resident has vacated and has removed all possessions from the Living Unit; (2) Resident has signed a unit release for the Living Unit; (3) Resident has paid to ASHBY PONDS all outstanding fees and charges; and (4) a qualified, new resident has signed a new Residence and Care Agreement for the Living Unit and has settled in full by paying a new entrance deposit. ASHBY PONDS shall pay the refund of the Entrance Deposit to the duly designated beneficiaries named in a Refund of Entrance Deposit Form or, if there is no Refund of Entrance Deposit Form, to the Resident.

7.5.2 Termination due to Death of Resident. If Resident dies after the Occupancy Date, ASHBY PONDS shall pay a refund of the Entrance Deposit within sixty (60) days of the fulfillment of the following conditions: (1) the Resident's personal representative or family has removed all possessions from the Living Unit; (2) the Resident's personal representative or family has signed a unit release for the Living 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 Living Unit and has settled in full by paying a new entrance deposit.. The refund shall be payable by ASHBY PONDS 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.

7.5.3 Termination by ASHBY PONDS. If ASHBY PONDS terminates the Agreement for good cause (see subsection 12.3 of this Agreement), ASHBY PONDS shall pay a

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refund of the Entrance Deposit within sixty (60) days of fulfillment of the conditions listed in subsection 7.5.1 of this Agreement.

7.6 Limitation on Amount of Refund. The amount of the refund which ASHBY PONDS is obligated to pay to Resident and which Resident 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 Fees, fees for Ancillary Services, and Refurbishing Fees will not be automatically deducted from the Refund of the Entrance Fee unless Resident or his/her Representative so directs. However, if Resident's Living Unit is not reoccupied within a reasonable period of time, in ASHBY PONDS's sole discretion, by a qualified new resident with an Entrance Deposit equal to or greater than Resident's Entrance Deposit, then ASHBY PONDS will so notify Resident or Resident's personal representative. Resident or Resident's personal representative may then direct ASHBY PONDS to re-market the Living Unit for a discounted Entrance Deposit, and the amount of the discounted Entrance Deposit, when received from a qualified new resident, will constitute the amount of the refund 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 Living Unit. As of the date of this Agreement, the applicable Monthly Service Package for the Resident's current Living Unit is shown in Schedule I. The Monthly Service Package is due and payable monthly, in advance, on or before the 5th day of each month; provided, however, that the Monthly Service Package for the month during which a Resident first takes occupancy of a Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the Term of this Agreement.

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. Joint Residents occupying the same Assisted Living Unit shall pay one Assisted Living Monthly Service Package and a Double Occupant Fee for each additional Joint Resident. If the Joint Residents occupy different Living Units, the Residents shall each pay the full Monthly Service Package for their respective Living 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, and Nursing Fee may be revised from time to time. ASHBY PONDS 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. However, ASHBY PONDS reserves the right at any time, upon thirty (30) days notice to Resident, to adjust the Monthly Service Packages to reflect any additional cost or liability

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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 Living Unit in the Community, to an Off-Site Assisted Living or Nursing Unit, or to a Special Service Facility, Resident shall pay the Monthly Service Package for Resident's permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit, the Off-Site Assisted Living or Nursing Unit, or Special Service Facility, as the case may be. Payment of the Monthly Service Package for Resident's permanent Living Unit assures that such permanent Living Unit will remain available to Resident during the time Resident is temporarily transferred. The Monthly Service Package for a temporary Living 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 Living Unit shall be adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit; (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two person Non-Occupancy Credit; (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit.

Upon Resident's return to the permanent Living Unit, Resident shall continue to pay the current Monthly Service Package associated with such Living Unit.

8.5 Monthly Service Package in Event of Permanent Transfer. For a period of thirty (30) days following the Departure Date, Resident shall be responsible for payment of the Monthly Service Package for the vacated Living Unit, minus the Non-Occupancy Credit, in addition to the Monthly Service Package for the new Living Unit. After the expiration of such thirty (30) day period, Resident shall no longer be responsible for the payment of the Monthly Service Package for the vacated Living Unit.

8.6 Monthly Service Package in Event of Termination of Agreement. If Resident terminates this Agreement, or if ASHBY PONDS terminates this Agreement for good cause in accordance with Section 12.3, 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 Living Unit, minus the Non-Occupancy Credit, until either (1) all the conditions for a full refund of the Entrance Deposit set forth in Section 7 of this Agreement have been fulfilled; or (2) ninety (90) days following Resident's Departure Date, whichever event shall occur first.

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Section 9. OTHER FEES OR COSTS

9.1 Processing Fee. Resident shall pay or has paid to ASHBY PONDS a processing fee of $_____ per applicant in connection with Resident's application for residence at the Community. The processing fee is refundable only if 1) Resident rescinds the Residence and Care Agreement within seven days of making an initial deposit or executing the Agreement; or 2) Resident dies before occupying the Living Unit or is precluded from occupying the Living Unit through illness, injury, or incapacity.

9.2 Ancillary Services Fees. During the term of this Agreement, Resident shall pay fees to ASHBY PONDS for the Ancillary Services (as described in Section 5) provided to Resident through ASHBY PONDS. Fees for ancillary services which are provided by ASHBY PONDS may be revised by ASHBY PONDS from time to time, and such change shall take effect upon the giving of thirty (30) 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 ASHBY PONDS shall be billed to the Resident on the Resident's monthly statement, and payment shall be due immediately upon the rendering of an invoice for such services.

9.3 Other Services. Ancillary Services or other services not billed by ASHBY PONDS and any other services arranged by the Resident shall be billed directly to the Resident, and ASHBY PONDS shall have no responsibility for payment of or collecting payment for such services.

9.4 Vacancy Fee. Each time Resident permanently vacates an Independent or Assisted Living Unit, irrespective of the length of time of occupancy, Resident shall pay a Vacancy Fee to ASHBY PONDS to cover the reasonable costs of cleaning and refurbishing the Living Unit, including but not limited to cleaning or replacement of carpeting, spackling and/or painting of walls, removing any customized improvements or structural changes, specialized cleaning beyond normal wear and tear, and generally restoring the Living Unit to its original condition, or any other appropriate repairs, at ASHBY PONDS's discretion, to bring the Living 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. ASHBY PONDS 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 ASHBY PONDS. 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 renter's insurance coverage which shall include (i) damage of, loss to, or theft of Resident's personal property maintained at the Community; and (ii) personal liability insurance covering bodily injury, including death, personal injury, and property damage to the property of ASHBY PONDS or others arising out of an act or omission or Resident Evidence of such insurance shall, at ASHBY PONDS's request, be provided prior to occupancy.

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9.6 Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are the responsibility of the Resident. ASHBY PONDS will not make such arrangements or provide such services.

9.7 Non-Solicitation of Employees. ASHBY PONDS expends significant resources on the hiring, training and development of their employees. Recognizing this expediture, during the Term of the Agreement, Resident agrees not to employ any person currently employed by ASHBY PONDS, either directly or indirectly by hiring the services of any such person through a third party. Resident also agrees not to employ any person formerly employed by ASHBY PONDS, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with GREENSPRING. Resident further agrees not to solicit any person employed to ASHBY PONDS to terminate his or her employment in order to work for Resident directly or indirectly through a third party.

Section 10. FINANCIAL INABILITY TO PAY

It is the policy of ASHBY PONDS 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 , ASHBY PONDS will 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, ASHBY PONDS 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 family or 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, subject to Section 10.7 hereof. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights. If Resident fails to cooperate with

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the Spending Plan for the outside assets, ASHBY PONDS may terminate the Agreement for good cause in accordance with Section 12.3 of this Agreement.

10.3 After Resident has completed the Spending Plan or if Resident has no outside assets other than the Entrance Deposit, ASHBY PONDS 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 the resident benevolent care fund established by ASHBY PONDS if it is financially feasible. 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.

10.5 If requested by ASHBY PONDS, Resident will transfer to an alternate Living 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 ASHBY PONDS. Resident will notify ASHBY PONDS of any and all assets acquired by Resident through any means whatsoever thereafter, and will assign or pay such property received to ASHBY PONDS, in an amount equivalent to the total outstanding charges and Fees, owed by Resident.

10.7 Pursuant to current regulatory restrictions for the Community, ASHBY PONDS may not accept Medical Assistance for payment of Monthly Service Packages for the Community's Nursing Units or other Living Units. If these regulatory restrictions are revised, 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.

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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 Living Unit shall remain available to Resident as long as Resident continues to pay the Fees in accordance with Section 8.4. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, Resident shall be requested to release the Living Unit. After a permanent transfer, if Resident is able to qualify to return to the Living Unit previously occupied at the Community or to a different, medically appropriate, Living Unit at the Community, Resident shall have the right to occupy the Unit subject to availability of such Unit and Resident shall be given priority over non-residents on the waiting list for the Community.

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, Nursing Unit, Off-Site Assisted Living or Nursing Facility or to a Special Service Facility by giving notice to Ashby Ponds. All transfers within the Community shall be subject to the availability of the elected alternate Unit and to the approval of ASHBY PONDS.

11.3 Transfer at Election of ASHBY PONDS: Non-Emergency. All decisions regarding a transfer of Resident, 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.) ASHBY PONDS attempts to interact with Resident or the Resident's representative with the goal of achieving a consensus although a consensus is not always achieved.

Resident shall not be transferred, temporarily or permanently, to a different Living 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 a Special Service 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 Living Unit is occupied by joint Residents, a remaining joint Resident may continue to occupy the Living Unit.

The Committee shall give Resident thirty (30) days advance written notice of the proposed transfer. Resident or his or her representative shall notify ASHBY PONDS 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

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the transfer or the Ancillary Services, ASHBY PONDS may consider such refusal to constitute good cause for ASHBY PONDS to terminate the Agreement in accordance with Section 12.3.

11.4 Transfer at Election of ASHBY PONDS: 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 Living Unit to a different Living Unit, an Off-Site Assisted Living or Nursing Facility, or a Special Service 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 Nursing Unit or Assisted Living 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.

11.5 Use of Living Unit. In the event of a temporary transfer, whether due to the election of Resident or of ASHBY PONDS, Resident's prior Living Unit will remain available to Resident as long as Resident continues to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4.

In the event of a permanent transfer, whether due to the election of Resident or of ASHBY PONDS, Resident or his or her representative shall sign and give to ASHBY PONDS a Unit Release form, advising ASHBY PONDS of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. ASHBY PONDS shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by ASHBY PONDS, within sixty (60) days from the notice of transfer, ASHBY PONDS 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. ASHBY PONDS assumes no responsibility for Resident's stored possessions.

Section 12. TERMINATION

12.1 Termination Within Rescission Period or Prior to Occupancy. The Agreement may be rescinded or terminated prior to occupancy in the following circumstances: (1) Resident rescinds this agreement within seven (7) days of making an initial deposit or executing the Agreement. Resident is not required to move into the Living Unit until the expiration of this seven (7) day period; (2) The Agreement is automatically rescinded if Resident dies before occupying the Living Unit or is precluded from occupying the Living Unit as a result of illness, injury or incapacity; or (3) ASHBY PONDS elects to terminate the Agreement prior to occupancy if it is determined that Resident is ineligible for entrance into the Community.

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If the Agreement is rescinded or terminated as provided in this Section 12.1, Resident shall receive a refund of all fees paid, as described in Sections 7.4 and 9.1. Resident shall not receive a refund of any costs specifically incurred by Ashby Ponds at Resident's request as set forth in a separate written addendum, signed by both parties.

12.2 Termination by Resident. After occupancy, Resident may terminate this Agreement at any time and for any reason by giving notice to Ashby Ponds of his or her intention to terminate.

12.3 Termination by ASHBY PONDS. A decision by ASHBY PONDS to terminate this Agreement shall be made by the Executive Director of the Community. ASHBY PONDS may not terminate this Agreement without good cause. "Good Cause" is defined as: i) Non-payment of Fees; ii) Proof that the Resident is a danger to himself/herself or others; iii) Repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the Community; iv) Persistent refusal to comply with reasonable written rules and regulations of the Community; v) A material misrepresentation made intentionally or recklessly by the Resident in his or her application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and service under the Agreement; or vi) A material breach by the Resident of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, ASHBY PONDS will give Resident sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, ASHBY PONDS will give written notice to the Resident that the Resident is in default under this Agreement for non-payment of fees. ASHBY PONDS may charge Resident interest on the overdue amount of one and one-half percent (1 1/2%) per month. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, ASHBY PONDS 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 Community's spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Acceptance by ASHBY PONDS of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless ASHBY PONDS agrees to a waiver in writing.

12.4 Vacating the Unit. Upon termination of the Agreement either by election of Resident, election of ASHBY PONDS, or due to the death of the Resident, Resident or his or her representative shall sign and give to ASHBY PONDS a Unit Release form, advising ASHBY PONDS of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. ASHBY PONDS shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by ASHBY PONDS, within the required time from the notice of termination as

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provided in Section 12.3, ASHBY PONDS 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. ASHBY PONDS assumes no responsibility for Resident's stored possessions.

Section 13. RIGHTS OF ASHBY PONDS

13.1 Community Rules and Regulations. ASHBY PONDS 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 ASHBY PONDS 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 Living Units at the Community. Resident acknowledges and accepts the responsibility of ASHBY PONDS to enter Resident's Living 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. ASHBY PONDS acknowledges and hereby agrees to respect Resident's right to privacy and agrees to limit uninvited entry into the Living 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 ASHBY PONDS. Resident's rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for Resident's right to occupy the Living 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 ASHBY PONDS, 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 ASHBY PONDS. Resident hereby agrees, upon request of ASHBY PONDS, to execute and deliver any document which is required to this effect by ASHBY PONDS, 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 ASHBY PONDS as Resident's attorney in fact to accomplish that purpose.

13.4 Limitation of Liability. ASHBY PONDS 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 ASHBY PONDS for damage to or loss of Resident's personal property shall be limited to damage or loss

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caused by negligent acts or omissions of ASHBY PONDS 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 ASHBY PONDS 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, ASHBY PONDS 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 ASHBY PONDS 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 ASHBY PONDS.

13.6 Religious Affiliation and Sponsorship. The sole member of ASHBY PONDS is National Senior Campuses, Inc., a non-profit organization. There is no religious organization which maintains financial control over ASHBY PONDS.

13.7 Airport Impact Overlay District. Ashby Ponds is required to provide full disclosure to prospective residents that a portion of Ashby Ponds is within the Ldn 60-65 Airport Impact ("A-I") Overlay District and that another portion of the Ashby Ponds Community is within the A-I Overlay District, but outside of the Ldn 60 contour as defined in the Revised 1993 Loudoun County Zoning Ordinance. Please refer to Schedule II for further details.

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 III attached hereto). Resident acknowledges that ASHBY PONDS 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

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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 ASHBY PONDS, Assignee, 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 ASHBY PONDS and Resident.

14.6 Disclosure Statement. Resident hereby acknowledges that Resident received the latest disclosure statement of ASHBY PONDS at least three (3) days before signing this Agreement or before transferring any money to ASHBY PONDS, 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 Commonwealth of Virginia, 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 ASHBY PONDS, Assignee, 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 Loudon County, Virginia. All parties agree that the filing of any action may include a request for an expedited hearing.

14.10. Assignment. In the event that ASHBY PONDS or any of ASHBY PONDS's successors or assigns shall give Resident notice that any or all of the rights, duties and obligations of ASHBY PONDS have been assigned to a new person or entity registered as a continuing care ASHBY PONDS under the laws of the Commonwealth of Virginia to provide services at Ashby

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Ponds, Resident agrees to recognize such new person or entity as Ashby Ponds under this Agreement, to the extent of such assignment.

Section 15. 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 ASHBY PONDS, Resident and Guarantor, if any.

Ancillary Services: Those services specified in Section 5 of this Agreement made available by ASHBY PONDS 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 Fee. The cost for Ancillary Services may be changed from time to time by ASHBY PONDS as provided in Section 9.2 or by the outside providers.

Application Deposit: The portion of the Entrance Deposit paid to ASHBY PONDS at the time that Resident submits the Admissions Application for consideration of residency or for a position on the futures or standby list.

ASHBY PONDS: Ashby Ponds, Inc.

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 Ashby Ponds. 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 Nursing Unit or a Special Service Facility.

Community: The Physical site and structures build or operated by ASHBY PONDS as a retirement community in Ashburn, Virginia.

Covered Services: Those services specified in Section 4 of this Agreement made available by ASHBY PONDS for the applicable Independent Living Monthly Service Package, Assisted Living Monthly Service Package or Nursing Fee.

Departure Date: The date on which Resident or, in the event of Resident's death, Resident's personal representative or family vacates the Living Unit after providing ASHBY PONDS with a signed Unit Release form and removing all possessions from such Living Unit. If Resident or Resident's personal representative or family do not timely provide ASHBY PONDS with a signed

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Unit Release form or remove the possessions, the Departure Date shall be the date that ASHBY PONDS removes all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at Resident's expense until disposition can be made. ASHBY PONDS assumes no responsibility for Resident's stored possessions.

Double Occupant Fee: The fee payable in the event that Joint Residents occupy the same Living Unit.

Entrance Deposit: The entrance fee required to be paid to ASHBY PONDS on or before the Occupancy Date, as set forth in Section 7.1 of this Agreement, as may be modified, which includes the Application Deposit, the New Apartment Building Deposit, the Signing Deposit, and the Move-In Deposit.

Executive Director: The chief administrative officer of the Community appointed as such by Ashby Ponds.

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 Fee, 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 Ashby Ponds. 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 ASHBY PONDS's guidelines.

Living Unit: An Independent Living Unit, Assisted Living Unit, Nursing Unit, Off-Site Assisted Living Unit, Off-Site Nursing Facility Unit or accommodation in a Special Service Facility (sometimes referred to as a Unit).

Medical Director: A licensed physician officially designated by ASHBY PONDS as the person responsible for the direction and control of medical services offered at the Community.

Move-In Deposit: The remaining portion of the Entrance Deposit paid to ASHBY PONDS when the Resident is ready to occupy the Living Unit.

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 Living Unit. Resident may receive a Non-Occupancy Credit, upon request, in other circumstances in the

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sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on Schedule I, Ancillary Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by Ashby Ponds.

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 ASHBY PONDS when personally delivered to the office of the Executive Director at the Community and to General Counsel at the corporate office located at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If the Resident has not yet taken possession of the Living Unit, 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. If the Resident has been transferred to an Off-Site Assisted Living or Nursing Facility or a Special Service Facility, notice shall be given by first-class mail, postage pre-paid, to the Resident at such facility and shall be deemed to be effective on the third day following such mailing.

Nursing Fee: A rate based on the type of Nursing Unit occupied and Entrance Deposit level for the Resident. Fees for care in a Nursing Unit are determined by ASHBY PONDS based on nursing personnel costs and other financial considerations. Adjustments to the Nursing Fee shall be made in accordance with Section 8.3.

Nursing 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 Nursing Unit or a Special Service Facility.

Occupancy Date: The date on which the Resident is authorized by ASHBY PONDS to take possession of a Living 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 Assisted Living Unit: A unit in a facility not located on the campus of the Community and not owned or operated by ASHBY PONDS for care and service comparable to that provided in an Assisted Living Unit in the event that a Community Assisted Living Unit is not available.

Off-Site Nursing Facility: A comprehensive care facility not located on the campus of the Community and not owned or operated by ASHBY PONDS in which Residents are placed by ASHBY PONDS for nursing care in the event that a Nursing Units are fully occupied or a facility that has specialized nursing services or programs not available at the Community.

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.

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Renaissance Gardens: The portion of the Community housing both the Assisted Living Units and the Nursing Units for residents with higher healthcare and personal service needs.

Reservation Deposit: The portion of the Entrance Deposit paid to ASHBY PONDS when the Resident reserves a specific new Living Unit. The New Apartment Building Deposit is made in two payments.

Resident: Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

Signing Deposit: The portion of the total Entrance Deposit paid to ASHBY PONDS at the time that Resident and ASHBY PONDS sign the Residence and Care Agreement.

Special Service Facility: Any hospital or other health care facility offering services not available at the Community.

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.

Vacancy 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 or structural changes, specialized cleaning beyond normal wear and tear 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.

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SIGNATURES

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

ASHBY PONDS, INC.

_____	By:_____	_____
Witness		Date
_____	_____	_____
Witness	Resident	Date
_____	_____	_____
Witness	Resident	Date

If applicable: Guarantors: I (We) _____ have read and understand 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: $ _____ consisting of:

The $1,000 Application Deposit
Reservation Deposit 1: _____
Reservation Deposit 2: _____
The Signing Deposit of $ _____ (10% of Entrance Deposit including previous deposits); and
The Final Deposit of $ _____ (remaining portion of Entrance Deposit)

Current Monthly Service Package for Unit: $ _____ per month

Current Processing Fee: $ _____ per applicant

Current Ancillary Fee Schedule: See next page

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ANCILLARY FEE SCHEDULE

	2007
Credit for Absences per day (7 to 90 nights)	$10.00
	$14.50*
Credit for Absences per day (91 nights or more)	See Note A
Medical Non-Occupancy Credit per day	$10.00
Dinner (Mon - Sat)	$14.75
Sunday Brunch	$17.75
Holiday Adult Meal (Buffet)	$18.00
Children age 11 and under	$7.25
Tray Service	$3.50
Additional Apartment Key	$6.00
Additional Exterior Door Key	$14.25
Additional Mailbox Key	$4.75
Padlock for Storage Bin	$7.50
Reserved Parking per month	$30.00
Roll Away Bed per night	$12.75
Storage Bin per month (Independent Living only)	$10.00
Efficiency Guest Room per night (Single Occupancy)	$89.00
Efficiency Guest Room per night (Double Occupancy)	$89.00
Maintenance Service per hour plus materials (3/4 hr min.)[1]	$25.00
Snow Removal from Car after Normal Snowfall	$12.75
Grounds Service per hour plus materials	$25.00
Housekeeping per hour (3/4 hour min.)	$25.00
Laundry per load (Independent Living only)	$14.75
Transportation[2]	Destination Dependent
Health Club Fees	$19.00
Daily Session fee	$55.00

[1] Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)

[2] Percent of local taxi fares.

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SCHEDULE II

AIRPORT OVERLAY DISTRICT DISCLOSURE

Pursuant to Erickson Retirement Communities ZMAP 2005-0026 Proffer 8 and Section 4-1404 of the Revised 1993 Loudoun County Zoning Ordinance a full disclosure statement is required to be included in all sales contracts (life services contracts), brochures and promotional documents, illustrative site plans, subdivision and site plans. Copies of both of these documents are attached hereto for your reference.

Ashby ponds and Erickson Retirement Communities are required to provide full disclosure to prospective residents of the Ashby Ponds Community that a portion of the Ashby Ponds Community is within the Ldn 60-65 Airport Impact ("A-I") Overlay District and that another portion of the Ashby Ponds Community is within the A-I Overlay District, but outside of the Ldn 60 contour as defined in the Revised 1993 Loudoun County Zoning Ordinance. For your reference, a map is attached showing the A-I Overlay District and the Ashby Pond Community.

Your future residence may be located within an area that will be impacted by aircraft overflights and aircraft noise from the Washington Dulles International Airport. Living units located within the Airport Impact Overlay District will be constructed to incorporate acoustical treatments to limit the interior noise levels to 52 dBa within the living unit. Avigation easements shall be granted to the Metropolitan Washington Airports Authority for these living units/or buildings, indicating the right of flight to pass over the property, as a means of securing long-term economic viability of the Washington Dulles International Airport.

Attachments:

Airport Impact Overlay District Map

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Schedule III

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)

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ASHBY PONDS RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT

EXHIBIT C
SITE PLAN

CAMPUS AT
ASHBURN, VA
ERICKSON RETIREMENT COMMUNITIES
Erickson
JUNE 15, 2006

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ASHBY PONDS RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT

EXHIBIT D
FEES AND DEPOSITS

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Ashburn Campus, LLC
Entrance Deposits

Phase	# of Units	Amenities $5,000	Entrance Deposits	Inflation Rate*	New Inflated Deposit	Date of First Settlement
Residential Building 1.1	77	96,250	27,034,000	0.0000%	27,130,250	May-08
Residential Building 1.2	77	96,250	25,699,000	0.0000%	25,795,250	Jun-08
Residential Building 1.3	145	181,250	50,077,000	0.0000%	50,258,250	Aug-08
Residential Building 1.4	78	97,500	27,814,000	3.0000%	28,745,920	Apr-09
Residential Building 1.5	79	98,750	27,282,000	3.0000%	28,199,210	May-09
Residential Building 1.6	80	100,000	28,039,000	6.0900%	29,846,575	Apr-10
Residential Building 2.1	118	147,500	38,925,000	6.0900%	41,443,033	Sep-10
Residential Building 2.2	65	81,250	23,325,000	9.2727%	25,569,107	Jul-11
Residential Building 2.3	99	123,750	34,759,000	9.2727%	38,105,848	Dec-11
Residential Building 2.4	102	127,500	35,429,000	12.5509%	40,003,152	Aug-12
Residential Building 2.5	77	96,250	26,904,000	15.9274%	31,285,360	Mar-13
Residential Building 2.6	76	95,000	25,708,000	15.9274%	29,897,618	Apr-13
Residential Building 3.1	91	113,750	30,773,000	19.4052%	36,858,321	Apr-14
Residential Building 3.2	126	157,500	42,248,000	19.4052%	50,603,821	Dec-14
Residential Building 3.3	111	138,750	39,533,000	22.9874%	48,759,354	Aug-15
Residential Building 3.4	112	140,000	39,109,000	26.6770%	49,682,111	May-16
Residential Building 3.5	72	90,000	24,785,000	30.4773%	32,428,803	Jan-17
Extended Care 1.0	132		16,429,642	9.2727%	17,953,114	Dec-11
Extended Care 2.0	96		14,082,550	30.4773%	18,374,534	Jan-17
Total	1,813	1,981,250	577,955,193		650,939,631	

Deposits

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.1
Opening Date May-08

			Base Year 2008 Deposit $	RB 1.1	RB 1.1
Unit categories:					
1 BR *	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	4	1,044,000
1 BR & DEN	Glenwood	K33.5	261,000	5	1,305,000
2 BR / 1 1/2 B *	Keswick	S41.5	268,000	5	1,430,000
2BR HC		0 S41.5HC	268,000	1	268,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	6	1,866,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B*****		0 R51m	381,000	12	4,332,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B*****		0 G52m	366,000	4	1,464,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Somerton	R61m	424,000	2	848,000
2 BR / 2B	Stratford	LG61	477,000	12	5,724,000
2 BR / 2B	Wakefield	K71	534,000	3	1,602,000
	Total:			77	27,034,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	27,130,250
Projected Deposits without Amenities (Inflated)			0.00%	77	27,034,000
Total Amenities					96,250
Total Projected Deposits					27,130,250

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.2
Opening Date Jun-08

			Base Year 2008 Deposit $	RB 1.2	RB 1.2
Unit categories:					
1 BR **	Berkshire	R11	201,000	4	804,000
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	288,000	5	1,430,000
2BR HC		0 S41.5HC	288,000	1	288,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	6	1,794,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B****		0 R51m	361,000	15	5,415,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stretford	LG61	477,000	4	1,908,000
2 BR / 2B	Thurmont	H63	477,000	8	3,816,000
	Total:			77	25,899,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	25,795,250
Projected Deposits without Amenities (Inflated)			0.00%	77	25,699,000
Total Amenities					96,250
Total Projected Deposits					25,795,250

RB1.2

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.3
Opening Date Aug-08

			Base Year 2008 Deposit $	RB 1.3	RB 1.3
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	12	2,652,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
Large 1 BR	(K33.5sim)	C11.5	238,000	4	952,000
1 BR & DEN	Galloway	K31.5	281,000	7	1,827,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	10	2,860,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	289,000	7	2,023,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	11	3,421,000
3 BR / 2B****		0 R51m	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B****		0 G52m	366,000	4	1,464,000
2 BR / 2B***		0 J5	335,000	3	1,005,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	12	5,088,000
2 BR / 2B	Stratford	LG61	477,000	5	2,385,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	12	6,408,000
	Total:			145	50,077,000
Amenities					
		25% of Units * $5,000		25%	181,250
				145	181,250
Total with Amenities				145	50,258,250
Projected Deposits without Amenities (Inflated)			0.00%	145	50,077,000
Total Amenities					181,250
Total Projected Deposits					50,258,250

RB1.3

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.4
Opening Date Apr-09

			Base Year 2006 Deposit $	RB 1.4	RB 1.4
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	3	663,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR		0 S21m	231,000	1	231,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K38.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	1	299,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	3	933,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B****		0 R51m	361,000	12	4,332,000
2 BR / 2B	Redcliffe	G52	361,000	11	3,971,000
2 BR / 2B	Somerton	R51	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	11	5,247,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			78	27,814,000
Amentities					
		25% of Units * $5,000		25%	97,500
				78	97,500
Total with Amenities				78	27,911,500
Projected Deposits without Amenities (Inflated)			3.00%	78	28,648,420
Total Amenities					97,500
Total Projected Deposits					28,745,920

RB1.4

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.5
Opening Date May-09

			Base Year 2008 Deposit $	RB 1.5	RB 1.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	4	1,144,000
2BR HC		S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	18	5,598,000
2 BR / 1 1/2 B ****		R42.5m	302,000	1	302,000
3 BR / 2B****		R51m	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Redcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	408,000	4	1,824,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
	Total:			79	27,282,000
Amentities					
		25% of Units * $5,000		25%	98,750
Total with Amenities				79	27,380,750
Projected Deposits without Amenities (Inflated)			3.00%	79	28,100,460
Total Amenities					98,750
Total Projected Deposits					28,199,210

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.6
Opening Date Apr-10

			Base Year 2008 Deposit $	RB 1.6	RB 1.6
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	5	1,105,000
Large 1 BR	Crofton	LG21	224,000	0	0
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR	0	S21m	231,000	0	0
Large 1 BR	(K33.5slm)	C11.5	238,000	3	714,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC	0	S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****	0	R42.5m	302,000	2	604,000
3 BR / 2B****	0	R51m	361,000	16	5,776,000
2 BR / 2B	Plymouth	G51	338,000	0	0
2 BR / 2B	Radcliffe	G52	361,000	8	2,888,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Stratford	LG61	477,000	12	5,724,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			80	28,039,000
Amentities					
		25% of Units * $5,000		25%	100,000
				80	100,000
Total with Amenities				80	28,139,000
Projected Deposits without Amenities (Inflated)			6.09%	80	29,746,575
Total Amenities					100,000
Total Projected Deposits					29,846,575

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.1
Opening Date Sep-10

			Base Year 2008 Deposit $	RB 2.1	RB 2.1
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	12	2,652,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
Large 1 BR	(K33.5slm)	C11.5	238,000	1	238,000
1 BR & DEN	Galloway	K31.5	261,000	7	1,827,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	17	5,287,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	3	906,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	7	2,177,000
2 BR / 2B	Pendleton	R51	361,000	16	5,776,000
2 BR / 2B	Plymouth	G51	336,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	5	1,805,000
2 BR / 2B***		0 J5	335,000	2	670,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	4	1,698,000
2 BR / 2B	Stratford	LG61	477,000	5	2,385,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			118	36,925,000
Amenities					
		25% of Units * $5,000		25%	147,500
				118	147,500
Total with Amenities				118	39,072,500
Projected Deposits without Amenities (Inflated)			6.09%	118	41,295,533
Total Amenities					147,500
Total Projected Deposits					41,443,033

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.2
Opening Date Jul-11

			Base Year 2008 Deposit $	RB 2.2	RB 2.2
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Crofton	LG21	224,000	0	0
Large 1 BR	Carlisle	S21	231,000	1	231,000
1 BR & DEN	Glenwood	K33.5	261,000	1	261,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	2	572,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	6	1,794,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	6	2,028,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Somerton	R61m	424,000	0	0
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thurmont	H63	477,000	0	0
3 BR / 2B****		0 H63m	477,000	8	3,816,000
2 BR / 2B	Wakefield	K71	534,000	3	1,602,000
	Total:			65	23,325,000
Amentities					
		25% of Units * $5,000		25%	81,250
				65	81,250
Total with Amenities				65	23,406,250
Projected Deposits without Amenities (Inflated)			9.27%	65	25,487,857
Total Amenities					81,250
Total Projected Deposits					25,569,107

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.3
Opening Date Dec-11

				Base Year 2008 Deposit $	RB 2.3	RB 2.3
Unit categories:						
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Carlisle		S21	231,000	2	462,000
Large 1 BR		0	S21m	231,000	1	231,000
1 BR & DEN	Galloway		K31.5	261,000	4	1,044,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	1	299,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	2	622,000
2 BR / 2B	Pendleton		R51	361,000	16	5,776,000
2 BR / 2B	Plymouth		G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe		G52	361,000	7	2,527,000
2 BR / 2B***		0	J5	335,000	1	335,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	7	3,339,000
2 BR / 2B	Thornbury		H61	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				99	34,759,000
Amenities						
			25% of Units * $5,000		25%	123,750
					99	123,750
Total with Amenities					99	34,882,750
Projected Deposits without Amenities (Inflated)				9.27%	99	37,982,098
Total Amenities						123,750
Total Projected Deposits						38,105,848

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.4
Opening Date Aug-12

			Base Year 2008 Deposit $	RB 2.4	RB 2.4
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
1 BR & DEN	Galloway	K31.5	261,000	7	1,827,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	12	3,732,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	14	4,732,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	8	3,248,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			102	35,429,000
Amentities					
		25% of Units * $5,000		25%	127,500
				102	127,500
Total with Amenities				102	35,556,500
Projected Deposits without Amenities (Inflated)			12.55%	102	39,875,652
Total Amenities					127,500
Total Projected Deposits					40,003,152

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.5
Opening Date Mar-13

			Base Year 2008 **Deposit $**	**RB 2.5**	**RB 2.5**
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	3	663,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	12	3,732,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	4	1,208,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	1	311,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Radcliffe	G52	361,000	8	2,888,000
2 BR / 2B	Somerton	R61	424,000	9	3,816,000
2 BR / 2B	Stratford	LG61	477,000	8	3,816,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
	Total:			77	26,904,000
Amentities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	27,000,250
Projected Deposits without Amenities (inflated)			15.93%	77	31,189,110
Total Amenities					96,250
Total Projected Deposits					31,285,360

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.6
Opening Date Apr-13

				Base Year 2008 Deposit $	RB 2.6	RB 2.6
Unit categories:						
1 BR **	Berkshire	R11		201,000	1	201,000
Large 1 BR	Chadwick	R21		221,000	4	884,000
Large 1 BR	Carlisle	S21		231,000	2	462,000
1 BR & DEN	Galloway	K31.5		261,000	3	783,000
1 BR & DEN	Glenwood	K33.5		261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5		286,000	8	2,288,000
2BR HC		0	S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Mckinley	R42.5		311,000	6	1,866,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51		361,000	8	2,888,000
2 BR / 2B	Radcliffe	G52		361,000	5	1,805,000
2 BR / 2B	Somerton	R61		424,000	8	3,392,000
2 BR / 2B	Stratford	LG61		477,000	5	2,385,000
2 BR / 2B	Wakefield	K71		534,000	4	2,136,000
	Total:				76	25,708,000
Amenities						
		25% of Units * $5,000			25%	95,000
					76	95,000
Total with Amenities					76	25,803,000
Projected Deposits without Amenities (Inflated)				15.93%	76	29,802,618
Total Amenities						95,000
Total Projected Deposits						**29,897,618**

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.1
Opening Date Apr-14

			Base Year 2008 Deposit $	RB 3.1	RB 3.1
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	9	1,989,000
Large 1 BR	Crofton	LG21	224,000	1	224,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR	(K33.5slm)	C11.5	238,000	3	714,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	13	4,043,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	16	5,776,000
2 BR / 2B	Plymouth	G51	338,000	6	2,028,000
2 BR / 2B	Radcliffe	G52	361,000	3	1,083,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	12	5,088,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
	Total:			91	30,773,000
Amenities					
		25% of Units * $5,000		25%	113,750
				91	113,750
Total with Amenities				91	30,886,750
Projected Deposits without Amenities (Inflated)			19.41%	91	36,744,571
Total Amenities					113,750
Total Projected Deposits					36,858,321

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.2
Opening Date Dec-14

			Base Year 2008 Deposit $	RB 3.2	RB 3.2
Unit categories:					
1 BR **	Berkshire	R11	201,000	3	603,000
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	8	1,768,000
Large 1 BR	Crofton	LG21	224,000	1	224,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
1 BR & DEN	Galloway	K31.5	261,000	11	2,871,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
1BR & DEN***		0 E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	8	2,488,000
2 BR / 2B	Pendleton	R51	361,000	20	7,220,000
2 BR / 2B	Radcliffe	G52	361,000	7	2,527,000
2 BR / 2B****		0 G52m	366,000	4	1,464,000
2 BR / 2B	Sutton	K61	406,000	8	3,248,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	12	5,724,000
2 BR / 2B***		0 H61m	483,000	3	1,449,000
	Total:			126	42,248,000
Amentities					
		25% of Units * $5,000		25%	157,500
				126	157,500
Total with Amenities				126	42,405,500
Projected Deposits without Amenities (inflated)			19.41%	126	50,446,321
Total Amenities					157,500
Total Projected Deposits					**50,603,821**

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Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.3
Opening Date Aug-15

				Base Year 2008 Deposit $	RB 3.3	RB 3.3
Unit categories:						
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Carlisle		S21	231,000	1	231,000
Large 1 BR		0	S21m	231,000	2	462,000
1 BR & DEN	Galloway		K31.5	261,000	6	1,566,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	11	3,421,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 2B	Pendleton		R51	361,000	24	8,664,000
2 BR / 2B	Radcliffe		G52	361,000	12	4,332,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	12	5,724,000
2 BR / 2B***		0	H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				111	39,533,000
Amentities						
			25% of Units * $5,000		25%	138,750
					111	138,750
Total with Amenities					111	39,671,750
Projected Deposits without Amenities (Inflated)				22.99%	111	48,620,604
Total Amenities						138,750
Total Projected Deposits						48,759,354

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.4
Opening Date May-16

				Base Year 2008 Deposit $	RB 3.4	RB 3.4
Unit categories:						
1 BR **	Berkshire		R11	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Carlisle		S21	231,000	3	693,000
Large 1 BR	(K33.5sim)		C11.5	238,000	1	238,000
1 BR & DEN	Galloway		K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	19	5,909,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	7	2,177,000
2 BR / 2B	Pendleton		R51	361,000	20	7,220,000
2 BR / 2B	Plymouth		G51	338,000	12	4,056,000
2 BR / 2B	Radcliffe		G52	361,000	4	1,444,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	4	1,696,000
2 BR / 2B	Stratford		LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury		H61	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	8	4,272,000
	Total:				112	39,109,000
Amentities						
			25% of Units * $5,000		25%	140,000
					112	140,000
Total with Amenities					112	39,249,000
Projected Deposits without Amenities (Inflated)				26.68%	112	49,542,111
Total Amenities						140,000
Total Projected Deposits						49,682,111

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.5
Opening Date Jan-17

			Base Year 2008 Deposit $	RB 3.5	RB 3.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1BR & DEN***		0 E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	3	933,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	5	1,510,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Stratford	LG61	477,000	8	3,816,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			72	24,785,000
Amentities					
		25% of Units * $5,000		25%	90,000
				72	90,000
Total with Amenities				72	24,875,000
Projected Deposits without Amenities (Inflated)			30.48%	72	32,338,803
Total Amenities					90,000
Total Projected Deposits					32,428,803

Capmark - CD#28 - Control ID#1181

ASHBY PONDS RETIREMENT COMMUNITY
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:

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 four and five-tenths percent (4.5%) of the Entrance Deposit for each Unit. Such Independent Living Units shall be occupied only by qualified Residents (as determined by rules established by AP) of the Retirement Community pursuant to Residence and Care Agreements entered into between AP 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, shall be payable monthly at the rate of one- twelfth (1/12) of six and six-tenths percent (6.6%) 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 four and five-tenths percent (4.5%) of the Entrance Deposit for each Unit. Such Assisted Living Units shall be occupied only by qualified Residents (as determined by rules established by AP) of the

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Retirement Community pursuant to Residence and Care Agreements entered into between AP 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, shall be payable monthly at the rate of one-twelfth (1/12) of six and six-tenths percent (6.6%) 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 eight and seven-tenths percent (8.7%) of the fair market value ("FMV") of such Nursing Units contained therein from time to time. The FMV shall be that value which AC 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 AP fails to accept this value within ten (10) days of its receipt of AC's determination, the FMV shall be determined by arbitration in accordance with the rules of the American Arbitration Association. 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-Six Thousand Six Hundred Ninety-One Dollars ($196,691) payable in equal 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").

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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 AC and AP 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.

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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 AC and AP 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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ASHBY PONDS RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT F
NOTICES

Notice shall be given as follows:

AP: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: President

AC: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

With a Copy to: Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1500
Baltimore, Maryland 21202-1626

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EXHIBIT 20

Residence And Care Agreement

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ASHBY PONDS
RESIDENCE AND CARE AGREEMENT

THIS MATTER INVOLVES A SUBSTANTIAL FINANCIAL INVESTMENT AND A LEGALLY BINDING CONTRACT. IN EVALUATING THE DISCLOSURE STATEMENT AND THE CONTRACT PRIOR TO ANY COMMITMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISOR OF YOUR CHOICE, IF YOU SO ELECT, WHO CAN REVIEW THESE DOCUMENTS WITH YOU.

May 2007

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ASHBY PONDS
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the ____ day of _____, _____ by and between ASHBY PONDS, INC. (referred to in this Agreement as "ASHBY PONDS") and _____ (referred to in this Agreement as the "Resident(s)").

RECITALS

R.1 Ashby Ponds (the "Community") is a continuing care retirement community located in Ashburn, Virginia developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 ASHBY PONDS is the operator of the Community and is a registered continuing care provider under the laws of the Commonwealth of Virginia. ASHBY PONDS 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:

Section 1. DESCRIPTION OF COMMUNITY

The Community is being developed in phases over a ___ year period, subject to obtaining all necessary or required governmental approvals and licenses. The Community shall consist of Independent Living Units, Assisted Living Units and Nursing Units.

1.1 Independent Living Units. The Community is planned to have approximately 1585 independent living units within 3 residential neighborhoods with community buildings. The community buildings include a dining room, classrooms, cardrooms, lounges, and other common areas. The Community is planned to include banks, beauty salons, convenience stores, guest rooms, an auditorium, a conference center, a full-service outpatient Medical Center, and a pool. Each residential neighborhood is planned to include at least one unique facility, such as the Medical Center, the swimming pool, health club, or the like.

1.2 Renaissance Gardens. Renaissance Gardens refers to the Community's on-site health care neighborhood. Renaissance Gardens will house both the Assisted Living Units and the Nursing Units. Each floor of the Renaissance Gardens will include a dining room, a resident lounge, activity rooms and a bathing core. Renaissance Gardens will be constructed in several phases. Until

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Renaissance Gardens is opened, ASHBY PONDS will enter into transfer agreements for its Residents with outside assisted living and nursing care centers.

1.2.1 Assisted Living Units. Renaissance Gardens will include a total of approximately 96 Assisted Living Units to be completed in phases. 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 circumstances 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 and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by Resident in the event of such a transfer.

1.2.2 Nursing Units. Renaissance Gardens will include approximately 132 Nursing Units to be completed in phases. It is expected that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, the Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by Resident in the event of such a transfer.

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 Living Unit: _____, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. Resident may not assign or sublet the right to occupy a Living Unit to any other person. ASHBY PONDS shall provide the Living 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 will be required to meet ASHBY PONDS's financial and health-related qualifications for entrance into the Community. These financial qualifications are meant to serve as a financial protection for the larger community of residents. ASHBY PONDS 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 Ashby Ponds, the Resident may terminate the Agreement in accordance with Section 12.2 of this Agreement. If the Resident's spouse is accepted by Ashby Ponds, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

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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. ASHBY PONDS will provide furnishings and equipment, as required by law, for Nursing Units.

3.4 Customized Improvements. Resident may decorate the Living 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. If Resident contracts with an outside contractor, the firm or individual contracted with for making the approved improvements, and the plans under which those changes will be made, will be subject to the approval of the Executive Director. If Resident contracts with ASHBY PONDS to make the changes, Resident and ASHBY PONDS shall sign an agreement to memorialize the details concerning the improvements and any charges related to such changes. For charges related to the removal of any improvements, please see Section 9.4. No customized improvements may be made to a Nursing Unit.

Section 4. SERVICES TO RESIDENTS

ASHBY PONDS 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. ASHBY PONDS may not change the scope of services or care to Resident except upon thirty (30) days notice to the applicable Residents.

4.1 Independent Living Services. Covered Services included in the Independent Living Monthly Service Package are:

One meal a day;
Pullcord communication system;
Security/Safety Officers on duty 24 hours;
Maintenance of buildings, grounds and equipment;
All utilities (except personal telephone);
Basic cable television service;
Pre-wiring for telephone;
On-Campus shuttle transportation;
Scheduled local transportation to local shopping and metro, as determined by Community;
Insurance on buildings, grounds and equipment;
Insurance of the Independent Living Unit and all items 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.

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4.2 Assisted Living Services. Covered Services included in the Assisted Living Monthly Service Package are as follows. Further details on the services available at each level of assisted living care, on ASHBY PONDS's and Resident's rights and obligations in Assisted Living are set forth in the Assisted Living Addendum to the Residence and Care Agreement:

Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated level of care, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
Administration of medications (not included in level A or B);
Individualized plan of care;
Three meals per day;
Regularly scheduled Registered Nurse review and assessment;
Hospital visits by Renaissance Gardens physician;
Laundry service (not included in Level A);
Light housekeeping care, including emptying trash, light dusting, bathroom and floor cleaning as needed (not included in Level A);
Medical appointment scheduling, as needed;
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;
On-campus shuttle transportation;
Scheduled local shuttle transportation to local shopping and metro, as determined by Community (if medically appropriate);
Maintenance and insurance of buildings, grounds and equipment;
Sewage, trash and general snow removal; and
Use of all public rooms and common areas of the Community.

4.3 Nursing Care Services. Covered Services included in the Nursing Fee are as follows. Further details on the services available for nursing care, on ASHBY PONDS's and Resident's rights and obligations are set forth in the Nursing Admission Addendum to the Residence and Care Agreement:

Nursing care;
Three meals a day;
Tray service;
Individual care plans;
Planned activities;
Social work services;

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Laundry services for linens and towels owned by ASHBY PONDS (Personal linen and laundry will be charged as an Ancillary charge);
Housekeeping;
Nurse/ Resident communication system;
Security/Safety Officers on duty 24 hours;
Basic Cable Service;
All utilities (except personal telephone);
Maintenance of buildings, grounds and equipment;
Pre-wiring for telephone;
Insurance on buildings, grounds and equipment;
Insurance of the Nursing Unit and all items 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.

Section 5. ANCILLARY SERVICES

5.1 Services Available through Ashby Ponds. ASHBY PONDS anticipates that the following services will be available to Resident for an additional fee. These services will be phased in as the Community is developed and some services may not be immediately available. Other services which are not listed may also be available.

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;
On-site health club membership;
Lodging in guest rooms on a temporary and space available basis;
Personal storage space;
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. ASHBY PONDS also expects to contract 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. Such services may be covered by Medicare or by Resident's other medical insurance. ASHBY PONDS does not charge Resident any additional fee for use of or access to these outside providers. These services will be provided at an additional fee and will be billed separately by the outside provider. These services will be phased in as the Community is developed and some services may not be immediately available.

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5.3 Services Not Provided. Acute care, hospital care, or any institutional care other than care that is appropriate in an Assisted Living Unit or and comprehensive care in a Nursing Unit are not provided by ASHBY PONDS or covered under the terms of this Agreement. ASHBY PONDS 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 temporary basis, subject to the reasonable policies and procedures of ASHBY PONDS 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 ASHBY PONDS 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. ENTRANCE DEPOSIT

7.1 Payment of Deposit. Resident shall pay to ASHBY PONDS an Entrance Deposit as shown in Schedule I, which shall be made in a series of deposits on or before taking occupancy of Resident's Unit at the Community . ASHBY PONDS does not require an additional Joint Resident Entrance Fee if Joint Residents occupy the same Living Unit.

7.2 Escrow of Deposit & Release from Escrow. The deposits made by Resident towards the total Entrance Deposit will be held in escrow in a banking institution, acting as an escrow agent, until Resident either occupies the Living Unit or the Living Unit is available for immediate occupancy. When the applicable conditions have been fulfilled, the Entrance Deposit will be released from escrow in full and will be held or used by ASHBY PONDS until the termination of this Agreement as provided in Section 12. Once released from escrow, the initial Entrance Deposits are loaned by ASHBY PONDS to the landowner pay off the cost of the construction loan for the Community. Entrance Deposits received from subsequent occupants of each Living Unit will be partly used to refund the Entrance Deposit paid by the prior occupant. Any positive difference between the new Entrance Deposit and the amount refunded to the prior occupant will be kept by ASHBY PONDS for capital repairs and improvements and for the reserve funds required by ASHBY

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PONDS's lease agreement. However, Resident retains a right to a refund of the Entrance Deposit subject to the terms and conditions set forth in Sections 7.4, 7.5, and 7.6 of this Agreement.

Deposits in escrow will be returned by the escrow agent to Resident only in the following circumstances: i) the funds have not been released within 3 years after placement in escrow or within 3 years after construction has started or within such longer period as determined appropriate by the State Corporation Commission in writing; ii) if Resident dies before occupying a unit; iii) if the construction of the facility, not yet operating, is stopped indefinitely before the Community is completed; or iv) upon rescission of the Residence and Care Agreement pursuant to the terms of this Agreement.

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. No interest shall be paid to Resident on a Resident's Entrance Deposit.

7.3 Adjustments to Entrance Deposit. Resident will not be required to pay an additional or increased Entrance Deposit as long as Resident remains in Resident's original Living Unit. Resident's Entrance Deposit may be adjusted only under the circumstances listed below. Resident retains the right to a refund of the Entrance Deposit upon the termination of this Agreement, as discussed in Sections 7.4, 7.5, and 7.6 of this Agreement and Resident's Entrance Deposit is also available for Resident's maintenance and support as provided in Section 10.

7.3.1 If Resident transfers permanently from one Living Unit to another Living Unit with a higher Entrance Deposit, Resident shall pay to ASHBY PONDS an additional deposit equal to the difference between the Entrance Deposit then in effect for Resident's present Living Unit and the Entrance Deposit then in effect for the Living Unit to which Resident is transferring.

7.3.2 If Resident's new spouse is accepted as a resident in the Community and is placed in a Living Unit other than that of Resident (see Section 3.2 of this Agreement), Resident and his or her new spouse must pay to ASHBY PONDS an additional Entrance Deposit for the spouse's Living Unit and the new spouse must sign a separate Residence and Care Agreement for the new Living Unit.

7.3.3 Resident shall normally 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, ASHBY PONDS may make a partial refund of the Entrance Deposit to Resident in the following circumstances: 1) Resident transfers to a smaller Independent Living Unit than the Independent Living Unit which Resident is currently occupying; and 2) the Entrance Deposit for the smaller Independent Living Unit is currently lower than the Entrance Deposit that Resident originally paid for an Independent Living Unit. In the circumstances described in this Section 7.3.3, ASHBY PONDS may refund the difference between the current Entrance Deposit for Resident's new Independent Living Unit and the original Entrance Deposit paid by Resident.

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7.4 Refund of Deposit Prior to Occupancy. The Entrance Deposit shall be refunded by ASHBY PONDS to Resident or the Resident's legal representative, as appropriate, prior to occupancy in the following circumstances:

7.4.1 Resident rescinds the Residence and Care Agreement within seven (7) days of making an initial deposit or executing this Agreement or at any time prior to occupancy;

7.4.2 Resident dies before occupying the unit or is precluded from occupying the unit through illness, injury, or incapacity; or

7.4.3 ASHBY PONDS 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 ASHBY PONDS'S receipt of actual notice of the termination of this Agreement. 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 Living Unit, and ASHBY PONDS 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.

7.5 Refund of Deposit after Occupancy. After occupancy of the Living Unit and subject to the terms and conditions of Section 7.6 of this Agreement, ASHBY PONDS shall pay a refund of the Entrance Deposit to the Resident as follows:

7.5.1 Termination by Resident during Lifetime. If Resident terminates the Agreement at any time after the Occupancy Date, ASHBY PONDS shall pay a refund of the Entrance Deposit within sixty (60) days after fulfillment of the following conditions: (1) Resident has vacated and has removed all possessions from the Living Unit; (2) Resident has signed a unit release for the Living Unit; (3) Resident has paid to ASHBY PONDS all outstanding fees and charges; and (4) a qualified, new resident has signed a new Residence and Care Agreement for the Living Unit and has settled in full by paying a new entrance deposit. ASHBY PONDS shall pay the refund of the Entrance Deposit to the duly designated beneficiaries named in a Refund of Entrance Deposit Form or, if there is no Refund of Entrance Deposit Form, to the Resident.

7.5.2 Termination due to Death of Resident. If Resident dies after the Occupancy Date, ASHBY PONDS shall pay a refund of the Entrance Deposit within sixty (60) days of the fulfillment of the following conditions: (1) the Resident's personal representative or family has removed all possessions from the Living Unit; (2) the Resident's personal representative or family has signed a unit release for the Living 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 Living Unit and has settled in full by paying a new entrance deposit.. The refund shall be payable by ASHBY PONDS 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

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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.

7.5.3 Termination by ASHBY PONDS. If ASHBY PONDS terminates the Agreement for good cause (see subsection 12.3 of this Agreement), ASHBY PONDS shall pay a refund of the Entrance Deposit within sixty (60) days of fulfillment of the conditions listed in subsection 7.5.1 of this Agreement.

7.6 Limitation on Amount of Refund. The amount of the refund which ASHBY PONDS is obligated to pay to Resident and which Resident 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 Fees, fees for Ancillary Services, and Refurbishing Fees will not be automatically deducted from the Refund of the Entrance Fee unless Resident or his/her Representative so directs. However, if Resident's Living Unit is not reoccupied within a reasonable period of time, in ASHBY PONDS's sole discretion, by a qualified new resident with an Entrance Deposit equal to or greater than Resident's Entrance Deposit, then ASHBY PONDS will so notify Resident or Resident's personal representative. Resident or Resident's personal representative may then direct ASHBY PONDS to re-market the Living Unit for a discounted Entrance Deposit, and the amount of the discounted Entrance Deposit, when received from a qualified new resident, will constitute the amount of the refund 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 Living Unit. As of the date of this Agreement, the applicable Monthly Service Package for the Resident's current Living Unit is shown in Schedule I. The Monthly Service Package is due and payable monthly, in advance, on or before the 5th day of each month; provided, however, that the Monthly Service Package for the month during which a Resident first takes occupancy of a Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the Term of this Agreement.

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. Joint Residents occupying the same Assisted Living Unit shall pay one Assisted Living Monthly Service Package and a Double Occupant Fee for each additional Joint Resident. If the Joint Residents occupy different Living Units, the Residents shall each pay the full Monthly Service Package for their respective Living Unit. This fee structure

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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, and Nursing Fee may be revised from time to time. ASHBY PONDS 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. However, ASHBY PONDS reserves the right at any time, upon thirty (30) 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 Living Unit in the Community, to an Off-Site Assisted Living or Nursing Unit, or to a Special Service Facility, Resident shall pay the Monthly Service Package for Resident's permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit, the Off-Site Assisted Living or Nursing Unit, or Special Service Facility, as the case may be. Payment of the Monthly Service Package for Resident's permanent Living Unit assures that such permanent Living Unit will remain available to Resident during the time Resident is temporarily transferred. The Monthly Service Package for a temporary Living 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 Living Unit shall be adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit; (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two person Non-Occupancy Credit; (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit.

Upon Resident's return to the permanent Living Unit, Resident shall continue to pay the current Monthly Service Package associated with such Living Unit.

8.5 Monthly Fee in Event of Permanent Transfer. If Resident permanently transfers from one Living Unit to another Living Unit at the Community, Resident shall be responsible for payment of the Monthly Service Package, pro-rated and less the Non-Occupancy Credit, for the vacated Living Unit until Resident completely vacates, removes all possessions from the vacated Living Unit, and returns the keys for the vacated Living Unit to ASHBY PONDS.

8.6 Monthly Service Package in Event of Termination of Agreement. If Resident terminates this Agreement, or if ASHBY PONDS terminates this Agreement for good cause in accordance with Section 12.3, or if this Agreement should terminate by reason of the death of a

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Resident, Resident shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, minus the Non-Occupancy Credit, until either (1) all the conditions for a full refund of the Entrance Deposit set forth in Section 7 of this Agreement have been fulfilled; or (2) ninety (90) days following Resident's Departure Date, whichever event shall occur first.

Section 9. OTHER FEES OR COSTS

9.1 Processing Fee. Resident shall pay or has paid to ASHBY PONDS a processing fee of $_____ per applicant in connection with Resident's application for residence at the Community. The processing fee is refundable only if 1) Resident rescinds the Residence and Care Agreement within seven days of making an initial deposit or executing the Agreement; or 2) Resident dies before occupying the Living Unit or is precluded from occupying the Living Unit through illness, injury, or incapacity.

9.2 Ancillary Services Fees. During the term of this Agreement, Resident shall pay fees to ASHBY PONDS for the Ancillary Services (as described in Section 5) provided to Resident through ASHBY PONDS. Fees for ancillary services which are provided by ASHBY PONDS may be revised by ASHBY PONDS from time to time, and such change shall take effect upon the giving of thirty (30) 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 ASHBY PONDS shall be billed to the Resident on the Resident's monthly statement, and payment shall be due immediately upon the rendering of an invoice for such services.

9.3 Other Services. Ancillary Services or other services not billed by ASHBY PONDS and any other services arranged by the Resident shall be billed directly to the Resident, and ASHBY PONDS shall have no responsibility for payment of or collecting payment for such services.

9.4 Vacancy Fee. Each time Resident permanently vacates an Independent or Assisted Living Unit, irrespective of the length of time of occupancy, Resident shall pay a Vacancy Fee to ASHBY PONDS to cover the reasonable costs of cleaning and refurbishing the Living Unit, including but not limited to cleaning or replacement of carpeting, spackling and/or painting of walls, removing any customized improvements or structural changes, specialized cleaning beyond normal wear and tear, and generally restoring the Living Unit to its original condition, or any other appropriate repairs, at ASHBY PONDS's discretion, to bring the Living 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. ASHBY PONDS 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 ASHBY PONDS. 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

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own expense, sufficient renter's insurance coverage which shall include (i) damage of, loss to, or theft of Resident's personal property maintained at the Community; and (ii) personal liability insurance covering bodily injury, including death, personal injury, and property damage to the property of ASHBY PONDS or others arising out of an act or omission or Resident Evidence of such insurance shall, at ASHBY PONDS's request, be provided prior to occupancy.

9.6 Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are the responsibility of the Resident. ASHBY PONDS will not make such arrangements or provide such services.

9.7 Non-Solicitation of Employees. ASHBY PONDS expends significant resources on the hiring, training and development of their employees. Recognizing this expediture, during the Term of the Agreement, Resident agrees not to employ any person currently employed by ASHBY PONDS, either directly or indirectly by hiring the services of any such person through a third party. Resident also agrees not to employ any person formerly employed by ASHBY PONDS, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with GREENSPRING. Resident further agrees not to solicit any person employed to ASHBY PONDS to terminate his or her employment in order to work for Resident directly or indirectly through a third party.

Section 10. FINANCIAL INABILITY TO PAY

It is the policy of ASHBY PONDS 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 , ASHBY PONDS will assist residents who are unable to pay full Monthly Service Packages by reducing Monthly Service Packages for such residents to an appropriate level. ASHBY PONDS has the right, but not the obligation, to initiate financial assistance if ASHBY PONDS independently determines that Resident needs financial assistance.

To insure that its charitable intentions are equitably allocated for the benefit of as many residents as possible, ASHBY PONDS 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.

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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 family or 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, subject to Section 10.7 hereof. 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, ASHBY PONDS may terminate the Agreement for good cause in accordance with Section 12.3 of this Agreement.

10.3 After Resident has completed the Spending Plan or if the Resident has no available assets other than the Entrance Deposit, ASHBY PONDS will spend-down the Entrance Deposit. After depletion of outside assets, the Entrance Deposit is considered available to the Resident for the Resident's maintenance and support. The Resident may access funds from the Entrance Deposit, without moving from the Community, to pay any and all fees at the Community including Nursing Fees or to pay another provider for support and maintenance if Resident's income and other resources are insufficient to pay for support and maintenance. The Executive Director will notify Resident when spend-down of Resident's Entrance Deposit is available and will give the effective date. Resident will receive periodic statements reflecting the remaining balance of the Entrance Deposit.

10.4 Upon completion of the spend-down of the Entrance Deposit, Resident may qualify for assistance from the resident benevolent care fund established by ASHBY PONDS if it is financially feasible. 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.

10.5 If requested by ASHBY PONDS, Resident will transfer to an alternate Living 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 ASHBY PONDS. Resident will notify ASHBY PONDS of any and all assets acquired by Resident through any means whatsoever thereafter, and will assign or pay such property received to ASHBY PONDS, in an amount equivalent to the total outstanding charges and Fees, owed by Resident.

10.7 Pursuant to current regulatory restrictions for the Community, ASHBY PONDS may not accept Medical Assistance for payment of Monthly Service Packages for the Community's Nursing Units or other Living Units. If these regulatory restrictions are revised, 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.

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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 Living Unit shall remain available to Resident as long as Resident continues to pay the Fees in accordance with Section 8.4. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, Resident shall be requested to release the Living Unit. After a permanent transfer, if Resident is able to qualify to return to the Living Unit previously occupied at the Community or to a different, medically appropriate, Living Unit at the Community, Resident shall have the right to occupy the Unit subject to availability of such Unit and Resident shall be given priority over non-residents on the waiting list for the Community.

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, Nursing Unit, Off-Site Assisted Living or Nursing Facility or to a Special Service Facility by giving notice to Ashby Ponds. All transfers within the Community shall be subject to the availability of the elected alternate Unit and to the approval of ASHBY PONDS.

11.3 Transfer at Election of ASHBY PONDS: Non-Emergency. All decisions regarding a transfer of Resident, 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.) ASHBY PONDS attempts to interact with Resident or the Resident's representative with the goal of achieving a consensus although a consensus is not always achieved.

Resident shall not be transferred, temporarily or permanently, to a different Living 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 a Special Service 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 Living Unit is occupied by joint Residents, a remaining joint Resident may continue to occupy the Living Unit.

The Committee shall give Resident thirty (30) days advance written notice of the proposed transfer. Resident or his or her representative shall notify ASHBY PONDS 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

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the transfer or the Ancillary Services, ASHBY PONDS may consider such refusal to constitute good cause for ASHBY PONDS to terminate the Agreement in accordance with Section 12.3.

11.4 Transfer at Election of ASHBY PONDS: 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 Living Unit to a different Living Unit, an Off-Site Assisted Living or Nursing Facility, or a Special Service 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 Nursing Unit or Assisted Living 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.

11.5 Use of Living Unit. In the event of a temporary transfer, whether due to the election of Resident or of ASHBY PONDS, Resident's prior Living Unit will remain available to Resident as long as Resident continues to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4.

In the event of a permanent transfer, whether due to the election of Resident or of ASHBY PONDS, Resident or his or her representative shall sign and give to ASHBY PONDS a Unit Release form, advising ASHBY PONDS of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. ASHBY PONDS shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by ASHBY PONDS, within sixty (60) days from the notice of transfer, ASHBY PONDS 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. ASHBY PONDS assumes no responsibility for Resident's stored possessions.

Section 12. TERMINATION

12.1 Termination Within Rescission Period or Prior to Occupancy. The Agreement may be rescinded or terminated prior to occupancy in the following circumstances: (1) Resident rescinds this agreement within seven (7) days of making an initial deposit or executing the Agreement. Resident is not required to move into the Living Unit until the expiration of this seven (7) day period; (2) The Agreement is automatically rescinded if Resident dies before occupying the Living Unit or is precluded from occupying the Living Unit as a result of illness, injury or incapacity; or (3) ASHBY PONDS elects to terminate the Agreement prior to occupancy if it is determined that Resident is ineligible for entrance into the Community.

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If the Agreement is rescinded or terminated as provided in this Section 12.1, Resident shall receive a refund of all fees paid, as described in Sections 7.4 and 9.1. Resident shall not receive a refund of any costs specifically incurred by Ashby Ponds at Resident's request as set forth in a separate written addendum, signed by both parties.

12.2 Termination by Resident. After occupancy, Resident may terminate this Agreement at any time and for any reason by giving notice to Ashby Ponds of his or her intention to terminate.

12.3 Termination by ASHBY PONDS. A decision by ASHBY PONDS to terminate this Agreement shall be made by the Executive Director of the Community. ASHBY PONDS may not terminate this Agreement without good cause. "Good Cause" is defined as: i) Non-payment of Fees; ii) Proof that the Resident is a danger to himself/herself or others; iii) Repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the Community; iv) Persistent refusal to comply with reasonable written rules and regulations of the Community; v) A material misrepresentation made intentionally or recklessly by the Resident in his or her application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and service under the Agreement; or vi) A material breach by the Resident of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, ASHBY PONDS will give Resident sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, ASHBY PONDS will give written notice to the Resident that the Resident is in default under this Agreement for non-payment of fees. ASHBY PONDS may charge Resident interest on the overdue amount of one and one-half percent (1 1/2%) per month. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, ASHBY PONDS 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 Community's spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Acceptance by ASHBY PONDS of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless ASHBY PONDS agrees to a waiver in writing.

12.4 Vacating the Unit. Upon termination of the Agreement either by election of Resident, election of ASHBY PONDS, or due to the death of the Resident, Resident or his or her representative shall sign and give to ASHBY PONDS a Unit Release form, advising ASHBY PONDS of the Departure Date for the Resident. Resident or his or her representative shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. ASHBY PONDS shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by ASHBY PONDS, within the required time from the notice of termination as

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provided in Section 12.3, ASHBY PONDS 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. ASHBY PONDS assumes no responsibility for Resident's stored possessions.

Section 13. RIGHTS OF ASHBY PONDS

13.1 Community Rules and Regulations. ASHBY PONDS 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 ASHBY PONDS 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 Living Units at the Community. Resident acknowledges and accepts the responsibility of ASHBY PONDS to enter Resident's Living 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. ASHBY PONDS acknowledges and hereby agrees to respect Resident's right to privacy and agrees to limit uninvited entry into the Living 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 ASHBY PONDS. Resident's rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for Resident's right to occupy the Living 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 ASHBY PONDS, 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 ASHBY PONDS. Resident hereby agrees, upon request of ASHBY PONDS, to execute and deliver any document which is required to this effect by ASHBY PONDS, 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 ASHBY PONDS as Resident's attorney in fact to accomplish that purpose.

13.4 Limitation of Liability. ASHBY PONDS 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 ASHBY PONDS for damage to or loss of Resident's personal property shall be limited to damage or loss

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caused by negligent acts or omissions of ASHBY PONDS 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 ASHBY PONDS 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, ASHBY PONDS 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 ASHBY PONDS 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 ASHBY PONDS.

13.6 Religious Affiliation and Sponsorship. The sole member of ASHBY PONDS is National Senior Campuses, Inc., a non-profit organization. There is no religious organization which maintains financial control over ASHBY PONDS.

13.7 Airport Impact Overlay District. Ashby Ponds is required to provide full disclosure to prospective residents that a portion of Ashby Ponds is within the Ldn 60-65 Airport Impact ("A-I") Overlay District and that another portion of the Ashby Ponds Community is within the A-I Overlay District, but outside of the Ldn 60 contour as defined in the Revised 1993 Loudoun County Zoning Ordinance. Please refer to Schedule II for further details.

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 III attached hereto). Resident acknowledges that ASHBY PONDS 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

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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 ASHBY PONDS, Assignee, 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 ASHBY PONDS and Resident.

14.6 Disclosure Statement. Resident hereby acknowledges that Resident received the latest disclosure statement of ASHBY PONDS at least three (3) days before signing this Agreement or before transferring any money to ASHBY PONDS, 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 Commonwealth of Virginia, 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 ASHBY PONDS, Assignee, 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 Loudon County, Virginia. All parties agree that the filing of any action may include a request for an expedited hearing.

14.10. Assignment. In the event that ASHBY PONDS or any of ASHBY PONDS's successors or assigns shall give Resident notice that any or all of the rights, duties and obligations of ASHBY PONDS have been assigned to a new person or entity registered as a continuing care ASHBY PONDS under the laws of the Commonwealth of Virginia to provide services at Ashby

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Ponds, Resident agrees to recognize such new person or entity as Ashby Ponds under this Agreement, to the extent of such assignment.

Section 15. 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 ASHBY PONDS, Resident and Guarantor, if any.

Ancillary Services: Those services specified in Section 5 of this Agreement made available by ASHBY PONDS 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 Fee. The cost for Ancillary Services may be changed from time to time by ASHBY PONDS as provided in Section 9.2 or by the outside providers.

Application Deposit: The portion of the Entrance Deposit paid to ASHBY PONDS at the time that Resident submits the Admissions Application for consideration of residency or for a position on the futures or standby list.

ASHBY PONDS: Ashby Ponds, Inc.

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 Ashby Ponds. 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 Nursing Unit or a Special Service Facility.

Community: The Physical site and structures operated by ASHBY PONDS as a retirement community in Ashburn, Virginia.

Covered Services: Those services specified in Section 4 of this Agreement made available by ASHBY PONDS for the applicable Independent Living Monthly Service Package, Assisted Living Monthly Service Package or Nursing Fee.

Departure Date: The date on which Resident or, in the event of Resident's death, Resident's personal representative or family vacates the Living Unit after providing ASHBY PONDS with a signed Unit Release form removing all possessions from such Living Unit, and turning in the Living Unit keys. If Resident or Resident's personal representative or family do not timely provide ASHBY

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PONDS with a signed Unit Release form, remove the possessions, or turn in the keys, the Departure Date shall be the date that ASHBY PONDS removes all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at Resident's expense until disposition can be made. ASHBY PONDS assumes no responsibility for Resident's stored possessions.

Double Occupant Fee: The fee payable in the event that Joint Residents occupy the same Living Unit.

Entrance Deposit: The entrance fee required to be paid to ASHBY PONDS on or before the Occupancy Date, as set forth in Section 7.1 of this Agreement, as may be modified, which includes the Application Deposit, the New Apartment Building Deposit, the Signing Deposit, and the Move-In Deposit.

Executive Director: The chief administrative officer of the Community appointed as such by Ashby Ponds.

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 Fee, 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 Ashby Ponds. 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 ASHBY PONDS's guidelines.

Living Unit: An Independent Living Unit, Assisted Living Unit, Nursing Unit, Off-Site Assisted Living Unit, Off-Site Nursing Facility Unit or accommodation in a Special Service Facility (sometimes referred to as a Unit).

Medical Director: A licensed physician officially designated by ASHBY PONDS as the person responsible for the direction and control of medical services offered at the Community.

Move-In Deposit: The remaining portion of the Entrance Deposit paid to ASHBY PONDS when the Resident is ready to occupy the Living Unit.

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 Living

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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 Schedule I, Ancillary Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by Ashby Ponds.

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 ASHBY PONDS when personally delivered to the office of the Executive Director at the Community and to General Counsel at the corporate office located at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If the Resident has not yet taken possession of the Living Unit, 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. If the Resident has been transferred to an Off-Site Assisted Living or Nursing Facility or a Special Service Facility, notice shall be given by first-class mail, postage pre-paid, to the Resident at such facility and shall be deemed to be effective on the third day following such mailing.

Nursing Fee: A rate based on the type of Nursing Unit occupied and Entrance Deposit level for the Resident. Fees for care in a Nursing Unit are determined by ASHBY PONDS based on nursing personnel costs and other financial considerations. Adjustments to the Nursing Fee shall be made in accordance with Section 8.3.

Nursing 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 Nursing Unit or a Special Service Facility.

Occupancy Date: The date on which the Resident is authorized by ASHBY PONDS to take possession of a Living 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 Assisted Living Unit: A unit in a facility not located on the campus of the Community and not owned or operated by ASHBY PONDS for care and service comparable to that provided in an Assisted Living Unit in the event that a Community Assisted Living Unit is not available.

Off-Site Nursing Facility: A comprehensive care facility not located on the campus of the Community and not owned or operated by ASHBY PONDS in which Residents are placed by ASHBY PONDS for nursing care in the event that a Nursing Units are fully occupied or a facility that has specialized nursing services or programs not available at the Community.

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.

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Renaissance Gardens: The portion of the Community housing both the Assisted Living Units and the Nursing Units for residents with higher healthcare and personal service needs.

Reservation Deposit: The portion of the Entrance Deposit paid to ASHBY PONDS when the Resident reserves a specific new Living Unit. The New Apartment Building Deposit is made in two payments.

Resident: Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

Signing Deposit: The portion of the total Entrance Deposit paid to ASHBY PONDS at the time that Resident and ASHBY PONDS sign the Residence and Care Agreement.

Special Service Facility: Any hospital or other health care facility offering services not available at the Community.

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.

Vacancy 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 or structural changes, specialized cleaning beyond normal wear and tear 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.

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SIGNATURES

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

ASHBY PONDS, INC.

_____	By:_____	_____
Witness		Date
_____	_____	_____
Witness	Resident	Date
_____	_____	_____
Witness	Resident	Date

If applicable: Guarantors: I (We) _____ have read and understand 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: $ _____ consisting of:

The $1,000 Application Deposit
Reservation Deposit 1: _____
Reservation Deposit 2: _____
The Signing Deposit of $ _____ (10% of Entrance Deposit including previous deposits); and
The Final Deposit of $ _____ (remaining portion of Entrance Deposit)

Current Monthly Service Package for Unit: $ _____ per month

Current Processing Fee: $ _____ per applicant

Current Ancillary Fee Schedule: See next page

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ANCILLARY FEE SCHEDULE

	2007
Credit for Absences per day (7 to 90 nights)	$10.00
	$14.50*
Credit for Absences per day (91 nights or more)	See Note A
Medical Non-Occupancy Credit per day	$10.00
Dinner (Mon - Sat)	$14.75
Sunday Brunch	$17.75
Holiday Adult Meal (Buffet)	$18.00
Children age 11 and under	$7.25
Tray Service	$3.50
Additional Apartment Key	$6.00
Additional Exterior Door Key	$14.25
Additional Mailbox Key	$4.75
Padlock for Storage Bin	$7.50
Reserved Parking per month	$30.00
Roll Away Bed per night	$12.75
Storage Bin per month (Independent Living only)	$10.00
Efficiency Guest Room per night (Single Occupancy)	$89.00
Efficiency Guest Room per night (Double Occupancy)	$89.00
Maintenance Service per hour plus materials (3/4 hr min.)[1]	$25.00
Snow Removal from Car after Normal Snowfall	$12.75
Grounds Service per hour plus materials	$25.00
Housekeeping per hour (3/4 hour min.)	$25.00
Laundry per load (Independent Living only)	$14.75
Transportation[2]	Destination Dependent
Health Club Fees	$19.00
Daily Session fee	$55.00

[1] Materials are extra; specific fees are charged for certain jobs (e.g. TV hookup, picture hanging, etc.)
[2] Percent of local taxi fares.

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SCHEDULE II

AIRPORT OVERLAY DISTRICT DISCLOSURE

Ashby Ponds and Erickson Retirement Communities are required to provide full disclosure to prospective residents of the Ashby Ponds Community that a portion of the Ashby Ponds Community is within the Ldn 60-65 Airport Impact ("A-I") Overlay District and that another portion of the Ashby Ponds Community is within the A-I Overlay District, but outside of the Ldn 60 contour as defined in the Revised 1993 Loudoun County Zoning Ordinance. For your reference, a map is attached showing the A-I Overlay District and the Ashby Pond Community.

Your future residence may be located within an area that will be impacted by aircraft overflights and aircraft noise from the Washington Dulles International Airport. Living units located within the Airport Impact Overlay District will be constructed to incorporate acoustical treatments to limit the interior noise levels to 52 dBa within the living unit. Avigation easements shall be granted to the Metropolitan Washington Airports Authority for these living units/or buildings, indicating the right of flight to pass over the property, as a means of securing long-term economic viability of the Washington Dulles International Airport.

Attachments:

Airport Impact Overlay District Map

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Schedule III

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)

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EXHIBIT 19

"Strategic/Concord Tri-Party Documents"

1. **"Strategic/Concord Cross Tri-Party Agreement":**
   Cross Tri Party Agreement
   Strategic Concord Landholder, LP, as Concord Ground Lessor, and Concord Campus, L.P. as Borrower and Mortgagor

2. Indemnity Deed Of Trust, Assignment Of Rents And Leases, Security Agreement And Fixture Filing

3. Guaranty Agreement

4. UCC-1 Financing Statement Filed With Delaware Secretary Of State (Debtor: Strategic Concord Landholder, LP; Secured Party: Administrative Agent)

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(8)

COUNTY PARCEL IDENTIFICATION
NUMBER 060-49-8809

20070612-0044118
Loudoun County, VA Pgs: 33
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

CROSS TRI-PARTY AGREEMENT

Among

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Collateral and Administrative Agent

STRATEGIC CONCORD LANDHOLDER, LP,
as Concord Ground Lessor

and

ASHBURN CAMPUS, LLC,
as Borrower and Mortgagor

Dated as of May 31, 2007

THIS INSTRUMENT WAS
PREPARED BY AND SHOULD
BE RETURNED TO:

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202
(410) 528-5600

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

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CROSS TRI-PARTY AGREEMENT

THIS CROSS TRI-PARTY AGREEMENT (this "**Agreement**" or "**Tri-Party Agreement**") is made as of May 31, 2007, by MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and its successors and assigns (the "**Ashburn Agent**"), as collateral and administrative agent for the lenders (the "**Ashburn Lenders**") party to the Ashburn Senior Loan Agreement (hereinafter defined) from time to time, and in its individual capacity ("**Mercantile**"), STRATEGIC CONCORD LANDHOLDER, LP, a Delaware limited partnership (the "**Concord Ground Lessor**"), and ASHBURN CAMPUS, LLC, a Maryland limited liability company ("**Ashburn**").

RECITALS

Ashburn is indebted to the Ashburn Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed $125,000,000.00 (the "**Ashburn Senior Loan**").

The Ashburn Lenders agreed to establish the Ashburn Senior Loan facility pursuant to a Construction Loan Agreement between Ashburn, the Ashburn Agent and the Ashburn Lenders dated of even date herewith (which Construction Loan Agreement, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the "**Ashburn Senior Loan Agreement**"), as evidenced by one or more Revolving Loan Notes by Ashburn in favor of the Ashburn Lenders (which Revolving Loan Notes, as the same may from time to time be amended, restated, supplemented or otherwise modified, are herein collectively called the "**Ashburn Senior Note**"), and secured by an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency Incorporated, as trustee, in favor of the Ashburn Agent for the benefit of the Ashburn Lenders dated of even date herewith (which Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing as the same may from time to time be further amended, restated, replaced, supplemented or otherwise modified, is herein called the "**Ashburn Senior Mortgage**") encumbering the Ashburn Land (as defined in the Ashburn Senior Loan Agreement and as described on Exhibit A attached hereto).

Ashburn intends to use the proceeds of the Ashburn Senior Loan to finance the construction of a retirement community on the Ashburn Land (the "**Ashburn Retirement Community**").

The Ashburn Retirement Community will be leased to and operated by Ashby Ponds, Inc., a Maryland nonstock corporation ("**API**"), which will apply for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Concord is indebted to the lenders (the "**Concord Lenders**") party to the Concord Loan Agreement (as hereinafter defined) for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed $70,000,000.00 (the "**Concord Loan**").

The Concord Lenders agreed to advance the Concord Loan pursuant to a Construction Loan Agreement between Concord, Mercantile (the "**Concord Agent**"), as collateral and

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administrative agent for the Concord Lenders, dated as of August 30, 2005 (which Construction Loan Agreement, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Concord Loan Agreement**"), as evidenced by one or more Revolving Loan Notes by Concord in favor of the Concord Lenders (which Revolving Loan Notes, as the same may from time to time be further amended, restated, supplemented or otherwise modified, are herein collectively called the "**Concord Note**"), and secured by an Open-End Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of August 30, 2005 and recorded with the Office of the Recorder of Deeds of Delaware County, Pennsylvania (the "**Concord Recorder of Deeds**") in Volume 3586 at page 2069 *et seq.* from Concord to and in favor of the Concord Agent for the benefit of the Concord Lenders, (which Open-End Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Concord Mortgage**") encumbering the Concord Land (as defined in the Concord Loan Agreement).

Subsequent to the closing of the Concord Loan, the Concord Ground Lessor acquired the Concord Land, subject and subordinate in all respects, however, to the Concord Loan Documents (hereinafter defined) in accordance with the Purchase Agreement dated October 11,2005 (as amended, the "**Concord Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded with the Recorder of Deeds in Volume 3643, at page 1113 *et seq.*; the transactions described in the Concord Purchase Agreement and implemented in accordance therewith are the "**Concord Ground Lease Transactions**". As part of the Concord Ground Lease Transactions, Concord Ground Lessor became the ground landlord and an obligee of Concord, pursuant to the terms and conditions of a Ground Lease Agreement dated on or about October 11, 2005 between Concord Ground Lessor, as the landlord, and Concord, as the ground tenant, with respect the ground lease of the fee simple interests in the Concord Land, but only the Concord Land and not the improvements thereon or other interests constituting the balance of the Concord Retirement Community (as hereinafter defined), from Concord Ground Lessor to Concord, as evidenced by a Memorandum of Ground Lease dated as of October 11, 2005 and recorded with the Concord Recorder of Deeds in Volume 3643 at page 1142 *et seq.* (the "**Concord Ground Lease**").

Concord, the Concord Ground Lessor and the Concord Agent entered into a Ground Lessor Tri-Party Agreement dated as of October 11, 2005 and recorded with the Concord Recorder of Deeds in Volume 3643 at page 1185 *et seq.* in order to evidence and set forth the terms and conditions applicable to the Concord Agent's consent to the conveyance of the Concord Land to the Concord Ground Lessor and of the Concord Ground Lease, including limitations on the exercise of rights under the Concord Ground Lease.

Ashburn has also requested a loan from Strategic Ashby Ponds Lender LLC, a Delaware limited liability company ("**Ashburn Junior Mortgagee**") in the amount of $50,000,000.00 (the "**Ashburn Junior Loan**").

The Ashburn Junior Mortgagee has agreed to advance the Ashburn Junior Loan pursuant to a Loan Agreement between Ashburn and the Ashburn Junior Mortgagee, dated of even date herewith (which Loan Agreement, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Ashburn Junior Loan**

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Agreement"), as evidenced by a Promissory Note by Ashburn in favor of the Ashburn Junior Mortgagee (which Promissory Note, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the "**Ashburn Junior Note**"), and secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency, Incorporated, as trustee, for the benefit of the Ashburn Junior Mortgagee, dated of even date herewith.

Ashburn, the Ashburn Junior Mortgagee and the Ashburn Agent have entered into a Subordination and Standstill Tri-Party Agreement dated of even date herewith in order to evidence and set forth the terms and conditions applicable to the Ashburn Agent's consent to the Ashburn Junior Loan, including limitations on the exercise of rights under the Ashburn Junior Loan Documents (as hereinafter defined) (the "**Ashburn Tri-Party Agreement**").

Ashburn Junior Mortgagee is willing to make the Ashburn Junior Loan to Ashburn only if Concord guarantees by a Guaranty Agreement of even date herewith from Concord for the benefit of Ashburn Junior Mortgagee the performance of Ashburn and Erickson (as hereinafter defined) under the Ashburn Junior Loan (the "**Concord Junior Guaranty**"), and only on the further condition that such Concord Junior Guaranty be secured with a Leasehold Indemnity Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Concord to Ashburn Junior Mortgagee encumbering the Concord Project (as hereinafter defined) (the "**Concord Junior IDOT**"). In addition, Ashburn will guarantee the payments of Concord under the Concord Ground Lease by a Guaranty Agreement of even date herewith from Ashburn for the benefit of the Concord Ground Lessor (the "**Ashburn Junior Guaranty**"), and such Ashburn Junior Guaranty will be secured by an Indemnity Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency, Incorporated, as trustee, for the benefit of the Concord Ground Lessor encumbering the Ashburn Project (as hereinafter defined) (the "**Ashburn Junior IDOT**"). Finally, the Concord Ground Lease Transactions and the Ashburn Junior Loan will be cross-collateralized and cross-defaulted. The proposed cross guaranty, cross-collateralization and cross-default described herein is henceforth referred to as the "**Cross Transactions**".

Concord Ground Lessor and Ashburn, as a precondition to the effectiveness of the Cross Transactions, have requested that the Ashburn Agent, on behalf of the Ashburn Lenders, consent to such Cross Transactions. In order to induce the Ashburn Agent to grant such consent, and to evidence and set forth terms and conditions applicable thereto, including limitations on the exercise of rights under the Ashburn Junior Guaranty and the Ashburn Junior IDOT, the Ashburn Agent, the Concord Ground Lessor and Ashburn have agreed to enter into this Agreement.

As a condition to the granting of its consent to the Cross Transactions, the Ashburn Agent has required (among other things) the execution and delivery of this Agreement by the Concord Ground Lessor and Ashburn.

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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:

"**Ashburn Improvements**" shall have the same meaning as is ascribed to the term "Improvements" under the provisions of the Ashburn Senior Loan Documents.

"**Ashburn Junior Loan Documents**" shall mean, collectively, the Ashburn Junior Loan Agreement, the Ashburn Junior Note and the Security Documents (as such term is defined in the Ashburn Junior Loan Agreement).

"**Ashburn Project**" shall have the same meaning as is ascribed to the term "Project" under the provisions of the Ashburn Senior Loan Agreement.

"**Ashburn Senior Loan Documents**" shall have the same meaning as assigned to the term "Loan Documents" under the provisions of the Ashburn Senior Loan Agreement.

"**Concord Loan Documents**" shall have the same meaning as the term "Loan Documents" under the provisions of the Concord Loan Documents.

"**Concord Project**" shall have the same meaning as is ascribed to the term "Project" under the provisions of the Ashburn Senior Loan Agreement.

"**Cross Documents**" means, collectively, the Ashburn Junior Guaranty, the Ashburn Junior IDOT, and any and all other documents or instruments executed by Ashburn for the benefit of the Concord Ground Lessor.

"**Default**" and "**Event of Default**" shall have the same meaning as assigned to such term under the provisions of the Ashburn Senior Loan Agreement.

"**Distributable Amounts**" means, cumulatively and collectively, any amounts and sums of money or other financial assets held or owned by Ashburn which from time to time are not subject in any respect to any lien, security interest or limitation on distribution under the Ashburn Senior Loan Documents and which Ashburn is otherwise free and permitted to distribute to its member(s) pursuant to applicable terms and limitations under the Ashburn Senior Loan Documents and under the constituent documents of Ashburn as well as any other applicable documents or restrictions.

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"**Distribution Proceeding**" means and includes any proceeding for the liquidation, distribution or reorganization of any of the assets of Ashburn (including any proceeding involving the distribution of all or substantially all of the assets of Ashburn) or any liquidation, dissolution, winding up or reorganization of Ashburn 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 Ashburn 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.

"**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 Ashburn by Erickson, or by any permitted successor of Erickson as the (or as a) member of Ashburn, as a capital contribution to Ashburn and which contributed amounts are not, from time to time, required to be or to have been contributed to and held by Ashburn, or subject in any respect to any lien, security interest or limitation on distribution under the Ashburn Senior Loan Documents and which Ashburn is otherwise free and permitted to distribute back to its member(s) pursuant to applicable terms and limitations under the Ashburn Senior Loan Documents and under the constituent documents of Ashburn as well as any other applicable documents or restrictions.

"**Master Lease**" means the Ashby Ponds Retirement Community Master Lease and Use Agreement dated as of MAY 31, 2007, between Ashburn and API, as such Ashby Ponds Retirement Community 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 Ashburn to the Concord Ground Lessor or its affiliates or parent of any kind and nature whatsoever both now existing and hereafter arising, including, without limitation, all 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 Cross Documents or any other now or hereafter existing instrument, agreement or document between the Concord Ground Lessor and Ashburn.

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 otherwise specified. As used herein, the singular number shall include the plural, the plural the

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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 Concord Ground Lessor hereby acknowledges and agrees with and for the benefit of the Ashburn Agent and the Ashburn Lenders that the interests of Concord Ground Lessor in the Ashburn Retirement Community, the Ashburn Land, or otherwise relating in any way to the Ashburn Retirement Community improvements thereon, or to the interests which are subject to the Ashburn Senior Loan Documents, have been acquired and are and shall hereafter be and remain in all respects subject to the prior lien and operation of the Ashburn Senior Loan Documents, and the encumbrances thereunder and terms and conditions thereof, which Ashburn Senior Loan Documents are prior and superior to the interests acquired by the Concord Ground Lessor in the Ashburn Land or otherwise relating to the Ashburn Retirement Community. Further, the Concord Ground Lessor hereby expressly subordinates:

(a) the payment of the Subordinated Obligations (including, without limitation, principal, interest and other amounts due or to become due under the Cross Documents) to the prior payment in full of the Ashburn Senior Loan and agrees that all of the right, title and interest of the Concord 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 Ashburn Agent and the Ashburn Lenders in and to the repayment of the Ashburn Senior Loan and any other amounts due pursuant to the Ashburn Senior Loan Documents; and

(b) the terms, conditions and covenants of the Cross Documents to the terms, conditions and covenants of the Ashburn Senior 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 Ashburn Senior Loan Documents; and

(c) the priority and effect of any liens and security interests in favor of the Concord Ground Lessor created by the Cross Documents and all of their terms and provisions, to the priority and effect of the liens and security interests in favor of the Ashburn Agent and the Ashburn Lenders created by the Ashburn Senior Loan Documents and all of their terms and provisions.

SECTION 2.2 Payments on Subordinated Obligations Etc. The Concord Ground Lessor will not take, demand or receive from Ashburn, and Ashburn 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 Ashburn Senior 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 any such proceeding. All subordinated payments shall accrue but shall not be paid to Concord Ground Lessor during any time that the same is not permitted to be paid hereunder.

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In the event that any payment of the Subordinated Obligations by Ashburn 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 Concord Ground Lessor, which payment is not permitted by this Article II, such payment will be received by Concord Ground Lessor solely as agent for the Ashburn Agent and the Ashburn Lenders, and Concord Ground Lessor will immediately turn the same over to the Ashburn Agent for application to the Ashburn Senior Loan in the form received except for the endorsement of Concord Ground Lessor where appropriate, which endorsement Concord Ground Lessor agrees to make. Until so turned over, Concord Ground Lessor shall hold such payment in trust for the Ashburn Agent and the Ashburn Lenders. If Concord Ground Lessor fails to so endorse any such payment where necessary or appropriate, Concord Ground Lessor hereby irrevocably constitutes and appoints the Ashburn Agent as attorney-in-fact for Concord 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 Ashburn Agent and the Ashburn Lenders.

SECTION 2.3 Distribution Proceeding. Upon any Distribution Proceeding by or against Ashburn, 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 Concord Ground Lessor upon or in respect of the Subordinated Obligations, shall be paid or delivered by Concord 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 Ashburn Agent for application by the Ashburn Agent as a payment or prepayment on account of any or all of the obligations owing in connection with the Ashburn Senior Loan (collectively, the "**Ashburn Senior Loan Obligations**"), and Concord Ground Lessor shall not receive any such payment or distribution or any benefit therefrom unless and until the Ashburn Senior Loan has been fully satisfied. In the event that, notwithstanding the foregoing, any payment by, or distribution of the assets of, Ashburn 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 Concord Ground Lessor before the Ashburn Senior Loan has been fully satisfied, such payment or distribution will be received by Concord Ground Lessor solely as agent for the Ashburn Agent and the Ashburn Lenders, and Concord Ground Lessor will immediately turn the same over to the Ashburn Agent for application to the Ashburn Senior Loan in the form received except for the endorsement of Concord Ground Lessor where appropriate which endorsement Concord Ground Lessor agrees to make. Until so turned over, Concord Ground Lessor shall hold such payment or distribution in trust for the Ashburn Agent and the Ashburn Lenders. If Concord Ground Lessor fails to so endorse any such payment or distribution where necessary or appropriate, Concord Ground Lessor hereby irrevocably constitutes and appoints the Ashburn Agent as attorney-in-fact for Concord 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 Ashburn Agent and the Ashburn Lenders.

SECTION 2.4 Reserved.

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SECTION 2.5 Matters Concerning Subordinated Obligations.

Concord Ground Lessor represents and warrants to the Ashburn Agent that the Subordinated Obligations are not represented or evidenced by any instruments or documents other than the Cross Documents. Until the Ashburn Senior Loan has been fully satisfied, the Concord Ground Lessor, without the prior written consent of the Ashburn Agent, 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 Ashburn in filing any petition commencing any Distribution Proceeding against or in respect of Ashburn, (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 Ashburn except as expressly provided for under the Cross Documents.

SECTION 2.6 Maintenance of Books and Legend.

(a) Concord Ground Lessor will maintain proper books and records concerning the Subordinated Obligations and from time to time at the request of the Ashburn Agent will permit the Ashburn Agent 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) Concord Ground Lessor will include the following legend on or within the Ashburn Junior IDOT 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 [Concord Ground Lessor] pursuant to this [identify agreement] are subject in all respects to terms, covenants and limitation as set forth in that certain Cross Tri-Party Agreement dated as of May 31, 2007 among Mercantile-Safe Deposit and Trust Company, as Agent, Concord Ground Lessor and Ashburn Campus, LLC, a Maryland limited liability company, the provisions of which Cross Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein."

SECTION 2.7 Amendments.

Concord Ground Lessor agrees that none of the Cross Documents will be modified or amended without the prior written consent of Ashburn Agent, which shall not unreasonably be withheld, delayed or conditioned provided there is no anticipated adverse effect on the Ashburn Agent or the Ashburn Lenders or their security for the Ashburn Senior Loan, or on Ashburn's operations or financial condition. Nothing contained herein is intended to modify or amend the rights and obligations of Concord Ground Lessor under the Cross Documents, except to the extent provided in this Agreement.

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ARTICLE 3.
LIMITED RIGHTS OF CONCORD GROUND LESSOR

SECTION 3.1 Consent to Cross Transactions.

Ashburn Agent, on behalf of the Ashburn Lenders, hereby acknowledges and consents to the Cross Transactions pursuant to the Cross Documents and the Ashburn Junior Loan Documents, subject, however, in all respects to the terms and conditions of this Agreement, and agrees that such Cross Transactions shall not constitute or be deemed a default under or violate any provision of the Ashburn Senior Loan Documents; provided, however, that until the Ashburn Senior Loan has been fully satisfied, the Concord Ground Lessor will not exercise any of its rights and remedies under the Cross Documents in connection with a default by Ashburn under the Ashburn Junior Loan Documents.

SECTION 3.2 No Cross Default under Ashburn Senior Loan Documents.

So long as the Concord Ground Lessor fully complies with the terms, conditions and limitations set forth in this Agreement, and its obligations hereunder, Ashburn Agent agrees that a default under the Cross 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 Ashburn Senior Loan Documents.

SECTION 3.3 Notice and Cure Rights in Favor of Concord Ground Lessor.

Ashburn Agent herein specifically grants to the Concord Ground Lessor 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 Ashburn Senior 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 Concord Ground Lessor has cured a prior Default or Event of Default under the Ashburn Senior Loan Documents. Ashburn Agent shall endeavor to furnish to the Concord Ground Lessor a copy of any formal notice of or relating to a Default under the Ashburn Senior Loan Documents (a "**Default Notice**") contemporaneously with the sending of such Default Notice to Ashburn pursuant to the terms of the Ashburn Senior Loan Documents. Failure of the Ashburn Agent to send a Default Notice to the Concord Ground Lessor shall not constitute a breach of this Agreement by the Ashburn Agent, but Concord 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 Concord Ground Lessor shall have the opportunity (but not the obligation) to cure any such Payment Default by tendering to Ashburn Agent, within five (5) days after receipt of the relevant Default Notice [or any longer period provided or available under the Ashburn Senior 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 Concord Ground Lessor to cure any such Payment Default, Ashburn Agent 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 Ashburn Agent to accelerate any amounts due under the Loan Documents as set forth in

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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, Ashburn Agent shall be deemed to have waived the subject Payment Default, and Ashburn Agent 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 Ashburn Senior 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 Concord Ground Lessor shall have the opportunity (but not the obligation) to cure any such Non-Payment Default in any manner reasonably acceptable to the Ashburn Agent 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 Ashburn Senior Loan Documents (also, a "**Cure Period**")]. Notwithstanding the existence and pendency of any Cure Period hereunder, and rights granted to the Concord Ground Lessor to cure any such Non-Payment Default, Ashburn Agent 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 Ashburn Agent 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, Ashburn Agent 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 Ashburn Senior 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 the Concord Ground Lessor shall undertake to pay any amount due to Ashburn Agent, or shall expend any sum to cure any Non-Payment Default, as provided under the foregoing provisions, the Concord Ground Lessor shall be subrogated to rights of Ashburn Agent in respect thereof provided, however, that such subrogation shall not be effective in any respect until such time as Ashburn Agent shall have been paid in full all amounts due and owing to it under the Ashburn Senior Loan Documents, and such right of subrogation shall be deemed a Subordinated Obligation hereunder.

(d) The Ashburn Agent shall be entitled to accept any cure effected by the Concord Ground Lessor on the terms provided for in this Section 3.3 as performance by the parties obligated under the Loan Documents.

SECTION 3.4 Rights to Acquire Secured Position.

The Concord Ground Lessor shall have the right and the opportunity (but not the obligation) at any time following the effectiveness of an Acceleration Action under the Ashburn Senior Loan Documents, upon and following the complete and indefeasible payment in full to Ashburn Agent by the Concord Ground Lessor of all of the Ashburn Senior Loan Obligations, to acquire from the Ashburn Agent all enforcement and lien rights and beneficial and security

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interests arising in favor of the Ashburn Agent or its successors under the Ashburn Senior Loan Documents (the "**Secured Position**"). The right in Concord Ground Lessor to acquire such enforcement and lien rights and beneficial and security interests is further subject to and conditioned on (a) the reimbursement by Concord Ground Lessor of all of the Ashburn Senior Loan Obligations, including without limitation all costs and expenses of Ashburn Agent in connection with any 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 Concord Ground Lessor, (b) a release, indemnification and hold harmless agreement acceptable to Ashburn Agent from an entity approved by Ashburn Agent (which entity must have a minimum net worth of $100,000,000) as to any claims against Ashburn Agent in respect of the interests assigned to or at the direction of the Concord Ground Lessor, and claims which have been made against Ashburn Agent or the Ashburn Lenders as of such date of acquisition, or which may later be alleged against Ashburn Agent or the Ashburn Lenders based upon enforcement actions taken after such date of acquisition, (c) Concord Ground Lessor providing an irrevocable notice (the "**Irrevocable Notice**") electing to acquire such rights and security interests within sixty (60) days of notice of an Acceleration Action, and (d) Concord Ground Lessor closing on the acquisition of such rights and security interests within a reasonable time after sending the Irrevocable Notice. In such event, upon receipt of full payment, Ashburn Agent will endorse and assign to Concord Ground Lessor or its designee the Secured Position, without recourse or warranty other than a representation and warranty that the Secured Position held by Ashburn Agent has not been assigned to any other party.

SECTION 3.5 Subordination of Rights to Concord Ground Lessor. Concord Ground Lessor agrees that any and all rights to which it is entitled under this Agreement are subject and subordinate to the rights of Ashburn Junior Mortgage under the Ashburn Tri-Party Agreement.

ARTICLE 4.
GENERAL PROVISIONS

SECTION 4.1 Representations and Warranties of Concord Ground Lessor.

Concord Ground Lessor represents and warrants to the Ashburn Agent for the benefit of the Ashburn Lenders that (a) Concord 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 Concord Ground Lessor and has been duly executed and delivered by a person duly authorized to execute and deliver this Agreement on behalf of Concord Ground Lessor, (c) assuming proper execution and delivery by the other parties hereto, this Agreement constitutes the valid and binding obligation of Concord 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 Concord Ground Lessor, the consummation of the transactions herein contemplated, nor the compliance with the terms and provisions hereof by Concord 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 Limited Partnership Agreement of Concord Ground Lessor or of any applicable

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law or regulation or of any agreement or instrument to which Concord 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 Cross Documents.

SECTION 4.2 Default under Ashburn Senior Loan Documents.

The breach or the failure of Concord 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 Ashburn Senior Loan Documents (which Default under the Ashburn Senior Loan Documents shall not be subject to any further cure rights, whether under Section 3.3 of this Agreement or otherwise.) This Agreement constitutes one of the Ashburn Senior Loan Documents.

SECTION 4.3 Remedies.

Upon the occurrence of any Event of Default hereunder, Ashburn Agent shall have the right to exercise all remedies provided for under this Agreement, under applicable law or otherwise.

SECTION 4.4 Enforceability of the Provisions of this Agreement and Waivers.

(a) All rights and interests of the Ashburn Agent hereunder, and all agreements and obligations of the Concord 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 Ashburn Agent, until the Ashburn Senior Loan Obligations shall have been paid and performed in full, irrespective of (i) any act or failure to act on the part of Concord Ground Lessor or any noncompliance by Concord Ground Lessor with the provisions of this Agreement, (ii) any lack of validity or enforceability of any of the Ashburn Senior Loan Documents, (iii) any attempt, pursuit, enforcement or exhaustion of any rights and remedies the Ashburn Agent may at any time have to collect the Ashburn Senior Loan from Ashburn or any other maker, guarantor, endorser, surety or other person directly or contingently liable therefor or from any collateral and security for the Ashburn Senior Loan, (iv) any release or non-perfection of any collateral and security for any or all of the Ashburn Senior Loan, or (v) any other circumstance which might otherwise constitute a defense available to, or discharge of, Ashburn in respect of the Ashburn Senior Loan.

(b) Without notice to, or consent of, the Concord Ground Lessor, and without in any way affecting, limiting, modifying, discharging or releasing the right of the Ashburn Agent to enforce this Agreement or the liabilities and obligations of the parties hereto, the Ashburn Agent 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 Ashburn Agent, all or any part of the Ashburn Senior Loan, any collateral and security therefor, Ashburn or any other maker, guarantor, endorser, surety or other person directly or contingently liable or obligated for all or any part of the Ashburn Senior Loan or any of the provisions of any of the Ashburn Senior Loan

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Documents, (ii) fail, omit, lack diligence or delay to perfect, maintain, enforce, assert or exercise any lien, encumbrance, right or remedy conferred on the Ashburn Agent under the provisions of any of the Ashburn Senior 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 Ashburn or any other party in respect of the Ashburn Senior Loan or of Ashburn or the Concord Ground Lessor in respect of this Agreement.

(c) Concord Ground Lessor 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 Ashburn or any other person or entity. In furtherance of the foregoing and without limiting the generality thereof, Concord Ground Lessor agrees, subject only to the specific terms of this Agreement, as follows: (i) Ashburn Agent 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 Concord Ground Lessor's liability hereunder, (A) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Ashburn Senior Loan Obligations, (B) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Ashburn Senior 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 Ashburn Senior Loan Obligations and take and hold other security for the payment of the Ashburn Senior Loan Obligations, (D) release, exchange, compromise, subordinate or modify, with or without consideration, any other security for payment of the Ashburn Senior Loan Obligations, any guaranties of the Ashburn Senior Loan Obligations, or any other obligation of any Person with respect to the Ashburn Senior Loan Obligations, (E) enforce and apply any other security now or hereafter held by or for the benefit of Ashburn Agent in respect of the Ashburn Senior Loan Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Ashburn Agent may have against any such security, as Ashburn Agent in its discretion may determine consistent with the Ashburn Senior 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 Concord Ground Lessor against Ashburn or any other security for the Ashburn Senior Loan Obligations, and (F) exercise any other rights available to Ashburn Agent under the Ashburn Senior Loan Documents, at law or in equity; and (ii) this Agreement and the obligations of Concord 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 Concord 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 Ashburn Senior Loan Obligations or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Ashburn Senior 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 Ashburn Senior Loan Agreement, any of the other Ashburn Senior Loan Documents or any agreement or instrument

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executed pursuant thereto, or any guaranty or other security for the Ashburn Senior Loan Obligations, (C) the Ashburn Senior 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 Ashburn Senior Loan Obligations, even though Ashburn Agent might have elected to apply such payment to any part or all of the Ashburn Senior Loan Obligations, (E) any failure to perfect or continue perfection of a security interest in any other collateral which secures any of the Ashburn Senior Loan Obligations, (F) any defenses, set-offs or counterclaims which Ashburn may allege or assert against Ashburn Agent in respect of the Ashburn Senior 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 Concord Ground Lessor in respect of the Ashburn Senior Loan Obligations.

(d) Subject only to the specifications of this Agreement, Concord Ground Lessor hereby waives, for the benefit of Ashburn Agent and the Ashburn Lenders: (i) any right to require Ashburn Agent or Ashburn Lenders, as a condition of payment or performance by Concord Ground Lessor, to (A) proceed against Ashburn , any guarantor of the Ashburn Senior Loan Obligations or any other Person, (B) proceed against or exhaust any other security held from Ashburn , any guarantor of the Ashburn Senior 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 Ashburn Agent in favor of Ashburn or any other Person, or (D) pursue any other remedy in the power of Ashburn Agent or Ashburn Lenders whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Ashburn including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Ashburn Senior Loan Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Ashburn from any cause other than indefeasible payment in full of the Ashburn Senior 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 Ashburn Agent's errors or omissions in the administration of the Ashburn Senior 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 Concord Ground Lessor's obligations hereunder (B) the benefit of any statute of limitations affecting Concord 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 Ashburn Agent 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 Ashburn Senior Loan Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Ashburn Senior Loan Obligations or any agreement related thereto, notices of any extension of credit to Ashburn 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.

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ARTICLE 5.
MISCELLANEOUS

SECTION 5.1 Course of Dealing; Amendment.

No course of dealing between the Ashburn Agent and Concord Ground Lessor shall be effective to amend, modify or change any provision of this Agreement. The Ashburn Agent 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 Ashburn Agent in refraining from so doing at any time or times. The failure of the Ashburn Agent 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 Ashburn Agent and the Concord Ground Lessor.

SECTION 5.2 Waiver of Default.

The Ashburn Agent may, at any time and from time to time, execute and deliver to Ashburn a written instrument waiving, on such terms and conditions as the Ashburn Agent 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.

(a) Concord Ground Lessor shall endeavor to furnish to the Ashburn Agent a copy of any formal notice of or relating to a breach or a default under the Cross Documents contemporaneously with the sending of such final notice to Ashburn pursuant to the terms of the Cross Documents.

(b) 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:

Concord Ground Lessor: Strategic Concord Landholder, LP
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036
Phone: (212) 761-4468
Fax: (212) 507-4861

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With a copy to:	Mark Pollak, Esquire Wilmer Hale LLP 100 Light Street, Suite 1300 Baltimore, Maryland 21202 Phone: (410) 986-2860 Fax: (410) 986-2828
Ashburn :	Ashburn Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Financial Officer
With a copy to:	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228
Ashburn Agent:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21202 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.

Concord 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 Ashburn Senior Loan Documents, (b) waives, to the fullest extent permitted by law, any objection that the Concord 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.

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SECTION 5.5 Waiver of Trial by Jury.

The Concord Ground Lessor and the Ashburn Agent hereby voluntarily and intentionally waive any rights they may have to trial by jury in any action or proceeding to which Concord Ground Lessor or the Ashburn Agent 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 Concord Ground Lessor, Ashburn, the Ashburn Agent, 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.

(a) The Ashburn Agent may, without notice to, or consent of, the Concord Ground Lessor, sell, assign or transfer to any Person or Persons all or any part of the Ashburn Senior Loan and each such Person or Persons shall have the right to enforce the provisions of this Agreement as fully as the Ashburn Agent, provided that the Ashburn Agent shall continue to have the unimpaired right to enforce the provisions of this Agreement as to so much of the Ashburn Senior Loan that it has not sold, assigned or transferred. In connection with any such assignment, the Ashburn Agent 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 Concord Ground Lessor will fully cooperate with the Ashburn Agent 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 Ashburn Agent in order to effect any such assignment.

(b) Notwithstanding any provision of this Agreement to the contrary, the Concord Ground Lessor may, without the consent of the Ashburn Agent, assign, transfer or grant a lien upon any part of the Subordinated Obligations, provided that (i) any such transferee (either by assignment, transfer or grant of lien) is a Qualified Transferee, as described in Exhibit B attached hereto, and (ii) any such transferee shall have agreed to acquire the Subordinated Obligations or the membership interests (or lien on the membership interests) with full knowledge and subject to the obligations imposed on, and shall be entitled to the benefits accruing to, the Concord Ground Lessor hereunder. Ashburn Agent further agrees that with respect to an investment pool or investment fund which owns all or a part of the membership interests in the Concord Ground Lessor, a transfer of limited partner interests, limited liability interests, syndicate interests or other interests in such investment pool or investment fund is not subject to any restriction pursuant to the terms of this Agreement.

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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 Ashburn Senior Loan indebtedness was or is incurred. This Agreement shall continually exist in full force and effect until the Ashburn Senior 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 Ashburn Senior Loan is rescinded or must otherwise be restored or returned by the Ashburn Agent upon, under or as a result of any Distribution Proceeding by or against Ashburn or otherwise, all as though such payment had not been made.

SECTION 5.9 Binding Effect.

This Agreement shall be binding upon the Ashburn Agent, Ashburn and the Concord Ground Lessor and their respective successors, assigns, heirs, personal representatives, executors, administrators and estate and shall inure to the benefit of the Concord Ground Lessor, Ashburn, the Ashburn Agent, the Ashburn Lenders and their successors and assigns, respectively.

SECTION 5.10 Applicable Law.

This Agreement and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

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.

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SECTION 5.14 Security Interest.

For the sole purpose of securing the performance by the Concord Ground Lessor and its affiliates, successors and assigns of the provisions of this Agreement, the Concord Ground Lessor assigns, pledges, and grants to the Ashburn Agent a security interest in and to all right, title and interest of the Concord Ground Lessor under the Cross Documents and all proceeds thereof. Upon the request of the Ashburn Agent, the Concord Ground Lessor shall endorse, assign, and deliver to the Ashburn Agent, in a manner acceptable to the Ashburn Agent, all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Cross Documents. In the event of the failure of the Concord Ground Lessor to make any such endorsement, assignment, or delivery, the Ashburn Agent, or any of its officers or employees on behalf of the Ashburn Agent, is hereby appointed attorney-in-fact of the Concord Ground Lessor 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 Concord Ground Lessor.

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 Ashburn Senior Loan Documents and the Cross Documents, unless the same is specifically resolved by the terms of this Agreement, the terms of the Ashburn Senior 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 Ashburn Senior Loan Documents relating to casualty or condemnation proceeds shall govern over any similar provisions of the Cross Documents. The Concord Ground Lessor also further acknowledges and agrees that the Concord Ground Lessor shall not impose on Ashburn or any other party any additional requirements or conditions regarding construction of the Ashburn Improvements on the Ashburn Land other than those already contained in the Ashburn Senior Loan Documents; and that any provisions of the Cross Documents purporting to impose any such additional requirements or conditions shall be ineffective for so long as the Ashburn Senior Loan Obligations are outstanding. In particular, with respect to casualty and condemnation proceeds, the parties agree that the same shall be disbursed (if at all) pursuant to and in accordance with the terms of the Ashburn Senior Loan Documents, and that the Concord Ground Lessor shall not impose any inconsistent or additional requirements on the use of such casualty or condemnation proceeds from those provided for in the Ashburn Senior Loan Documents. The provisions of this Section 5.15 shall not prohibit Concord Ground Lessor from receiving copies of construction related materials for informational purposes. The Concord Ground Lessor also covenants and agrees that, regardless of any contrary provisions in the Cross Documents, for so long as the Ashburn Senior Loan Obligations are outstanding, the Concord Ground Lessor shall join in and consent to any plat, zoning or land-related application, permit request or other governmental requirement for which the landowner's consent or joinder, as landowner, is required in the construction process, and will cooperate with Ashburn and, in the event the Ashburn Agent exercises its rights to do so under the Ashburn Senior Loan Documents, the Ashburn Agent, in completing the Ashburn Project, including construction of the Ashburn Improvements, as those terms are defined in the Ashburn Senior Loan Documents.

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Notwithstanding the provisions of the Cross Documents, and without in any way limiting the provisions hereof, until the Ashburn Senior Loan Obligations have been paid in full: (i) Concord Ground Lessor may not further encumber the Ashburn Property; and (ii) there shall be no actions taken by Concord Ground Lessor with respect to any Payment Default nor Non-Payment Default, nor may Concord Ground Lessor take any action during any Cure Period under the Ashburn Senior Loan Documents.

SECTION 5.16 Reserved.

SECTION 5.17 No Release of Obligations of Ashburn. The parties acknowledge and agree that the entry into the Cross Transactions and the Ashburn Agent's consent thereto on the terms contained in this Agreement, the subordination of Concord Ground Lessor's rights as provided herein, and the execution, delivery and performance of this Agreement do not relieve Ashburn of any of its obligations under the Ashburn Senior Loan Documents or the Cross Documents, and that Ashburn shall continue to be bound by and shall perform all of its obligations pursuant to the terms of the Ashburn Senior Loan Documents and the Cross Documents.

SECTION 5.18 Integration Clause.

This Agreement constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written.

SECTION 5.19 Additional Documentation.

Concord Ground Lessor shall execute and deliver to the Ashburn Agent such further instruments and shall take such further action as the Ashburn Agent may reasonably request from time to time in order to carry out the provisions and intent of this Agreement.

SECTION 5.20 Defects waived.

This Agreement is effective notwithstanding any defect in the validity or enforceability of any instrument or document at any time evidencing or securing the whole or any part of the Ashburn Senior Loan Obligations.

SECTION 5.21 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

SECTION 5.22 Rights of Ashburn Lenders.

The Concord Ground Lessor acknowledges and agrees that the Ashburn Agent is acting as agent for itself and for the other Ashburn Lenders party to the Ashburn Senior Loan Documents from time to time, and that all rights of the Ashburn Agent hereunder are held for the

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ratable benefit of the Ashburn Agent and the other Ashburn Lenders, whether specifically so expressed or not.

SECTION 5.23 Liability of Ashburn Agent.

None of Ashburn Agent nor any of its directors, officers, employees or agents shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Ashburn Senior Loan Document or the transactions contemplated hereby (except to the extent resulting from its own gross negligence or willful misconduct in connection with the duties expressly set forth herein as determined by a final, non-appealable judgment by a court of competent jurisdiction), or (ii) be responsible in any manner to Ashburn , the Concord Ground Lessor or its affiliates, successors and assigns or any other person or entity for any recital, statement, representation or warranty made by Ashburn or any other party to the Ashburn Senior Loan Documents, or any member, partner, shareholder or officer of any of them, contained in this Agreement or in any other Ashburn Senior Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Ashburn Agent under or in connection with, this Agreement or any other Ashburn Senior Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Ashburn Senior Loan Document (or the creation, perfection or priority of any lien, mortgage or security interest therein) or for any failure of Ashburn or any other party to any Ashburn Senior Loan Document to perform its obligations hereunder or thereunder. Ashburn Agent shall not be under any obligation to the Concord Ground Lessor to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Ashburn Senior Loan Document, or to inspect the properties, books or records of Ashburn or any other party to any of the Ashburn Senior Loan Documents.

SECTION 5.24 Limited Recourse.

Notwithstanding anything to the contrary in this Agreement or in any documents delivered by any other party in connection with the consummation of the transactions contemplated hereby, it is expressly understood and agreed that the Concord Ground Lessor's liability shall be limited to and payable only out of the assets held by the Concord Ground Lessor and not any of the Concord Ground Lessor 's directors, officers, employees, shareholders, contract holders or policy holders, shall be subject to any lien, levy, execution, setoff or other enforcement procedure for satisfaction of any right or remedy of any party in connection with the transactions contemplated hereby.

[SIGNATURES FOLLOW ON NEXT PAGE]

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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.

CONCORD GROUND LESSOR :

STRATEGIC CONCORD LANDHOLDER, LP, a Delaware limited partnership

By: Strategic Concord GP, LLC, a Delaware limited liability company, its General Partner

By: Strategic LP, a Utah limited partnership, its member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew S. Bauman
Title: Vice President

Date: As of May 31, 2007

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STATE OF New York

COUNTY OF New York

On this 31st day of May, 2007, before me Andrew S. Bauman, the undersigned officer, personally appeared ANDREW S. BAUMAN, who acknowledged himself to be the Vice President of MSREA Holdings, LLC, a Delaware limited liability company, managing member of Strategic Master LLC, a Utah limited liability company, sole general partner of Strategic LP, a Utah limited partnership, member of Strategic Concord GP, LLC, a Delaware limited liability company, General Partner of STRATEGIC CONCORD LANDHOLDER, LP, a Delaware limited partnership, and that he, in such capacity, being authorized to do so, executed the foregoing instrument on behalf of STRATEGIC CONCORD LANDHOLDER, LP.

(NOTARY SEAL)

JULIE F ZEITLIN
Notary Public - State of New York
NO. 01ZE6149901
Qualified in New York County
My Commission Expires 7/17/2010

Notary Public

Julie F. Zeitlin
Printed Name

Notary Commission No.:

My Commission Expires:

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ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company
Its: Sole Member

By: _____
Gerald F. Doherty
Executive Vice President
and General Counsel

Date: As of May 31, 2007

STATE OF MARYLAND

COUNTY OF BALTIMORE

On this the 14th day of May, 2007, before me Cathy M. Thompson the undersigned officer, personally appeared Gerald F. Doherty, who acknowledged himself to be the Executive Vice President and General Counsel for ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company, as Sole Member of ASHBURN CAMPUS, LLC, a Maryland limited liability company, and that he, as such Executive Vice President and General Counsel being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

(NOTARY SEAL)

CATHY M. THOMPSON NOTARY PUBLIC QUEEN ANNE'S COUNTY, MD.

Cathy M. Thompson
Notary Public, State of Maryland

Cathy M. Thompson
Printed Name
Notary Commission No.:
My Commission Expires:

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

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MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, as Ashburn Agent

By: _____
Name:
Title:

MERCANTILE-SAFE DEPOSIT & TRUST COMPANY

Bruce D. McLean
Senior Vice President

Two Hopkins Plaza
P.O. Box 1477
Baltimore, Maryland 21203
(410)237-5374
Fax: (410) 237-5703
bruce.mclean@mercantile.net

STATE OF MARYLAND
COUNTY OF ~~BALTIMORE~~ ANNE ARUNDEL

On this the 23rd day of May, 2007, before me, Bruce D. McLean the undersigned officer, personally appeared Bruce D. McLean, who acknowledged himself/herself to be the Senior Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and that he/she, as such _____ being authorized so to do, executed the foregoing instrument for the purposes there in contained, by signing the name of the corporation, as Agent, by himself/herself as such officer.

(NOTARY SEAL)

Michele J. Johnson
Notary Public, State of Maryland

_____
Printed Name
Notary Commission No.:_____
My Commission Expires:_____

Michele J. Johnson
NOTARY PUBLIC
Anne Arundel County
State of Maryland
My Commission Expires
February 1, 2010

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ACKNOWLEDGMENT

STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company, is executing this acknowledgment to evidence its consent to the above Cross Tri-Party Agreement among Mercantile-Safe Deposit and Trust Company, a Maryland corporation, in its capacity as collateral and administrative agent, Ashburn Campus, LLC, a Maryland limited liability company, and Strategic Ashburn Landholder, LP, a Delaware limited partnership, dated of even date herewith.

ASHBURN JUNIOR MORTGAGEE :

STRATEGIC ASHBY PONDS LENDER LLC,
a Delaware limited liability company

By: Strategic LP, a Utah limited partnership, its member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew S. Bauman
Title: Vice President

Date: As of May 31, 2007

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

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EXHIBIT B

CROSS TRI-PARTY AGREEMENT
among
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Collateral and Administrative Agent
STRATEGIC CONCORD LANDHOLDER, LP,
as Concord Ground Lessor
and
ASHBURN CAMPUS, LLC
as Borrower and Mortgagor

Dated as of May 31, 2007

"Qualified Transferee" shall mean

(a) an insurance company, bank, savings and loan association, investment bank, trust company, commercial credit corporation, pension plan, pension fund, pension fund advisory firm, mutual fund, real estate investment fund or governmental entity or plan; or

(b) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, which regularly engages in the business of making or owning real estate loans or investments, or an "institutional accredited investor" within the meaning of Regulation D of the Securities Act of 1933, as amended; or

(c) a Person that is otherwise a Qualified Transferee but that is acting in an agency capacity for a syndicate of lenders where at least 51% (by loan balance owned) of the lenders in such syndicate are otherwise Qualified Transferees under clauses (a) through (c) above; or

(d) an institution substantially similar to any of the foregoing; or

(e) an investment fund, limited liability company, limited partnership or general partnership where a nationally recognized manager of investment funds, which is a Qualified Transferee, acts at the general partner, managing member or fund manager; or

(f) any entity Controlled by or Controlling, or under common Control (each term, as defined below) with, any of the entities described in clauses (a) through (d) of this definition,

provided, that, in case of each of clauses (a) through (e) of this definition, such party has at least $600,000,000 in total assets (in name or under management) and (except with respect to a pension advisory firm, asset manager, or similar fiduciary) at least $200,000,000 in capital/statutory surplus or shareholder's equity, and except with respect to a pension advisory firm, asset manager or similar fiduciary, is regularly engaged in the business of making or owning commercial real estate loans (or interests therein) or investments.

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For purposes of this definition only, "Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise, and "Controlled" and "Controlling" having meanings correlative thereto.

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ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company
Its: Sole Member

By: _____
Gerald F. Doherty
Executive Vice President
and General Counsel

Date: As of May 31, 2007

STATE OF MARYLAND

COUNTY OF BALTIMORE

On this the 24th day of May, 2007, before me, Cathy M Thompson the undersigned officer, personally appeared Gerald F. Doherty, who acknowledged himself to be the Executive Vice President and General Counsel for ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company, as Sole Member of ASHBURN CAMPUS, LLC, a Maryland limited liability company, and that he, as such Executive Vice President and General Counsel being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

(NOTARY SEAL)

CATHY M. THOMPSON NOTARY PUBLIC QUEEN ANNE'S COUNTY, MD.

Cathy M Thompson
Notary Public, State of Maryland

Cathy M Thompson
Printed Name
Notary Commission No.: _____
My Commission Expires: _____

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

Capmark - CD#28 - Control ID#1181

20070612-0044116
Loudoun County, VA Pgs: 32
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

(6)

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPAN
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

INDEMNITY DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

ASHBURN CAMPUS, LLC,
a Maryland limited liability company
(Grantor)

To

ALEXANDER TITLE AGENCY, INCORPORATED,
a Virginia corporation
(Trustee)

for the benefit of

STRATEGIC CONCORD LANDHOLDER, LP
a Delaware limited partnership
(Beneficiary)

May 31, 2007

DRAFTED BY AND WHEN RECORDED, RETURN TO:

WILMER HALE, LLP
100 Light Street, 13th Floor
Baltimore, Maryland 21202-3268
Attention: Mark Pollak, Esquire

This instrument prepared outside the Commonwealth of Virginia

Capmark - CD#28 - Control ID#1181

INDEMNITY DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

THIS INDEMNITY DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "**Deed of Trust**") is made as of the 31st day of May, 2007, by **ASHBURN CAMPUS, LLC**, a Maryland limited liability company (the "**Grantor**") to **ALEXANDER TITLE AGENCY, INCORPORATED**, a Virginia corporation (the "**Trustee**"), for the benefit of **STRATEGIC CONCORD LANDHOLDER, LP**, a Delaware limited partnership (the "**Beneficiary**") for itself and on behalf of any successor holders of the Guaranty secured hereby and hereafter defined.

RECITALS

A. Pursuant to the terms of that certain Loan Agreement between Grantor and Strategic Ashby Ponds Lender LLC, a Delaware limited liability company ("**Lender**") of even date herewith (the "**Mezzanine Loan Agreement**"), Lender agreed to loan to Grantor the sum of Fifty Million Dollars ($50,000,000) (the "**Mezzanine Loan**") on the terms and conditions more particularly set forth therein and in the promissory note delivered simultaneously therewith (the "**Mezzanine Note**"). The Mezzanine Loan Agreement, the Mezzanine Note and each other document executed and delivered by Grantor and/or ERC (as defined in Recital D below) in connection with the Mezzanine Loan, as amended, are hereinafter the "**Mezzanine Loan Documents.**"

B. Beneficiary is the owner of that certain real property comprising approximately 87 acres located at 117 Brinton Lake Road, Glen Mills, Concord Township, Delaware County, Pennsylvania (the "**Maris Grove Property**"). Beneficiary acquired the Maris Grove Property from Concord Campus, L.P., a Maryland limited partnership ("**CC**") in accordance with the Purchase Agreement dated October 11, 2005 (as amended, the "**Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded among the land records of Delaware County, Pennsylvania in Volume 3643, Page 1112; the transactions described in the Purchase Agreement and implemented in accordance therewith are the "**Maris Grove Transactions**". As part of the Maris Grove Transactions, Beneficiary leased the Maris Grove Property to CC to be developed and operated as a continuing care retirement community (the "**Maris Grove Project**") in accordance with the Ground Lease dated October 11, 2005 (as amended, the "**Ground Lease**"). The Ground Lease, together with any and all other documents executed and delivered by CC and/or ERC (as defined in Recital D below) in connection with the Maris Grove Transactions, as amended, are hereinafter the "**Maris Grove Transaction Documents.**"

C. Grantor is the owner of that certain Real Property comprising approximately 135.5378 acres located in Loudoun County, Virginia as more particularly described on **Exhibit A** and in Section 2.1 hereof. The Real Property will be developed and operated by Grantor as a continuing care retirement community in accordance with the Mezzanine Loan Agreement.

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D. Erickson Retirement Communities, LLC, a Maryland limited liability company ("**ERC**"), is the direct and indirect owner of all of the member interests of Grantor and all of the limited partnership interests of CC.

E. Lender has agreed to allow a portion of the proceeds of the Mezzanine Loan to be distributed by the Grantor to ERC for the purpose of allowing ERC to fulfill its obligations, as the direct and indirect owner of all of the limited partnership interests in CC, with respect to the Maris Grove Transactions. Accordingly, substantial benefits will accrue to CC through the making of the Mezzanine Loan, and by separate instrument CC has guaranteed the performance of Grantor and ERC with respect to the Mezzanine Loan and has secured such instrument with a lien on the Maris Grove Property.

F. As a condition to making the Mezzanine Loan to the Grantor and as provided in the Loan Agreement, Lender has required that Grantor guarantee to Beneficiary the payment and performance of CC and ERC under the Maris Grove Transaction Documents pursuant to that certain Guaranty Agreement of even date herewith by Grantor in favor of Beneficiary (the "**Guaranty**") and to secure the Guaranty with this Deed of Trust. Finally, the Maris Grove Transactions and the Mezzanine Loan will be cross-defaulted and cross-collateralized.

G. Beneficiary and Lender are affiliated entities having the same current ownership.

H. This Deed of Trust is subordinate to the Mezzanine Loan Documents, and Grantor and Beneficiary acknowledge that no payment will be made pursuant to the Guaranty or this Deed of Trust unless all amounts due and payable pursuant to the Mezzanine Loan Documents are current.

NOW THEREFORE, for and in consideration of the foregoing Recitals, the making of the Mezzanine Loan by Lender to Grantor, and the covenants, representations and warranties set forth in this Deed of Trust, Grantor hereby agrees as follows:

SECTION 1. DEFINITIONS AND RECITALS The parties acknowledge that the above Recitals are true and correct and agree that the same are incorporated by reference into the body of this Deed of Trust. Whenever capitalized in this Deed of Trust, the following terms shall have the meaning given in this Section 1, unless the context clearly indicates a contrary intent.

1.1 Beneficiary: Strategic Concord Landholder, LP, a Delaware limited partnership, its successors and assigns, and any subsequent holders of the Guaranty.

1.2 Deed of Trust: This instrument, including all current and future supplements, amendments and attachments thereto.

1.3 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.

1.4 Environmental Requirements: Any federal, state, regional, county or local law, statute, ordinance, rule or regulation; or court administrative order or decree; or private

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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.

1.5 Event of Default: Any one or more of the events described in Section 8.01 hereof.

1.6 Grantor: Ashburn Campus, LLC, its successors and assigns.

1.7 Guaranty: The Guaranty Agreement of even date herewith by Grantor guaranteeing the payment and performance of CC and ERC under the Maris Grove Transaction Documents for the benefit of Beneficiary, as amended.

1.8 Guarantor's Obligations: The term **"Guarantor's Obligations"** shall have the meaning set forth in the Guaranty.

1.9 Insurance and Condemnation Proceeds: All of the items described in Section 2.04.

1.10 Land: The land consisting of approximately 135.5378 acres located in Loudon County, Virginia, which is more particularly described in Exhibit A attached to this Deed of Trust and incorporated by reference herein.

1.11 Mezzanine Note: The Promissory Note of even date herewith payable to the Lender by the Grantor evidencing the Mezzanine Loan in the face amount of Fifty Million Dollars ($50,000,000.00), including all current and future replacements, supplements, amendments and attachments thereto.

1.12 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Beneficiary hereunder, or any encumbrance hereinafter approved in writing by Beneficiary.

1.13 Project: The term **"Project"** shall have the meaning set forth in the Mezzanine Loan Agreement.

1.14 Project Documents: The term **"Project Documents"** shall have the meaning set forth in the Mezzanine Loan Agreement.

1.15 Property: All of the property described in Sections 2.1, 2.2, 2.3 and 2.4.

1.16 Personal Property: All of the personal property and fixtures described in Section 2.2.

1.17 Real Property: All of the real property described in Section 2.1.

1.18 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 2.3.

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1.19 Security Documents: The term "**Security Documents**" includes the Guaranty and this Deed of Trust.

SECTION 2. GRANT

2.1 Real Property. The Grantor, in consideration of the Lender making the Mezzanine Loan to the Grantor and other valuable consideration as more particularly described in the Recitals of this Deed of Trust, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby mortgages, warrants, grants, bargains, sells, conveys and assigns to Trustee, in trust, with power of sale for the benefit of the Beneficiary all of its right, title and interest in and to the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Grantor (hereinafter collectively referred to as the "**Real Property**"), subject to the Permitted Encumbrances.

2.2 Personal Property and Fixtures. The Grantor further grants and assigns to the Trustee for the benefit of the Beneficiary a security interest in, all of the Grantor'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, and all the right, title and interest of the Grantor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Deed of Trust (hereinafter collectively referred to as the "**Personal Property**").

2.3 Rents and Other Rights. The Grantor further grants and assigns to the Trustee for the benefit of the Beneficiary all of the Grantor'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 Grantor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of the Grantor 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 Grantor, or constructed, assembled or placed by or for the Grantor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "**Rents**").

2.4 Insurance Policies and Condemnation Awards. The Grantor further grants and assigns to the Trustee for the benefit of the Beneficiary all of Grantor's interest in insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including

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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**").

2.5 Security Interest Under the Uniform Commercial Code.

2.5.1 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 Deed of Trust. The remainder of the Property shall be subject to the Virginia Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "**Uniform Commercial Code**") and this Deed of Trust shall constitute a Security Agreement with respect thereto. The Grantor hereby grants to the Beneficiary 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 Grantor's obligations under the Security Documents. With respect to such security interest (a) the Beneficiary 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 Beneficiary shall have a right of possession superior to any right of possession of the Grantor or any person claiming through or on behalf of the Grantor. The Grantor shall execute and file such financing statements and other security agreements as the Beneficiary shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Grantor to do so, the Beneficiary may execute, record and file all such financing statements and other security agreements for and in the name of the Grantor and the Grantor hereby irrevocably appoints the Beneficiary the agent and attorney-in-fact of the Grantor to do so. The Grantor 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 Beneficiary may file, without any Grantor's signature, one or more financing statements or other notices disclosing the Beneficiary's liens and other security interests. All financing statements and notices may describe the Beneficiary's collateral as all assets or all personal property of Grantor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Beneficiary's liens and security interests with respect to the collateral shall be governed by the granting language of the Security Documents.

2.5.2 This Deed of Trust constitutes a financing statement filed as a fixture filing under Sections 8.9-313 and 8.9-402 of the Uniform Commercial Code covering any of the Property which now is or later may become fixtures attached to the Real Property. The following addresses are the mailing addresses of Grantor, as debtor under the code, and Beneficiary, as secured party under the Code, respectively:

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

Beneficiary: Strategic Concord Landholder, LP
c/o Mr. Andrew Bauman

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Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

SECTION 3. HABENDUM CLAUSE AND DEFEASANCES.

The Trustee shall have and hold the Property in fee simple in trust to secure to the Beneficiary and to the Trustee for the benefit of the Beneficiary the obligations described in Section 1.2 of this Deed of Trust, upon the terms and trust herein set forth.

To HAVE AND TO HOLD the Property unto the Trustee, and its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto the Trustee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. All right, title and interest of the Grantor 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 Grantor or constructed, assembled or placed by the Grantor 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 Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Grantor and specifically described herein. Notwithstanding the foregoing, the Grantor 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 Trustee shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Trustee of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Grantor 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 Deed of Trust. In addition, the Grantor hereby agrees that this Deed of Trust is a security agreement under the Uniform Commercial Code and creates in the Trustee a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Deed of Trust shall be effective as a financing statement pursuant to the Uniform Commercial Code. The Grantor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Trustee may require from time to time to perfect and maintain in favor of the Trustee 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 Grantor hereby irrevocably appoints the Trustee and the Beneficiary attorney-in-fact, coupled with an interest, for the Grantor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Grantor.

Provided always, and these presents are upon this express condition, that if the Grantor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Beneficiary, its successors or assigns, the obligations secured by this Deed of Trust, and otherwise perform the Grantor's respective obligations under the Security Documents to which the Grantor is a

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party, then this Deed of Trust, and the estate hereby granted, shall cease, terminate and be void, and the estate hereby granted shall cease and the Property shall be released to the Grantor, at the cost of Grantor.

This Deed of Trust secures, inter alia, present and future advances made by the Beneficiary pursuant to the Security Documents, including, without limitation, advances made to enable completion of the Project, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Deed of Trust, or to such later date as required by applicable law. This Deed of Trust also secures advances made by the Beneficiary with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Beneficiary for the protection of the Property or the lien of this Deed of Trust, including attorneys' fees, and expenses incurred by the Beneficiary 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 Deed of Trust, or to such later date as required by applicable law. The maximum principal amount that may be secured by this Deed of Trust is $25,000,000.00.

The Guaranty is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Deed of Trust secures the Guaranty and the punctual performance, observance and payment by the Grantor of all of the Guarantor's Obligations to be performed, observed or paid by the Grantor thereunder. In the event of express and direct contradiction between any of the provisions of the Guaranty and any of the provisions contained herein, then the provisions contained in the Guaranty shall control. Any warranties, representations and agreements made in the Guaranty by the Grantor shall survive the execution and recording of this Deed of Trust and shall not merge herein.

SECTION 4. REPRESENTATIONS AND WARRANTIES

4.1 Warranty of Title and Further Assurances. The Grantor warrants that the Grantor 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 Grantor further covenants that the lien created hereby is and will be maintained as a fourth lien upon the Property, subject only to the lien of the Construction Loan, the Community Loan and the Mezzanine Loan (as such capitalized terms are defined in the Mezzanine Loan Agreement).

SECTION 5. COVENANTS, RIGHTS, AND DUTIES OF GRANTOR GENERALLY

5.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Security Documents. The Grantor covenants that it will punctually (a) pay or cause to be paid to the Beneficiary all amounts due under the Security Documents executed by the Grantor and all other costs and indebtedness secured hereby, according to the terms of the Security Documents executed by the Grantor; and (b) perform and satisfy all other obligations of the Grantor under the Security Documents.

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5.2 Escrow Account. At the Beneficiary's option, the Grantor agrees that:

5.02.1 Upon written request of the Beneficiary, the Grantor will pay to the Beneficiary 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 7.1 and 7.2, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by the Beneficiary in an escrow account established with the Beneficiary (the **"Escrow Account"**) and disbursed by the Beneficiary 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 Beneficiary in its reasonable determination and payments shall be made on the day of the month designated by the Beneficiary. No interest shall be payable by the Beneficiary 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 Grantor, at the sole discretion of the Beneficiary.

5.02.2 Upon the request of the Beneficiary, the Grantor shall pay such additional sums into the Escrow Account as the Beneficiary determines are necessary, so that one month prior to the date the Beneficiary 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.

5.02.3 The Grantor hereby grants the Beneficiary 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 Beneficiary may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy the Grantor's obligations under the Security Documents, as the Beneficiary may elect.

5.02.4 Notwithstanding anything herein to the contrary, during any period in which amounts are outstanding under the Mezzanine Loan, Grantor shall not be obligated to make any payments to the Escrow Account for insurance premiums, taxes, assessments or governmental charges.

5.3 Compliance With Laws. The Grantor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Grantor, (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 Beneficiary's title to the Property.

5.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the any of the Security Documents or the transactions evidenced or contemplated by any of the Security Documents, or (b) any law now in force governing the taxation of mortgages and/or deeds of trust, debts secured by mortgages and/or deeds of trust, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon any of the Security Documents or the transactions evidenced or contemplated by any of the Security Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Security Documents), the Grantor will promptly pay any

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such tax. If the Grantor fails to make prompt payment, or if any law either prohibits the Grantor from making the payment or would penalize the Beneficiary if the Grantor makes the payment, then the failure, prohibition, or penalty, shall entitle the Beneficiary to exercise all rights hereunder as though an Event of Default had occurred.

5.5 Certifications, Licenses, Permits, Etc.: The Grantor 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.

5.6 Sale of Assets, Consolidation, Merger, Etc.: Except as may be otherwise expressly permitted by the Mezzanine Loan Agreement, the Grantor 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 consent to any change in its name, ownership of member interests in the Grantor, or management or in the manner in which its business is conducted. Notwithstanding the foregoing, Grantor shall be permitted to allow a transfer of one percent or less of the membership interests in the Grantor to any entity which is wholly owned by Erickson Retirement Communities, LLC, provided that any such entity executes and delivers a pledge of such membership interests to Beneficiary.

5.7 Distributions, Etc: The Grantor 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 Mezzanine Loan Agreement.

5.8 Reserved.

5.9 Further Assurances and Continuation Statements. The Grantor from time to time will execute, acknowledge, deliver and record, at the Grantor'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 Beneficiary's counsel may be necessary (a) to preserve, continue and protect the interest of the Beneficiary in the Property, or (b) to secure the rights and remedies of the Beneficiary under this Deed of Trust and the other Security Documents. The Grantor, at the request of the Beneficiary, shall promptly file 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.

5.10 Expenses. The Grantor shall reimburse the Trustee and the Beneficiary 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 Security Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Security Documents, (c) for any title examination or title insurance policy relating to the title

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to the Property, or (d) for any other purpose contemplated by the Security Documents. The Grantor shall, upon demand, pay all such sums together with interest thereon at the lesser of the Default Interest Rate defined in the Mezzanine Note or the maximum rate permitted by applicable law accruing from the time the expense is paid. All such sums so expended by the Beneficiary shall be secured by this Deed of Trust. In any action or proceeding to foreclose this Deed of Trust or to recover or collect under the Security Documents, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 5.10.

5.11 Environmental Requirements. The Grantor represents and warrants to the Beneficiary that except for the matters disclosed in the Environmental Reports (as defined in the Mezzanine Loan Agreement), copies of which have previously been provided to Beneficiary, there are no hazardous substances on the Real Property, that the Grantor 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 Grantor 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 Grantor, and except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances normally used in connection with the proper construction of the Project 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 Grantor further covenants and agrees to give written notice to the Beneficiary 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 Grantor or others.

The Grantor 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 Grantor 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 Grantor shall fail to take such action, the Beneficiary 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 Grantor and shall bear interest at the lesser of the Default Interest Rate defined in the Mezzanine Note or at the maximum interest rate which the Grantor may by law pay 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 obligations secured

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hereby. The Grantor further covenants and agrees that the Grantor 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 Grantor shall defend, indemnify and hold harmless the Trustee and the Beneficiary against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Beneficiary 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) release of the Guaranty and the full release of the lien of this Deed of Trust; (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 6. RIGHTS AND DUTIES OF GRANTOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

6.1 Control by the Grantor. Until the happening of an Event of Default, the Grantor shall have the right to possess and enjoy the Property and, except as prohibited by the Security Documents, to receive the Rents.

6.2 Management. At all times the Grantor shall provide competent and responsible management to maintain and operate the Property.

6.3 Financial Statements; Books and Records. The Grantor shall furnish to the Beneficiary annual financial and operating statements of the Grantor. 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 Grantor's member and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Grantor'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 Grantor's fiscal year audited by a firm of independent certified public accountants acceptable to the Beneficiary. The Grantor shall also provide the Beneficiary with copies of all federal, state and local tax returns and filings within ten (10) days of the date the same are filed. The Grantor shall deliver to Beneficiary monthly financial statements on a consolidated and consolidating basis within thirty days after each calendar month, certified by the Chief Financial Officer of the Grantor's sole member as to the accuracy thereof. The Grantor agrees to make its books and records relating to the operation of the Property available for inspection by Beneficiary, upon request at any reasonable time, at the Grantor's principal place of business or at such other location in the State of Maryland as the Beneficiary may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Security Documents.

6.4 Restriction of Assignment of Rents. The Grantor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of the Beneficiary, except as permitted by the Mezzanine Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

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6.5 Alterations and Improvements. The Grantor 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 Lender, as provided in the Mezzanine 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 6.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Deed of Trust.

6.6 Restrictions on Sale and Transfer of the Property. The Grantor 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 Deed of Trust or the Mezzanine Loan Agreement, without the prior written consent of the Beneficiary. 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 Grantor's liability under the Security Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Grantor's obligations under the Security Documents. The sale, assignment, transfer or conveyance of any member interest in the Grantor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale, assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Grantor 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 6.9 or any disposition by the Beneficiary by foreclosure hereunder or as otherwise permitted by the Security Documents.

6.7 Restriction on Encumbrances. The Grantor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Grantor shall give the Trustee and the Beneficiary prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Grantor shall comply with its obligations under all Permitted Encumbrances. The Trustee and/or the Beneficiary may, at its/their election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Grantor shall, on demand, reimburse the Trustee and/or the Beneficiary for any sums advanced for such satisfaction together with interest thereon at the Default Interest Rate stated in the Mezzanine Note or at the maximum rate permitted by applicable law, whichever is lower, accruing from the date of satisfaction, which sums shall be secured hereby.

6.8 Maintenance, Waste, Repair and Inspection. The Grantor 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 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 Beneficiary or its designees to inspect the Property at all reasonable times; and (g) not make any

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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 Mezzanine Loan Agreement.

6.9 Removal and Replacement of Equipment and Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Project, 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 Beneficiary. The Grantor may, without consent and free from the lien and security interest of this Deed of Trust, 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 Deed of Trust, and shall automatically be subject to the granting clauses hereof. All sales shall be conducted in a commercially reasonable manner.

6.10 Taxes and Permitted Contests. The Grantor shall pay or cause to be paid: (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 Grantor 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 Beneficiary, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Guarantor's Obligations. Upon payment thereof, the Grantor shall promptly supply the Beneficiary with receipts showing the payment of the taxes or claim.

6.11 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 Grantor without the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld.

6.12 Preservation of Appurtenances. The Grantor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

SECTION 7. INSURANCE AND CONDEMNATION

7.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Grantor under the Security Documents, the Grantor shall keep the Property insured for the benefit of the Grantor and the Beneficiary against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Beneficiary 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 Grantor to the Beneficiary under the Security Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Beneficiary. Such insurance shall be written in forms and by

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companies satisfactory to the Beneficiary, and the losses thereunder shall be payable to the Beneficiary alone and not to the Grantor and the Beneficiary, jointly. The policy or policies of such insurance shall, if requested by the Beneficiary, be delivered to and retained by the Beneficiary, and shall contain a standard New York Beneficiary Clause showing the loss, if any, as payable to the Beneficiary and shall require the insurer to give the Beneficiary at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Grantor shall provide the Beneficiary with receipts evidencing the payment of all premiums due on such policies. The Grantor shall give the Beneficiary prompt notice of any loss covered by such insurance, and the Beneficiary shall have the right (subject to the approval of the Grantor, 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 Beneficiary to be applied to the payment of other charges or expenses actually incurred by the Grantor in the restoration, reconstruction, repair, renovation or replacement of the Property.

7.2 Liability Insurance. The Grantor 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.

7.3 Contractors' Insurance. During the construction of the improvements, the Grantor will cause all contractors and subcontractors (including the Grantor 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 Beneficiary, insuring the Project described in the Mezzanine Loan Agreement, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the Commonwealth of Virginia. Upon request, the Grantor shall provide the Beneficiary with evidence satisfactory to the Beneficiary that all such insurance is in effect.

7.4 Other Insurance. The Grantor 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 Beneficiary is included thereon as a named insured with losses payable to the Beneficiary as above provided. The Grantor shall immediately notify the Beneficiary whenever any such separate insurance is taken out and shall promptly deliver to the Beneficiary the policy or policies of such insurance.

If any of the Project on the Property is located in an area which has been identified as a non-minimal flood hazard area, the Grantor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Deed of Trust or the maximum limit of coverage available for the Property.

Unless a written waiver from the Beneficiary is obtained, the Grantor 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

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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.

7.5 Condemnation and Allocation of Condemnation Awards. The Grantor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Beneficiary of such proceedings. The Beneficiary may participate in any such proceedings, and the Grantor will, from time to time, deliver to the Beneficiary 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 Beneficiary, 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 Grantor) 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 any amounts guaranteed by the Grantor under the Security Documents if due and payable. In the event any payment or award is used to restore the Property, as aforesaid, the Beneficiary shall not be obligated to see to the proper allocation thereof. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Beneficiary and disbursed under such terms and conditions, to such persons, and at such times, as the Beneficiary may determine.

7.6 Endorsement and Execution of Security Documents. Upon the written request of the Beneficiary, the Trustee shall, without liability or notice to the Grantor, execute, consent to, or join in any instrument or agreement in connection with or necessary to effectuate the purposes of the Security Documents. The Grantor hereby irrevocably designates the Trustee as its attorney-in-fact to execute, acknowledge, and deliver, on the Grantor's behalf and in the Grantor's name, all instruments or agreements necessary to implement the provisions of Section 2.5, contemplated by Section 5.9, or necessary to perfect the lien created by this Deed of Trust on the Property. This power of attorney shall be deemed coupled with an interest and shall survive any disability of the Grantor.

7.7 Substitution of Trustees. The Beneficiary may, by filing a deed of appointment in the office where this instrument is recorded, appoint additional or replacement trustees and may remove the Trustee, from time to time, without notice to the Grantor or the Trustee and without specifying any reason.

7.8 Multiple Trustees. Any Trustee, individually, may exercise all powers granted to the Trustees collectively, without the necessity of the joinder of the other Trustees.

7.9 Terms of Trustees' Acceptance. The Trustee accepts the trust created by this Deed of Trust upon the following terms and conditions:

7.09.1 The Trustee may exercise any of its powers through appointment of attorneys-in-fact or agents.

7.09.2 The Trustee shall not be liable for any matter or cause arising under this Deed of Trust or in connection herewith except by reason of its own fraud, gross negligence or willful misconduct.

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7.09.3 The Trustee may select and employ legal counsel in connection with this Deed of Trust at the expense of Grantor, except that Grantor shall not be obligated to pay for Trustee's legal counsel in the event that Trustee is liable pursuant to Section 7.09.02.

7.09.4 The Trustee shall be under no obligation to take any action upon any Event of Default unless it is furnished security or indemnity, in form satisfactory to the Trustee, against cost, expenses and liabilities which may be incurred by the Trustee.

7.09.5 A Trustee may resign upon five (5) days written notice to the Beneficiary.

7.10 Trustees' Reimbursement. The Grantor shall reimburse the Trustee for all reasonable disbursements and expenses incurred by reason of this Deed of Trust.

7.11 Save Harmless Clause. The Grantor shall indemnify and save harmless the Beneficiary and the Trustee, singularly or jointly, from all costs and expenses, including reasonable attorneys' fees, incurred by them or any of them by reason of this Deed of Trust, including any legal action to which the Beneficiary or the Trustee shall become a party other than any legal action arising from the fraud, gross negligence or willful misconduct of the Beneficiary and/or the Trustee. Any money so paid or expended by the Beneficiary or the Trustee shall be due and payable upon demand together with interest thereon at the Default Interest Rate stated in the Mezzanine Note or at the maximum rate permitted by applicable law, whichever is lower, from the date incurred and shall be secured by this Deed of Trust.

SECTION 8. DEFAULT

8.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

8.01.1 Event of Default Under Other Security Documents. An **"Event of Default"** (if so defined) occurs under a Security Document other than this Deed of Trust.

8.01.2 Insurance Provisions. The failure of the Grantor to perform its obligations set forth in Section 7 to keep the Property adequately and continually insured.

8.01.3 Receiver; Bankruptcy. If the Grantor (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.

8.01.4 Receiver; Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Grantor is not set aside, discharged, or stayed within sixty (60) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating the Grantor a bankrupt or insolvent, or appointing a

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receiver, trustee, or liquidator for the Grantor of all or substantially all of its assets, or (c) an order of relief is entered against the Grantor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of sixty (60) days.

8.01.5 Assignment of Rents. Any attempted assignment by the Grantor of the whole or any part of the Rents in contravention of Section 6.4.

8.01.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 6.5, 6.6, 6.7 or 6.9.

8.01.7 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 Grantor or to another entity responsible for the operation of the Retirement Community).

8.01.8 Defaults under Superior Liens. Any default by the Grantor under any documents executed in connection with any superior liens against the Property, which default is not cured within any applicable grace or cure period.

8.01.9 Environmental Requirements. Failure of the Grantor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Beneficiary.

8.01.10 Other Defaults. The failure of the Grantor to perform or observe any of its obligations or covenants under this Deed of Trust not previously specifically referred to in this Article 8, which failure continues for a period of thirty (30) days after written notice to the Grantor; provided, however, that the Beneficiary may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Grantor in the event that the default cannot be cured within the time set forth in this Deed of Trust and the Grantor is diligently pursuing cure of the default.

8.01.11 Environmental Liens. If the Environmental Protection Agency of the United States ("**EPA**"), or any other state or federal agency or any other person or entity (a) asserts or creates a lien upon any or all of the Property by reason of the failure of the Grantor to comply with all Environmental Requirements or (b) commences an action or proceeding based on any claims against the Grantor, the Property, the Beneficiary for damages or cleanup costs related to the Grantor's failure to comply with all Environmental Requirements, and in the case of such an action or proceeding Grantor is unsuccessful in obtaining a dismissal of such action or proceeding within thirty (30) days but in any event prior to the date any lien attaches to the Property.

8.2 Payment or Performance by the Beneficiary. Upon the occurrence of any Event of Default, the Beneficiary 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 Grantor shall, upon demand, reimburse the Beneficiary for all sums so advanced or expenses incurred by the Beneficiary, together with interest at the lesser of the Default Interest Rate stated in the Mezzanine Note or the maximum rate permitted by applicable law from the date of advance or payment of the same, which sums shall be secured by this Deed of Trust. The Beneficiary may

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enter upon the Property without prior notice to the Grantor or judicial process and may take any action to enforce their rights under this Section 8.2 without liability to the Grantor.

8.3 Completion of Project: Upon the occurrence of an Event of Default, the Grantor agrees that the Beneficiary 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 Project Documents with such changes therein as the Beneficiary 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 Grantor 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 Grantor, (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 Grantor shall be liable to the Beneficiary for all sums paid or incurred by Beneficiary to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 8.3 or otherwise (such liabilities to be part of the Grantor's obligations), and all payments made or liabilities incurred by the Beneficiary hereunder of any kind whatsoever shall be paid by the Grantor to the Beneficiary upon demand with interest at the lesser of the Default Interest Rate provided in the Mezzanine Note or the maximum rate permitted by applicable law until paid. For the purpose of exercising the rights granted by this Section, the Grantor hereby irrevocably constitutes and appoints the Beneficiary 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 Grantor.

8.4 Possession by Trustee and Beneficiary. Upon the occurrence of an Event of Default, the Trustee and/or the Beneficiary may enter upon and take possession of the Property with notice to the Grantor, but without judicial process or the appointment of a receiver. The Trustee and/or Beneficiary may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Trustee and/or the Beneficiary shall have the right as agent for the Grantor to operate the Property and carry on the business of the Grantor, either in the name of the Grantor or otherwise. The Trustee and the Beneficiary shall not be liable to the Grantor for taking possession of the Property, as aforesaid, nor shall the Trustee and/or the Beneficiary be required to make repairs or replacements, and the Trustee and/or Beneficiary shall be liable to account only for Rents actually received by the Trustee and/or Beneficiary. All Rents collected by the Trustee and/or the Beneficiary 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 Security Documents, including actual attorney's fees, (c) third, to pay all sums secured by the Security Documents in the order of priority selected by the Beneficiary, and (d) fourth, with the balance, if any, to the Grantor or such other person as may be entitled thereto.

FOR THE PURPOSE OF OBTAINING POSSESSION OF THE PROPERTY IF AN EVENT OF DEFAULT HEREUNDER OR UNDER THE OTHER SECURITY DOCUMENTS HAS OCCURRED AND IS CONTINUING, GRANTOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF VIRGINIA OR ELSEWHERE, AS ATTORNEY FOR GRANTOR AND ALL PERSONS CLAIMING UNDER OR

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THROUGH GRANTOR, TO APPEAR FOR AND CONFESS JUDGMENT IN EJECTMENT AGAINST GRANTOR FOR POSSESSION OF THE PROPERTY AND TO APPEAR FOR AND CONFESS JUDGMENT AGAINST GRANTOR, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH GRANTOR, IN FAVOR OF BENEFICIARY, FOR RECOVERY BY BENEFICIARY OF POSSESSION THEREOF, FOR WHICH THIS DEED OF TRUST, OR A COPY THEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE PROPERTY, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED IT SHALL BE DISCONTINUED, OR POSSESSION OF THE PROPERTY SHALL REMAIN IN OR BE RESTORED TO GRANTOR, BENEFICIARY SHALL HAVE THE RIGHT FOR THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER ACTIONS AS ABOVE PROVIDED TO RECOVER POSSESSION OF THE PROPERTY. BENEFICIARY MAY CONFESS JUDGMENT IN EJECTMENT THEREIN BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO FORECLOSE THIS DEED OF TRUST OR TO ENFORCE THE OTHER SECURITY DOCUMENTS, OR AFTER ENTRY OF JUDGMENT ON THE DEED OF TRUST OR ON THE GUARANTY, OR AFTER A SHERIFF'S SALE OF THE PROPERTY IN WHICH BENEFICIARY IS THE SUCCESSFUL BIDDER. THE AUTHORIZATION TO PURSUE SUCH PROCEEDINGS FOR OBTAINING POSSESSION IS AN ESSENTIAL PART OF THE ENFORCEMENT OF THE DEED OF TRUST AND THE OTHER SECURITY DOCUMENTS, AND SHALL SURVIVE ANY EXECUTION SALE TO BENEFICIARY.

8.5 Collection of Rents. Upon the occurrence of an Event of Default and upon written demand by the Beneficiary to the tenants, all Rents shall be payable directly to the Beneficiary.

8.6 Judgment; Foreclosure. At any time during the existence of an Event of Default, the Beneficiary, at the Beneficiary's option, may institute an action for the foreclosure of this Deed of Trust and the sale of the Property pursuant to the judgment or decree of a court of competent jurisdiction, sell the Property to the highest bidder or bidders at public auction at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or in the absence of any such requirement, as Beneficiary may deem appropriate, and from time to time adjourn such sale announcement at the time and place specified for such sale or for such adjourned sale or sales without further notice except such as may be required by law, and may invoke any other remedies permitted by Virginia law or provided in this Deed of Trust or in any other Security Document, including, without limitation, the sale of the Property, in such a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Beneficiary's option and without obligation to have the Property marshalled. The Beneficiary 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.

8.7 Application and Proceeds of Sale. Upon a sale under Section 8.6, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Grantor and without any liability to see to the application of the purchase money. The net

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proceeds from the sale, after deduction of all costs of the sale, shall be applied, unless otherwise required under Virginia 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 due from the Grantor under the Security Documents in the order of priority determined by the Beneficiary, and (d) fourth, the balance, if any, to the Grantor or to other persons entitled thereto.

8.8 Trustees' Commission. Except as the following may be expressly limited by Virginia law, upon a sale by the Trustee of any portion of or interest in the Property, the Trustee shall be entitled to a commission equal to the commission allowed trustees for making sales of property under decrees of the court having equity jurisdiction. In the event any portion of the Property is advertised for foreclosure sale and not sold, the Trustee shall be entitled to a commission equal to one-half (1/2) of the commission provided in the case of foreclosure sale. The person making the sale shall not be required to accept payment of the amounts secured hereby unless accompanied by all expenses of the proceedings and one-half (1/2) of the commission.

8.9 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 8.6 prior to receipt of a condemnation award or payment, the Beneficiary 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.

8.10 Right of the Beneficiary to Bid. The Beneficiary and/or the Trustee may bid and become the purchaser at a foreclosure sale under this Deed of Trust.

8.11 Bond. The Grantor waives any right to require the person authorized to make the sale hereunder to post a bond.

8.12 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Beneficiary shall be entitled to and Grantor hereby consents to, the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Security Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Beneficiary 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 Project 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 Grantor (the cost of completing the Project shall be expenses secured by this Deed of Trust and accrue interest as set forth herein). In so doing, the Trustee, the Beneficiary or such receiver shall have the right to manage the Property and to carry on the business of the Grantor and may exercise all of the rights and powers of the Grantor, either in the name of the Grantor, 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 Grantor with respect to

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the Property. The Trustee, the Beneficiary 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 Grantor shall pay on demand to the Trustee, the Beneficiary or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by the Trustee, the Beneficiary or the receiver, and (b) all expenses incurred in taking possession of, and operating, the Property, together with interest thereon at the lesser of the Default Interest Rate as provided in the Mezzanine Note or the maximum rate permitted by applicable law. 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 Beneficiary 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 Grantor 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 Deed of Trust or the other Security Documents, shall constitute waste. The Grantor hereby consents to the appointment of a receiver, should the Beneficiary elect to seek such relief. The Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Beneficiary for or on behalf of the Grantor of any such delinquent payment shall not cure the default nor shall it impair the Beneficiary's right to the appointment of a receiver.

8.13 Remedies Cumulative. All rights, powers, and remedies of the Trustee and/or the Beneficiary provided for in the Security 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 Beneficiary.

8.14 Consent to Jurisdiction and Venue. The Grantor consents to be sued in any jurisdiction where any of the Property is located.

8.15 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Grantor shall assemble and make available to the Trustee and the Beneficiary those portions of the Property which consist of personal property at a place to be designated by the Trustee and the Beneficiary, and 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 Trustee or the Beneficiary to the Grantor. 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.

8.16 WAIVER OF JURY TRIAL. THE GRANTOR 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 THIS DEED OF TRUST OR ANY OF THE OTHER SECURITY DOCUMENTS TO WHICH THE GRANTOR IS A PARTY. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO

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ARE NOT PARTIES TO THIS DEED OF TRUST. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE GRANTOR WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS DEED OF TRUST 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 GRANTOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

SECTION 9. MISCELLANEOUS

9.1 Waivers. No term of any Security Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Beneficiary to insist upon the Grantor's strict performance of any of the terms of the Security Documents to which the Grantor 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 Beneficiary from exercising any rights under the Security Documents, or at law or in equity.

9.2 Consents.

9.02.1 The Beneficiary may (a) release any person liable under the Security Documents, (b) release any part of the security, (c) extend the time of payment of the Guarantor's Obligations, and/or (d) modify the terms of the Security 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 Security Documents shall impair or affect the lien of this Deed of Trust or the priority of such lien over any subordinate lien.

9.02.2 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 Security Documents by reason of (a) the failure of the Beneficiary, or any other person to take any action, foreclose, or otherwise enforce any provision of the Security Documents, (b) the release of any other person liable under any Security Document, (c) the release of any portion of the security under the Security Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Beneficiary extending the time of payment or modifying the terms of any Security Document.

9.3 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Deed of Trust.

9.4 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:

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(a) If to the Beneficiary: Strategic Concord Landholder, LP
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

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

Mark Pollak, Esquire
Wilmer Hale, LLP
100 Light Street, 13th Floor
Baltimore, Maryland 21202

(b) If to Grantor: Ashburn Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Financial Officer

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

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

(c) If to Trustee: Alexander Title Agency, Incorporated
5875 Trinity Parkway, Suite 210
Centreville, Virginia 20120

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.

9.5 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Security Documents. No transferor of any obligation under any Security Document shall be relieved of its obligations by any modification of any Security Document subsequent to the transfer.

9.6 Amendment. This Deed of Trust may not be modified except in writing signed by (a) the Beneficiary, (b) the Trustee and (c) the Grantor.

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9.7 Severability. In the event any provision of this Deed of Trust shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

9.8 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 Grantor shall be promptly transmitted to the Beneficiary and the Trustee.

9.9 Applicable Law. This Deed of Trust shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

9.10 Time of the Essence. Time is of the essence with respect to the Security Documents.

9.11 Effect of Payments. Any payment or other performance made in accordance with the Security Documents by any person other than the Grantor shall not entitle such person to any right of subrogation under the Security Documents, unless expressly consented to in writing by the Beneficiary.

9.12 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.

9.13 Assignment of Rents. The Grantor, does hereby sell, assign, transfer and set over unto the Beneficiary 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 Deed of Trust is in effect. This assignment is absolute and effective immediately, provided that Grantor shall have a license to receive, collect and obtain the benefit of such rents, profits, income and other amounts until an Event of Default hereunder. This assignment of rents shall run with the land and be good and valid as against the Grantor herein, or those claiming by, through or under the Grantor, from the date of the recording of this Deed of Trust in Virginia, provided, however, that the Grantor may collect and retain such rents, profits and income so long as the Grantor is not in default hereunder. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Deed of Trust. 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.

Upon the occurrence of an Event of Default by the Grantor under this Deed of Trust or any other of the Security Documents, the Grantor shall, upon demand therefor made by the Beneficiary, deliver and surrender possession of the Property to the Beneficiary, 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

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maintaining the Property, in such order of priority, proportion and upon such item or items as it may determine.

If the Grantor fails, refuses or neglects to deliver or surrender such possession, the Beneficiary 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 Beneficiary of rents or other income from the Property shall in no way waive the right of the Beneficiary to foreclose this Deed of Trust in the event of default, and the Beneficiary shall be entitled to all of the rights and remedies accorded to a Beneficiary by the statutes of the Commonwealth of Virginia in effect from time to time.

9.14 Future Advances. If Grantor sends a written notice to Beneficiary which purports to limit the indebtedness secured by this Deed of Trust and to release the obligation of Beneficiary to make any additional advances to Grantor, such a notice shall be ineffective as to any future advances made: (i) to pay taxes, assessments, maintenance charges and insurance premiums; (iii) for costs incurred for the protection of the Property or the lien of this Deed of Trust; (iv) for expenses incurred by Beneficiary by reason of a default of Grantor hereunder or under any of the other Security Documents; and (v) for any other costs incurred by Beneficiary to protect and preserve the Property. It is the intention of the parties hereto that any such advance made by Beneficiary after any such notice by Grantor shall be secured by the lien of this Deed of Trust on the Property.

9.15 [Intentionally Omitted.]

9.16 Release. If the obligations secured by this Deed of Trust are paid in full in accordance with the terms of the Guaranty and other Security Documents, then this conveyance shall become null and void and be released at Grantor's request and expense, and the Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereof or any of the other Security Documents.

9.17 ENTIRE AGREEMENT; AMENDMENT. THE PARTIES AGREE THAT THIS ENTIRE AGREEMENT IS NONSTANDARD AND CONTAINS SUFFICIENT SPACE FOR THE PLACEMENT OF NONSTANDARD TERMS. THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS AND IS INTENDED TO BE THE FINAL EXPRESSION OF THE CREDIT AGREEMENT OF GRANTOR AND BENEFICIARY, RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ANY AND ALL PRIOR DISCUSSION AND/OR AGREEMENTS RELATIVE THERETO. THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN GRANTOR AND BENEFICIARY. GRANTOR AND BENEFICIARY HEREBY INITIAL THIS PROVISION AS AN AFFIRMATION THAT NO UNWRITTEN, ORAL CREDIT AGREEMENTS BETWEEN THE PARTIES EXIST.

The provisions hereof and any of the other Security Documents may be amended or waived only by an instrument in writing signed by Grantor and the Beneficiary, subject to the provisions of the other Security Documents.

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9.18 Waiver of Statutory and Other Rights. To the extent permitted by law, Grantor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisement, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would prevent or hinder the enforcement or foreclosure of this Deed of Trust. Grantor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

9.19 Virginia Statutory Provisions. This Deed of Trust is made under and pursuant to the provisions of Sections 55-59 to 55-60 and 26-49 of the Code of Virginia (1950), as amended, and shall be construed to impose and confer upon the parties hereto and Beneficiary the rights, duties and obligations prescribed by such provisions, except as herein otherwise restricted, expanded or changed, including without limitation the following rights, duties and obligations described in short form:

(a) Exemptions waived.
(b) Subject to call on default.
(c) Renewal, extension or reinstatement permitted.
(d) Substitution of trustees collectively or of any reason whatsoever, and any number of times without exhaustion of the right to do so permitted.
(e) Any Trustee may act.

9.20 Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of Beneficiary pursuant to this Deed of Trust are subject in all respects to terms, covenants and limitation as set forth in that certain Cross Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, as Agent, Beneficiary and Grantor (the "**Cross Tri-Party Agreement**"), the provisions of which Cross Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein.

9.21 Subordination. The Beneficiary hereby acknowledges and agrees that the rights and interests of the Beneficiary hereunder are subject to the prior lien, operation and effect of the Ashburn Junior Mortgage (as defined in the Cross Tri-Party Agreement), and the Beneficiary hereby expressly subordinates the terms, conditions and covenants and the priority and effect of any liens and security interests of this Deed of Trust to the terms, conditions and covenants and the priority and effect of any liens and security interests of the Ashburn Junior Mortgage. So long as the Ashburn Junior Mortgage is in effect, as long as the Grantor complies with the terms, conditions and covenants of the Ashburn Junior Mortgage, the Grantor shall deemed to have complied with the terms, conditions and covenants contained herein, without any requirement for duplication of performance of any such terms, conditions and covenants.

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IN WITNESS WHEREOF the Grantor, by its duly authorized member, has executed and delivered this Deed of Trust as of the date and year first written above.

WITNESSES:

Dawn E. Hughes

Dawn E. Hughes
Print Name:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

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

The undersigned hereby certifies that the address of Beneficiary is:

STRATEGIC CONCORD LANDHOLDER, LP
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

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STATE OF MARYLAND)
)
CITY/COUNTY OF Baltimore)

The foregoing instrument was subscribed, sworn to, and acknowledged before me the undersigned notary pubic, on this 30th day of May, 2007, in the jurisdiction aforesaid by Gerald F. Doherty, Executive Vice President, General Counsel and Secretary of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Ashburn Campus, LLC, a Maryland limited liability company.

Lois M. Shaw (SEAL)
NOTARY PUBLIC

My Commission Expires:_____

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Comm. Exp. October 1, 2008

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

DMEAST #9804263 v1

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "**Agreement**") is made this ___ day of May, 2007 to and for the benefit of **STRATEGIC CONCORD LANDHOLDER, LP**, a Delaware limited partnership (the "**SCL**"), by **ASHBURN CAMPUS, LLC**, a Maryland limited liability company (the "**Guarantor**").

RECITALS

A. Subject to and in accordance with the terms of that certain Loan Agreement (the "**Loan Agreement**") of even date herewith by and between Strategic Ashby Ponds Lender LLC, a Delaware limited liability company ("**Lender**") and the Guarantor, Lender has agreed to make a loan to the Guarantor in the sum of **FIFTY MILLION AND 00/100 DOLLARS ($50,000,000.00)** (the "**Mezzanine Loan**") as evidenced by a promissory note of even date issued by the Guarantor to Lender (the "**Mezzanine Note**"). The Loan Agreement, the Mezzanine Note and each other document executed and delivered by Guarantor and/or ERC (as defined in Recital D below) in connection with the Mezzanine Loan, as amended, are hereinafter the "**Mezzanine Loan Documents**."

B. SCL is the owner of that certain real property comprising approximately 87 acres located at 117 Brinton Lake Road, Glen Mills, Concord Township, Delaware County, Pennsylvania (the "**Maris Grove Property**"). SCL acquired the Maris Grove Property from Concord Campus, L.P., a Maryland limited partnership ("**CC**"), in accordance with the Purchase Agreement dated October 11, 2005 (as amended, the "**Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded among the land records of Delaware County, Pennsylvania in Volume 3643, Page 1112; the transactions described in the Purchase Agreement and implemented in accordance therewith are the "**Maris Grove Transactions**". As part of the Maris Grove Transactions, SCL leased the Maris Grove Property to CC to be developed and operated as a continuing care retirement community (the "**Maris Grove Project**") in accordance with the Ground Lease dated October 11, 2005 (as amended, the "**Ground Lease**"). The Ground Lease, together with any and all other documents executed and delivered by CC and/or ERC (as defined in Recital D below) in connection with the Maris Grove Transactions, as amended, are hereinafter the "**Maris Grove Transaction Documents**."

C. The Guarantor is the owner of that certain real property comprising approximately 135.5378 acres located in Loudoun County, Virginia as more particularly described in the Loan Agreement (the "**Ashburn Property**"). The Ashburn Property will be developed and operated by the Guarantor as a continuing care retirement community (the "**Ashburn Project**") in accordance with the Loan Agreement.

D. Erickson Retirement Communities, LLC, a Maryland limited liability company ("**ERC**"), is the direct and indirect owner of all of the member interests of the Guarantor and all of the limited partnership interests of CC.

E. Lender has agreed to allow a portion of the proceeds of the Mezzanine Loan to be distributed by the Guarantor to ERC for the purpose of allowing ERC to fulfill its obligations, as the direct and indirect owner of all of the limited partnership interests in CC, with respect to the

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Maris Grove Transactions. Accordingly, substantial benefits will accrue to CC through the making of the Mezzanine Loan, and by separate instrument CC has guaranteed the performance of Guarantor and ERC with respect to the Mezzanine Loan and has secured such instrument with a lien on the Maris Grove Property.

F. As a condition to making the Mezzanine Loan to the Guarantor and as provided in the Loan Agreement, Lender is requiring that Guarantor guarantee to SCL the payment and performance of CC under the Ground Lease pursuant this Agreement, and secure this Agreement with a lien on the Ashburn Project (the "**Ashburn IDOT**"). Finally, the Maris Grove Transactions and the Mezzanine Loan will be cross-defaulted and cross-collateralized.

G. SCL and Lender are affiliated entities having the same current ownership. Such a relationship may or may not continue into the future and there are no obligations on or commitments from either SCL or Lender as to its or their future ownership. The terms of the relevant documents will govern changes in the ownership of either entity or of the interest either entity may have in either the Maris Grove Project or the Ashburn Project.

NOW, THEREFORE, for and in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Guarantor agrees as follows:

1. Guaranty. The Guarantor hereby absolutely, irrevocably and unconditionally guarantees to SCL the full and punctual payment and performance when due of any and all present and future amounts and obligations of every kind and nature whatsoever of CC and/or ERC to SCL, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, both now and hereafter existing, or due or to become due, arising under, out of, as a result of, or in connection with, the Ground Lease and/or the Maris Grove Transaction Documents (the "**Guarantor's Obligations**").

2. Absolute Guaranty. The guaranty of the Guarantor under this Agreement is a guaranty of payment and performance and shall remain in full force and effect until all of the Guarantor's Obligations are indefeasibly satisfied and paid in full. The obligations and liabilities of the Guarantor under this Agreement are the primary, direct and immediate obligations of the Guarantor and shall not be affected, limited, impaired, modified or released by, subject to or conditioned upon, and may be enforced against the Guarantor irrespective of:

(a) Any attempt, pursuit, enforcement or exhaustion of any rights and remedies SCL may at any time have to collect any or all of the Guarantor's Obligations (whether pursuant to the Maris Grove Transaction Documents or otherwise) from CC and/or ERC;

(b) The invalidity, irregularity, or unenforceability in whole or in part of the Ground Lease and/or any or all of the Maris Grove Transaction Documents;

(c) Any counter-claim, recoupment, setoff, reduction or defense based on any claim the Guarantor may now or hereafter have against the CC, ERC or any other obligor;

(d) The voluntary or involuntary liquidation, dissolution, termination, merger, sale or other disposition of CC or any of CC's assets or properties;

(e) Any bankruptcy, reorganization, insolvency or similar proceedings for the relief of debtors under any federal or state law by or against CC, ERC or any other obligor, or any discharge, limitation, modification or release of liability of CC, ERC or any other obligor by virtue of any such proceedings; and

(f) Any event, circumstance or matter to which the Guarantor has consented pursuant to the provisions of Section 3 hereof.

3. Consents. Without notice to, or further consent of, the Guarantor, the Guarantor hereby consents that SCL may at any time and from time to time on one or more occasions:

(a) Renew, extend, accelerate, subordinate or change any of the terms or provisions of all or any part of the Guarantor's Obligations in accordance with the terms of the Maris Grove Transaction Documents;

(b) Waive, excuse, release, change, amend, modify or otherwise deal in any manner satisfactory to SCL with any of the provisions of any of the Maris Grove Transaction Documents in accordance with the terms of the Maris Grove Transaction Documents;

(c) Release CC and/or ERC;

(d) Waive, omit or delay the exercise of any of its powers, rights and remedies against CC and/or ERC;

(e) Apply any payments of all or any of the Guarantor's Obligations received from CC, ERC or the Guarantor to the Guarantor's Obligations in any order and manner as SCL, in its sole and absolute discretion, may determine; or

(f) 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 vary the risk of the Guarantor or otherwise operate as a legal or equitable discharge, release or defense of the Guarantor under applicable laws.

4. Waivers. The Guarantor hereby waives:

(a) Notice of the execution and delivery of any of the Maris Grove Transaction Documents;

(b) Notice of SCL's acceptance of and reliance on this Agreement;

(c) Any notice from SCL of the financial condition of CC and/or ERC regardless of SCL's knowledge thereof;

(d) Demand for observance, performance or enforcement of, or notice of default under, any of the provisions of this Agreement or any of the Maris Grove Transaction Documents, and all other demands and notices otherwise required by law which the Guarantor may lawfully waive, except for any notice expressly provided for herein;

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(e) Any right or claim to cause a marshaling of the assets of CC;

(f) Any and all rights of the Guarantor to subrogation, recourse, reimbursement or indemnity against CC and/or ERC for any or all of the Guarantor's Obligations and any other rights which may accrue on account of any payments made or performance rendered by the Guarantor to SCL pursuant to this Agreement;

(g) Any defense at law or in equity based on the adequacy or value of the consideration for this Agreement.

5. Representations and Warranties. The Guarantor hereby represents and warrants to SCL that:

(a) Due Organization. The Guarantor:

(i) Is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Maryland;

(ii) Has the power to own its property and to carry on its business as now being conducted; and

(iii) Has delivered a true and complete copy of its articles of organization and operating agreement, together with all amendments, to SCL.

(b) Due Authorization. The Guarantor has full power and authority to enter into, execute, and deliver this Agreement, and to perform and comply with the terms, conditions, and agreements set forth in this Agreement, all of which have been duly authorized by all proper and necessary action of the Guarantor. No consent or approval of any other person or public authority or regulatory body is required as a condition to the validity of this Agreement, or, if required, the same has been obtained.

(c) Validity of Agreement. This Agreement has been properly executed by the Guarantor and will to the best of Guarantor's knowledge:

(i) Not violate any provision of law, any order of any court or agency of government, or any provision of the Guarantor's certificate of formation or operating agreement;

(ii) Constitute the valid and legal binding obligations of the Guarantor, and be fully enforceable against the Guarantor, in accordance with its terms.

(d) No Litigation. There is no controversy or litigation of any nature now pending to which the Guarantor is a party or, to the best of the Guarantor's knowledge, threatened against the Guarantor in any court or before any governmental agency which questions the validity or enforceability of this Agreement, or any action taken or to be taken under it.

(e) Review of Maris Grove Transaction Documents. The Guarantor has received and reviewed copies of the Maris Grove Transaction Documents.

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(f) Ownership of CC and the Guarantor. ERC is the sole owner of all of the membership interests in the Guarantor and of all of the direct and indirect limited partnership interests in CC, and, as a result thereof, and as more particularly set forth in the Recitals to this Agreement, the execution and delivery of this Guaranty has been determined by the Guarantor to be in its best interests, to its direct benefit and advantage and in the furtherance of its duly authorized purposes and objectives.

6. Default. The occurrence of any one or more of the following events shall constitute a default under the provisions of this Agreement (collectively or individually, a "**Default**"):

(a) The failure of the Guarantor promptly to pay and perform all or any part of the Guarantor's Obligations to be paid and performed by the Guarantor under the provisions of Section 1 of this Agreement;

(b) Any representation or warranty made herein or any financial statement or other information furnished by the Guarantor pursuant hereto shall prove to be false or misleading in any material respect on the date as of which made or furnished;

(c) The occurrence of an Event of Default (as defined in any of the Maris Grove Transaction Documents) under the provisions of the Maris Grove Transaction Documents;

(d) The commencement or filing of any proceedings by or against the Guarantor or any of the Guarantor's assets or properties under the provisions of any bankruptcy, reorganization, arrangement, insolvency, receivership, liquidation or similar law for the relief of debtors, and, except with respect to any such proceedings instituted by the Guarantor, are not discharged within ninety (90) days of their commencement; or

(e) If CC and/or ERC becomes insolvent or generally does not pay its debts as they become due, or if a petition for relief in a bankruptcy court is filed by CC and/or ERC, or if CC and/or ERC applies for, consents to, or acquiesces in the appointment of a trustee, custodian, or receiver for CC and/or ERC or any of its or their respective assets and property, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent, or acquiescence, a trustee, custodian, or receiver is appointed for CC and/or ERC or for a substantial part of the assets and property of CC and/or ERC and is not discharged within ninety (90) days; or any bankruptcy, reorganization, debt arrangement, or other proceeding or case under any bankruptcy or insolvency law or any dissolution or liquidation proceeding is instituted against CC and/or ERC and is consented to or acquiesced in by CC and/or ERC, respectively, and is not discharged within ninety (90) days; or CC and/or ERC takes any action to authorize any of the actions described in this subsection.

7. Rights and Remedies.

(a) Upon the occurrence of a Default under the provisions of this Agreement and written notice from SCL, an amount equal to the total of the Guarantor's Obligations then outstanding (whether matured or unmatured and regardless of whether any portion of the Guarantor's Obligations are then due and payable by CC, ERC or any other

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obligor) shall immediately and automatically be due and payable by the Guarantor to SCL without further action by SCL unless expressly provided for herein.

(b) SCL at any time and from time to time after the occurrence of a Default may exercise any powers, rights and remedies available to SCL under the provisions of this Agreement and applicable laws to enforce and collect the obligations and liabilities of the Guarantor hereunder, all such powers, rights and remedies being cumulative and enforceable alternatively, successively or concurrently.

(c) The Guarantor shall pay to SCL on demand the amount of any and all reasonable costs and expenses, including, without limitation, court costs and reasonable attorneys' fees and expenses, paid or incurred by or on behalf of SCL in exercising any such powers, rights and remedies.

(d) Each and every Default hereunder shall give rise to a separate cause of action, and separate actions may be brought hereunder as each cause of action arises.

(e) No failure or delay by SCL in one or more instances to require strict performance by the Guarantor of any of the provisions hereof or to exercise any powers, rights or remedies available to it under the provisions of this Agreement or applicable laws shall operate as a waiver thereof or preclude SCL at any later time or times from demanding strict performance thereof or exercising any such powers, rights or remedies.

(f) No conduct, custom or course of dealing shall be effective to waive, amend, modify or release this Agreement.

(g) No modification or waiver of any of the provisions of this Agreement shall be effective unless it is in writing and signed by SCL, and any waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

8. Notices.

(a) Any notice, request, demand or other communication with respect to this Agreement shall be deemed sufficient if in writing and mailed by certified mail, postage prepaid, return receipt requested:

If to SCL:

Strategic Concord Landholder, LP
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036
Phone: (212) 761-4468
Fax: (212) 507-4861

With a copy to:

Mark Pollak, Esquire
Wilmer Hale LLP
100 Light Street, Suite 1300
Baltimore, Maryland 21202

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Phone: (410) 986-2860
Fax: (410) 986-2828

If to the Guarantor: Ashburn Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: General Counsel
Phone: (410) 402-2350
Fax: (410) 402-2348

(b) SCL or the Guarantor may change their respective address specified in (a) above by sending written notice to the other party.

9. Consent to Jurisdiction. The Guarantor irrevocably:

(a) Consents and submits to the jurisdiction and venue of any state or federal court sitting in the Commonwealth of Virginia over any suit, action or proceeding arising out of or relating to this Agreement or the Ashburn IDOT;

(b) Waives, to the fullest extent permitted by law, any objection that the Guarantor 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) Consents to the service of process in any suit, action or proceeding by the mailing of copies of the process to the Guarantor by certified or registered mail at the Guarantor's address set forth for the purpose of giving notice.

10. Waiver of Jury Trial. The Guarantor hereby voluntarily and intentionally waives any right it 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 obligations and liabilities of the Guarantor hereunder, the Guarantor's Obligations, this Agreement or the Ashburn IDOT.

11. Continuing Agreement. This Agreement shall be a continuing one and shall be binding upon the Guarantor regardless of how long before or after the date hereof any of the Guarantor's Obligations were or are incurred, and all representations, warranties, covenants, undertakings, obligations, consents, waivers and agreements of the Guarantor herein shall survive the date of this Agreement and shall continue in full force and effect until all Guarantor's Obligations have been indefeasibly performed and/or paid in full and no commitments therefor are outstanding in accordance with the terms of the Ground Lease and/or any of the other Maris Grove Transaction Documents. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time any performance or payment, or any part thereof, of any of the Guarantor's Obligations or of any of the obligations and liabilities of the Guarantor hereunder is rescinded or must otherwise be restored or returned by SCL upon the insolvency, bankruptcy, receivership, dissolution, liquidation or reorganization of CC, ERC or the Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, CC, ERC or the Guarantor or any substantial part of the property of CC, ERC or the Guarantor, or otherwise, all as though such performance and/or payment had not been made and

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irrespective of whether such payment is returned to the party who originally made it or to some other party. Upon payment and/or performance by the Guarantor of the Guarantor's Obligations or any part thereof pursuant to the provisions of this Agreement or otherwise, any right or claim the Guarantor may now or hereafter have with respect to any such payment and/or performance against CC arising by way of subrogation, reimbursement, indemnity or otherwise is hereby made subordinate and subject in right of payment and/or performance to the prior indefeasible payment and/or performance in full of the Guarantor's Obligations.

12. Miscellaneous.

(a) All amounts payable by the Guarantor hereunder to SCL shall be paid in lawful money of the United States of America in good funds at SCL's address set forth in Section 10 above, or to any other place as SCL or other holder of this Agreement may from time to time designate.

(b) SCL may, without notice to, or consent of, the Guarantor, assign or transfer all or any part of the Guarantor's Obligations and this Agreement will inure to the benefit of SCL's assignee or transferee; provided, that SCL shall continue to have the unimpaired right to enforce this Agreement as to that part of the Guarantor's Obligations SCL has not assigned or transferred.

(c) 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.

(d) This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the Commonwealth of Virginia, both in interpretation and performance.

(e) Time is of the essence in connection with all obligations of the Guarantor hereunder.

(f) This Agreement may be executed in any number of duplicate originals or counterparts, each of which shall be deemed to be an original and, when all taken together, shall constitute one and the same instrument.

(g) Section 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.

(h) This Agreement shall be binding upon the Guarantor and the Guarantor's successors, assigns, heirs, executors, administrators and estate and shall inure to the benefit of SCL and its successors and assigns.

13. Subordination. This Guaranty and the Ashburn IDOT are subordinate to the Mezzanine Loan Documents, and Guarantor and SCL acknowledge that no payment will be made pursuant to this Guaranty unless all amounts due and payable pursuant to the Mezzanine Loan Documents are current.

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14. Application of Prepayment Proceeds and Security Interest. Guarantor hereby agrees that in the event that Guarantor is deemed to have exercised the Borrower Prepayment Option under the Loan Agreement as a result of the exercise by API of API's purchase option under the Master Lease, that any proceeds from the sale of the Project to API remaining after payment of the Prepayment Price, shall be applied to the payment and satisfaction of any and all amounts remaining to be paid pursuant to the Maris Grove Transaction Documents, and Guarantor hereby grants to SCL a security interest in and to such sale proceeds resulting therefrom. All capitalized terms used in this Section 14 that are not otherwise defined herein shall have the meanings given to such terms as set forth in the Loan Agreement.

15. Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of SCL pursuant to this Agreement are subject in all respects to the terms, covenants, and limitations as set forth in that certain Cross Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, SCL and Borrower (the "**Cross Tri-Party Agreement**"), the provisions of which Cross Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the Guarantor has executed and delivered this Agreement as of the day and year first written above.

WITNESS:

Dawn E. Hughes
Name: Dawn E. Hughes

GUARANTOR:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
a Maryland limited liability company,
Member

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

STATE OF MARYLAND, ~~CITY~~/COUNTY OF Baltimore, to wit:

I HEREBY CERTIFY, that on this 30th day of May, 2007, before me, the subscriber, a Notary Public of the State and City/County aforesaid, personally appeared Gerald F. Doherty, who acknowledged himself/herself to be Executive V.P. of Erickson Retirement Communities, LLC, Member of **ASHBURN CAMPUS, LLC**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that, being authorized to do so, he/she executed the same as for the purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal as of the day and year set forth above.

Lois M. Shaw
Notary Public

My Commission expires: _____

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Comm. Exp. October 1, 2008

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

DEBBIE BOND 2024662266

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CHICAGO TITLE INSURANCE COMPANY
1129 20TH STREET, NW
SUITE 300
WASHINGTON DC 20036

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 10:16 AM 06/12/2007
INITIAL FILING # 2007 2196797

SRV: 070697307

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: STRATEGIC CONCORD LANDHOLDER, LP

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
MORGAN STANLEY/US RE INVSTNG DIV 1585 BROADWAY FLOOR	NEW YORK	NY	10036	US

1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION
LIMITED PARTNERSHIP	DE

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

2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION

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, AS COLLATERAL AND ADMINISTRATIVE AGENT

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
TWO HOPKINS PLAZA 21ST FLOOR	BALTIMORE	MD	21201	US

Collateral Description - please see attachment

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

Capmark - CD#28 - Control ID#1181

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street – 18th 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 Strategic Concord Landholder, LP

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Morgan Stanley/US RE Investing Division Morgan Stanley/US RE Investing Division 1585 Broadway, Floor 37	New York	NY	10036	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
		limited partnership	Delaware	DE - 4038826 ☐ 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
OR Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

4 This FINANCING STATEMENT covers the following collateral:

See Exhibit "A", attached hereto and made a part hereof.

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: Delaware Secretary of State Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

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EXHIBIT "A"

TO UCC-1 FINANCING STATEMENT
FILED WITH THE
DELAWARE SECRETARY OF STATE

DEBTOR: STRATEGIC CONCORD LANDHOLDER, LP, a Delaware limited partnership

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, in its capacity as Collateral and Administrative Agent

This Financing Statement covers the following collateral:

All of Debtor's interest in and right, title, and interest as "Beneficiary" under all of the following loan documents, and all proceeds thereof:

1. Indemnity Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing between Debtor and Ashburn Campus, LLC dated May 31, 2007.

2. Guaranty Agreement between Debtor and Ashburn Campus, LLC dated May 31, 2007.

3. All rights and interests of Debtor related to the foregoing documents and the matters described therein.

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Delaware

The First State

CERTIFICATE

SEARCHED FEBRUARY 1, 2010, AT 10:46 A.M.
FOR DEBTOR "STRATEGIC CONCORD LANDHOLDER, LP"

1 OF 1 FINANCING STATEMENT 72196797
EXPIRATION DATE: JUNE 12, 2012
DEBTOR: STRATEGIC CONCORD LANDHOLDER, LP
MORGAN STANLEY/US RE INVSTNG DIV ADDED 06-12-07
1585 BROADWAY
FLOOR 37
NEW YORK NY 10036
SECURED: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS COLLATERAL
AND ADMINISTRATIVE AGENT
TWO HOPKINS PLAZA ADDED 06-12-07
21ST FLOOR
BALTIMORE MD 21201

F I L I N G H I S T O R Y

72196797 FILED 06-12-07 AT 10:16 A.M. FINANCING STATEMENT
E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, AS OF JANUARY 21, 2010 AT 11:59 P.M.

Jeffrey W. Bullock, Secretary of State

20100338537UCXL

100091793

AUTHENTICATION: 7789627

DATE: 02-01-10

Capmark - CD#28 - Control ID#1181

EXHIBIT 18

"Strategic/Ashby Ponds Tri-Party Documents"

1. **"Strategic/Ashby Ponds Cross Tri-Party Agreement":**
   Cross Tri-Party Agreement -
   (Strategic Ashby Ponds Lender LLC, as Ashburn Junior Mortgagee and Concord Campus, L.P. as Borrower and Ground Lessor)

2. **"Concord Loan Agreement"** – Construction Loan Agreement
   (Concord Campus, L.P. as Borrower)

3. Leasehold Mortgage, Assignment Of Rents And Leases, Security Agreement And Fixture Filing

4. Guaranty Agreement

5. UCC-1 Financing Statement Recorded With Delaware Secretary Of State

   (Debtor: Strategic Ashby Ponds Lender LLC; Secured Party: Administrative Agent)

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053485 Book/Page: RECORD-04129/0275 Date Filed: 6/19/2007 11:11:45 AM

RD BK04129-0275 AG-AGREEMENTS
2007053485 06/19/2007 11:11:45 AM2
RCD FEE: $153.00
NEW CASTLE COUNTY
THOMAS J. JUDGE SR. ROD

Prepared By:
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor 60
Baltimore, MD 21202
ATTENTION: Christopher J. Fritz, Esq.

RECORD & RETURN TO:
Chicago Title Insurance Company
1601 Market Street
Suite #2550
Philadelphia, PA 19103

OUR FILE # 8107-00152 (39)
100 Maris Grove Way

FOLIO Nos. 13-00-00233-00 and 13-00-00197-10
MAP #13-19-004; Part of MAP #13-20-070 & Part of MAP #1319-018

CROSS TRI-PARTY AGREEMENT

Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent

Strategic Ashby Ponds Lender LLC, as Ashburn Junior Mortgagee

Concord Campus, L.P., a Maryland limited partnership, as Borrower and Ground Lessee

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053485 Book/Page: RECORD-04129/0276 Date Filed: 6/19/2007 11:11:45 AM

(2)

THIS INSTRUMENT WAS
PREPARED BY AND SHOULD
BE RETURNED TO:

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202
(410) 528-5600

FOR RECORDING DEPARTMENT USE ONLY

CROSS TRI-PARTY AGREEMENT

Among

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Collateral and Administrative Agent

STRATEGIC ASHBY PONDS LENDER LLC,
as Ashburn Junior Mortgagee

and

CONCORD CAMPUS, L.P.,
as Borrower and Ground Lessee

Dated as of May 31, 2007

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053485 Book/Page: RECORD-04129/0277 Date Filed: 6/19/2007 11:11:45 AM

CROSS TRI-PARTY AGREEMENT

THIS CROSS TRI-PARTY AGREEMENT (this "**Agreement**" or "**Tri-Party Agreement**") is made as of May 31, 2007, by MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and its successors and assigns (the "**Concord Agent**"), as collateral and administrative agent for the lenders (the "**Concord Lenders**") party to the Concord Loan Agreement (hereinafter defined) from time to time, and in its individual capacity ("**Mercantile**"), STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company (the "**Ashburn Junior Mortgagee**"), and CONCORD CAMPUS, L.P., a Maryland limited partnership ("**Concord**").

RECITALS

Concord is indebted to the Concord Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed $70,000,000.00 (the "**Concord Loan**").

The Concord Lenders agreed to advance the Concord Loan pursuant to a Construction Loan Agreement between Concord, the Concord Agent and the Concord Lenders dated as of August 30, 2005 (which Construction Loan Agreement, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Concord Loan Agreement**"), as evidenced by one or more Revolving Loan Notes by Concord in favor of the Concord Lenders (which Revolving Loan Notes, as the same may from time to time be further amended, restated, supplemented or otherwise modified, are herein collectively called the "**Concord Note**"), and secured by an Open-End Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of August 30, 2005 and recorded on September 2, 2005 with the Office of the Recorder of Deeds of Delaware County, Pennsylvania (the "**Concord Recorder of Deeds**") in Volume 3586 at page 2069 *et seq.* from Concord to and in favor of the Concord Agent for the benefit of the Concord Lenders, (which Open-End Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Concord Mortgage**") encumbering that certain land and improvements thereon located in the Township of Concord, County of Delaware, Commonwealth of Pennsylvania, as more particularly described in Exhibit "A" attached hereto and made a part hereof (the "**Concord Land**").

Concord intends to use the proceeds of the Concord Loan to finance the construction of a retirement community on the Concord Land (the "**Concord Retirement Community**").

The Concord Retirement Community will be leased to and operated by Maris Grove, Inc., a Pennsylvania non-stock, non-profit corporation ("**MGI**").

Subsequent to the closing of the Concord Loan, Strategic Concord Landholder, LP, a Delaware limited partnership ("**Concord Ground Lessor**"), acquired the Concord Land, subject and subordinate in all respects, however, to the Concord Loan Documents (hereinafter defined) in accordance with the Purchase Agreement dated October 11, 2005 (as amended, the "**Concord Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded on

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November 2, 2005 with the Recorder of Deeds in Volume 3643, at page 1113 *et seq.*; the transactions described in the Concord Purchase Agreement and implemented in accordance therewith are the **"Concord Ground Lease Transactions"**. As part of the Concord Ground Lease Transactions, Concord Ground Lessor became the ground landlord and an obligee of Concord, pursuant to the terms and conditions of a Ground Lease Agreement dated on or about October 11, 2005 between Concord Ground Lessor, as the landlord, and Concord, as the ground tenant, with respect the ground lease of the fee simple interests in the Concord Land, but only the Concord Land and not the improvements thereon or other interests constituting the balance of the Concord Retirement Community, from Concord Ground Lessor to Concord, as evidenced by a Memorandum of Ground Lease dated as of October 11, 2005 and recorded on November 2, 2005 with the Concord Recorder of Deeds in Volume 3643 at page 1142 *et seq.* (the **"Concord Ground Lease"**).

Concord, the Concord Ground Lessor and the Concord Agent entered into a Ground Lessor Tri-Party Agreement dated as of October 11, 2005 and recorded on November 2, 2005 with the Concord Recorder of Deeds in Volume 3643 at page 1185 *et seq.* in order to evidence and set forth the terms and conditions applicable to the Concord Agent's consent to the conveyance of the Concord Land to the Concord Ground Lessor and of the Concord Ground Lease, including limitations on the exercise of rights under the Concord Ground Lease (the **"Existing Concord Tri-Party Agreement"**).

Mercantile (the **"Ashburn Agent"**), as collateral and administrative agent for the lenders (the **"Ashburn Lenders"**) party to the Ashburn Senior Loan Agreement (as hereinafter defined) have agreed to advance a revolving loan and letter of credit facility to Ashburn Campus, LLC, a Maryland limited liability company (**"Ashburn"**) in the aggregate principal amount at any one time outstanding not to exceed $125,000,000.00 (the **"Ashburn Senior Loan"**) pursuant to a Construction Loan Agreement by and among Ashburn, the Ashburn Agent and the Ashburn Lenders dated of even date herewith (which Construction Loan Agreement, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the **"Ashburn Senior Loan Agreement"**), as evidenced by one or more Amended and Restated Revolving Loan Notes by Ashburn in favor of the Ashburn Lenders (which Amended and Restated Revolving Loan Notes, as the same may from time to time be amended, restated, supplemented or otherwise modified, are herein collectively referred to as the **"Ashburn Senior Notes"**) and secured by an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to trustees in favor of the Ashburn Agent for the benefit of the Ashburn Lenders, dated on or about the date hereof (which Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the **"Ashburn Senior Deed of Trust"**) encumbering the real property as more particularly described in the Ashburn Senior Deed of Trust (the **"Ashburn Land"**).

Ashburn has also requested a loan from the Ashburn Junior Mortgagee in the amount of $50,000,000.00 (the **"Ashburn Junior Loan"**).

The Ashburn Junior Mortgagee has agreed to advance the Ashburn Junior Loan pursuant to a Loan Agreement between Ashburn and the Ashburn Junior Mortgagee, dated of even date

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herewith (which Loan Agreement, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Ashburn Junior Loan Agreement**"), as evidenced by a Promissory Note by Ashburn in favor of the Ashburn Junior Mortgagee (which Promissory Note, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the "**Ashburn Junior Note**"), and secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency, Incorporated, as trustee, for the benefit of the Ashburn Junior Mortgagee dated of even date herewith.

Ashburn Junior Mortgagee is willing to make the Ashburn Junior Loan to Ashburn only if Concord guarantees by a Guaranty Agreement of even date herewith from Concord for the benefit of Ashburn Junior Mortgagee the performance of Ashburn and Erickson (as hereinafter defined) under the Ashburn Junior Loan (the "**Concord Junior Guaranty**"), and only on the further condition that such Concord Junior Guaranty be secured with a Leasehold Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Concord to Ashburn Junior Mortgagee encumbering the Concord Project (as hereinafter defined) (the "**Concord Junior IDOT**"). In addition, Ashburn will guarantee the payments of Concord under the Concord Ground Lease by a Guaranty Agreement of even date herewith from Ashburn for the benefit of the Concord Ground Lessor (the "**Ashburn Junior Guaranty**"), and such Ashburn Junior Guaranty will be secured by an Indemnity Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency, Incorporated, as trustee, for the benefit of the Concord Ground Lessor encumbering the Ashburn Project (as hereinafter defined) (the "**Ashburn Junior IDOT**"). Finally, the Concord Ground Lease Transactions and the Ashburn Junior Loan will be cross-collateralized and cross-defaulted. The proposed cross guaranty, cross-collateralization and cross-default described herein is henceforth referred to as the "**Cross Transactions**".

Ashburn Junior Mortgagee and Concord, as a precondition to the effectiveness of the Cross Transactions, have requested that the Concord Agent, on behalf of the Concord Lenders, consent to such Cross Transactions. In order to induce the Concord Agent to grant such consent, and to evidence and set forth terms and conditions applicable thereto, including limitations on the exercise of rights under the Concord Junior Guaranty and the Concord Junior IDOT, the Concord Agent, the Ashburn Junior Mortgagee and Concord have agreed to enter into this Agreement.

As a condition to the granting of its consent to the Cross Transactions, the Concord Agent has required (among other things) the execution and delivery of this Agreement by the Ashburn Junior Mortgagee and Concord.

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:

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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:

"Ashburn Junior Loan Documents" shall mean, collectively, the Ashburn Junior Loan Agreement, the Ashburn Junior Note and the Security Documents (as such term is defined in the Ashburn Junior Loan Agreement).

"Ashburn Project" shall have the same meaning as is ascribed to the term "Project" under the provisions of the Ashburn Senior Loan Agreement.

"Concord Loan Documents" shall have the same meaning as assigned to such term under the provisions of the Concord Loan Agreement.

"Concord Project" shall have the same meaning as is ascribed to the term "Project" under the provisions of the Concord Loan Agreement.

"Concord Improvements" shall have the same meaning as is ascribed to the term "Improvements" under the provisions of the Concord Loan Documents.

"Cross Documents" means, collectively, the Concord Junior Guaranty, the Concord Junior IDOT, and any and all other documents or instruments executed by Concord for the benefit of the Ashburn Junior Mortgagee.

"Default" and **"Event of Default"** shall have the same meaning as assigned to such term under the provisions of the Concord Loan Agreement.

"Distributable Amounts" means, cumulatively and collectively, any amounts and sums of money or other financial assets held or owned by Concord which from time to time are not subject in any respect to any lien, security interest or limitation on distribution under the Concord Loan Documents and which Concord is otherwise free and permitted to distribute to its partner(s) pursuant to applicable terms and limitations under the Concord Loan Documents and under the constituent documents of Concord as well as any other applicable documents or restrictions.

"Distribution Proceeding" means and includes any proceeding for the liquidation, distribution or reorganization of any of the assets of Concord (including any proceeding involving the distribution of all or substantially all of the assets of Concord) or any liquidation, dissolution, winding up or reorganization of Concord 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 Concord 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 Concord by Erickson, or by any permitted successor of Erickson as the (or as a) partner of Concord, as a capital contribution to Concord and which contributed amounts are not, from time to time, required to be or to have been contributed to and held by Concord, or subject in any respect to any lien, security interest or limitation on distribution under the Concord Loan Documents and which Concord is otherwise free and permitted to distribute back to its partner(s) pursuant to applicable terms and limitations under the Concord Loan Documents and under the constituent documents of Concord as well as any other applicable documents or restrictions.

"**GP**" means Concord Campus GP, LLC, a Maryland limited liability company.

"**Master Lease**" means the Maris Grove Retirement Community Master Lease and Use Agreement dated as of August 30, 2005, between Concord and MGI, as such Maris Grove Retirement Community 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 Concord to the Ashburn Junior Mortgagee or its affiliates or parent 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 Cross Documents or any other now or hereafter existing instrument, agreement or document between the Ashburn Junior Mortgagee and Concord.

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 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.

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ARTICLE 2.
SUBORDINATION

SECTION 2.1 Subordination.

The Ashburn Junior Mortgagee hereby acknowledges and agrees with and for the benefit of the Concord Agent and the Concord Lenders that the interests of Ashburn Junior Mortgagee in the Concord Retirement Community, the Concord Land, or otherwise relating in any way to the Concord Retirement Community improvements thereon, or to the interests which are subject to the Concord Loan Documents, have been acquired and are and shall hereafter be and remain in all respects subject to the prior lien and operation of the Concord Loan Documents, and the encumbrances thereunder and terms and conditions thereof, which Concord Loan Documents are prior and superior to the interests acquired by the Ashburn Junior Mortgagee in the Concord Land or otherwise relating to the Concord Retirement Community. Further, the Ashburn Junior Mortgagee hereby expressly subordinates:

(a) the payment of the Subordinated Obligations (including, without limitation, principal, interest and other amounts due or to become due under the Cross Documents) to the prior payment in full of the Concord Loan and agrees that all of the right, title and interest of the Ashburn Junior Mortgagee 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 Concord Agent and the Concord Lenders in and to the repayment of the Concord Loan and any other amounts due pursuant to the Concord Loan Documents; and

(b) the terms, conditions and covenants of the Cross Documents to the terms, conditions and covenants of the Concord 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 Concord Loan Documents; and

(c) the priority and effect of any liens and security interests in favor of the Ashburn Junior Mortgagee created by the Cross Documents and all of their terms and provisions, to the priority and effect of the liens and security interests in favor of the Concord Agent and the Concord Lenders created by the Concord Loan Documents and all of their terms and provisions.

SECTION 2.2 Payments on Subordinated Obligations Etc. The Ashburn Junior Mortgagee will not take, demand or receive from Concord, and Concord 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 Concord 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 any such proceeding. All subordinated payments shall accrue but shall not be paid to Ashburn Junior Mortgagee during any time that the same is not permitted to be paid hereunder.

In the event that any payment of the Subordinated Obligations by Concord 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 Ashburn Junior Mortgagee, which payment is not permitted by this Article II, such payment will be received by Ashburn Junior Mortgagee solely

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as agent for the Concord Agent and the Concord Lenders, and Ashburn Junior Mortgagee will immediately turn the same over to the Concord Agent for application to the Concord Loan in the form received except for the endorsement of Ashburn Junior Mortgagee where appropriate, which endorsement Ashburn Junior Mortgagee agrees to make. Until so turned over, Ashburn Junior Mortgagee shall hold such payment in trust for the Concord Agent and the Concord Lenders. If Ashburn Junior Mortgagee fails to so endorse any such payment where necessary or appropriate, Ashburn Junior Mortgagee hereby irrevocably constitutes and appoints the Concord Agent as attorney-in-fact for Ashburn Junior Mortgagee 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 Concord Agent and the Concord Lenders.

SECTION 2.3 Distribution Proceeding. Upon any Distribution Proceeding by or against Concord, 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 Ashburn Junior Mortgagee upon or in respect of the Subordinated Obligations, shall be paid or delivered by Ashburn Junior Mortgagee 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 Concord Agent for application by the Concord Agent as a payment or prepayment on account of any or all of the obligations owing in connection with the Concord Loan (collectively, the "**Concord Loan Obligations**"), and Ashburn Junior Mortgagee shall not receive any such payment or distribution or any benefit therefrom unless and until the Concord Loan has been fully satisfied. In the event that, notwithstanding the foregoing, any payment by, or distribution of the assets of, Concord 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 Ashburn Junior Mortgagee before the Concord Loan has been fully satisfied, such payment or distribution will be received by Ashburn Junior Mortgagee solely as agent for the Concord Agent and the Concord Lenders, and Ashburn Junior Mortgagee will immediately turn the same over to the Concord Agent for application to the Concord Loan in the form received except for the endorsement of Ashburn Junior Mortgagee where appropriate which endorsement Ashburn Junior Mortgagee agrees to make. Until so turned over, Ashburn Junior Mortgagee shall hold such payment or distribution in trust for the Concord Agent and the Concord Lenders. If Ashburn Junior Mortgagee fails to so endorse any such payment or distribution where necessary or appropriate, Ashburn Junior Mortgagee hereby irrevocably constitutes and appoints the Concord Agent as attorney-in-fact for Ashburn Junior Mortgagee 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 Concord Agent and the Concord Lenders.

SECTION 2.4 Reserved.

SECTION 2.5 Matters Concerning Subordinated Obligations.

Ashburn Junior Mortgagee represents and warrants to the Concord Agent that the Subordinated Obligations are not represented or evidenced by any instruments or documents other than the Cross Documents. Until the Concord Loan has been fully satisfied, the Ashburn Junior Mortgagee, without the prior written consent of the Concord Agent, will not (a) accelerate

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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 Concord in filing any petition commencing any Distribution Proceeding against or in respect of Concord, (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 Concord except as expressly provided for under the Cross Documents.

SECTION 2.6 Maintenance of Books and Legend.

(a) Ashburn Junior Mortgagee will maintain proper books and records concerning the Subordinated Obligations and from time to time at the request of the Concord Agent will permit the Concord Agent 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) Ashburn Junior Mortgagee will include the following legend on or within the Concord Junior IDOT 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 [Ashburn Junior Mortgagee] pursuant to this [identify agreement] are subject in all respects to terms, covenants and limitation as set forth in that certain Cross Tri-Party Agreement dated as of May 31, 2007 among Mercantile-Safe Deposit and Trust Company, as Agent, Ashburn Junior Mortgagee and Concord Campus, L.P., a Maryland limited partnership, the provisions of which Cross Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein."

SECTION 2.7 Amendments.

Ashburn Junior Mortgagee agrees that none of the Cross Documents will be modified or amended without the prior written consent of Concord Agent, which shall not unreasonably be withheld, delayed or conditioned provided there is no anticipated adverse effect on the Concord Agent or the Concord Lenders or their security for the Concord Loan, or on Concord's operations or financial condition. Nothing contained herein is intended to modify or amend the rights and obligations of Ashburn Junior Mortgagee under the Cross Documents, except to the extent provided in this Agreement.

ARTICLE 3.
LIMITED RIGHTS OF ASHBURN JUNIOR MORTGAGEE

SECTION 3.1 Consent to Cross Transactions.

Concord Agent, on behalf of the Concord Lenders, hereby acknowledges and consents to the Cross Transactions pursuant to the Cross Documents and the Ashburn Junior Loan Documents, subject, however, in all respects to the terms and conditions of this Agreement, and agrees that such Cross Transactions shall not constitute or be deemed a default under or violate

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any provision of the Concord Loan Documents; provided, however, that until the Concord Loan has been fully satisfied, the Ashburn Junior Mortgagee will not exercise any of its rights and remedies under the Cross Documents in connection with a default by Ashburn under the Ashburn Junior Loan Documents.

SECTION 3.2 No Cross Default under Concord Loan Documents.

So long as the Ashburn Junior Mortgagee fully complies with the terms, conditions and limitations set forth in this Agreement, and its obligations hereunder, Concord Agent agrees that a default under the Cross 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 Concord Loan Documents.

SECTION 3.3 Notice and Cure Rights in Favor of Ashburn Junior Mortgagee.

Concord Agent herein specifically grants to the Ashburn Junior Mortgagee 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 Concord 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 Ashburn Junior Mortgagee has cured a prior Default or Event of Default under the Concord Loan Documents. Concord Agent shall endeavor to furnish to the Ashburn Junior Mortgagee a copy of any formal notice of or relating to a Default under the Concord Loan Documents (a "**Default Notice**") contemporaneously with the sending of such Default Notice to Concord pursuant to the terms of the Concord Loan Documents. Failure of the Concord Agent to send a Default Notice to the Ashburn Junior Mortgagee shall not constitute a breach of this Agreement by the Concord Agent, but Ashburn Junior Mortgagee'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 Ashburn Junior Mortgagee shall have the opportunity (but not the obligation) to cure any such Payment Default by tendering to Concord Agent, within five (5) days after receipt of the relevant Default Notice [or any longer period provided or available under the Concord 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 Ashburn Junior Mortgagee to cure any such Payment Default, Concord Agent 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 Concord Agent 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, Concord Agent shall be deemed to have waived the subject Payment Default, and Concord Agent 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 Concord 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.

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(b) Upon receipt of Default Notice with respect to a default not related to unpaid monetary payments ("**Non-Payment Default**"), the Ashburn Junior Mortgagee shall have the opportunity (but not the obligation) to cure any such Non-Payment Default in any manner reasonably acceptable to the Concord Agent 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 Concord Loan Documents (also, a "**Cure Period**")]. Notwithstanding the existence and pendency of any Cure Period hereunder, and rights granted to the Ashburn Junior Mortgagee to cure any such Non-Payment Default, Concord Agent 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 Concord Agent 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, Concord Agent 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 Concord 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 the Ashburn Junior Mortgagee shall undertake to pay any amount due to Concord Agent, or shall expend any sum to cure any Non-Payment Default, as provided under the foregoing provisions, the Ashburn Junior Mortgagee shall be subrogated to rights of Concord Agent in respect thereof provided, however, that such subrogation shall not be effective in any respect until such time as Concord Agent shall have been paid in full all amounts due and owing to it under the Concord Loan Documents, and such right of subrogation shall be deemed a Subordinated Obligation hereunder.

(d) The Concord Agent shall be entitled to accept any cure effected by the Ashburn Junior Mortgagee on the terms provided for in this Section 3.3 as performance by the parties obligated under the Loan Documents.

SECTION 3.4 Rights to Acquire Secured Position.

The Ashburn Junior Mortgagee shall have the right and the opportunity (but not the obligation) at any time following the effectiveness of an Acceleration Action under the Concord Loan Documents, upon and following the complete and indefeasible payment in full to Concord Agent by the Ashburn Junior Mortgagee of all of the Concord Loan Obligations, to acquire from the Concord Agent all enforcement and lien rights and beneficial and security interests arising in favor of the Concord Agent or its successors under the Concord Loan Documents (the "**Secured Position**"). The right in Ashburn Junior Mortgagee to acquire such enforcement and lien rights and beneficial and security interests is further subject to and conditioned on (a) the reimbursement by Ashburn Junior Mortgagee of all of the Concord Loan Obligations, including without limitation all costs and expenses of Concord Agent in connection with any 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 Ashburn Junior Mortgagee, (b) a release, indemnification and hold harmless agreement acceptable to Concord Agent from an entity approved by Concord Agent (which entity must have a minimum net worth of $100,000,000) as to any claims against Concord Agent in respect of the interests assigned to or at

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the direction of the Ashburn Junior Mortgagee, and claims which have been made against Concord Agent or the Concord Lenders as of such date of acquisition, or which may later be alleged against Concord Agent or the Concord Lenders based upon enforcement actions taken after such date of acquisition, (c) Ashburn Junior Mortgagee providing an irrevocable notice (the "**Irrevocable Notice**") electing to acquire such rights and security interests within sixty (60) days of notice of an Acceleration Action, and (d) Ashburn Junior Mortgagee closing on the acquisition of such rights and security interests within a reasonable time after sending the Irrevocable Notice. In such event, upon receipt of full payment, Concord Agent will endorse and assign to Ashburn Junior Mortgagee or its designee the Secured Position, without recourse or warranty other than a representation and warranty that the Secured Position held by Concord Agent has not been assigned to any other party.

SECTION 3.5 Subordination of Rights to Concord Ground Lessor. Ashburn Junior Mortgagee agrees that any and all rights to which it is entitled under this Agreement are subject and subordinate to the rights of Concord Ground Lessor under the Existing Concord Tri-Party Agreement.

ARTICLE 4.
GENERAL PROVISIONS

SECTION 4.1 Representations and Warranties of Ashburn Junior Mortgagee.

Ashburn Junior Mortgagee represents and warrants to the Concord Agent for the benefit of the Concord Lenders that (a) Ashburn Junior Mortgagee 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 Ashburn Junior Mortgagee and has been duly executed and delivered by a person duly authorized to execute and deliver this Agreement on behalf of Ashburn Junior Mortgagee, (c) assuming proper execution and delivery by the other parties hereto, this Agreement constitutes the valid and binding obligation of Ashburn Junior Mortgagee 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 Ashburn Junior Mortgagee, the consummation of the transactions herein contemplated, nor the compliance with the terms and provisions hereof by Ashburn Junior Mortgagee will conflict with or result in the breach of any of the terms, conditions or provisions of the Certificate of Formation or Operating Agreement of Ashburn Junior Mortgagee or of any applicable law or regulation or of any agreement or instrument to which Ashburn Junior Mortgagee 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 Cross Documents.

SECTION 4.2 Default under Concord Loan Documents.

The breach or the failure of Ashburn Junior Mortgagee in the due observance or performance of any of the provisions of this Agreement, after the expiration of any grace or cure

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period, if any, granted herein, shall constitute a Default under this Agreement and a Default under the provisions of the Concord Loan Documents (which Default under the Concord Loan Documents shall not be subject to any further cure rights, whether under Section 3.3 of this Agreement or otherwise.) This Agreement constitutes one of the Concord Loan Documents.

SECTION 4.3 Remedies.

Upon the occurrence of any Event of Default hereunder, Concord Agent shall have the right to exercise all remedies provided for under this Agreement, under applicable law or otherwise.

SECTION 4.4 Enforceability of the Provisions of this Agreement and Waivers.

(a) All rights and interests of the Concord Agent hereunder, and all agreements and obligations of the Ashburn Junior Mortgagee 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 Concord Agent, until the Concord Loan Obligations shall have been paid and performed in full, irrespective of (i) any act or failure to act on the part of Ashburn Junior Mortgagee or any noncompliance by Ashburn Junior Mortgagee with the provisions of this Agreement, (ii) any lack of validity or enforceability of any of the Concord Loan Documents, (iii) any attempt, pursuit, enforcement or exhaustion of any rights and remedies the Concord Agent may at any time have to collect the Concord Loan from Concord or any other maker, guarantor, endorser, surety or other person directly or contingently liable therefor or from any collateral and security for the Concord Loan, (iv) any release or non-perfection of any collateral and security for any or all of the Concord Loan, or (v) any other circumstance which might otherwise constitute a defense available to, or discharge of, Concord in respect of the Concord Loan.

(b) Without notice to, or consent of, the Ashburn Junior Mortgagee, and without in any way affecting, limiting, modifying, discharging or releasing the right of the Concord Agent to enforce this Agreement or the liabilities and obligations of the parties hereto, the Concord Agent 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 Concord Agent, all or any part of the Concord Loan, any collateral and security therefor, Concord or any other maker, guarantor, endorser, surety or other person directly or contingently liable or obligated for all or any part of the Concord Loan or any of the provisions of any of the Concord 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 Concord Agent under the provisions of any of the Concord 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 Concord or any other party in respect of the Concord Loan or of Concord or the Ashburn Junior Mortgagee in respect of this Agreement.

(c) Ashburn Junior Mortgagee agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any

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circumstance which constitutes a legal or equitable discharge of Concord or any other person or entity. In furtherance of the foregoing and without limiting the generality thereof, Ashburn Junior Mortgagee agrees, subject only to the specific terms of this Agreement, as follows: (i) Concord Agent 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 Ashburn Junior Mortgagee's liability hereunder, (A) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Concord Loan Obligations, (B) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Concord 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 Concord Loan Obligations and take and hold other security for the payment of the Concord Loan Obligations, (D) release, exchange, compromise, subordinate or modify, with or without consideration, any other security for payment of the Concord Loan Obligations, any guaranties of the Concord Loan Obligations, or any other obligation of any Person with respect to the Concord Loan Obligations, (E) enforce and apply any other security now or hereafter held by or for the benefit of Concord Agent in respect of the Concord Loan Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Concord Agent may have against any such security, as Concord Agent in its discretion may determine consistent with the Concord 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 Ashburn Junior Mortgagee against Concord or any other security for the Concord Loan Obligations, and (F) exercise any other rights available to Concord Agent under the Concord Loan Documents, at law or in equity; and (ii) this Agreement and the obligations of Ashburn Junior Mortgagee 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 Ashburn Junior Mortgagee 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 Concord Loan Obligations or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Concord 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 Concord Loan Agreement, any of the other Concord Loan Documents or any agreement or instrument executed pursuant thereto, or any guaranty or other security for the Concord Loan Obligations, (C) the Concord 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 Concord Loan Obligations, even though Concord Agent might have elected to apply such payment to any part or all of the Concord Loan Obligations, (E) any failure to perfect or continue perfection of a security interest in any other collateral which secures any of the Concord Loan Obligations, (F) any defenses, set-offs or counterclaims which Concord may allege or assert against Concord Agent in respect of the Concord 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

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(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 Ashburn Junior Mortgagee in respect of the Concord Loan Obligations.

(d) Subject only to the specifications of this Agreement, Ashburn Junior Mortgagee hereby waives, for the benefit of Concord Agent and the Concord Lenders: (i) any right to require Concord Agent or Concord Lenders, as a condition of payment or performance by Ashburn Junior Mortgagee, to (A) proceed against Concord, any guarantor of the Concord Loan Obligations or any other Person, (B) proceed against or exhaust any other security held from Concord, any guarantor of the Concord 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 Concord Agent in favor of Concord or any other Person, or (D) pursue any other remedy in the power of Concord Agent or Concord Lenders whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Concord including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Concord Loan Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Concord from any cause other than indefeasible payment in full of the Concord 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 Concord Agent's errors or omissions in the administration of the Concord 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 Ashburn Junior Mortgagee's obligations hereunder (B) the benefit of any statute of limitations affecting Ashburn Junior Mortgagee's liability hereunder or the enforcement hereof, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that Concord Agent 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 Concord Loan Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Concord Loan Obligations or any agreement related thereto, notices of any extension of credit to Concord 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 Concord Agent and Ashburn Junior Mortgagee shall be effective to amend, modify or change any provision of this Agreement. The Concord Agent 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 Concord Agent in refraining from so doing at any time or times. The failure of the Concord Agent at any time or times to enforce its rights under the provisions hereof, strictly in accordance with the

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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 Concord Agent and the Ashburn Junior Mortgagee.

SECTION 5.2 Waiver of Default.

The Concord Agent may, at any time and from time to time, execute and deliver to Concord a written instrument waiving, on such terms and conditions as the Concord Agent 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.

(a) Ashburn Junior Mortgagee shall endeavor to furnish to the Concord Agent a copy of any formal notice of or relating to a breach or a default under the Cross Documents contemporaneously with the sending of such final notice to Concord pursuant to the terms of the Cross Documents.

(b) 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:

Ashburn Junior Mortgagee: Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036
Phone: (212) 761-4468
Fax: (212) 507-4861

With a copy to: Mark Pollak, Esquire
Wilmer Hale LLP
100 Light Street, Suite 1300
Baltimore, Maryland 21202
Phone: (410) 986-2860
Fax: (410) 986-2828

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Concord:	Concord Campus, L.P. c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Financial Officer
With a copy to:	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228
Concord Agent:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21202 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.

Ashburn Junior Mortgagee (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 Concord Loan Documents, (b) waives, to the fullest extent permitted by law, any objection that the Ashburn Junior Mortgagee 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 Ashburn Junior Mortgagee and the Concord Agent hereby voluntarily and intentionally waive any rights they may have to trial by jury in any action or proceeding to which Ashburn Junior Mortgagee or the Concord Agent 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 Ashburn Junior Mortgagee, Concord, the Concord Agent, 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.

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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.

(a) The Concord Agent may, without notice to, or consent of, the Ashburn Junior Mortgagee, sell, assign or transfer to any Person or Persons all or any part of the Concord Loan and each such Person or Persons shall have the right to enforce the provisions of this Agreement as fully as the Concord Agent, provided that the Concord Agent shall continue to have the unimpaired right to enforce the provisions of this Agreement as to so much of the Concord Loan that it has not sold, assigned or transferred. In connection with any such assignment, the Concord Agent 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 Ashburn Junior Mortgagee will fully cooperate with the Concord Agent 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 Concord Agent in order to effect any such assignment.

(b) Notwithstanding any provision of this Agreement to the contrary, the Ashburn Junior Mortgagee may, without the consent of the Concord Agent, assign, transfer or grant a lien upon any part of the Subordinated Obligations, provided that (i) any such transferee (either by assignment, transfer or grant of lien) is a Qualified Transferee, as described in Exhibit B attached hereto, and (ii) any such transferee shall have agreed to acquire the Subordinated Obligations or the membership interests (or lien on the membership interests) with full knowledge and subject to the obligations imposed on, and shall be entitled to the benefits accruing to, the Ashburn Junior Mortgagee hereunder. Concord Agent further agrees that with respect to an investment pool or investment fund which owns all or a part of the membership interests in the Ashburn Junior Mortgagee, a transfer of limited partner interests, limited liability interests, syndicate interests or other interests in such investment pool or investment fund is not subject to any restriction pursuant to the terms of this Agreement.

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 Concord Loan indebtedness was or is incurred. This Agreement shall continually exist in full force and effect until the Concord 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 Concord Loan is rescinded or must otherwise be restored or returned by the Concord Agent upon, under or as a result of any Distribution Proceeding by or against Concord or otherwise, all as though such payment had not been made.

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SECTION 5.9 Binding Effect.

This Agreement shall be binding upon the Concord Agent, Concord and the Ashburn Junior Mortgagee and their respective successors, assigns, heirs, personal representatives, executors, administrators and estate and shall inure to the benefit of the Ashburn Junior Mortgagee, Concord, the Concord Agent, the Concord Lenders and their successors and assigns, respectively.

SECTION 5.10 Applicable Law.

This Agreement and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

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 Ashburn Junior Mortgagee and its affiliates, successors and assigns of the provisions of this Agreement, the Ashburn Junior Mortgagee assigns, pledges, and grants to the Concord Agent a security interest in and to all right, title and interest of the Ashburn Junior Mortgagee under the Cross Documents and all proceeds thereof. Upon the request of the Concord Agent, the Ashburn Junior Mortgagee shall endorse, assign, and deliver to the Concord Agent, in a manner acceptable to the Concord Agent, all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Cross Documents. In the event of the failure of the Ashburn Junior Mortgagee to make any such endorsement, assignment, or delivery, the Concord Agent, or any of its officers or employees on behalf of the Concord Agent, is hereby appointed attorney-in-fact of the Ashburn Junior Mortgagee and is irrevocably authorized to make the same. The foregoing appointment

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shall be deemed to be coupled with an interest and shall survive the dissolution of any of the Ashburn Junior Mortgagee.

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 Concord Loan Documents and the Cross Documents, unless the same is specifically resolved by the terms of this Agreement, the terms of the Concord 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 Concord Loan Documents relating to casualty or condemnation proceeds shall govern over any similar provisions of the Cross Documents. The Ashburn Junior Mortgagee also further acknowledges and agrees that the Ashburn Junior Mortgagee shall not impose on Concord or any other party any additional requirements or conditions regarding construction of the Concord Improvements on the Concord Land other than those already contained in the Concord Loan Documents; and that any provisions of the Cross Documents purporting to impose any such additional requirements or conditions shall be ineffective for so long as the Concord Loan Obligations are outstanding. In particular, with respect to casualty and condemnation proceeds, the parties agree that the same shall be disbursed (if at all) pursuant to and in accordance with the terms of the Concord Loan Documents, and that the Ashburn Junior Mortgagee shall not impose any inconsistent or additional requirements on the use of such casualty or condemnation proceeds from those provided for in the Concord Loan Documents. The provisions of this Section 5.15 shall not prohibit Ashburn Junior Mortgagee from receiving copies of construction related materials for informational purposes. The Ashburn Junior Mortgagee also covenants and agrees that, regardless of any contrary provisions in the Cross Documents, for so long as the Concord Loan Obligations are outstanding, the Ashburn Junior Mortgagee shall join in and consent to any plat, zoning or land-related application, permit request or other governmental requirement for which the landowner's consent or joinder, as landowner, is required in the construction process, and will cooperate with Concord and, in the event the Concord Agent exercises its rights to do so under the Concord Loan Documents, the Concord Agent, in completing the Concord Project, including construction of the Concord Improvements, as those terms are defined in the Concord Loan Documents.

Notwithstanding the provisions of the Cross Documents, and without in any way limiting the provisions hereof, until the Concord Loan Obligations have been paid in full: (i) Ashburn Junior Mortgagee may not further encumber the Concord Property; and (ii) there shall be no actions taken by Ashburn Junior Mortgagee with respect to any Payment Default nor Non-Payment Default, nor may Ashburn Junior Mortgagee take any action during any Cure Period under the Concord Loan Documents.

SECTION 5.16 Concord Agent as Holder of Permitted Mortgage. The parties acknowledge and agree that Concord Agent is the holder of a Permitted Mortgage (as defined in the Concord Ground Lease) and is entitled to the protections afforded to Permitted Mortgagees under Section 14.3 of the Concord Ground Lease.

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SECTION 5.17 No Release of Obligations of Concord. The parties acknowledge and agree that the entry into the Cross Transactions and the Concord Agent's consent thereto on the terms contained in this Agreement, the subordination of Ashburn Junior Mortgagee's rights as provided herein, and the execution, delivery and performance of this Agreement do not relieve Concord of any of its obligations under the Concord Loan Documents or the Cross Documents, and that Concord shall continue to be bound by and shall perform all of its obligations pursuant to the terms of the Concord Loan Documents, the Concord Ground Lease and the Cross Documents.

SECTION 5.18 Integration Clause.

This Agreement constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written.

SECTION 5.19 Additional Documentation.

Ashburn Junior Mortgagee shall execute and deliver to the Concord Agent such further instruments and shall take such further action as the Concord Agent may reasonably request from time to time in order to carry out the provisions and intent of this Agreement.

SECTION 5.20 Defects waived.

This Agreement is effective notwithstanding any defect in the validity or enforceability of any instrument or document at any time evidencing or securing the whole or any part of the Concord Loan Obligations.

SECTION 5.21 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

SECTION 5.22 Rights of Concord Lenders.

The Ashburn Junior Mortgagee acknowledges and agrees that the Concord Agent is acting as agent for itself and for the other Concord Lenders party to the Concord Loan Documents from time to time, and that all rights of the Concord Agent hereunder are held for the ratable benefit of the Concord Agent and the other Concord Lenders, whether specifically so expressed or not.

SECTION 5.23 Liability of Concord Agent.

None of Concord Agent nor any of its directors, officers, employees or agents shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Concord Loan Document or the transactions contemplated hereby (except to the extent resulting from its own gross negligence or willful misconduct in connection

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with the duties expressly set forth herein as determined by a final, non-appealable judgment by a court of competent jurisdiction), or (ii) be responsible in any manner to Concord, the Ashburn Junior Mortgagee or its affiliates, successors and assigns or any other person or entity for any recital, statement, representation or warranty made by Concord or any other party to the Concord Loan Documents, or any member, partner, shareholder or officer of any of them, contained in this Agreement or in any other Concord Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Concord Agent under or in connection with, this Agreement or any other Concord Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Concord Loan Document (or the creation, perfection or priority of any lien, mortgage or security interest therein) or for any failure of Concord or any other party to any Concord Loan Document to perform its obligations hereunder or thereunder. Concord Agent shall not be under any obligation to the Ashburn Junior Mortgagee to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Concord Loan Document, or to inspect the properties, books or records of Concord or any other party to any of the Concord Loan Documents.

SECTION 5.24 Limited Recourse.

Notwithstanding anything to the contrary in this Agreement or in any documents delivered by any other party in connection with the consummation of the transactions contemplated hereby, it is expressly understood and agreed that the Ashburn Junior Mortgagee's liability shall be limited to and payable only out of the assets held by the Ashburn Junior Mortgagee and not any of the Ashburn Junior Mortgagee's directors, officers, employees, shareholders, contract holders or policy holders, shall be subject to any lien, levy, execution, setoff or other enforcement procedure for satisfaction of any right or remedy of any party in connection with the transactions contemplated hereby.

[SIGNATURES FOLLOW ON NEXT PAGE]

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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.

ASHBURN JUNIOR MORTGAGEE:

STRATEGIC ASHBY PONDS LENDER LLC,
a Delaware limited liability company

By: Strategic LP, a Utah limited partnership, its member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew S. Bauman
Title: Vice President

Date: As of May 31, 2007

DMEAST #9790954 v2

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Instrument Number: 2007053485 Book/Page: RECORD-04129/0299 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT A

Description of the Land

All that certain lot and parcel of land located in Delaware County, Pennsylvania and more particularly described as follows:

See EXHIBIT "A" attached

TOGETHER WITH that certain Loop Road Access Easement described on Exhibit "B" attached

FURTHER TOGETHER WITH those certain Temporary Construction/Grading Easements A, B, C and D described on Exhibit "C" attached

FURTHER TOGETHER WITH those Signage Easements described on Exhibit "D" attached.

FURTHER TOGETHER WITH that certain 20 Foot Wide Sanitary Sewer Easement described on Exhibit "E" attached.

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Instrument Number: 2007053485 Book/Page: RECORD-04129/0300 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "A"

Metes and Bounds Description
Proposed Lot B (Tract)
Parcel 13-19-004 & Part Of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth Of Pennsylvania

BEGINNING at the intersection of the title line in the bed of Brinton Lake Road (a.k.a. Brinton Mill Road, a.k.a. Miller Road, a.k.a. T-305, 33 foot wide right-of-way), with the title line in the bed of Spring Valley Road (a.k.a. Marshall Road, 33 foot wide right-of-way), and from said point of beginning running, thence;

The following three (3) courses and distances along the title line through the bed of Brinton Lake Road;

1. North 25 degrees 15 minutes 44 seconds West, a distance of 2,010.26 feet to a point of curvature, thence;

2. Along the arc of a circle curving to the right, having a radius of 600.00 feet, a central angle of 22 degrees 23 minutes 51 seconds, an arc length of 234.55 feet, a chord bearing north 14 degrees 03 minutes 48 seconds West and a chord distance of 233.06 feet to a point of tangency, thence;

3. North 02 degrees 51 minutes 53 seconds West, a distance of 199.41 feet to a corner, thence;

4. Crossing the bed of Brinton Lake Road, and along the dividing line between parcel 13-19-004, lands now or formerly Concordel Properties, Inc. and parcel 13-19-005, lands now or formerly of Thompson, North 63 degrees 49 minutes 04 seconds East, a distance of 727.87 feet to an iron pipe, thence;

The following three (3) courses and distances along a line dividing parcel 13-19-004 and parcel 13-19-006, lands now or formerly WAWA, Inc.:

5. South 24 degrees 25 minutes 56 seconds East, a distance of 488.03 feet to a corner, thence;

6. South 65 degrees 34 minutes 04 seconds West, a distance of 133.65 feet to a corner, thence;

7. South 22 degrees 55 minutes 56 seconds East, a distance of 66.00 feet to a corner, thence;

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8. Along the common dividing line between parcel 13-19-004; parcel 13-20-070, lands now or formerly Concordel Properties, Inc. and parcel 13-19-006, North 66 degrees 25 minutes 00 seconds East, a distance of 143.06 feet to a stone monument, thence;

9. Along the common dividing line between parcel 13-20-070; parcel 13-19-006; and parcel 13- 19-007, lands now or formerly Styer Land Holding, North 69 degrees 08 minutes 55 seconds East, a distance of 673.22 feet to a stone found, thence;

The following three (3) courses and distances along a proposed subdivision line through parcel 13-20-070.

10. South 24 degrees 03 minutes 37 seconds East, a distance of 626.30 feet to a point of curvature, thence;

11. Along the arc of a circle curving to the left, having a radius of 350.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 556.92 feet, a chord bearing South 69 degrees 38 minutes 41 seconds East and a chord distance of 500.00 feet to a corner, thence;

12. North 64 degrees 46 minutes 15 seconds East a distance of 276.46 feet to a corner, thence;

13. Along a line through parcel 13-20-070 and along the dividing line between parcel 13-20-070 and parcel 13-19-075, lands now or formerly of Lamplugh, South 25 degrees 13 minutes 45 seconds East, a distance of 831.86 feet to a point on the title line in the bed of Spring Valley Road, thence;

The following two (2) courses and distances along the title line through the bed of Spring Valley Road:

14. South 64 degrees 20 minutes 00 seconds West, a distance of 895.03 feet to an angle point, thence;

15. South 64 degrees 30 minutes 00 seconds West, a distance of 1,237.42 feet to the point and place of beginning.

Containing 3,798,314 square feet or 87.197 acres

This property subject to restrictions, covenants and/or easements, as contained in a title commitment report prepared by Chicago Title Insurance Company, File No. 560765JW, with an effective date of 8/31/03.

This description was written based upon a map entitled "ALTA/ACSM Land Title Survey, Concord Campus, L.P., Spring Valley Road & Brinton Lake Road, part of parcel 13-20-070 and parcel 13-19-004, Concord Township, Delaware County, Commonwealth Of Pennsylvania", prepared by Control Point Associates, Inc., File No. CP03091, dated

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10/14/03, last revised 7/22/05, DWG. No. 1 of 1.

Printed: 9/22/2009

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EXHIBIT "B"

Metes and Bounds Description
Loop Road 'Access' Easement (A.K.A. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly Concordel Properties. Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point on the southeasterly proposed right-of-way of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 and 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way), at its intersection with the dividing line between parcel 13-20-070, lands now or formerly Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly Styer Land Holding, and from said point of beginning running, thence;

1. Along the proposed right-of-way line of Baltimore Pike, North 77 degrees 59 minutes 17 seconds East, a distance of 186.47 feet to a point of cusp, thence;

The following eleven (11) courses and distances through part of parcel 13-20-070:

2. Along the arc of a circle curving to the left, having a radius of 60.00 feet, a central angle of 70 degrees 20 minutes 00 seconds, an arc length of 73.65 feet, a chord bearing South 23 degrees 09 minutes 17 seconds West and a chord distance of 69.11 feet to a point of tangency, thence;

3. South 12 degrees 00 minutes 43 seconds East, a distance of 109.19 feet to a corner, thence;

4. South 02 degrees 56 minutes 02 seconds East, a distance of 76.06 feet to a corner, thence;

5. South 12 degrees 00 minutes 43 seconds East, a distance of 57.22 feet to a point of curvature thence;

6. Along the arc of a circle curving to the right, having a radius of 330.00 feet, a central angle of 21 degrees 34 minutes 15 seconds, an arc length of 124.24 feet, a chord bearing South 01 degree 13 minutes 35 seconds East and a chord distance of 123.51 feet to a point of tangency, thence;

7. South 09 degrees 33 minutes 33 seconds West, a distance of 144.61 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the left, having a radius of 270.00 feet, a central angle of 33 degrees 37 minutes 10 seconds, an arc length of 158.43 feet, a chord

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bearing South 07 degrees 15 minutes 02 seconds East and a chord distance of 156.16 feet to a point of tangency, thence;

9. South 24 degrees 03 minutes 37 seconds East, a distance of 1,071.25 feet to a point of curvature, thence;

10. Along the arc of a circle curving to the left, having a radius of 285.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 453.49 feet, a chord bearing South 69 degrees 38 minutes 41 seconds East and a chord distance of 407.14 feet to a point of tangency, thence;

11. North 64 degrees 46 minutes 15 seconds East, a distance of 384.08 feet to a point of curvature, thence;

12. Along the arc of a circle curving to the left, having a radius of 970.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 64.74 feet, a chord bearing North 62 degrees 51 minutes 32 seconds East and a chord distance of 64.72 feet to a point of tangency, thence;

13. Along a line through part of parcel 13-20-070 and part of parcel 13-20-069, lands now or formerly of Petschelt, North 60 degrees 56 minutes 49 seconds East, a distance of 777.92 feet to a point of curvature, thence;

The following three (3) courses and distances through parcel 13-20-069:

14. Along the arc of a circle curving to the left, having a radius of 470.00 feet, a central angle of 16 degrees 25 minutes 31 seconds, an arc length of 134.74 feet, a chord bearing North 52 degrees 44 minutes 04 seconds East and a chord distance of 134.28 feet to a point of non-tangency, thence;

15. North 29 degrees 55 minutes 21 seconds East, a distance of 56.28 feet to a point, thence;

16. North 36 degrees 56 minutes 24 seconds East, a distance of 99.02 feet to a point of curvature, thence;

17. Along a line through parcel 13-20-069 and part of parcel 13-20-070, along the arc of a circle curving to the left, having a radius of 90.00 feet, a central angle of 25 degrees 22 minutes 46 seconds, an arc length of 39.87 feet, a chord bearing North 24 degrees 15 minutes 01 second East and a chord distance of 39.54 feet to a point of compound curvature, thence;

The following two courses and distances through part of parcel 13-20-070:

18. Along the arc of a circle curving to the left, having a radius of 40.00 feet, a central

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angle of 62 degrees 59 minutes 02 seconds, an arc length of 43.97 feet, a chord bearing North 19 degrees 55 minutes 54 seconds West and a chord distance of 41.79 feet to a point of non-tangency, thence;

19. North 38 degrees 35 minutes 10 seconds East, a distance of 5.71 feet to a point on the southwesterly proposed right-of-way of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), thence;

20. Along the southwesterly proposed right-of-way of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 199.24 feet to a corner, thence;

The following four (4) courses and distances through parcel 13-20-069:

21. South 38 degrees 35 minutes 10 seconds West, a distance of 1.68 feet to a corner, thence;

22. Along the arc of a circle curving to the left, having a radius of 65.00 feet, a central angle of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord bearing South 86 degrees 41 minutes 26 seconds West and a chord distance of 86.79 feet to a point of tangency, thence;

23. South 44 degrees 48 minutes 16 seconds West, a distance of 170.64 feet to a point of curvature, thence;

24. Along the arc of a circle curving to the right, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing South 52 degrees 52 minutes 33 seconds West and a chord distance of 148.83 feet to a point of tangency, thence;

25. Along a line through parcel 13-20-069 and part of parcel 13-20-070, South 60 degrees 56 minutes 49 seconds West, a distance of 777.92 feet to a point of curvature, thence;

The following five (5) courses and distances through part of parcel 13-20-070:

26. Along the arc of a circle curving to the right, having a radius of 1,030.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 68.74 feet, a chord bearing South 62 degrees 51 minutes 32 seconds West and a chord distance of 68.73 feet to a point of tangency, thence;

27. South 64 degrees 46 minutes 15 seconds West, a distance of 384.08 feet to a point of curvature, thence;

28. Along the arc of a circle curving to the right, having a radius of 345.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 548.96 feet, a chord bearing North 69 degrees 38 minutes 41 seconds West and a chord distance of 492.86

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feet to a point of tangency, thence;

29. North 24 degrees 03 minutes 37 seconds West, a distance of 237.85 feet to a corner, thence;

30. South 65 degrees 56 minutes 23 seconds West, a distance of 5.00 feet to a corner, thence;

31. Along the dividing line between proposed Lot A and proposed Lot B, North 24 degrees 03 minutes 37 seconds West, a distance of 350.00 feet to a corner, thence;

The following five (5) courses and distances through part of parcel 13-10-070;

32. North 65 degrees 56 minutes 23 seconds East, a distance of 5.00 feet to a corner, thence;

33. North 24 degrees 03 minutes 37 seconds West, a distance of 483.40 feet to a point of curvature, thence;

34. Along the arc of a circle curving to the right, having a radius of 330.00 feet, a central angle of 28 degrees 54 minutes 15 seconds, an arc length of 166.48 feet, a chord bearing North 09 degrees 36 minutes 29 seconds West and a chord distance of 164.72 feet to a point of non-tangency, thence;

35. North 04 degrees 50 minutes 38 seconds East, a distance of 194.31 feet to a point of curvature, thence;

36. Along the arc of a circle curving to the left, having a radius of 253.00 feet, a central angle of 12 degrees 49 minutes 28 seconds, an arc length of 56.63 feet, a chord bearing North 01 degree 34 minutes 06 seconds West and a chord distance of 56.51 feet to a corner, thence;

The following two (2) courses and distances along the dividing line between part of parcel 13-20-070 and parcel 13-19-007, lands now or formerly of Stier Land Holding:

37. North 65 degrees 04 minutes 03 seconds East, a distance of 3.04 feet to a corner, thence;

38. North 23 degrees 20 minutes 57 seconds West, a distance of 54.55 feet to a corner, thence;

The following five (5) courses and distances through part of parcel 13-20-070:

39. Along the arc of a circle curving to the left, having a radius of 10.00 feet, a central angle of 65 degrees 35 minutes 45 seconds, an arc length of 11.45 feet, a chord bearing North 10 degrees 13 minutes 01 second East and a chord distance of 10.83

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feet to a point of compound curvature, thence;

40. Along the arc of a circle curving to the left, having a radius of 253.00 feet, a central angle of 08 degrees 54 minutes 55 seconds, an arc length of 39.37 feet, a chord bearing North 27 degrees 02 minutes 19 seconds West and a chord distance of 39.33 feet to a point of reverse curvature, thence;

41. Along the arc of a circle curving to the right, having a radius of 222.00 feet, a central angle of 19 degrees 29 minutes 04 seconds, an arc length of 75.49 feet, a chord bearing North 21 degrees 45 minutes 14 seconds West and a chord distance of 75.13 feet to a point of tangency, thence;

42. North 12 degrees 00 minutes 43 seconds West, a distance of 68.14 feet to a point of curvature, thence;

43. Along the arc of a circle curving to the left, having a radius of 75.00 feet, a central angle of 54 degrees 37 minutes 44 seconds, an arc length of 71.51 feet, a chord bearing North 39 degrees 19 minutes 34 seconds West and a chord distance of 68.83 feet to a point of non-tangency, thence;

44. Along the dividing line between part of parcel 13-20-070 and parcel 13-19-007, North 23 degrees 20 minutes 57 seconds West, a distance of 10.55 feet to the point and place of beginning.

Total gross area of Loop Road 'Access' Easement (a.ka. Evergreen Drive) Containing 258,571 square feet 5.936 acres

EXCEPTING AND RESERVING THE FOLLOWING:

Part of parcel 13-20-069 lands now or formerly of Petschelt

BEGINNING at a point on the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), said point being distant 143.08 feet on a course of North 51 degrees 24 minutes 50 seconds West, as measured from the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-06s, lands now or formerly of Guerin, and from said point of beginning running, thence;

The following five courses and distances through parcel 13-20-069:

1. South 38 degrees 35 minutes 10 seconds West, a distance of 1.68 feet to a corner, thence;

2. Along the arc of a circle curving to the left, having a radius of 65.00 feet, a central angle of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord

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bearing South 86 degrees 41 minutes 26 seconds West and a chord distance of 86.79 feet to a point of tangency, thence;

3. South 44 degrees 48 minutes 16 seconds West, a distance of 170.64 feet to a point of curvature, thence;

4. Along the arc of a circle curving to the right, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing South 52 degrees 52 minutes 33 seconds West and a chord distance of 148.83 feet to a point of tangency, thence;

5. South 60 degrees 56 minutes 49 seconds West, a distance of 34.55 feet to a corner, thence;

6. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly Concordel Properties, Inc., North 25 degrees 33 minutes 58 seconds West, a distance of 60.11 feet to a corner, thence;

The following four (4) courses and distances through parcel 13-20-069:

7. North 60 degrees 56 minutes 49 seconds East, a distance of 30.90 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the left, having a radius of 470.00 feet, a central angle of 16 degrees 25 minutes 31 seconds, an arc length of 134.74 feet, a chord bearing North 52 degrees 44 minutes 04 seconds East and a chord distance of 134.28 feet to a point of non-tangency, thence;

9. North 29 degrees 55 minutes 21 seconds East, a distance of 56.28 feet to a corner, thence;

10. North 36 degrees 56 minutes 24 seconds East, a distance of 15.66 feet to a corner, thence;

11. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, North 64 degrees 26 minutes 02 seconds East, a distance of 165.76 feet to a point on the southwesterly proposed right-of-way line of Conchester Highway, thence;

12. Along the southwesterly proposed right-of-way line of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 79.15 feet to the point and place of beginning.

CONTAINING 23,818 square feet or 0.547 acre

Total net area of Loop Road 'Access' Easement (a.k.a. Evergreen Drive) containing 234,753 square feet or 5.389 acres

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This property subject to restrictions, covenants and/or easements either written or implied.

this description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, LP, Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania", Prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 8/19/05, file no. p03-0913.sheet 2 of 8.

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EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'A'
Along Loop Road Access Easement (a.k.a. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

Beginning at a point on the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), said point being distant 123.85 feet, on a course of North 51 degrees 24 minutes 50 seconds West, as measured from the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin, and from said point of beginning running, thence;

The following two (2) courses and distances through parcel 13-20-069:

1. North 84 degrees 04 minutes 57 seconds West, a distance of 71.08 feet to a corner, thence;

2. South 40 degrees 42 minutes 32 seconds West, a distance of 369.30 feet to a corner, thence;

3. Along the common dividing line between parcel 13-20-069; parcel 13-20-070, lands now or formerly of Concordel Properties, Inc.; parcel 13-20-068, lands now or formerly of Guerin; parcel 13-20-068-001, lands now or formerly of Clendening; and parcel 13-20-073, lands now or formerly of Neef, South 64 degrees 26 minutes 02 seconds West, a distance of 551.00 feet to a corner, thence;

4. Along a line dividing parcel 13-20-070 and parcel 13-20-073, South 25 degrees 13 minutes 45 seconds East, a distance of 156.36 feet to a corner, thence;

5. Along the common dividing line between parcel 13-20-070; parcel 13-20-074, lands now or formerly of Teetesel; and parcel 13-20-075, lands now or formerly of Laplugh, South 64 degrees 20 minutes 00 seconds West, a distance of 400.00 feet to a, thence;

The following four (4) courses and distances along a subdivision line through parcel 13-20-070:

6. North 25 degrees 13 minutes 45 seconds West, a distance of 177.26 feet to a corner, thence;

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7. South 64 degrees 46 minutes 15 seconds West, a distance of 276.46 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the right, having a radius of 350.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 556.92 feet, a chord bearing North 69 degrees 38 minutes 41 seconds West and a chord distance of 500.00 feet to a point of tangency, thence;

9. North 24 degrees 03 minutes 37 seconds West, a distance of 237.85 feet to a corner, thence;

10. Along a line through parcel 13-20-070, North 65 degrees 56 minutes 23 seconds East, a distance of 5.00 feet to a point on the southerly right-of-way line of Loop Road 'Access' Easement, thence;

The following nine (9) courses and distances along the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive):

11. South 24 degrees 03 minutes 37 seconds East, a distance of 237.85 feet to a point of curvature, thence;

12. Along the arc of a circle curving to the left, having a radius of 345.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 548.96 feet, a chord bearing South 69 degrees 38 minutes 41 seconds East and a chord distance of 492.86 feet to a point of tangency, thence;

13. North 64 degrees 46 minutes 15 seconds East, a distance of 384.08 feet to a point of curvature, thence;

14. Along the arc of a circle curving to the left, having a radius of 1,030.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 68.74 feet, a chord bearing North 62 degrees 51 minutes 32 seconds East and a chord distance of 68.73 feet to a point of tangency, thence;

15. North 60 degrees 56 minutes 49 seconds East, a distance of 777.92 feet to a point of curvature, thence;

16. Along the arc of a circle curving to the left, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing North 52 degrees 52 minutes 33 seconds East and a chord distance of 148.83 feet to a point of tangency, thence;

17. North 44 degrees 48 minutes 16 seconds East, a distance of 170.64 feet to a point of curvature, thence;

18. Along the arc of a circle curving to the right, having a radius of 65.00 feet, a central angle

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of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord bearing North 86 degrees 41 minutes 26 seconds East and a chord distance of 86.79 feet to a point of non-tangency, thence;

19. North 38 degrees 35 minutes 10 seconds East, a distance of 1.68 feet to a point on the southwesterly proposed right-of-way line of Conchester Highway, thence;

20. Along the southwesterly proposed right-of-way line of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 19.23 feet to the point and place of BEGINNING.

Total gross area of the Temporary Construction/Grading Easement 'A'

Containing 125,793 square feet or 2.888 acres

Excepting and reserving the following:

Part of parcel 13-20-069 lands now or formerly of Petschelt

BEGINNING at a point on the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), said point being distant 125.85 feet on a course of North 51 degrees 24 minutes 50 seconds West, as measured from the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin, and from said point of beginning running, thence;

The following two (2) courses and distances through parcel 13-20-069:

1. North 84 degrees 04 minutes 57 seconds West, a distance of 71.08 feet to a corner, thence;

2. South 40 degrees 42 minutes 32 seconds West, a distance of 369.30 feet to a corner, thence;

3. Along the dividing line between parcel 13-20-069 and parcel 13-20-068, South 64 degrees 26 minutes 02 seconds West, a distance of 32.54 feet to a corner, thence;

4. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly Concordel Properties, Inc., North 25 degrees 33 minutes 58 seconds West, a distance of 71.67 feet to a point on the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive), thence;

The following five (5) courses and distances along the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive):

5. North 60 degrees 56 minutes 49 seconds East, a distance of 34.55 feet to a point of curvature, thence;

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6. Along the arc of a circle curving to the left, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing North 52 degrees 52 minutes 33 seconds East and a chord distance of 148.83 feet to a point of tangency, thence;

7. North 44 degrees 4s minutes 16 seconds East, a distance of 170.64 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the right, having a radius of 65.00 feet, a central angle of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord bearing North 86 degrees 41 minutes 26 seconds East and a chord distance of 86.79 feet to a point of non-tangency, thence;

9. North 38 degrees 35 minutes 10 seconds East, a distance of 1.68 feet to a point on the southwesterly proposed right-of-way line of Conchester Highway, thence;

10. Along the southwesterly proposed right-of-way line of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 19.23 feet to the point and place of BEGINNING.

Containing 16,967 square feet or 0.390 acre

Total net area of the Temporary Construction/Grading Easement 'A' containing 108,826 square feet or 2.498 acres

This property subject to restrictions, covenants and/or easements, either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, LP, Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania", prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 8/19/05, File No. P03-0913, sheet 2 of 8.

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EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'B'
Along Loop Road 'Access' Easement (a.k.a. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

Beginning at a point on the southeasterly proposed right-of-way of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 and 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way) said point being distant 186.47 feet on a course of North 77 degrees 59 minutes 17 seconds East, from its intersection with the dividing line between parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly of Styler Land Holdings, and from said point of beginning running, thence;

1. Along the proposed right line of Baltimore Pike, North 77 degrees 59 minutes 17 seconds East, a distance of 9.79 feet to a corner, thence;

2. Along the dividing line between parcel 13-20-070 and parcel 13-19-012, lands now or formerly of Migetz, South 22 degrees 50 minutes 19 seconds East, a distance of 280.20 feet to a corner, thence;

The following nineteen (19) courses and distances through parcel 13-20-070:

3. South 04 degrees 17 minutes 20 seconds East, a distance of 131.92 feet to a corner, thence;

4. South 24 degrees 03 minutes 37 seconds East, a distance of 859.17 feet to a corner, thence;

5. South 84 degrees 36 minutes 29 seconds East, a distance of 134.39 feet to a corner, thence;

6. South 05 degrees 23 minutes 31 seconds West, a distance of 183.64 feet to a corner, thence;

7. South 65 degrees 56 minutes 23 seconds West, a distance of 166.46 feet to a corner, thence;

8. South 25 degrees 33 minutes 58 seconds East, a distance of 82.53 feet to a corner, thence;

9. South 03 degrees 42 minutes 51 seconds East, a distance of 164.72 feet to a corner, thence;

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10. South 25 degrees 33 minutes 58 seconds East, a distance of 119.28 feet to a corner, thence;

11. South 52 degrees 15 minutes 58 seconds East, a distance of 66.51 feet to a corner, thence;

12. South 86 degrees 30 minutes 00 seconds East, a distance of 154.26 feet to a corner, thence;

13. North 64 degrees 26 minutes 02 seconds East, a distance of 942.41 feet to a corner, thence;

14. North 25 degrees 33 minutes 58 seconds West, a distance of 95.17 feet to a corner, thence;

15. North 10 degrees 57 minutes 30 seconds West, a distance of 92.67 feet to a corner, thence;

16. North 25 degrees 33 minutes 58 seconds West, a distance of 136.53 feet to a corner, thence;

17. North 31 degrees 27 minutes 49 seconds East, a distance of 131.24 feet to a corner, thence;

18. South 89 degrees 00 minutes 41 seconds East, a distance of 78.80 feet to a corner, thence;

19. South 62 degrees 22 minutes 34 seconds East, a distance of 112.92 feet to a corner, thence;

20. South 42 degrees 10 minutes 48 seconds East, a distance of 84.21 feet to a corner, thence;

21. South 30 degrees 23 minutes 36 seconds East, a distance of 94.63 feet to a corner, thence;

The following two (2) courses and distances along a line through part of parcel 13-20-070 and part of parcel 13-20-069, lands now or formerly of Petschelt:

22. South 51 degrees 52 minutes 03 seconds East, a distance of 61.00 feet to a corner, thence;

23. North 38 degrees 41 minutes 56 seconds East, a distance of 98.26 feet to a corner, thence;

The following eight (8) courses and distances through part of parcel 13-20-070:

24. North 20 degrees 38 minutes 19 seconds West, a distance of 63.56 feet to a corner, thence;

25. North 05 degrees 29 minutes 02 seconds East, a distance of 36.53 feet to a corner, thence;

26. South 84 degrees 30 minutes 58 seconds East, a distance of 44.84 feet to a corner, thence;

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27. South 53 degrees 03 minutes 36 seconds East, a distance of 92.51 feet to a corner, thence;

28. North 36 degrees 56 minutes 24 seconds East, a distance of 100.10 feet to a corner, thence;

29. North 19 degrees 18 minutes 31 seconds East, a distance of 43.32 feet to a corner, thence;

30. North 51 degrees 24 minutes 50 seconds West, a distance of 46.76 feet to a corner, thence;

31. North 38 degrees 35 minutes 10 seconds East, a distance of 27.00 feet to a point on the southwesterly proposed right-of-way of Conchester Highway (a.k.a. S.R., 0322, a.k.a. T.R. 322, variable width right-of-way), thence;

32 Along the southwesterly proposed right-of-way of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 24.67 feet to a corner, thence;

The following eighteen (18) courses and distances along the northerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive) part of parcel 13-20-069 and part of parcel 13-20-070:

33. South 38 degrees 35 minutes 10 seconds West, a distance of 5.71 feet to a point of non-tangency, thence;

34. Along the arc of a circle curving to the right, having a radius of 40.00 feet, a central angle of 62 degrees 59 minutes 02 seconds, an arc length of 43.97 feet, a chord bearing South 19 degrees 55 minutes 54 seconds East and a chord distance of 41.79 feet to a point of compound curvature, thence;

35. Along the arc of a circle curving to the right, having a radius of 90.00 feet, a central angle of 25 degrees 22 minutes 46 seconds, an arc length of 39.87 feet, a chord bearing South 24 degrees 15 minutes 01 second West and a chord distance of 39.54 feet to a point of tangency, thence;

36. South 36 degrees 56 minutes 24 seconds West, a distance of 99.02 feet to a corner, thence;

37. South 29 degrees 55 minutes 21 seconds West, a distance of 56.28 feet to a point of curvature, thence;

38. Along the arc of a circle curving to the right, having a radius of 470.00 feet, a central angle of 16 degrees 25 minute 31 seconds, an arc length of 137.74 feet, a chord bearing South 52 degrees 44 minutes 04 seconds West and a chord distance of 134.28 feet to a point of tangency, thence;

39. South 60 degrees 56 minutes 49 seconds West, a distance of 777.92 feet to a point of curvature, thence;

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40. Along the arc of a circle curving to the right, having a radius of 970.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 64.74 feet, a chord bearing South 62 degrees 51 minutes 32 seconds West and a chord distance of 64.72 feet to a point of tangency, thence;

41. South 64 degrees 46 minutes 15 seconds West, a distance of 384.08 feet to a point of curvature, thence;

42. Along the arc of a circle curving to the right, having a radius of 285.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 453.49 feet, a chord bearing North 69 degrees 38 minutes 41 seconds West and a chord distance of 407.14 feet to a point of tangency, thence;

43. North 24 degrees 03 minutes 37 seconds West, a distance of 1,071.25 feet to a point of curvature, thence;

44. Along the arc of a circle curving to the right, having a radius of 270.00 feet, a central angle of 33 degrees 37 minutes 10 seconds, an arc length of 158.43 feet, a chord bearing North 07 degrees 15 minutes 02 seconds West and a chord distance of 156.16 feet to a point of tangency, thence;

45. North 09 degrees 33 minutes 33 seconds East, a distance of 144.61 feet to a point of curvature, thence;

46. Along the arc of a circle curving to the left, having a radius of 330.00 feet, a central angle of 21 degrees 34 minutes 15 seconds, an arc length of 124.24 feet, a chord bearing North 01 degree 13 minutes 35 seconds West and a chord distance of 123.51 feet to a point of tangency, thence;

47. North 12 degrees 00 minutes 43 seconds West, a distance of 57.22 feet to a corner, thence;

48. North 02 degrees 56 minutes 02 seconds West, a distance of 76.06 feet to a corner, thence;

49. North 12 degrees 00 minutes 43 seconds West, a distance of 109.19 feet to a point of curvature, thence;

50. Along the arc of a circle curving to the right, having a radius of 60.00 feet, a central angle of 70 degrees 20 minutes 00 seconds, an arc length of 73.65 feet, a chord bearing North 23 degrees 09 minutes 17 seconds East and a chord distance of 69.11 feet to the point and place of BEGINNING.

Total gross area of the Temporary Construction/Grading Easement 'B' containing 499,474 square feet or 11.466 acres

Excepting and reserving the following:

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Part of parcel 13-20-069 lands now or formerly of Petschelt

BEGINNING at the northerly most corner of the Temporary Construction/Grading Easement 'B', said corner being located the following two (2) courses and distances from the intersection of the southwesterly proposed right-of-way line of Conchester Highway (a..k.a.. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), with the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin:

A. Along the southwesterly proposed right-of-way line of Conchester Highway, North 51 degrees 24 minutes 50 seconds West, a distance of 222.23 feet to a corner, thence;

B. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly of Concordel Properties, Inc., South 64 degrees 26 minutes 02 seconds West, a distance of 165.76 feet to the true point and place of beginning and from said point of beginning running, thence;

The following four (4) courses and distances along the northerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive), part of parcel 13-20-069:

1. South 36 degrees 56 minutes 24 seconds West, a distance of 15.66 feet to a corner, thence;

2. South 29 degrees 55 minutes 21 seconds West, a distance of 56.28 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the right, having a radius of 470.00 feet, a central angle of 16 degrees 25 minutes 31 seconds, an arc length of 134.74 feet, a chord bearing South 52 degrees 44 minutes 04 seconds West and a chord distance of 134.28 feet to a point of tangency, thence;

4. South 60 degrees 56 minutes 49 seconds West, a distance of 30.90 feet to a corner, thence;

5. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly of Concordel Properties, Inc., North 25 degrees 33 minutes 58 seconds West, a distance of 58.29 feet to a corner, thence;

The following two (2) courses and distances through parcel 13-20-069:

6. South 51 degrees 52 minutes 03 seconds East, a distance of 22.90 feet to a corner, thence;

7. North 38 degrees 41 minutes 56 seconds East, a distance of 70.15 feet to a corner, thence;

8. Along the dividing line between 13-20-069 and parcel 13-20-070, North 64 degrees 26 minutes 02 seconds East, a distance of 149.25 feet to the point and place of BEGINNING.

Containing 9,398 square feet or 0.216 acre

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Total net area of the Temporary Construction/Grading Easement 'B'

Containing 490,076 square feet or 11.250 acres

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, LP, Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania", prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 8/19/05, File No. P03-0913, sheet 2 of 8.

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EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'C'
Along Loop Road Access Easement
(A.K.A. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth Of Pennsylvania

BEGINNING at a point on the northwesterly most corner of the Temporary Construction/Grading Easement 'C', said point being the following two (2) courses and distances measured along the dividing line between part of parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly of Styer Land Holding, from the proposed right-of-way line of Baltimore Pike (a.k.a, Pennsylvania State Highway U.S. Route 1 & 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way):

The following two (2) courses and distances along the dividing line between parcel 13-20-070 and parcel 13-19-007:

A. South 23 degrees 20 minutes 57 seconds East, a distance of 321.46 feet to a corner, thence;

B. South 65 degrees 04 minutes 03 seconds West, a distance of 3.04 feet to the true point and place of beginning and from said point of beginning running, thence;

The following seven (7) courses and distances along the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive):

1. Along the arc of a circle curving to the right, having a radius of 253.00 feet, a central angle of 12 degrees 49 minutes 28 seconds, an arc length of 56.63 feet, a chord bearing South 01 degree 34 minutes 06 seconds East and a chord distance of 56.51 feet to a point of tangency, thence;

2. South 04 degrees 50 minutes 38 seconds West, a distance of 194.31 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the left, having a radius of 330.00 feet, a central angle of 28 degrees 54 minutes 15 seconds, an arc length of 166.48 feet, a chord bearing South 09 degrees 36 minutes 29 seconds East and a chord distance of 164.72 feet to a point of tangency, thence;

4. South 24 degrees 03 minutes 37 seconds East, a distance of 483.40 feet to a corner,

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thence;

5. South 65 degrees 56 minutes 23 seconds West, a distance of 5.00 feet to a corner, thence;

6. North 24 degrees 03 minutes 37 seconds West, a distance of 611.12 feet to a corner, thence;

7. North 04 degrees 50 minutes 38 seconds East, a distance of 289.89 feet to a corner, thence;

8. Along the dividing line between parcel 13-20-070 and parcel 13-19-007, North 65 degrees 04 minutes 03 seconds East, a distance of 21.53 feet to the point and place of BEGINNING.

Containing 11,280 square feet or 0.259 acre

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, L.P., Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 7/27/05, File No. P03-0913, sheet 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053485 Book/Page: RECORD-04129/0322 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'D'
Along Loop Road Access Easement
(A.K.A. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point at the northwesterly most corner of the Temporary Construction/Grading Easement 'D', said point being distant 10.55 feet on a course of South 23 degrees 20 minute 57 seconds East as measured along the dividing line between parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-070, lands now or formerly of Styer Land Holding, and the proposed right-of-way line of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 & 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way), and from said point of beginning running, thence;

The following five (5) courses and distances along the southwesterly right-of-way line of proposed Evergreen Drive Loop Road Easement:

1. Along the arc of a circle curving to the right, having a radius of 75.00 feet, a central angle of 54 degrees 37 minutes 44 seconds, an arc length of 71.51 feet, a chord bearing South 39 degrees 19 minutes 34 seconds East and a chord distance of 68.83 feet to a point of tangency, thence;

2. South 12 degrees 00 minutes 43 seconds East, a distance of 68.14 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the left, having a radius of 222.00 feet, a central angle of 19 degrees 29 minutes 04 seconds, an arc length of 75.49 feet, a chord bearing South 21 degrees 45 minutes 14 seconds East and a chord distance of 75.13 feet to a point of reverse curvature, thence;

4. Along the arc of a circle curving to the right, having a radius of 253.00 feet, a central angle of 08 degrees 54 minutes 55 seconds, an arc length of 39.37 feet, a chord bearing South 27 degrees 02 minutes 19 seconds East and a chord distance of 39.33 feet to a point of compound curvature, thence;

5. Along the arc of a circle curving to the right, having a radius of 10.00 feet, a central angle of 65 degrees 35 minutes 45 seconds, an arc length of 11.45 feet, a chord bearing South 10 degrees 13 minutes 01 second West and a chord distance of 10.83 feet to a point, thence;

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6. Along the dividing line between parcel 13-20-070 and parcel 13-19-007, North 23 degrees 20 minutes 57 seconds West, a distance of 256.36 feet to the point and place of beginning.

Containing 2,255 square feet or 0.052 acre

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, L.P., Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 7/27/05, File No. p03-0913, sheet 2 of 8.

Capmark - CD#28 - Control ID#1181

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EXHIBIT "D"

Metes and Bounds Description
Proposed Signage Easement (Adjacent To Route I)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point at the northwesterly most corner of the Proposed Sign Easement, said point being distant 10.55 feet on a course of South 23 degrees 20 minutes 57 seconds East as measured along the dividing line between part of parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly of Styler Land Holding from the proposed right-of-way of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 and 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way), and from said point of beginning running, thence;

The following four (4) courses and distances through part of parcel 13-20-070; also being the southwesterly right-of-way line of the Proposed Evergreen Drive Loop Road Easement:

1. Along the arc of a circle curving to the right, having a radius of 75.00 feet, a central angle of 54 degrees 37 minutes 44 seconds, an arc length of 71.51 feet, a chord bearing south 39 degrees 19 minutes 34 seconds east and a chord distance of 68.83 feet to a point of tangency, thence;

2. South 12 degrees 00 minutes 43 seconds East, a distance of 68.14 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the left, having a radius of 222.00 feet, a central angle of 11 degrees 20 minutes 14 seconds, an arc length of 43.93 feet, a chord bearing South 17 degrees 40 minutes 50 seconds East and a chord distance of 43.86 feet to a point of non-tangency, thence;

4. South 66 degrees 39 minutes 03 seconds West, a distance of 1.22 feet to a corner, thence;

5. Along the dividing line between part of parcel 13-20-070 and part of parcel 13-19-007, North 23 degrees 20 minutes 57 seconds West, a distance of 176.63 feet to the point and place of BEGINNING.

Containing 1,949 square feet 0.045 acres

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan. Brandolini Property Management, Inc. & Concord Campus L.P., Proposed

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Loop Road Between Route 1 & 322, Concord Township. Delaware County, Commonwealth Of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/2005, last revised 6/6/2005, Project No. P03-0913, Sheet No. 2 of 8.

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EXHIBIT "D"

Metes and Bounds Description
Proposed Signage Easement (Adjacent To Route 322)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth Of Pennsylvania

BEGINNING at the northerly most corner of the proposed Maris Grove Sign Easement said corner being located the following two (2) courses and distances from the intersection of the southwesterly proposed right-of-way of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), with the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin:

A. Along the southwesterly proposed right-of-way line of Conchester Highway, North 51 degrees 24 minutes 50 seconds West, a distance of 342.32 feet to a corner, thence;

B. ALONG a line through parcel 13-20-070, lands now or formerly Concordel Properties, Inc. also being measured the northeasterly right-of-way line of the Proposed Evergreen Drive Loop Road, South 38 degrees 35 minutes 10 seconds West, a distance of 5.71 feet to the true point and place of beginning and from said point of beginning running, thence;

The following two (2) courses and distances along the northeasterly right-of-way line of the Proposed Evergreen Drive Loop Road Easement:

1. Along the arc of a circle curving to the right, having a radius of 40.00 feet, a central angle of 62 degrees 59 minutes 02 seconds, an arc length of 43.97 feet, a chord bearing South 19 degrees 55 minutes 54 seconds East and a chord distance of 41.79 feet to a point of compound curvature, thence;

2. Along the arc of a circle curving to the right, having a radius of 90.00 feet, a central angle of 25 degrees 22 minutes 46 seconds, an arc length of 39.87 feet, a chord bearing South 24 degrees 15 minutes 01 second West and a chord distance of 39.54 feet to a point of non- tangency, thence;

The following two (2) courses and distances through part of parcel 13-20-070:

3. North 53 degrees 02 minutes 10 seconds West, a distance of 45.45 feet to a point, thence;

4. North 38 degrees 35 minutes 12 seconds East, a distance of 61.42 feet to the point and place of BEGINNING.

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Containing 2,196 square feet 0.050 acres

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus L.P., Proposed Loop Road Between Route 1 &. 322, Concord Township, Delaware County, Commonwealth of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/2005, last revised 6/6/2005, Project No. P03-0913, Sheet No. 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053485 Book/Page: RECORD-04129/0328 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "E"

Metes and Bounds Description
Proposed 20 Foot Wide Sanitary Sewer Basement 'D'
Part of Parcel 13-19-018
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point on the southwesterly legal right-of-way line of Brinton Lake Road (a.k.a. Brinton Road, a.k.a. Miller Road, a.k.a T-305, 33 right-of-way, 30 foot from center proposed right-of-way), said point being distant 1,144.40 feet on a course of North 25 degrees 15 minutes 44 seconds West as measured along the southwesterly legal right-of-way line of Brinton Lake Road from its intersection with the northwesterly legal right-of-way line of Spring Valley Road (a.k.a. Marshall Road, 33 foot wide right-of-way, 30 foot from title line proposed right-of-way), and from said point of beginning running, thence;

The following three (3) courses and distances through parcel 13-19-018:

1. South 64 degrees 44 minutes 16 seconds West, a distance of 183.91 feet to a corner, thence;

2. North 37 degrees 19 minutes 07 seconds West, a distance of 20.45 feet to a corner, thence;

3. North 64 degrees 44 minutes 16 seconds East, a distance of 188.18 feet to a point on the southwesterly legal right-of-way line of Brinton Lake Road, thence;

4. Along the southwesterly legal right-of-way line of Brinton Lake Road, South 25 degrees 15 minutes 44 seconds East, a distance of 20.00 feet to the point and place of BEGINNING.

Containing 3,721 square feet or 0.085 acre

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Overall Site Plan (Record Plan), Final Subdivision and Land Development Plans, Common Road #1, Erickson Retirement Communities, Maris Grove Retirement Campus Common Road #1, Spring Valley Road & Brinton Lake Road, Concord Township, Delaware County, Commonwealth Of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/2005, last revised 7/8/2005, Project No. P03-1042, Cad I.D. #P03-1042-Master-02, Sheet No. 21.04 of 79.

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EXHIBIT B

CROSS TRI-PARTY AGREEMENT
among
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Collateral and Administrative Agent
STRATEGIC CONCORD LANDHOLDER, LP,
as Concord Ground Lessor
and
ASHBURN CAMPUS, LLC
as Borrower and Mortgagor

Dated as of May 31, 2007

"Qualified Transferee" shall mean

(a) an insurance company, bank, savings and loan association, investment bank, trust company, commercial credit corporation, pension plan, pension fund, pension fund advisory firm, mutual fund, real estate investment fund or governmental entity or plan; or

(b) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, which regularly engages in the business of making or owning real estate loans or investments, or an "institutional accredited investor" within the meaning of Regulation D of the Securities Act of 1933, as amended; or

(c) a Person that is otherwise a Qualified Transferee but that is acting in an agency capacity for a syndicate of lenders where at least 51% (by loan balance owned) of the lenders in such syndicate are otherwise Qualified Transferees under clauses (a) through (c) above; or

(d) an institution substantially similar to any of the foregoing; or

(e) an investment fund, limited liability company, limited partnership or general partnership where a nationally recognized manager of investment funds, which is a Qualified Transferee, acts at the general partner, managing member or fund manager; or

(f) any entity Controlled by or Controlling, or under common Control (each term, as defined below) with, any of the entities described in clauses (a) through (d) of this definition,

provided, that, in case of each of clauses (a) through (e) of this definition, such party has at least $600,000,000 in total assets (in name or under management) and (except with respect to a pension advisory firm, asset manager, or similar fiduciary) at least $200,000,000 in capital/statutory surplus or shareholder's equity, and except with respect to a pension advisory firm, asset manager or similar fiduciary, is regularly engaged in the business of making or owning commercial real estate loans (or interests therein) or investments.

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For purposes of this definition only, "Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise, and "Controlled" and "Controlling" having meanings correlative thereto.

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Instrument Number: 2007053485 Book/Page: RECORD-04129/0331 Date Filed: 6/19/2007 11:11:45 AM

ACKNOWLEDGMENT

STRATEGIC CONCORD LANDHOLDER, LP, a Delaware limited partnership ("**Concord Ground Lessor**"), and a party to the Ground Lessor Tri-Party Agreement among Mercantile-Safe Deposit and Trust Company, a Maryland corporation, in its capacity as collateral and administrative agent (the "**Concord Agent**"), Concord Campus, L.P., a Delaware limited partnership ("**Concord**") and Concord Ground Lessor, dated as of October 11, 2005 and recorded with the Recorder of Deeds of Delaware County, Pennsylvania in Volume 3643 at page 1142 *et seq.*, is executing this acknowledgment to evidence its consent to the above Cross Tri-Party Agreement among the Concord Agent, Concord and Strategic Ashby Ponds Lender LLC, a Delaware limited liability company, dated of even date herewith.

CONCORD GROUND LESSOR:

STRATEGIC CONCORD LANDHOLDER, LP, a Delaware limited partnership

By: Strategic Concord GP, LLC, a Delaware limited liability company, its General Partner

By: Strategic LP, a Utah limited partnership, its member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew S. Bauman
Title: Vice President

Date: As of May 31, 2007

DMEAST #9790954 v2

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MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, as Ashburn Agent

By: _____
Name: Bruce D. McLean
Title: Sr. Vice President

STATE OF MARYLAND

COUNTY OF ~~BALTIMORE~~ ANNE ARUNDEL

On this the 23rd day of May, 2007, before me, Bruce D. McLean the undersigned officer, personally appeared Bruce D. McLean, who acknowledged himself/herself to be the Senior Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and that he/she, as such _____ being authorized so to do, executed the foregoing instrument for the purposes there in contained, by signing the name of the corporation, as Agent, by himself/herself as such officer.

(NOTARY SEAL)

_____
Notary Public, State of Maryland

_____
Printed Name
Notary Commission No.:_____
My Commission Expires:_____

Michele J. Johnson
NOTARY PUBLIC
Anne Arundel County
State of Maryland
My Commission Expires
February 1, 2010

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053485 Book/Page: RECORD-04129/0333 Date Filed: 6/19/2007 11:11:45 AM

CONCORD CAMPUS, L.P., a Maryland limited partnership

By: Concord Campus GP, LLC, a Maryland limited liability company.
Its: General Partner

By: Erickson Retirement Communities, LLC, a Maryland limited liability company.
Its: Sole Member

By:_____
Gerald F. Doherty
Executive Vice President
and General Counsel

Date: As of May 31, 2007

STATE OF MARYLAND

COUNTY OF BALTIMORE

On this the 24th day of May, 2007, before me Cathy M. Thompson the undersigned officer, personally appeared Gerald F. Doherty, who acknowledged himself to be the Executive Vice President and General Counsel for ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company, as Sole Member of CONCORD CAMPUS GP, LLC, a Maryland limited liability company, General Partner of CONCORD CAMPUS, L.P., a Maryland limited partnership, and that he, as such Executive Vice President and General Counsel being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

(NOTARY SEAL)

CATHY M. THOMPSON NOTARY PUBLIC QUEEN ANNE'S COUNTY, MD.

Cathy M. Thompson
Notary Public, State of Maryland

Cathy M. Thompson
Printed Name

Notary Commission No.:_____

My Commission Expires:_____

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

Capmark - CD#28 - Control ID#1181

STATE OF New York

COUNTY OF New York

On this 31st day of May, 2007, before me Andrew S. Bauman, the undersigned officer, personally appeared ANDREW S. BAUMAN, who acknowledged himself to be the Vice President of MSREA Holdings, LLC, a Delaware limited liability company, managing member of Strategic Master LLC, a Utah limited liability company, sole general partner of Strategic LP, a Utah limited partnership, member of STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company, and that he, in such capacity, being authorized to do so, executed the foregoing instrument on behalf of STRATEGIC ASHBY PONDS LENDER LLC.

(NOTARY SEAL)

JULIE F ZEITLIN
Notary Public - State of New York
NO. 01ZE6149901
Qualified in New York County
My Commission Expires 7/17/2010

Notary Public

Julie F. Zeitlin
Printed Name
Notary Commission No.:
My Commission Expires:

Capmark - CD#28 - Control ID#1181

I, THOMAS J. JUDGE, SR., Recorder of Deeds in and for the County of Delaware and State of Pennsylvania, do hereby certify that this is a true and correct copy as full and entire as appears on the Record of this Office.

Rd Book 4129 Page 275

WITNESS my hand and seal this

22nd day of September A.D. 2009

Thomas J. Judge Sr.

Recorder of Deeds

Capmark - CD#28 - Control ID#1181

Document: 1.1

CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "**Agreement**") is made and entered into as of the 30th day of August, 2005, by and between (i) CONCORD CAMPUS, L.P., a Maryland limited partnership qualified to do business in Pennsylvania (the "**Borrower**"); (ii) the financial institutions that are or may from time to time become parties hereto and are described on Schedule X (together with Mercantile and their respective successors and assigns, collectively, the "**Lenders**", and each individually a "**Lender**"); and (iii) MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Collateral and Administrative Agent for the Lenders ("**Administrative Agent**") and in its individual capacity ("**Mercantile**").

RECITALS

A. The Borrower applied to the Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed Seventy Million Dollars ($70,000,000) (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 Route 322 in Concord Township, Delaware County, Pennsylvania; (b) for advances to the Borrower for the construction of a continuing care retirement community containing approximately one thousand four hundred fourteen (1,414) independent living units, ninety-six (96) assisted living apartments and one hundred thirty-two (132) skilled nursing beds on the Land (hereinafter defined), such community to be known as "Maris Grove"; (c) for the issuance of letters of credit in connection with the development of Maris Grove; (d) for advances to the Borrower, the proceeds of which are to be reloaned to the lessee of Maris Grove to meet such lessee's general working capital needs; (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.

B. The land and improvements comprising Maris Grove will be leased by the Borrower to Maris Grove, Inc., a Pennsylvania 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.

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

AGREEMENTS

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

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ARTICLE I

TERMS AND DEFINITIONS

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

1.1. Administrative Agent: Mercantile-Safe Deposit and Trust Company in its capacity as Administrative Agent for the Lenders hereunder, including but not limited to Mercantile, itself, and any successor administrative agent arising under Section 11.10.

1.2. Administrative Agent-Related Persons: Mercantile-Safe Deposit and Trust Company and any successor administrative agent arising under Section 11.10, together with their respective affiliates, and the officers, directors, employees, agents, and attorneys-in-fact of Mercantile-Safe Deposit and Trust Company, its affiliates, and any successor administrative agent.

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

1.4. Applications: The applications signed by persons who wish to become Residents of Maris Grove.

1.5. Architect's Agreement: Collectively, any and all agreements between the Borrower and Marks, Thomas and Associates, Inc. and/or any other architect or architectural services firm (individually and collectively the "**Architect**") providing for architectural services in connection with the Project.

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

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

1.8. Borrower/Guarantor Group: The group consisting of the Borrower and the Guarantors.

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

1.10. Borrower's Limited Partnership Agreement: The Amended and Restated Agreement of Limited Partnership of the Borrower executed as of January 6, 2005, including only those amendments, assignments, extensions, restatements, additions, supplements, and substitutions therefor which are hereafter approved by Administrative Agent in writing.

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

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

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

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

1.15. Commitment Letter: Collectively, the Commitment Letter dated July 28, 2005 from Mercantile to the Borrower (and accepted by the Borrower on August 2, 2005) setting forth the terms and conditions on which the Lenders will enter into the Loan Documents and make the Loan to the Borrower, together with the Addendum to Commitment Letter also dated July 28, 2005 (and accepted by the Borrower on August 2, 2005) relating to sale of interests in the Loan and limitations on funding by Mercantile pending such sales.

1.16. Committed Amount. Each Lender's several funding commitment as set forth on Schedule X attached hereto.

1.17. Common Development Documents: (a) The Developers' Agreement by and between Concordel Properties, Inc., a Pennsylvania corporation ("**Concordel**"), Brandolini Property Management, Inc. ("**Brandolini**") and the Borrower; (b) the Common Costs Escrow Agreement by and between Concordel, Brandolini and the Borrower; and (c) the Reciprocal Easement, Operating and Restriction Agreement by and between Concordel, Brandolini and the Borrower, all of which are to be entered into and dated within approximately sixty (60) days of the date of this Agreement; together with (d) the Consent Agreement dated as of July 28, 2005 by and between Concordel, Brandolini and the Borrower.

1.18. 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 Maris Grove, 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.

1.19. 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.

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

1.21. Completion Date: The date by which Substantial Completion of a particular Construction Phase of the Project (including submission of all documents described in Section

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5.1 of this Agreement) must occur, which shall be ninety (90) days after the date shown on Schedule I for each of Construction Phases CB1.0 through RB2.1 of the Project, and six (6) months after the date shown on Schedule I for each of the remaining Construction Phases of the Project, unless the Administrative Agent consents in writing to an extension of any such date.

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

1.23. Construction Inspector: A registered engineer and/or architect retained by the Administrative Agent, in its discretion, as agent for the Lenders and at the expense of the Borrower, to perform the duties set forth herein.

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

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

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

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

1.28. 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.

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

1.30. 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 Maris Grove.

1.31. Development Agreement: That certain Development Agreement dated August 30, 2005 by and between the Borrower and the Developer relating to the development of Maris Grove, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor which are hereafter approved by the Administrative Agent in writing.

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

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1.33. Engineer's Agreement: Collectively, any and all agreements between the Borrower, as owner, and Bohler Engineering, Inc., as civil engineer for the Project, and MKW & Associates, LLC 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.

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

1.35. 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 Mercantile-Safe Deposit and Trust Company.

1.39. Escrow Agreement: The Maris Grove, Inc. Escrow Agreement dated March 16, 2005 by and among the Tenant, Erickson Retirement Communities, LLC and the Escrow Agent, as the same may be further amended from time to time with approval of the Administrative Agent.

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

1.41. Face Amount of Loan: Seventy Million Dollars ($70,000,000).

1.42. Federal Funds Rate: For any day of determination, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, by the Federal Reserve Bank for the next preceding Business Day) by the Federal Reserve Bank of Richmond or, if such rate is not so published for any day that is a Business Day, the average of quotations for such day on such transactions received by the Administrative Agent from three (3) federal funds brokers of recognized standing selected by the Administrative Agent.

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

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

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

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

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

1.48. Guaranty: The Guaranty Agreement of even date herewith pursuant to which Erickson Retirement Communities, LLC, Erickson Group, LLC and Concord Campus GP, 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.

1.49. Guarantors: The entities which have guaranteed to the Lenders payment of the Loan and performance of the Borrower's obligations in connection with the Loan under the Guaranty.

1.50. 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.

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

1.52. 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.

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

1.54. Land: The real property on which Maris Grove is to be located, consisting of approximately 90 acres of land on Route 322 in Concord Township, Delaware County, Pennsylvania, as more particularly described in the Mortgage.

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1.55. 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 Administrative Agent in writing.

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

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

1.58. Loan: The revolving loan and letter of credit facility from the Lenders to the Borrower in the maximum amount of Seventy Million Dollars ($70,000,000).

1.59. 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, Escrow Agent and/or any of the parties which prepared the Environmental Reports, upon which the Lenders have relied in making the Loan, each as amended and/or restated on the date hereof, where applicable, and together with any and all subsequent amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor.

1.60. 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 Maris Grove.

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

1.62. 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 Administrative Agent in writing.

1.63. Manager: The manager of Maris Grove, which as of the date of this Agreement is Erickson Retirement Communities, LLC (one of the Guarantors and the Developer).

1.64. Maris Grove: 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 fourteen (1,414) independent living units, ninety-six (96) assisted living apartments and one hundred thirty-two (132) skilled nursing beds.

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1.65. Maturity Date: August 1, 2012, or such later date as the Lenders and the Administrative Agent designate in their sole discretion, in writing, in accordance with the terms of Section 10.8 of this Agreement, as the maturity date of the Loan, subject, however, to acceleration of the Loan or demand for mandatory prepayment of the Loan on the terms provided in the Note and in Article XII hereof.

1.66. MG Operating Account: The "Operating Account" as that term is defined in the Lockbox Account Agreement.

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

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

1.69. Note: Collectively, that certain Revolving Loan Note of even date herewith from the Borrower to Mercantile evidencing the Loan, the aggregate principal amount of which at any time outstanding is not to exceed $70,000,000 (the "**Original Note**"), and any revolving loan note or notes which are split from, given in exchange for but not in payment of, and constitute substitutions or replacements of, the Original Note.

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

1.71. Notice of Interest Payment from Other Proceeds. An irrevocable written notice from the Borrower to the Administrative Agent, issued from time to time, in which the Borrower designates to the Administrative Agent that the Borrower will pay all interest due on an Interest Payment Date with funds other than Loan proceeds.

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

1.73. Pledge Agreement: The Partnership Interests Pledge Agreement of even date herewith pursuant to which the partners of the Borrower have pledged their partnership interests in the Borrower to the Administrative Agent as collateral for the Loan.

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

1.75. Priority List Deposit: Collectively, the $1,000 deposit and the $150 per person processing fee shown on the Deposit Schedule under the heading "Priority List".

1.76. 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.

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

1.78. Pro Rata Share: At any time and as to any Lender, the percentage derived by dividing the unpaid principal amount of the Loan owing to that Lender by the aggregate unpaid principal amount of the Loan in its entirety then outstanding, or if there is no aggregate Loan amount then outstanding, based on the total amount of each Lender's Committed Amount to the face amount of the Loan.

1.79. Required Consent. The prior written consent of Mercantile and of the other Lenders holding Pro Rata Shares of the Loan, which when aggregated with Mercantile's Pro Rata Share of the Loan, exceed 50% of the total percentage interests in the Loan other than percentage interests of any Delinquent Lender, as defined in Section 11.12 of this Agreement, still held by a Delinquent Lender (such total percentage interests in the Loan minus the interests of any Delinquent Lender still being held by a Delinquent Lender being referred to as "**Non-Defaulting Percentage Interests**") provided, however, if Mercantile's Pro Rata Share of the Loan exceeds 50% of the Non-Defaulting Percentage Interests and there is at least one Lender that is not a Delinquent Lender, then Required Consent shall mean the prior written consent of Mercantile and at least one other Lender that is not a Delinquent Lender, and provided further that if Mercantile's Pro Rata Share of the Loan exceeds 50% of the Non-Defaulting Percentage Interests, but there are no other Lenders which are not Delinquent Lenders, then Required Consent shall mean the prior written consent of Mercantile only.

1.80. Reservation Deposits: Collectively, the respective $2,000 deposits shown as the (i) 90 Day Deposit and (ii) 180 Day Deposit on the Deposit Schedule.

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

1.82. Resident: A resident of Maris Grove pursuant to the terms of a Residence and Care Agreement.

1.83. Residential Construction Phase: Those Construction Phases of the Project shown on Schedule I attached hereto and designated as Construction Phases RB1.1, RB1.2, RB1.3, RB 1.4, RB1.5, RB2.1, RB2.2, RB2.3, RB2.4, RB2.5, RB3.1, RB3.2, RB3.3 and RB3.4, each of which is a residential building.

1.84. 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 Lenders pursuant to which the Borrower and the other Grantors have pledged to the Administrative Agent, as collateral for the Loan, certain of their assets (as more particularly described in Section 2.8 hereof), including all of their rights under the Lease, the Community Loan Documents, the Management Agreement and the Working Capital Loan Documents.

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

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

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

1.88. 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.

1.89. Tenant: Maris Grove, Inc., a Pennsylvania non-profit corporation, as well as any successor tenant of the Property.

1.90. Tenant Futures List: The list of prospective Residents of Maris Grove 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.

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

1.92. Tenant Standby List: The list of prospective Residents of Maris Grove 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.

1.93. Title Company: Chicago Title Insurance Company.

1.94. Unanimous Consent: The prior written consent of Mercantile and of each of the other Lenders which is not a Delinquent Lender.

1.95. Unit: A residential unit at Maris Grove, which may be either an independent living unit or a healthcare (i.e. assisted living or nursing) unit.

1.96. 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.

1.97. Working Capital Loan Documents: The Working Capital Loan Agreement dated August 30, 2005 between the Tenant, as borrower, the Borrower, as lender, together with all "Loan Documents" referred to therein.

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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 Lenders collectively, but severally, agree 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) for all of the Lenders not to exceed Seventy Million Dollars ($70,000,000), and for each respective Lender, not to exceed its Committed Amount. Neither the Administrative Agent nor any of the Lenders shall be responsible for the Committed Amount of any other Lender. The Lenders acknowledge that the Loan is a revolving credit facility and the Borrower has the right to repay any or all Loan advances made under the Loan Documents, and subject to the terms and conditions of the Loan Documents, to borrow against previously repaid amounts. Loan proceeds shall be advanced (or reserved) for the following purposes:

(i) to reimburse Borrower for costs associated with the 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 Administrative Agent in its sole discretion;

(v) for payment of interest due to the Lenders 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 Lenders be required to make any advance of the Loan which would increase the amount of all outstanding Working Capital Advances above Thirty-Four Million Dollars ($34,000,000) or the amount of all issued and outstanding Letters of Credit above Seven Million Dollars ($7,000,000);

(2) no Loan advances shall be made for the Pre-Development Soft Costs;

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

(4) as provided in Section 2.7 of this Agreement, the amount of each Letter of Credit shall be deemed an advance of the Loan, which shall reduce the remaining amounts available to be drawn by the Borrower, but which shall not bear interest until a draw is made under such Letter of Credit; 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 Contractor) shall at all times be subject to approval of the Administrative Agent, in its reasonable discretion.

(b) Borrowing Procedure. The Borrower shall give the Administrative Agent a Notice of Borrowing at least seven (7) Business Days' prior to a requested Loan advance, setting forth the amount of any proposed borrowing hereunder, except for draws to pay interest on the Loan, which shall be advanced automatically by the Lenders unless the Borrower gives the Administrative Agent a Notice of Interest Payment from Other Proceeds at least two (2) Business Days' prior to an Interest Payment Date and actually makes each such payment on the identified Interest Payment Date. If the Administrative Agent determines that the Notice of Borrowing is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that the Borrower is entitled to a Loan advance, the Administrative Agent will promptly notify each Lender, and in any event providing at least three (3) Business Days notice prior to the date the draw request is to be disbursed, of the receipt of a Notice of Borrowing with (i) a summary of the Notice of Borrowing (showing percentage of completion for each phase), (ii) a copy of any report issued by the Construction Inspector in connection with such Loan advance, (iii) the total amount of the proposed borrowing, and (iv) of the amount of each Lender's Pro Rata Share of that particular draw request. Each Lender will make the amount of its Pro Rata Share of each Loan advance available to the Administrative Agent for the account of the Borrower by 1:00 p.m. (Baltimore time) on the date the draw request is to be disbursed to the Borrower pursuant to and in accordance with the Notice of Borrowing, in funds immediately available to the Administrative Agent. The Administrative Agent will also promptly notify each Lender of the receipt of a Notice of Interest Payment from Other Proceeds.

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

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

(e) Each disbursement made by each Lender shall be evidenced by one or more loan accounts or records maintained by the Administrative Agent at its office in the ordinary course of business, which accounts and records shall be available to each Lender and its representatives for inspection and copying at such Lender's expense at all reasonable times

during normal business hours. The loan account records maintained by the Administrative Agent shall be conclusive, absent manifest error, of the amount of the Loan disbursements made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in so doing shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loan. The original Loan Documents shall be held by the Administrative Agent for the ratable benefit and protection of the Lenders, subject to the terms and conditions of this Agreement.

(f) Unless the Administrative Agent receives notice from a Lender at least one Business Day prior to the date of a funding to be made to the Borrower pursuant to a Notice of Borrowing and Section 2.1(b) above, that such Lender will not make available as and when required hereunder to the Administrative Agent for the account of the Borrower the amount of that Lender's Pro Rata Share of the amount to be funded, the Administrative Agent may assume that each Lender has made such amount available to the Administrative Agent in immediately available funds on the date of the funding and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent any Lender shall not have made its full amount available to the Administrative Agent in immediately available funds and the Administrative Agent in such circumstances had made available to the Borrower such amount, that Lender shall on the Business Day following the date of the funding make such amount available to the Administrative Agent, together with a late charge of $2,500.00. A notice of the Administrative Agent submitted to any Lender with respect to amounts owing under this subsection (f) shall be conclusive, absent manifest error. Once such amount is so made available, such payment to the Administrative Agent shall constitute such Lender's Pro Rata Share of such payment for all purposes of this Agreement, but interest on such amount shall be payable to such Lender only from the date on which it funds such amount to the Administrative Agent. Interest paid by the Borrower for any days between the date of funding by the Administrative Agent and the date on which such Lender funds its Pro Rata Share of such payment shall belong to the Administrative Agent. If a Lender has not made its Pro Rata Share of a payment available to the Administrative Agent on the third (3rd) Business Day following the disbursement date, the Administrative Agent will notify the Borrower of such failure to fund and, upon demand by the Administrative Agent, the Borrower shall pay such amount to the Administrative Agent for the Administrative Agent's account, together with interest thereon for each day elapsed since the date of that particular funding, at a rate per annum equal to the Interest Rate.

(g) The failure of any Lender to contribute its Pro Rata Share of any amount to be funded to the Borrower pursuant to a Notice of Borrowing and Section 2.1(b) above shall not relieve any other Lender of any obligation hereunder to contribute its Pro Rata Share, but no Lender shall be responsible for the failure of any other Lender to contribute its Pro Rata Share to be made by such other Lender. If a Lender shall, at any time, fail or refuse to make any payment to the Administrative Agent required hereunder, the provisions of Section 11.12 shall govern.

(h) If any Lender shall obtain on account of the Loan any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its ratable share, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) deliver such excess amounts received to the Administrative Agent for distribution to the other Lenders of their respective ratable shares.

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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:

(a) All payments (including prepayments) of principal of, or interest on, the Loan, shall be made in U.S. Dollars and in immediately available funds at the principal office of the Administrative Agent in 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 Deposits received, Units settled and other information the Administrative Agent may request, all in form and content acceptable to the Administrative Agent. All such payments shall be made without any setoff or counterclaim, and free and clear of any restrictions or conditions, and free and clear of and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed by any governmental or other authority. If the Borrower, the Administrative Agent or any Lender is compelled by law to make any such deductions or withholdings, the Borrower will pay such additional amounts as may be necessary in order that the net amounts received by the Administrative Agent and the Lenders after such deductions or withholdings shall equal the amount the Administrative Agent and the Lenders would have received had no such deductions or withholdings been required to be made, and the Borrower will provide the Administrative Agent with evidence satisfactory to the Administrative Agent that it has paid such deductions or withholdings.

(b) The Administrative Agent will within one (1) Business Day following receipt of funds actually and unconditionally received and cleared distribute to each Lender that is not a Delinquent Lender its Pro Rata Share of such payment in like funds as received. Unless the Administrative Agent receives notice from the Borrower prior to the date on which any payment is due to the Lenders that the Borrower will not make such payment in full as and when required, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date in immediately available funds and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. In such event, the Administrative Agent will also provide each Lender a notice to the effect such funds have been distributed on the assumption the Borrower has made the payment in full. If and to the extent the Borrower has not made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent on demand such amount distributed to such Lender, together with interest thereon at the Federal Funds Rate, for each day from the date such amount is distributed to such Lender until the date repaid. Furthermore, if the amount paid by the Administrative Agent to the Lenders hereunder is thereafter rescinded or required to be restored or turned over by the Administrative Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervenor, trustee, conservator or some similar officer for the Borrower, the Administrative Agent shall promptly notify each of the Lenders and shall demand payment from each of them of their Pro Rata Share of such amount to be remitted to the Borrower.

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

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

2.6. Fees: On the Closing Date, the Borrower shall pay an origination fee (the "**Origination Fee**") in an amount equal to one-half of one percent (1/2%) of the Face Amount of Loan. On the Closing Date, and on each anniversary thereafter, the Borrower shall pay (a) an administration fee (an "**Administration Fee**") in an amount equal to one-quarter of one percent (1/4%) of the Face Amount of Loan and (b) a facility fee (a "**Facility Fee**") in an amount equal to one-quarter of one percent (1/4%) of the Face Amount of the Loan. The fees so calculated equal, in the aggregate, Seven Hundred Thousand Dollars ($700,000). Upon execution of this Agreement by all parties, each Lender will be entitled to its Pro Rata Share of the Origination Fee, and the Facility Fee paid to date. Thereafter, upon payment by the Borrower, each Lender will be entitled to its Pro Rata Share of the annual Facility Fee. The Administrative Fee paid on the Closing Date and the Administrative Fees to be subsequently paid by the Borrower will be retained by the Administrative Agent and shall not be shared by the other Lenders.

2.7. Letters of Credit:

(a) Application. Provided no Event of Default has occurred hereunder, the Borrower may apply to Mercantile 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 Mercantile, in accordance with its then existing current practices relating to the issuance of letters of credit, may require (together with the respective Letters of Credit, the "**Letters of Credit Documents**"). Each Letter of Credit shall expire no later than thirty (30) days prior to the Maturity Date of the Loan. Under no circumstance shall the face amount of all issued and outstanding Letters of Credit at any point in time exceed Seven Million Dollars ($7,000,000) without the prior written consent of the Administrative Agent.

(b) Letter of Credit Obligations. (i) The Borrower promises to pay to the Administrative Agent and the Lenders the following amounts which are herein called the "**Letter of Credit Obligations**": (A) the amount of each draft drawn under or purporting to be drawn under a Letter of Credit on the Maturity Date of the Loan, (B) the amount of any and all charges, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Administrative Agent and the Lenders may charge, pay or incur for drawings under a Letter of Credit, transfers of a Letter of Credit, amendments to and extensions of a Letter of Credit and for the prosecution or defense of any action arising out of or in connection with any Letter of Credit, including, without limitation, any action to enjoin full or partial payment of any draw which is drawn under or purports to be drawn under any Letter of Credit, within fifteen (15) days following invoice by the Administrative Agent to the Borrower therefor, and (C) interest payable monthly on all amounts payable under subsections (A) and (B) above from the date incurred until paid in full at a per annum rate of interest equal at all times to the applicable

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rate in effect from time to time under the Note. The Administrative Agent may maintain on its books a letter of credit account (the "**Letter of Credit Account**") with respect to the Letter of Credit Obligations paid and payable from time to time hereunder. All statements of the Letter of Credit Account rendered by the Administrative Agent to the Borrower shall be presumed to be correct and accurate and shall constitute an account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Administrative Agent shall have the right at any time to correct any such statement and deliver such corrected statement to the Borrower.

(c) 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 Mercantile, the Administrative Agent or any other Lenders, (iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue provided that payment by the Lenders under such Letter of Credit against presentation of such draft shall not have constituted gross negligence or willful misconduct by the Administrative Agent or Lenders, and (iv) any other events or circumstances whatsoever, whether or not similar to any of the foregoing, provided that such other events or circumstances shall not have constituted gross negligence or willful misconduct of the Administrative Agent or the Lenders.

(d) Authority to Make Advances Under Loan. The Lenders, in the exercise of their sole discretion from time to time, shall be entitled, without notice or demand to the Borrower at any time and without the need for further approval of the Borrower, to make advances under the Loan to cover and/or secure all or any part of the Letter of Credit Obligations, and unless otherwise agreed by the Administrative Agent in writing, each draw under a Letter of Credit shall be and constitute an advance under the Loan, and shall be evidenced by and shall bear interest in accordance with the provisions of the 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 Mercantile of issuing, renewing, amending and/or maintaining Letters of Credit or honoring or denying any drafts and/or acceptances drawn or purported to be drawn thereunder, or the cost to any of the other Lenders of funding any obligation under or in connection with any Letter of Credit then (i) upon demand of the Administrative Agent, the Borrower shall pay to the Administrative Agent all amounts which are necessary to compensate the Administrative Agent, Mercantile and the other Lenders for such increased costs incurred by them, and (ii) Mercantile may elect, in its sole discretion, as the issuing Lender, not to issue any additional Letters of Credit hereunder. All statements setting forth such increased costs shall be presumed to be correct and accurate and shall constitute an

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account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Administrative Agent shall have the right at any time to correct any such statement and deliver such corrected statement to the Borrower.

(f) Guaranty. The 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 fees 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. The Letters of Credit fees shall be paid to the Administrative Agent solely for the benefit of Mercantile; the other Lenders shall not be entitled to any share in the Letter of Credit fees.

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

(i) If Mercantile makes one or more payments on any Letters of Credit and Borrower does not immediately repay or cause to be repaid the amount of such payment, such payments shall be treated as draws under the Loan and each Lender, other than Mercantile, shall promptly and unconditionally pay to the Administrative Agent, solely, for the account of Mercantile, in immediately available funds, the amount of such Lender's Pro Rata Share of the draw. The occurrence of an Event of Default under the Loan Documents or a draw under a Letter of Credit issued by Mercantile shall not relieve any other Lender of its obligations to advance to the Administrative Agent (for reimbursement to Mercantile) such Lender's Pro Rata Share of any draw under a Letter of Credit. If a Lender does not pay the Administrative Agent, solely its Pro Rata Share of the amount of such payment, such Lender agrees to pay to the Administrative Agent, solely for the account of Mercantile, forthwith on demand such amount together with a late charge of $2,500.00. Once such amount is so made available, such payment to the Administrative Agent shall constitute such Lender's Pro Rata Share of such payment for all purposes of this Agreement, but interest on such amount shall be payable to such Lender only from the date on which it funds such amount to the Administrative Agent. Interest paid by the Borrower for any days between the date of funding by Mercantile and the date on which such Lender funds its Pro Rata Share of such draw shall belong to Mercantile. The failure of any Lender to make available to the Administrative Agent, solely for the benefit of Mercantile, such Lender's Pro Rata Share of any Letter of Credit draws shall not relieve any other Lender of its obligations hereunder to make available to the Administrative Agent, solely for the benefit of Mercantile, its respective Pro Rata Share of the draws but no Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent, solely for the benefit of Mercantile, its Pro Rata Share of the Letter of Credit draw on the date such payment is to be made.

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

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

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

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

2.8. Collateral for Loan. The collateral for the Loan will consist of all assets of the Borrower, including all lien rights of the Borrower in and to assets of the Tenant and/or the Manager. The collateral for the Loan will also include direct liens in favor of the Administrative Agent as agent for Lenders, on all of the assets of the Manager related to Maris Grove. The security interests and liens of each Lender in such assets shall rank equally in priority with the interest of each other Lender.

ARTICLE III

CONDITIONS AND REQUIREMENTS FOR INITIAL LOAN ADVANCE FOR PROJECT

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

3.1. Delivery of Documents Prior to Initial Advance for Project: The Administrative Agent shall have received the following documents, in form and substance satisfactory to it, and its counsel, at least three (3) Business Days prior to the initial Loan advance relating to the Project:

(a) A mortgagee's title insurance policy issued by the Title Company for an aggregate amount not less than $70,000,000 on the Property, containing such endorsements as the Administrative Agent required in its sole discretion, without exception as to survey except for "shortages in area," guaranteeing to the mortgagee a first lien on the good and marketable title thereto in fee simple, subject to no other liens and with only such other title exceptions as the Administrative Agent may have approved in writing;

(b) A survey of the Land, with a metes and bounds description, certified to the Administrative Agent in a form acceptable to the Administrative Agent;

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(c) Evidence that Maris Grove 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 Maris Grove;

(f) Two sets of the final Plans and Specifications for the First Construction Phase of the Project as approved by the Administrative Agent and all appropriate governmental authorities, including evidence acceptable to the Administrative Agent that all Units to be used for assisted living purposes meet the physical plant standards for licensure of homes for the aged under Pennsylvania law (whether or not such Units are so licensed);

(g) A list of mechanics, laborers, subcontractors and materialmen performing work or supplying goods or materials in connection with the First Construction Phase of the Project in detail acceptable to the Administrative Agent, together with a copy of the Construction Contract relating to such Construction Phase and the Architect's Agreement, Engineer's Agreement, Contractor's Agreement and copies of all subcontracts requested by the Administrative Agent;

(h) Cost breakdown of all costs for the First Construction Phase of the Project setting forth in such categories as reasonably required by the Administrative Agent, the utilization of all proceeds of the Loan, and any additional funds available or necessary for completion of such First Construction Phase;

(i) All governmental approvals and certifications required under any of the Loan Documents;

(j) If requested by the Administrative Agent, 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 Administrative Agent was 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 Administrative Agent;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Administrative Agent, which certificate must be countersigned by the Administrative Agent 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 Contractor and Erickson (as appropriate) shall have executed and delivered to the Administrative Agent the respective Loan Documents and other documents to be executed, and all other documents and instruments reasonably required in connection with the Loan shall have been executed and delivered to the Administrative Agent, together with payment of all other fees and expenses, including the reasonable expense of the Administrative Agent's counsel, required in connection with the Loan.

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

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

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

ARTICLE IV

REQUIREMENTS AND CONDITIONS FOR ALL LOAN ADVANCES

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

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

4.2. Affidavit of Commencement: The Borrower shall provide to the Administrative Agent evidence of the filing of an Affidavit of Commencement for the first Construction Phase commencing after the Closing Date, satisfactory in form under applicable law, which Affidavit shall be filed within thirty (30) days after commencement of any work on such Construction

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Phase, together with evidence that such Affidavit of Commencement has been sent to all persons and entities to whom such Affidavit is required to be sent under applicable law.

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

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

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

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

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

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

4.4. Residence and Care Agreements:

(a) With respect to advances for each Residential Construction Phase, the Borrower shall have delivered to the Administrative Agent evidence acceptable to the Administrative Agent that the Tenant has received and accepted Applications from Applicants to either the Tenant Reserve List or the Tenant Standby List (not including Applicants to the Tenant Futures List), together with payment of Priority List Deposits by all such Applicants and payment of Reservation Deposits by those Applicants on the Tenant Reserve List, equal in number to (i) seventy percent (70%) of the Continuing Care Units (as defined in the Residence and Care Agreements) to be constructed as part of such Residential Construction Phase, which Applications specify either (A) by number, a specific Continuing Care Unit in a specific building to be constructed as part of such Residential Construction Phase or (B) that the Applicant will accept the next available unit of the type designated by the Applicant on the Application (e.g. Efficiency, Studio, One Bedroom, Two Bedroom, etc.), and (ii) except in the case of the First Residential Construction Phase, eighty-five percent (85%) of the Continuing Care Units in each prior Residential Construction Phase, specifying the same matters set forth in subparts (A) and (B) of subsection (i) above. Notwithstanding the foregoing, the Administrative Agent reserves the right to exclude from consideration towards the seventy percent (70%) and/or eighty-five percent (85%) requirements, Applications which the Administrative Agent, in the Administrative Agent's reasonable judgment, believes cannot be accommodated by the Residential Construction Phase at issue. (Applications may be excluded, by way of example and not of limitation, in the

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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 Maris Grove, such contracts to be reasonably acceptable to the Administrative Agent in form and substance. The Administrative Agent shall have the right to audit existing Applications at any time, including (subject to applicable laws regarding privacy) contacting Applicants, to verify the status of such Applications. At the time of each request for an advance of the Loan, the Borrower shall provide to the Administrative Agent the information necessary to demonstrate satisfaction of the requirements of this paragraph, certified to the best of the knowledge, belief and information of an officer of the Borrower and also of either the Manager or the Tenant, which details the Applications received and accepted by the Tenant up to the date of the certification, and contains the following information for each Applicant: (a) the name, address and phone number of such Applicant; (b) the Building number and Unit number or type for which such Applicant has applied; and (c) the amount of the Applicant's Priority List Deposit and Reservation Deposits (as applicable), together with the total anticipated Entrance Fee expected to be paid by such Applicant. The Borrower shall also have delivered to the Administrative Agent evidence acceptable to the Administrative Agent that all monies held in escrow pursuant to the Residence and Care Agreements have been deposited in one or more escrow accounts acceptable to the Administrative Agent.

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

4.5. Submission of Disbursement Requests: Disbursements by the Administrative Agent shall be made pursuant to monthly requisitions on such forms as are acceptable to the Administrative Agent submitted by the Borrower and approved by the Construction Inspector, in such detail as may be required by the Administrative Agent. As of the date hereof, the Administrative Agent agrees that AIA Document G702 Application is a requisition form acceptable to the Administrative Agent. 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 Administrative Agent at that time). The balance of all retainages shall be released following completion of the Phase to which such subcontract relates and upon compliance with the conditions set forth in Article V regarding final advances. No advances will be made for materials delivered to or stored on the Property which have not been physically incorporated into the Project, unless the Borrower has made available for inspection by the Administrative Agent (i) written evidence from the seller or fabricator identifying the stored materials and indicating that ownership of the materials is vested, or upon payment therefor will vest, in the Borrower free and clear of liens, and (ii) evidence satisfactory to the Administrative Agent that the materials are secured, insured and protected against theft or damage. No advances shall be made for any non-Project related costs or expenses except as

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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 Administrative Agent at the address set forth in Section 10.6 hereof.

4.6. Inspections: Approval by the Administrative Agent of each disbursement will require a certification by a 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.

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

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

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

(c) The Administrative Agent shall have received written confirmation from 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); provided, however, that unless otherwise requested by the Administrative Agent (or any Lender through the Administrative Agent), such analysis shall include hard costs only.

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

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

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

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

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

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

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

(k) The Administrative Agent shall have received evidence that the Borrower has invested in the Project Twenty-Five Million Dollars ($25,000,000) of its own funds or subordinate debt acceptable to Administrative Agent in its sole discretion. The amount of Borrower's equity requirement which may consist of Pre-Development Soft Costs shall be determined by the Administrative Agent in its sole discretion; and

(l) The Borrower shall have provided to Administrative Agent copies of paid real estate tax receipts for all property covered by the Mortgage for each tax payment date occurring prior to the date of such disbursement.

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

ARTICLE V

REQUIREMENTS AND CONDITIONS FOR FINAL ADVANCE FOR EACH CONSTRUCTION PHASE

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

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

(a) Waivers of liens from the general contractor and all subcontractors, laborers, mechanics, suppliers and materialmen who have worked on the relevant Construction

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Phase of the Project through the date of the most recent draw request related to such Construction Phase, or, if the most recent draw request for such Construction Phase occurred more than forty-five (45) days prior to the final advance for such Construction Phase, then such waivers shall be through the end of the calendar month immediately preceding the final draw request for such Construction Phase (with final waivers to be submitted to the Administrative Agent within ten (10) days after the final advance, as provided in Section 7.8 of this Agreement);

(b) If required by the Administrative Agent, certificates of completion, in form and substance satisfactory to the Administrative Agent, from the Borrower and the 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, (i) a Certificate of Authority issued by the Pennsylvania Department of Insurance for the Retirement Community, (ii) a License issued by the Pennsylvania Department of Health for all skilled nursing facilities included in the Retirement Community, and (iii) a Certificate of Compliance issued by the Pennsylvania Department of Public Welfare for all assisted living facilities;

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

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

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

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

ARTICLE VI

GENERAL PROVISIONS REGARDING DISBURSEMENTS

6.1. Insufficiency of Loan Proceeds: If at any time during the term of this Agreement, the Administrative Agent determines in its reasonable judgment that the remaining undisbursed portion of the Loan (taking into account the revolving nature of the Loan), together with

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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 Administrative Agent or its designee within ten (10) days of notice from the Administrative Agent such sums of money in cash (from sources other than the Loan) as may be required to eliminate such insufficiency. Any amount so deposited by the Borrower shall stand as additional security for the Borrower's obligations under this Agreement and the other Loan Documents, and shall be disbursed before any further Loan advances are made hereunder.

6.2. Authorized Disbursements: Notwithstanding any other provision of this Agreement, the Borrower hereby irrevocably authorizes the Lenders, at the option of the Administrative Agent, after the occurrence of any Default to make disbursements of Loan proceeds (i) directly to the Title Company or any public authority for fees, assessments or taxes owed with respect to the Project, any insurer of the Project to whom premiums are owed for the maintenance of insurance required by the Loan Documents, or to any contractor, subcontractor, laborer, mechanic, supplier or materialmen furnishing labor, services or materials in connection with the Project for any amounts due them in connection therewith, or (ii) directly to the Administrative Agent and the Lenders for interest, fees, expenses and any other amounts advanced by the Lenders or required to be paid to the Administrative Agent or the Lenders under the Note or the other Loan Documents. No further authorization from the Borrower shall be necessary for the Lenders to make such direct disbursements, and all such disbursements shall satisfy pro tanto the obligation of the Lenders hereunder and shall be secured by the Mortgage.

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

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

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

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

7.2. Organization and Authorization of Borrower: The Borrower is a duly organized and validly existing limited partnership formed under the laws of Maryland, and that the

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Borrower has all necessary power and authority to execute and deliver, and to consummate the transactions contemplated in, this Agreement, the other Loan Documents, and all other agreements and instruments herein mentioned to which the Borrower is a party.

7.3. Actions Pending: Except as previously disclosed to the Administrative Agent in writing, there is no action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened, against or affecting the Borrower, 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 Administrative Agent. 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 Administrative Agent 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

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now conducted or the ability of any of them to perform its obligations under this Agreement or the other Loan Documents.

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

ARTICLE VIII

COVENANTS

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

8.1. Construction of Improvements: As long as all of the Lenders have not failed to comply with their several funding obligations under this Agreement, the Borrower will cause the Improvements for each Construction Phase to be completed in accordance with the Plans and Specifications for each Construction Phase on or before the Completion Date for each Construction Phase, free and clear of all liens other than the Mortgage and any junior encumbrance permitted thereby. Each intended addition, deletion or modification to the Plans and Specifications shall be approved in writing by the Administrative Agent 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 Administrative Agent, which either (i) results in a change which is structural and material in nature or (ii) results in an increase in construction costs in excess of the contingency amounts shown in the approved budget for any Construction Phase shall be made without prior written approval of the Administrative Agent. The Administrative Agent shall use its reasonable efforts to approve or deny any request for a change order within seven (7) Business Days.

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

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8.3. Financial Statements, Books and Records:

(a) The Borrower shall provide, or cause to be provided, to each of the Lenders within fifteen (15) days after the end of each calendar month, or at such other times as required under the Loan Documents, a statement or schedule reconciling the date and amount of all Entrance Deposits received by the Tenant to the payments due under the terms of the 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 each of the Lenders 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 each of the Lenders within ninety (90) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2005, a draft balance sheet for itself and for the Tenant and the Contractor as of the close of such fiscal year and draft statements of income and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), by a firm of independent certified public accountants acceptable to the Administrative Agent. The Borrower and the Guarantors shall deliver to each of the Lenders within one hundred twenty (120) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2005, 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 Administrative Agent.

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

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

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

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

(h) The Borrower will deliver or cause the Guarantors to deliver to (i) the Lenders within twenty-one (21) days after the end of each calendar month a monthly marketing report with narrative analysis for the Project and (ii) the Administrative Agent 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 an Administrative Agent promptly upon its request, but in no event later than thirty (30) days following such request, such other information about their financial condition and business affairs as an Administrative Agent may, from time to time, reasonably request, the parties hereby agreeing that it shall be reasonable for an Administrative Agent at any time to request at a minimum (and without limitation of other materials which it may be reasonable for the Administrative Agent to request from time to time) financial statements and information regarding loan and guaranty obligations and liens on assets for the Guarantors, the Tenant and/or Erickson.

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

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

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8.6. Notices: The Borrower will promptly give written notice to the Administrative Agent of (i) all litigation in excess of $100,000 (individually or in aggregate) affecting the Borrower, 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 Lenders.

8.7. Payment of Obligations: The Borrower will pay and discharge (or cause to be paid and discharged) at or before maturity all of their material obligations and liabilities, including (without limitation) tax liabilities, 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 Administrative Agent, the Borrower shall do (or cause to be done) any act or execute (or cause to be executed) any additional documents (including, but not limited to, security agreements and financing statements on any personalty included or to be included in the Property) as may be reasonably required by the Administrative Agent to confirm the lien and security interest of the Mortgage or any other Loan Documents.

8.9. Sale of Assets, Consolidation, Merger, Etc.: Except for transactions exclusively between 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 Maris Grove 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 Maris Grove 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 (i) the name of, or the ownership of partnership interests in, the Borrower, any of the Guarantors or the Tenant, (ii) the executive management of the Borrower, any of the Guarantors or the Tenant which in the sole discretion of the Agent constitutes a material adverse change of circumstances in connection with the Loan or with the business operations or financial prospects of the Borrower, any of the Guarantors or the Tenant, or (iii) 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.

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8.10. Distributions, Etc: Except for transactions exclusively between members or partners of the Borrower/Guarantor Group and as otherwise permitted in this Agreement, neither the Borrower nor any of the Guarantors will, without Administrative Agent's prior written consent, pay any income, bonuses, profits, dividends, salaries or fees to, or make any distribution of cash or property to, any partners 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 Administrative Agent a separate written notice (i.e., separate from financial statements or other reporting requirements under the Loan Documents) and supplies the Administrative Agent with all information reasonably requested by the Administrative Agent with respect to the following items prior to any payments or distributions being made under this Section 8.10: (a) the Borrower and the Guarantors may make distributions out of cash flow to each of their partners or members, as the case may be, in an amount equal to the federal, state and local tax liability of such partner or 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 Administrative Agent 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 partners calculated as five percent (5%) of Initial Entrance Deposits for each Residential Construction Phase, or, in the event the Guarantors are not or no longer partners 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 RB2.1 or any Residential Construction Phase after Construction Phase RB2.1 achieves an occupancy of ninety-five percent (95%), the Development Distribution for any Residential Construction Phase shall be paid only when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); and (B) after Construction Phase RB2.1 or any Residential Construction Phase after Construction Phase RB2.1 achieves an occupancy of ninety-five percent (95%), one-half (1/2) of the Development Distribution for each Residential Construction Phase (including Residential Construction Phases built prior to Construction Phase RB2.1) shall be paid when such Residential Construction Phase achieves an occupancy of ninety-five percent (95%), and the remaining one-half (1/2) of such Development Distribution shall be paid when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); 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 Administrative Agent 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 partners 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 Administrative Agent in writing after the occurrence of a Default. Except for amounts permitted to be paid under the terms of this Section 8.10, at the times and in the amounts permitted hereunder, neither the J&N Entities nor any of the trusts holding an

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ownership interest in any of the J&N Entities, Erickson Retirement Communities, LLC or Erickson Group, LLC shall be owed any amounts by the Borrower or any of the Guarantors during the term of the Loan.

8.11. Additional Debt: Except for transactions exclusively between partners or members, as the case may be, 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 Lenders; (b) loans made pursuant to the terms of the Community Loan Documents; (c) loans from partners, provided repayment of such loans is subordinated to repayment of the Loan to the Lenders 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 Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(n) of this Agreement. Notwithstanding the above or any other provision of this Agreement to the contrary, during the Loan term, the Borrower will not incur any additional indebtedness which is not expressly subordinate to the Loan on terms acceptable to the Lenders, nor will it allow any additional liens on any of its assets.

8.12. Guaranties: Except for (a) transactions exclusively between partners or members, as the case may be, 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 Lenders as approved by the Administrative Agent 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 Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(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 Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(n) of this Agreement.

8.14. Loans: Except for transactions exclusively between partners or members, as the case may be, 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 partners or

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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 partner or 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 Mercantile and shall cause the Guarantors to maintain their primary banking relationships with Mercantile.

8.16. Bank Branch: The Borrower shall cause the Tenant to agree in writing that Mercantile 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 Maris Grove through the fifth (5th) anniversary of the date on which any space within Maris Grove in which Mercantile may operate a branch ("**Bank Branch Space**") is available for occupancy, or through such earlier date as Mercantile notifies the Tenant or the Borrower in writing that Mercantile has decided to surrender such exclusive right. The rights of Mercantile (and its affiliates and correspondents) under this Section 8.16 shall terminate if (a) Mercantile, 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 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 Mercantile, its affiliates and correspondents.

8.17. Fees of Construction Inspector: The Borrower will pay all fees of any Construction Inspector retained by the Administrative Agent 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 (excluding, however, the liquidity covenant established in connection with Ziegler Securities [hereinafter defined]). In addition, if any of the Guarantors is involved in any continuing care retirement community or similar project (an "**Other Project**") which is being financed in whole or in part by bank construction financing or its equivalent (excluding financing by a project tenant which is or has applied for status as a non-profit entity, and which financing is structured in a manner similar to the financing structure in place with respect to either (a) the New Jersey Economic Development Authority Retirement Community Revenue Bonds (Cedar Crest Village, Inc. Facility), Series 2001, or (b) the Montgomery County, Maryland Variable Rate Demand Bonds (Riderwood Village Project), Series 2004), the Borrower will, and will cause the Guarantors to, maintain Liquid Assets equal in value to at least Seven Million Five Hundred Thousand Dollars ($7,500,000) for each Other Project in excess of the first four (4) such Other Projects (which are covered by the $24,000,000 requirement above), provided, that sites that are acquired after the date hereof and are not under construction by any of the Guarantors shall not be deemed to be

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Other Projects until such construction is commenced. The liquidity covenant subsequent to the closing of the Loan is expected to be Forty-Six Million Five Hundred Thousand Dollars ($46,500,000), based on the following projects: Ann's Choice, Fox Run, Linden Ponds, Sedgebrook, Eagle's Trace, Monarch Landing and Maris Grove. An additional $7,500,000 shall be added to the liquidity covenant for each of the Dallas (Highland Springs) and Denver (Windcrest) projects once construction commences on those projects. 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 Mercantile. For the purposes of this Section 8.18, the term "**Ziegler Securities**" means the $5,000,000 Minimum, $75,000,000 Maximum Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Mezzanine Put Securities (STAMPS) Series 2005).

8.19. Entrance Deposits: All Entrance Deposits shall at all times be received, held and disbursed by the Manager, the Escrow Agent, the Tenant and the Borrower in compliance with the provisions of this Section 8.19. All Entrance Deposits (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 Deposit in accordance with the terms of the Residence and Care Agreements, the Escrow Agreement, and applicable laws. At such time as each Entrance Deposit is payable to the Tenant, the Escrow Agent shall, on a daily basis, disburse such Entrance Deposit (with the Tenant's prior authority and approval, as an advance under the Community Loan Agreement) directly to the Borrower Collateral Account. All amounts in the Borrower Collateral Account shall, on the first (1st) and fifteenth (15th) days of each calendar month, be applied by the Administrative Agent and the Lenders to repayment of the Loan. Notwithstanding the foregoing, (a) the Administrative Agent and Lenders may at any time following the occurrence of any Event of Default, apply any and all funds in the 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 Lenders will in turn accept an assignment of such promissory notes and the payments made thereunder in lieu of payments which would otherwise be required under the Notes for Units paid for in cash, provided that no such note may have a maturity longer than one (1) year, (ii) all such notes in the aggregate shall not exceed Five Million Dollars ($5,000,000) at any time, without prior written consent of the Administrative Agent, (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 Administrative Agent, the Borrower shall deliver such notes to the Administrative Agent, with any necessary endorsements in favor of the Borrower and/or Administrative Agent, as agent for the Lenders, as applicable, to be held by the Borrower and/or Administrative Agent as collateral on the same terms described herein, and (iv) when such notes are repaid, the proceeds thereof shall be subject to the prior provisions of this Section 8.19.

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

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

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

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

8.24. Bank Accounts: All of the Bank Accounts shall at all times be maintained with and on the books of the Administrative Agent. No party other than the Administrative Agent shall have any right of access to any of the Bank Accounts, all of which shall be and remain at all times under the exclusive dominion and control of the Administrative Agent, and no withdrawals may be made from any of the Bank Accounts except with prior written consent of the Administrative Agent; provided, however, that the Administrative Agent's rights with respect to any of the Bank Accounts belonging to the Tenant shall be limited to the rights of the Borrower with respect thereto (all of which rights shall be reassigned by the Borrower to the Administrative Agent), except where a grant of rights to the Borrower expressly states that reassignment of such rights to the Borrower's lender is not subject to such a limitation. All of the Bank Accounts shall be pledged to the Administrative Agent as collateral for the Loan (such pledge with respect to any of the Bank Accounts belonging to the Tenant being an assignment to the Administrative Agent of the Borrower's rights in such account as collateral for the Tenant's obligations to the Borrower). The Lenders hereby agree that prior to the occurrence of a Default under the Loan Documents, the Administrative Agent will disburse from the Lockbox Account monthly within forty-eight (48) hours of receipt by the Administrative Agent of a certification by the Borrower as to the proper amounts thereof, all amounts which would, in the absence of the Loan Documents, be disbursed to the Borrower Operating Account and the MG Operating Account under the terms of the Lockbox Account Agreement, but if the Administrative Agent fails to do so the parties to the Lockbox Account Agreement shall nevertheless still not have any access to the Lockbox Account. Notwithstanding the foregoing provisions of this Section 8.24, the Lenders hereby grant to the Borrower and to the Tenant a revocable license to withdraw funds from the Borrower Operating Account and the MG Operating Account prior to the occurrence of a Default under the Loan Documents for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by the Administrative Agent as regards the Borrower Operating Account, only. Such license shall terminate (as to both the Borrower Operating Account and the MG Operating Account) automatically upon the occurrence of a Default under the Loan Documents, after which the Administrative Agent shall once again have sole right of access to the Borrower Operating Account and the MG Operating Account. Each of the Bank Accounts shall be titled in the name of the Administrative Agent as trustee for itself and the other parties in interest to such Bank Accounts. The provisions of this Section 8.24 shall supersede and control over any other contrary or conflicting provisions of the

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Loan Documents with respect to the Bank Accounts. The Borrower shall cause all parties to the Bank Accounts to agree to the provisions of the Loan Documents with respect thereto, including the provisions of Sections 8.19 and 8.20 of this Agreement. Notwithstanding the foregoing, if any collateral for the Loan consists of Deposit Accounts (as defined by the Maryland Uniform Commercial Code – Secured Transactions) of the Borrower (which are not Bank Accounts) or of another party which have been pledged in favor of Borrower, Borrower shall advise the Administrative Agent in writing of the creation of such accounts within 30 days and shall obtain and/or deliver to the Administrative Agent a control agreement, in form reasonably satisfactory to the Administrative Agent.

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

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

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

8.28. Management Agreement. Borrower will not allow the Tenant or any other party to enter into a management agreement for all or any part of Maris Grove with any party other than the Manager pursuant to the Management Agreement.

8.29. Common Development Documents. Borrower shall comply with all of the terms and conditions of, and no default or event of default (beyond any applicable notice and cure period) shall exist under, the Common Development Documents.

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

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

(c) The Borrower, 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 Administrative Agent gives the defaulting party written notice thereof; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period for any default upon the reasonable request of the defaulting party, in the event that the default cannot be cured within the time set forth in this Agreement and the defaulting party is diligently pursuing cure of the default;

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

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

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

(g) Suspension of work on any Construction Phase of the Project for which work has commenced for a period in excess of 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), or the determination by the Administrative Agent 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 Administrative Agent;

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(i) Any violation of the provisions of Sections 8.4, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.19, 8.20 or 8.24 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 Administrative Agent'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;

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(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 Lenders have 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 an average rate (tested at all times cumulatively from the date on which such Certificate of Occupancy is issued) 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 Mercantile 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 Partnership Agreement;

(v) 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; or

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

9.2. Remedies: The Borrower acknowledges and agrees that the failure of one or more but less than all of the Lenders to comply with their several funding obligations under this Agreement shall not limit or impair the rights of any of the Lenders who are in compliance with their several funding obligations in declaring any Event of Default or in pursuing any remedies

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provided for herein or under any of the other Loan Documents as a result of such Event of Default. The Borrower further acknowledges and agrees that the Borrower may, therefore, be required to contribute additional funds to the Project as a result of a failure of one or more but less than all of the Lenders to comply with their several funding obligations under this Agreement, in order to avoid the declaration of an Event of Default and/or the exercise of remedies by the complying Lenders. Upon the occurrence of any curable Default, the obligation of the Lenders to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall be suspended pending cure of such Default. Upon the occurrence of any Event of Default, the obligation of the Lenders to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall terminate. The Administrative Agent may, upon the occurrence of an Event of Default, at the option of the Administrative Agent but subject to the Required Consent of the Lenders, 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 Lenders through the Administrative Agent may proceed to exercise any and all remedies available to them under this Agreement, the other Loan Documents, or under applicable law, all of which rights and remedies shall be cumulative and may be exercised concurrently by the Lenders through the Administrative Agent.

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

9.4. Confession of Judgment; Jurisdiction and Venue. At any time after the occurrence of any Event of Default, the Borrower authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Borrower against the Borrower in favor of the

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Administrative Agent for the benefit of the Lenders for and in the full amount due in connection with the Loan plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars ($300,000). (The foregoing provision shall not limit the obligation of the Borrower to pay all reasonable attorneys' fees incurred by the Administrative Agent and the Lenders). The Administrative Agent and the Lenders agree that in attempting to satisfy or enforce any judgment by confession obtained against the Borrower in connection with the Loan, the Administrative Agent and the Lenders shall not seek or demand, solely with respect to attorney's fees incurred by the Administrative Agent and the Lenders in connection with the Note, any amounts in excess of the actual amount of reasonable attorney's fees charged or billed to the Administrative Agent and the Lenders. The Administrative Agent and the Lenders agree not to sell or assign any judgment obtained pursuant to this Section 9.4 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. In any action brought by the Administrative Agent under this Agreement, the Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of 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 Administrative Agent 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 Administrative Agent and the Lenders harmless against liability for the payment of all reasonable expenses arising in connection with such transactions, including all stamp and other taxes (including tangible personal property taxes) which may be payable in respect of the execution and delivery of any of the Loan Documents, or the execution, delivery, filing or recording of the Mortgage and financing statements relating thereto, and any and all supplements and/or modifications thereto, and all reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection herewith (including reasonable legal fees and any other fees incurred by the

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Administrative Agent and the Lenders subsequent to Closing in connection with the disbursement, renewal or collection of the Loan). The Borrower's obligation under this Section 10.1 shall survive the transfer of the Loan by the Lenders and the payment of all indebtedness hereunder.

10.2. Nonassignability by Borrower/Lender Assignability:

(a) The Loan may not be assigned by the Borrower without the Required Consent of the Lenders. 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 Lenders 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 Lenders and the Borrower.

(b) (i) Any Lender may, with the written consent of the Administrative Agent (which consent shall not be unreasonably withheld, conditioned, or delayed) and without prior notice to or the consent of the Borrower or any Guarantor, at any time assign and delegate to one or more commercial lenders or other persons not affiliates of the Borrower (provided that no written consent of the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an assignee that is an affiliate of such Lender) (each an "**Assignee**") all, or any ratable part of all of its Pro Rata Share of the Loan and the other rights and obligations of such Lender hereunder, in a minimum amount of $5,000,000; provided, however, that the Borrower and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent an Assignment and Acceptance in a form acceptable to the Administrative Agent ("Assignment and Acceptance") together with any Note subject to such assignment and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of $2,500.

(ii) From and after the date that the Administrative Agent notifies the assignor Lender that it has received (and provided its consent with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it in their entirety pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Documents.

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(iii) Within five Business Days after its receipt of notice by the Administrative Agent that it has received an executed Assignment and Acceptance in the form attached hereto as Exhibit A, and payment of the processing fee, (and provided that the Administrative Agent consents to such assignment in accordance with Section 10.2b(i)) and the originally executed Note subject to such assignment, the Borrower shall execute and deliver to the Administrative Agent, a new Note evidencing such Assignee's assigned Pro Rata Share of the Loan and, if the assignor Lender has retained a portion of the Loan, a replacement Note in the principal amount of the Pro Rata Share of the Loan retained by the assignor Lender (such Note to be in exchange for, but not in payment of, the Note held by such Lender). Immediately upon each Assignee's making its processing fee payment under the Assignment and Acceptance, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee and the resulting adjustment of the commitments arising therefrom. The commitment allocated to each Assignee shall correspondingly reduce the Committed Amount of the assigning Lender.

(iv) Any Lender may at any time without consent of or notice to Borrower or any Guarantor sell to one or more commercial lenders or other persons not affiliates of the Borrower (a "**Participant**") participating interests in the Loan, the commitment of that Lender and the other interests of that Lender (the "**originating Lender**") hereunder and under the other Loan Documents; provided, however, that (i) the originating Lender's obligations under this Agreement shall remain unchanged, (ii) the originating Lender shall remain solely responsible for the performance of such obligations, (iii) the Borrower and the Administrative Agent shall continue to deal solely and directly with the originating Lender in connection with the originating Lender's rights and obligations under this Agreement and the other Loan Documents, and (iv) no Lender shall transfer or grant any participating interest under which the Participant has rights to approve any amendment to, or any consent or waiver with respect to, this Agreement or any of the other Loan Documents, except to the extent such amendment, consent or waiver would require Unanimous Consent of the Lenders as described in this Agreement. In the case of any such participation, the Participant shall not have any rights under this Agreement, or any of the other Loan Documents, and all amounts payable by the Borrower hereunder shall be determined as if such originating Lender had not sold such participation.

10.3. Liability of Lenders: All conditions of the obligations of the Lenders hereunder, including any obligation to make disbursements under the Loan, are imposed solely and exclusively for the benefit of the Lenders and their 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 Lenders 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 Lenders at any time if in their discretion they deem it desirable to do so. Without limiting the generality of the foregoing, the Lenders make no representations and assume no obligations as to third parties concerning the quality of the Improvements or the absence therefrom of any defects. Borrower agrees to indemnify the Administrative Agent and the Lenders 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 Administrative Agent and the Lenders as a result of the performance of their activities and obligations under this Agreement, except that no such indemnification shall be required of an individual Lender (or the

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Administrative Agent, as the case may be) in connection with any acts or omissions of such Lender (or the Administrative Agent, as the case may be) 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 Lenders (and the Administrative Agent) from any such liability, and no claim shall be made by the Borrower against any individual Lender, for or on account of any matter or thing in excess of the balance of such Lender's Pro Rata Share of the Loan remaining in such 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 Lenders acknowledge that the relationship between them created hereby and by the other Loan Documents is that of debtor and creditor and is not intended to be and shall not in any way be construed to be that of a partnership, joint venture, or principal and agent; and that the activities of the Administrative Agent and the Lenders in connection with the construction and equipment of the Improvements and disbursement of the Loan shall not be deemed to make the Administrative Agent or the Lenders a partner, joint venturer, or principal or agent of the Borrower, but rather shall be deemed solely for the purpose of protecting the Lenders' security for the Loan.

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

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

(1) If to Lenders: c/o 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, 18th Floor
Baltimore, Maryland 21202-3268

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

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	with a copy to:	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228
(3)	If to Administrative Agent:	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, 18th Floor Baltimore, Maryland 21202-3268

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

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

10.8. Lender Consent Rights; No Implied Waiver:

(a) Without limiting the generality of any of the provisions of this Agreement and except as otherwise provided in Article XII of this Agreement, no material amendment or waiver of any material provision of this Agreement or any other Loan Document, any of the Community Loan Documents, the Working Capital Loan Documents, or the Management Agreement, and no consent with respect to any departure by the Borrower or any Guarantor therefrom, shall be effective unless the same shall be in writing and signed by the Lenders whose aggregate Pro Rata Share of the Loans constitute the Required Consent and the Borrower, and

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acknowledged by the Administrative Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In addition, except as otherwise provided in Article XII of this Agreement, no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders (constituting Unanimous Consent) and the Borrower, and acknowledged by the Administrative Agent, do any of the following:

(i) increase, extend or reinstate after termination, the obligations of the Lenders to make advances to the Borrower under this Agreement;

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

(iii) 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;

(iv) change the Pro Rata Share of any Lender other than pursuant to the terms of Section 2.1(g) or Section 11.12 hereof or in connection with an assignment or sale of an additional participation under Section 10.2 hereof;

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

(vi) release all or any material portion of the Property subject to the Mortgage and to the Security Agreement; and

(vii) amend this Section 10.8 or any provision herein providing for Unanimous Consent or Required Consent.

No amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders giving Unanimous Consent or Required Consent, as the case may be, affect the rights or duties of the Administrative Agent under this Agreement or any of the Loan Documents. Fees and charges owing exclusively to the Administrative Agent (as set forth in this Agreement) and not to any of the other Lenders may be amended, increased or waived in the sole discretion of the Administrative Agent.

(b) The Lenders, 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 Lenders are unable to agree upon 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, then the Administrative Agent 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 Lenders against the Borrower, the Guarantors and the Loan collateral, without

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impairing the rights of the Lenders under this Section 10.8(b), until the Lenders 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 Lender on the day which is ten (10) Business Days after the Administrative Agent has given notice to such Lender of the Administrative Agent's request for such consent, unless within such ten (10) Business Day period such Lender shall provide written notice to the Administrative Agent of such Lender's refusal to consent, which notice shall include the reasons for such refusal.

(c) The Administrative Agent shall endeavor to give prior written notice to the Lenders of any non-material amendment to or waiver of any of the provisions of this Agreement or the Loan Documents (as to which the consent of the Lenders is not required hereunder), but the failure of the Administrative Agent to give any such notice shall not alter the rights of the parties under the Loan Documents. No failure of the Lenders 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 Lenders.

10.10. Entire Agreement; Successors and Assigns; Time of the Essence: This Agreement and the other Loan Documents contain the entire terms of the agreement with respect to the Loan, and no representations, inducements, promises or agreements between the Borrower and the Lenders not set forth herein or in the other Loan Documents shall be of any force or effect. This Agreement shall be binding upon and shall inure to the benefit of the Borrower, the Administrative Agent and each of the Lenders and their respective successors and assigns (provided, with respect to the Borrower, that such successors and assigns are permitted hereunder), whether so expressed or not. Time is of the essence under this Agreement. Notwithstanding the foregoing, the terms and provisions of the Commitment Letter are incorporated herein by reference. All terms, covenants, conditions and agreements of the Commitment Letter not expressly set forth in this Agreement and any of the other Loan Documents shall survive the execution and delivery hereof, and remain in full force and effect. In the event any conflict exists between the terms, covenants, conditions and agreements of the Commitment Letter and the Loan Documents, the terms, covenants, conditions and agreements of the Loan Documents shall prevail.

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.

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

10.13. Governing Law: This Agreement and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

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

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

10.16. Approval of Community Documents. No approval by the Administrative Agent or Lenders, either express or implied, of the Community Documents or any amendments thereto, shall have the effect of making any provision thereof binding upon the Administrative Agent or Lenders unless the Administrative Agent or Lenders shall have joined as a party therein with the expressed intention of becoming bound thereby.

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

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ARTICLE XI

THE ADMINISTRATIVE AGENT

11.1. Appointment and Authorization.

(a) Each Lender hereby irrevocably (subject to Section 11.10) appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each of the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any of the other Loan Documents, together with such powers as are reasonably incidental thereto. Notwithstanding any provisions to the contrary contained elsewhere in this Agreement or in any of the other Loan Documents, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any of the other Loan Documents or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent will use the same degree of care and skill in administering this Agreement and each of the other Loan Documents as it exercises in the administration of similar credit transactions in which there are no co-lenders. The provisions of this Article XI are solely for the benefit of the Administrative Agent and the Lenders and neither the Borrower nor any other person shall have any rights as a third party beneficiary of any of the provisions hereof.

(b) In addition to and not in limitation of any of the provisions of this Agreement, the Administrative Agent is hereby expressly and irrevocably authorized by each of the Lenders, as agent on behalf of itself and the other Lenders:

(i) to receive on behalf of each of the Lenders any payment or collection on account of the Loan and to distribute to each Lender its Pro Rata Share of all such payments and collections so received as provided in this Agreement;

(ii) to receive all documents and items to be furnished to the Lenders under the Loan Documents (nothing contained herein shall relieve the Borrower of any obligation to deliver any item directly to the Lenders to the extent expressly required by the provisions of this Agreement);

(iii) to act or refrain from acting in this Agreement and the other Loan Documents with respect to those matters so designated for the Administrative Agent, as contemplated by the Loan Documents;

(iv) to act as nominee for and on behalf of Lenders in and under this Agreement and the Loan Documents;

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(v) to arrange for the means whereby the funds of the Lenders are to be made available to the Borrower;

(vi) to distribute promptly to the Lenders, as required by the terms of this Agreement, all written information, requests, notices, payments, prepayments, documents and other items received from the Borrower or any other person;

(vii) to amend, modify or waive any provisions of this Agreement or the Loan Documents on behalf of the Lenders subject to the requirement that certain of the Lenders' consent be obtained in certain instances as provided in Section 10.8;

(viii) to deliver to the Borrowers and all other persons, all requests, demands, approvals, notices and consents received from any of the Lenders;

(ix) to exercise on behalf of each Lender (subject to and in accordance with the terms herein) all rights and remedies of the Lenders upon the occurrence of any Event of Default and/or Default specified in this Agreement and/or any of the other Loan Documents or applicable law;

(x) to execute any of the Loan Documents or any other documents on behalf of the Lenders as to the secured party for the benefit of the Administrative Agent and Lenders;

(xi) to elect on behalf of the Lenders, where and to the extent the Loan Documents provide that the Administrative Agent may elect how and in what order funds received from or on behalf of the Borrower are to be applied to the Borrower's obligations;

(xii) to collect, sue for, settle on, compromise, and receive, in accordance with and subject to the terms and conditions of the Loan Documents, the net proceeds, after fees, expenses and costs of collection, of any condemnation and/or insurance awards and payments which may become and be payable under any and all policies of insurance for the benefit of the Lenders, as mortgagee; and

(xiii) to take such other actions as may be requested with the Required Consent of the Lenders.

11.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any of the other Loan Documents by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

11.3. Liability of Administrative Agent. None of the Administrative Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any of the other Loan Documents or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Borrower, any Guarantors, or any officers thereof, contained in this

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Agreement or in any of the other Loan Documents, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any of the other Loan Documents, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any of the other Loan Documents, or for any failure of the Borrower or any other party to any of the Loan Documents to perform its obligations hereunder or thereunder. No Administrative Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the other Loan Documents, or to inspect the properties, books or records of the Borrower or any of the Guarantors.

11.4. Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any of the other Loan Documents unless it shall first receive the Required Consent of the Lenders, and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any of the other Loan Documents in accordance with a request or consent of the Lenders whose aggregate Pro Rata Share of the Loans would provide the Required Consent, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders. If the Administrative Agent seeks the consent or approval of any of the Lenders to the taking or refraining from taking any action hereunder, then the Administrative Agent shall send notice thereof to each Lender. The Administrative Agent shall promptly notify each Lender any time the applicable percentage of Lenders has instructed the Administrative Agent to act or refrain from action.

(b) For purposes of determining Borrower's compliance with the conditions specified in Section 3, Section 4, and Section 5 to date, each Lender that has executed this Agreement shall be deemed to have consented to, approved, accepted and be satisfied with, each document or other matter provided to Mercantile, as Administrative Agent or otherwise, and accepted by Mercantile.

11.5. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as

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may be requested by Lenders whose aggregate Pro Rata Shares of the Loans could provide any Required Consent in accordance with the provisions of this Agreement, provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

11.6. Collateral. All collateral required to be provided under any of the Loan Documents shall be held, and all such collateral shall be administered, enforced and otherwise dealt with by the Administrative Agent on behalf of the Lenders. Each Lender hereby appoints the Administrative Agent and each other Lender as agent for the purpose of perfecting the Lenders' liens in any collateral for the Loan which, in accordance with Article 9 of the Uniform Commercial Code can be perfected only by possession. Should any Lender, other than the Administrative Agent, obtain possession of any such collateral, such Lender shall notify the Administrative Agent thereof, and promptly upon the Administrative Agent's request shall deliver such collateral to the Administrative Agent in accordance with the Administrative Agent's instructions. Additionally, each Lender agrees that it will not have any right individually to enforce or seek to enforce this Agreement or any of the Loan Documents or to realize upon any collateral security for the Loan, it being understood and agreed that such rights and remedies may be exercised only by the Administrative Agent.

11.7. Credit Decision. Each Lender acknowledges that none of the Administrative Agent-Related Persons has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower and the Guarantors, shall be deemed to constitute any representation or warranty by an Administrative Agent-Related Person to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Administrative Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the Guarantors, and all applicable Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower. Each Lender also represents that it will, independently and without reliance upon any Administrative Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and each of the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of any of the Administrative Agent-Related Persons.

11.8. Indemnification of Administrative Agent. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the Administrative Agent-Related Persons (to the extent not reimbursed by or on behalf of the

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Borrower and without limiting the obligation of the Borrower to do so), pro rata, from and against any and all liabilities arising out of or in any way in connection with its service as or on behalf of the Administrative Agent; provided, however, that no Lender shall be liable for the payment to the Administrative Agent-Related Persons or to the Administrative Agent of any portion of such liabilities resulting form the gross negligence or willful misconduct of the Administrative Agent or any Administrative Agent –Related Persons. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including legal costs) incurred by the Administrative Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any of the other Loan Documents, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. Furthermore, in lieu of demand on the Lenders, the Administrative Agent may make proportionate deductions for such out-of-pocket expenses (including legal costs) incurred by the Administrative Agent and actually paid by the Administrative Agent. The undertaking in this Section shall survive the payment of the Loan and all other obligations of the Borrower and Guarantors hereunder and the resignation or replacement of the Administrative Agent. The Administrative Agent shall from time to time provide the Lenders with copies of all documents and keep the Lenders fully informed as to all legal proceedings or other enforcement actions taken by the Administrative Agent on behalf of the Lenders.

11.9. Administrative Agent in Individual Capacity. Mercantile and its affiliates and subsidiaries may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its subsidiaries and affiliates, as though Mercantile were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Mercantile or its affiliates and subsidiaries may receive information regarding the Borrower or its affiliates and subsidiaries, including but not limited to the Guarantors (including information that may be subject to confidentiality obligations in favor of the Borrower or such other parties) and acknowledge that the Administrative Agent shall be under no obligation to provide such information to them. With respect to the Loan, Mercantile shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include Mercantile in its individual capacity. Each of the Lenders acknowledges and agrees that (a) Mercantile holds notes, guaranties and other agreements from the Guarantors for loans and obligations other than the Loan and the obligations arising under the Loan Documents, and (b) Mercantile's duties and obligations as Administrative Agent hereunder do not include any duty or obligation to apply payments received from the Guarantors in any specified manner as between the Loan and such other notes, guaranties and agreements. Notwithstanding the above, the Administrative Agent agrees that if any Guarantor makes a payment to the Administrative Agent, and such Guarantor specifies that the payment (or a specified portion thereof) shall be applicable to the Loan and/or the Loan Documents such payments (or specified portion thereof) shall only be applied to this Loan.

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11.10. Successor Administrative Agent. The Administrative Agent may resign as the Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent resigns under this Agreement, the remaining Lenders shall appoint from among the Lenders a successor agent for the Lenders which successor agent shall be reasonably accepted and approved by the Borrower. If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lender and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall, nevertheless, thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the remaining Lenders appoint a successor agent as provided for above.

11.11. Withholding Tax.

(a) Foreign Lenders. If any Lender is a "foreign corporation, partnership or trust" within the meaning of the Internal Revenue Service Code (the "**Code**") and such Lender claims exemption from, or a reduction of, U.S. withholding tax under Sections 1441 or 1442 of the Code, such Lender agrees with and in favor of the Administrative Agent, to deliver to the Administrative Agent:

(i) if such Lender claims an exemption from, or a reduction of, withholding tax under a United States tax treaty, two properly completed and executed copies of IRS Form 1001 before the payment of any interest in the first calendar year and before the payment of any interest in each succeeding calendar year during which interest may be paid under this Agreement.

(ii) if such Lender claims that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United Sates trade or business of such Lender, two properly completed and executed copies of IRS Form 4224 before the payment of any interest in the first taxable year of such Lender and in each succeeding taxable year of such Lender during which interest may be paid under this Agreement; and

(iii) such other form or forms as may be required under the Code or other laws of the United States as a condition to exemption from, or reduction of, United States withholding tax.

Such Lender agrees to promptly notify the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

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(b) Exemption Claimed. If any Lender claims exemption from, or reduction of, withholding tax under a United States tax treaty by providing IRS Form 1001 and such Lender sells, assigns, grants a participation in, or otherwise transfers all or part of its interest in the Loan, such Lender agrees to notify the Administrative Agent of the percentage amount of the Loan in which it is no longer the beneficial owner. To the extent of such percentage amount, the Administrative Agent will treat such Lender's IRS Form 1001 as no longer valid.

(c) Lender Obligated to Comply. If any Lender claiming exemption from United States withholding tax by filing IRS Form 4224 with the Administrative Agent sells, assigns, grants a participation in, or otherwise transfers all or part of the Loan, to another Lender, such Lender agrees to undertake sole responsibility for complying with the withholding tax requirements imposed by Section 1441 and 1442 of the Code.

(d) Reduction in Tax. If any Lender is entitled to a reduction in the applicable withholding tax, the Administrative Agent may withhold from any interest payment to such Lender an amount equivalent to the applicable withholding tax after taking into account such reduction. However, if the forms or other documentation required by subsection (a) of this Section are not delivered to the Administrative Agent, then the Administrative Agent may withhold from any interest payment to such Lender not providing such forms or other documentation an amount equivalent to the applicable withholding tax imposed by Sections 1441 and 1442 of the Code, without reduction.

(e) IRS Claim. If the IRS or any other governmental authority of the United Sates or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Administrative Agent under this Section, together with all costs and expenses (including legal costs). The obligation of the Lenders under this subsection shall survive the payment of all Obligations and the resignation or replacement of the Administrative Agent.

11.12. Delinquent Lender. If for any reason any Lender shall fail or refuse to abide by its obligations under this Agreement, including without limitation its obligation to make available to the Administrative Agent all or any portion of its Pro Rata Share of the Loan, expenses or setoff (a "**Delinquent Lender**") and such failure is not cured within five (5) days of receipt from the Administrative Agent of written notice thereof, then, in addition to the rights and remedies that may be available to the Administrative Agent, the other Lenders, the Borrower or any other party at law or in equity, and not in limitation thereof, (i) such Delinquent Lender's right to participate in the administration of, or decision-making rights related to, the Loan, this Agreement or any of the other Loan Documents shall be suspended during the pendency of such failure or refusal, and (ii) a Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower in connection with the Loan, to the remaining non-delinquent Lenders for application to, and reduction of, their proportionate shares of the non-

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delinquent outstanding Loan until, as a result of application of such assigned payments, the Lenders are made whole from any damages, costs or expenses incurred by them as a result of the Delinquent Lender's delinquency. The Delinquent Lender's decision-making and participation rights and rights to payments as set forth in clauses (i) and (ii) hereinabove shall be restored only upon the payment by the Delinquent Lender of all of its delinquent obligations, together with interest thereon at a rate equal to the Interest Rate from the date when originally due until the date upon which any such amounts are actually paid.

The non-delinquent Lenders shall also have the right, but not the obligation, in their respective, sole and absolute discretion, to acquire for no cash consideration, (pro rata, based on the respective Lenders' Committed Amounts of those Lenders electing to exercise such right) the Delinquent Lender's Pro Rata Share of any remaining commitment to fund future Loan amounts (the "**Future Commitment**"). Upon any such purchase of any Delinquent Lender's Future Commitment, the Delinquent Lender's share in any Loan disbursements pursuant to the Future Commitment and its rights under the Loan Documents with respect thereto shall terminate on the date of purchase, and the Delinquent Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest, including, if so requested, an Assignment and Acceptance. In addition, the Administrative Agent shall have the right, but not the obligation, in its sole and absolute discretion, to acquire or cause to be acquired at par value, the Delinquent Lender's Pro Rata Share of the Loan previously disbursed by the Delinquent Lender and rights under the Loan Documents with respect thereto. Each Delinquent Lender shall indemnify the Administrative Agent and each non-delinquent Lender from and against any and all loss, damage or expenses, including but not limited to reasonable attorneys' fees and funds advanced by the Administrative Agent or by any non-delinquent Lender, on account of a Delinquent Lender's failure to timely fund its Pro Rata Share of the Loan or to otherwise perform its obligations under the Loan Documents. If the Future Commitment is not acquired pursuant to the terms of this Section 11.12, the Delinquent Lender shall, nevertheless, remain liable for the funding the Future Commitment.

ARTICLE XII

CALL RIGHTS

Notwithstanding any other provision of this Agreement to the contrary, including any provision premised upon Required Consent or Unanimous Consent, any Lender may, upon written notice to the Administrative Agent given at any time between July 1, 2008 and October 1, 2008, direct that the Administrative Agent exercise its rights to require mandatory prepayment of the Loan by the Borrower under the terms of Section 5 of the Note. The Administrative Agent shall not be liable for the Borrower's failure to honor any such demand for mandatory prepayment. Once such a demand has been made by the Administrative Agent, all issues relating to foreclosure or exercise of remedies shall be subject to the other provisions of this Agreement, including any provisions premised by their terms upon Required Consent or Unanimous Consent. The Administrative Agent shall be entitled, as an alternative to complying with such direction by a Lender, to repurchase such Lender's Pro Rata Share of the Loan.

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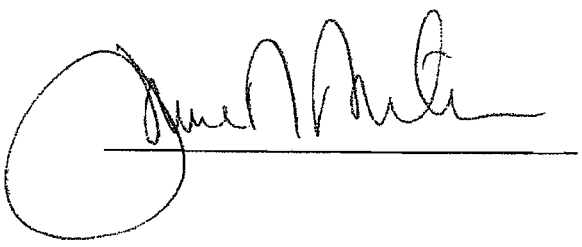
IN WITNESS WHEREOF, the Borrower, the Administrative Agent and the Lenders have caused this Agreement to be executed and delivered as of the day and year first above written.

WITNESS:



BORROWER:

CONCORD CAMPUS, L.P.

By: Concord Campus GP, LLC,
General Partner

By: Erickson Retirement Communities,
LLC, Sole Member

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

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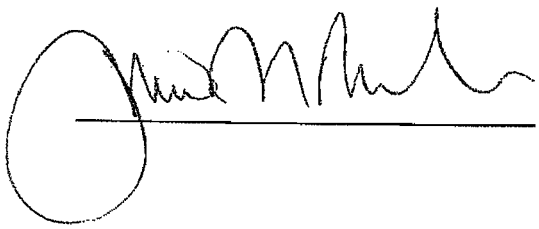

LENDERS:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Name: BRUCE MCCLEAN
Title: SR. VICE PRESIDENT

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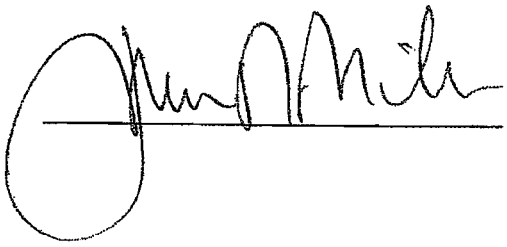

ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Name: BRUCE McCLEARD
Title: SR VICE PRESIDENT

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LIST OF SCHEDULES
ATTACHED TO CONSTRUCTION LOAN AGREEMENT (THE "AGREEMENT")
DATED AUGUST 30, 2005 BY AND BETWEEN
CONCORD CAMPUS, L.P., THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTIES TO THE AGREEMENT (COLLECTIVELY, THE "LENDERS") AND MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS COLLATERAL AND ADMINISTRATIVE AGENT FOR THE LENDERS

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 Lenders Providing For Payments To Erickson
Schedule VIII	-	Flow of Entrance Deposits
Schedule IX	-	Flow of Monthly Fees
Schedule X	-	Several Funding Commitments of Lenders
Schedule XI	-	Lender Wire Instructions
Exhibit A	-	Form of Assignment and Acceptance

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SCHEDULE I

SCHEDULE OF CONSTRUCTION PHASES

See Next Page

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CONCORD CAMPUS, LLC
SCHEDULE OF ESTIMATED COMPLETION DATES
PREPARED: JUNE 02, 2005

Project	Constr. Start	Substantially Completed	Ind. Units	RG Units
Masterplan	Sep-05		-	-
Marketing Center Trailer	Oct-04	Jan-05	-	-
Off Site	Jul-05		-	-
Sitework 1	Jul-05	N/A	-	-
Gatehouse 1	May-06	Sep-06	-	-
Community Bldg 1.0	Sep-05	Sep-06	-	-
Residential Building 1.1	Sep-05	Sep-06	110	-
Residential Building 1.2	Sep-05	Sep-06	106	-
Residential Building 1.3	Oct-05	Oct-06	94	-
Residential Building 1.4	May-06	May-07	81	-
Residential Building 1.5	Oct-06	Oct-07	120	-
Residential Building 2.1	Jul-07	Jul-08	132	-
BR 1.0 (to RB 1.3 from RB 1.2)	May-06	Oct-06	-	-
BR 2.0 (to RB1.4 from RB1.2)	Dec-06	May-07	-	-
Sitework 2 (includes NH2)	Jul-07	Mar-11	-	-
Residential Building 2.2	Aug-07	Aug-08	131	-
Renaissance Garden I	Jul-08	Oct-09	-	132
BR 3.0 (to RB1.5 from CB1.0)	May-07	Oct-07	-	-
Community Building 2.0	Aug-07	Aug-08	-	-
Residential Building 2.3	May-08	May-09	90	-
Transitional Spaces	Oct-07	Aug-08	-	-
Residential Building 2.4	Oct-08	Oct-09	90	-
Residential Building 2.5	Mar-09	Mar-10	84	-
Residential Building 3.1	Sep-09	Sep-10	123	-
Residential Building 3.2	Oct-09	Oct-10	60	-
Chapel	Dec-09	Oct-10	-	-
Maintenance Building	Dec-06	May-07	-	-
BR 4.0 (to RB 2.1 from RB 1.3)	Feb-08	Jul-08	-	-
BR 5.0 (to RB 2.2 from RB 1.5)	Mar-08	Aug-08	-	-
BR 6.0 (to RB 2.3 from RB 2.1)	Dec-08	May-09	-	-
BR 7.0 (to CB 3.0 from RB 3.1)	Apr-10	Sep-10	-	-
BR 8.0 (to RB 3.1 from RB 1.4)	Oct-08	Sep-10	-	-
Sitework 3 (Includes NH3)	Sep-09	Jun-12	-	-
Residential Building 3.3	Mar-10	Mar-11	66	-
BR 9.0 (to RG from RB 2.2)	May-08	Oct-09	-	-
Community Building 3.0	Sep-09	Sep-10	-	-
Residential Building 3.4	Jun-10	Jun-11	127	-
Renaissance Garden II	Jun-10	Jun-11	-	96
		TOTAL UNITS	**1,414**	**228**
				1,642

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SCHEDULE II

DEPOSIT SCHEDULE

See Next Page

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MARIS GROVE

Schedule II

Deposit Schedule and Move-in Check List

Priority List: $1,000.00 fully refundable deposit to hold your priority date $150 per person, one-time refundable processing fee
Reservation: Choose your apartment and lock in the current entrance deposit. This step initiates the following process (no additional deposit at this time)
90 Day Deposit: $2,000.00 fully refundable deposit, 3 months after apartment reservation, to continue holding your apartment.
180 Day Deposit: $2,000 fully refundable deposit, 6 months after apartment reservation, to continue holding your apartment.

Between Reservation and Move:

If applicable, prepare house for sale and contact Real Estate Brokers for estimates.
Meet with Move-in Coordinator to discuss the selections available at our Design Center

Approval Process:
Approval process occurs within six months of your move

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

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

Financial Interview determines your financial eligibility for Sedgebrook.

- 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 Sedgebrook
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 Sedgebrook

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SCHEDULE III

LIST OF ENVIRONMENTAL REPORTS

Phase I
Environmental Site Assessment
of
Undeveloped Property – 90 Acre Parcel, Route 322 and Route 1,
Concord, Pennsylvania 19342

Prepared for

Erickson Retirement Communities, LLC

Prepared by

ATC Associates, Inc.

ATC Project No. 50.10238.4000

August 6, 2003

As Updated by

ATC Project No. 68.10238.0009

July 19, 2005

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SCHEDULE IV

LETTERS OF CREDIT ISSUED AT CLOSING DATE

None

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SCHEDULE V

CONSTRUCTION PHASE COMMENCEMENT APPROVAL FORM

[Date]

Mercantile-Safe Deposit and Trust Company,
Collateral and Administrative Agent
Two Hopkins Plaza
Baltimore, MD 21201
Attn: Bruce D. McLean

RE: Maris Grove Phase Budget for Construction Phase ___

Ladies and Gentlemen:

Concord Campus, L.P. hereby submits for your review the following proposed Phase Budget for Construction Phase ___ at the Maris Grove.

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

Attached to this letter is a complete schedule of all current information referred under the terms of Section 2.3, 4.3, 4.4 and 8.19 of the Construction Loan Agreement for Maris Grove dated August 30, 2005, including evidence that all applicable marketing covenants for Construction Phase ___ have been satisfied..

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

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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, Maris Grove, Inc. Controller with a copy to Randy Kuser, Maris Grove Development Director, 703 Maiden Choice Lane, Baltimore, Maryland 21228. Thank you for your prompt attention to this matter.

Very truly yours,

CONCORD CAMPUS, L.P.

By: Concord Campus GP, LLC,
General Partner

By: Erickson Retirement Communities,
LLC, Sole Member

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

Approved by Mercantile-Safe Deposit and Trust Company, as Administrative Agent

By:_____
Date:_____

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SCHEDULE VI

COVENANT COMPLIANCE LETTER

[Date]

Mercantile-Safe Deposit and Trust Company,
Collateral and Administrative Agent
Two Hopkins Plaza
Baltimore, MD 21201
Attn: Bruce D. McLean,
Senior Vice President

RE: Concord Campus, L.P.

Ladies and Gentlemen:

This letter is submitted in connection with quarterly financial statements required to be provided under Section 8.3 of the Construction Loan Agreement (the "Loan Agreement") dated August 30, 2005 (the "Loan Agreement") relating to Maris Grove. 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)

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SCHEDULE VII

LIST OF AGREEMENTS APPROVED BY LENDERS 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.

3. Erickson Group, LLC Operating Agreement consisting of the following:

   a. Second Amended and Restated Operating Agreement dated as of March 2, 1999.

   b. Amendment dated March 18, 1999.

   c. Amendment dated December 31, 2000.

   d. Amendment dated March 3, 2000.

   e. Amendment dated October 31, 2002.

   f. Amendment dated December 31, 2003.

   g. Amendment dated December 20, 2004.

   h. Amendment dated May 4, 2005.

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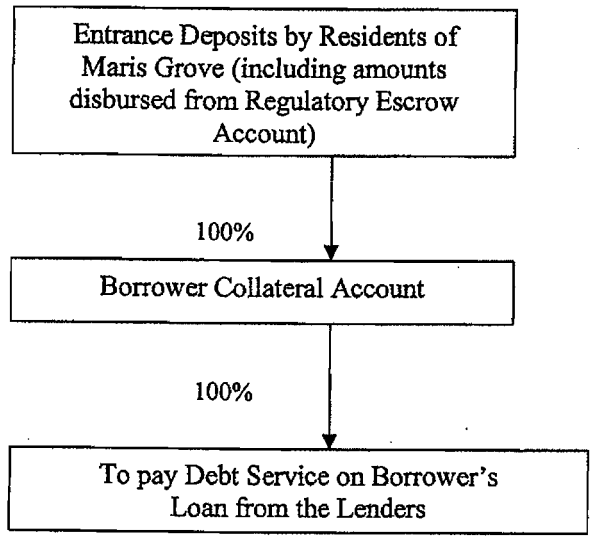
SCHEDULE VIII

FLOW OF ENTRANCE DEPOSITS



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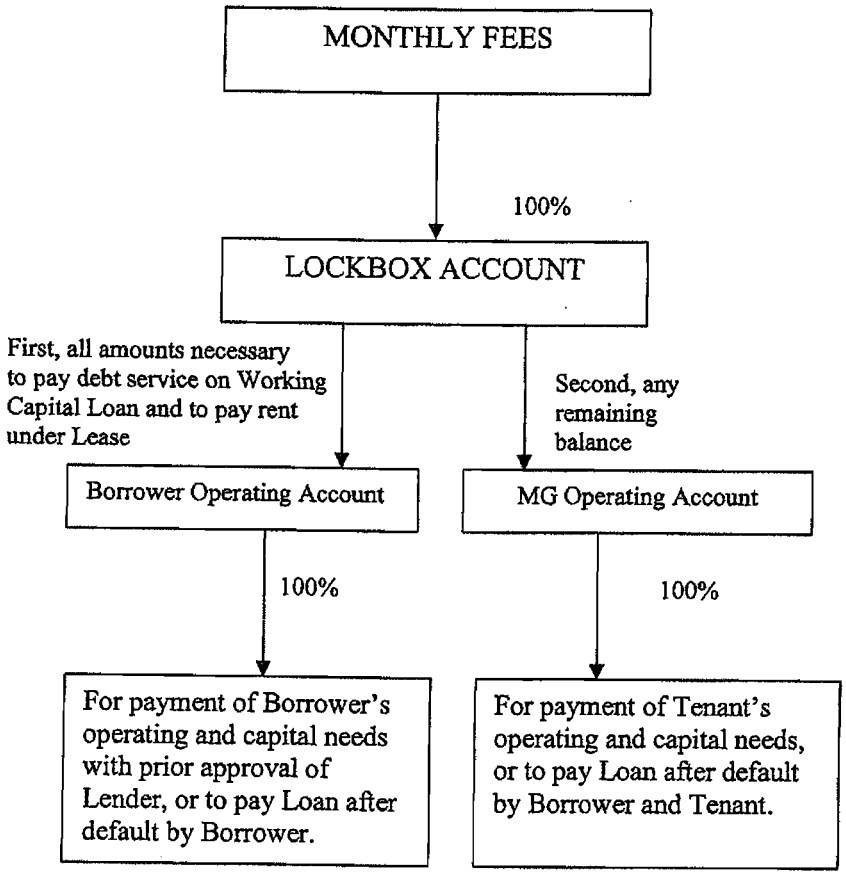
SCHEDULE IX

FLOW OF MONTHLY FEES



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SCHEDULE X

SCHEDULE OF SEVERAL FUNDING COMMITMENTS OF LENDERS

Mercantile-Safe Deposit and Trust Company	$70,000,000

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SCHEDULE XI

LENDER WIRE INSTRUCTIONS

Mercantile-Safe Deposit and Trust Company – Baltimore
Two Hopkins Plaza
Baltimore, Maryland 21201
ABA#: 052-000-618
Participation Interest for Concord Campus, L.P.
Loan Number: 199621409701
Attention: Please advise Ora Stokes at (410) 237-5101 upon receipt

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EXHIBIT A

Form of Assignment and Acceptance

Reference is made to the Construction Loan Agreement dated as of August 30, 2005 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Concord Campus, L.P., a Maryland limited partnership qualified to do business in Pennsylvania (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

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Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

[_____]

By:_____
Name:
Title:

ASSIGNEE:

[_____]

By:_____
Name:
Title:

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By:_____
Name:
Title:

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: [_____]
NAME OF ASSIGNEE: [_____]
EFFECTIVE DATE OF ASSIGNMENT: [_____, 2005]

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
[$_____]	**[____%]**

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Instrument Number: 2007053484 Book/Page: RECORD-04129/0215 Date Filed: 6/19/2007 11:11:45 AM

Prepared By:
Wilmer Hall LLP
100 Light Street, 13th Floor
Baltimore, MD 21202
ATTENTION: Mark Polak, Esq.

RECORD & RETURN TO:
Chicago Title Insurance Company
1601 Market Street
Suite #2550
Philadelphia, PA 19103

OUR FILE # 8107-00152 (39)
100 Maris Grove Way
FOLIO Nos. 13-00-00233-00 and 13-00-00197-10
MAP #13-19-004; Part of MAP #13-20-070 & Part of MAP #1319-018

LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

Concord Campus, L.P., a Maryland limited partnership

Strategic Ashby Ponds Lender LLC, a Delaware limited liability company

RD BK04129-0215 DM-DEED MISCELLANEOUS
2007053484 06/19/2007 11:11:45 AM:1
RCD FEE: $293.00
DELAWARE COUNTY
13-CONCORD $0.00 THOMAS J. RIDGE SR. ROD

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0216 Date Filed: 6/19/2007 11:11:45 AM

(1)

LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

CONCORD CAMPUS, L.P.,
a Maryland limited partnership
(Mortgagor)

To

STRATEGIC ASHBY PONDS LENDER LLC
a Delaware limited liability company
(Mortgagee)

May 31, 2007

DRAFTED BY AND WHEN RECORDED, RETURN TO:

WILMER HALE, LLP
100 Light Street, 13th Floor
Baltimore, Maryland 21202-3268
Attention: Mark Pollak, Esquire

DMEAST #9801305 v5

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0217 Date Filed: 6/19/2007 11:11:45 AM

LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

THIS LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "**Mortgage**") is made as of the 31st day of May, 2007, by **CONCORD CAMPUS, L.P.**, a Maryland limited partnership ("**Mortgagor**") to **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company (the "**Mortgagee**") for itself and on behalf of any successor holders of the Guaranty secured hereby and hereafter defined.

RECITALS

A. THIS DOCUMENT IS, IN PART, A LEASEHOLD MORTGAGE GOVERNED BY 68 P.S. §250.204. A MEMORANDUM OF THE ORIGINAL GROUND LEASE DATED OCTOBER 11, 2005 BETWEEN STRATEGIC CONCORD LANDHOLDER, L.P. AS LANDLORD AND CONCORD CAMPUS, L.P. AS TENANT WAS RECORDED ON NOVEMBER 2, 2005 IN THE OFFICE OF THE RECORDER OF DEEDS IN AND FOR DELAWARE COUNTY, PENNSYLVANIA IN VOLUME 3643, PAGE 1142.

B. Pursuant to the terms of that certain Loan Agreement between Ashburn Campus, LLC, a Maryland limited liability company ("**AC**"), and Mortgagee of even date herewith (the "**Mezzanine Loan Agreement**"), Mortgagee agreed to loan to AC the sum of Fifty Million Dollars ($50,000,000) (the "**Mezzanine Loan**") on the terms and conditions more particularly set forth therein and in the promissory note delivered simultaneously therewith (the "**Mezzanine Note**"). The Mezzanine Loan Agreement, the Mezzanine Note and each other document executed and delivered by AC and/or ERC (as defined in Recital E below) in connection with the Mezzanine Loan, as amended, are hereinafter the "**Mezzanine Loan Documents.**"

C. Strategic Concord Landholder, LP, a Delaware limited partnership ("**SCL**"), is the owner of the Land (as defined in Section 1.10 below). SCL acquired the Land from Mortgagor in accordance with the Purchase Agreement dated October 11, 2005 (as amended, the "**Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded with the Office of the Recorder of Deeds in and for Delaware County, Pennsylvania in Volume 3643, Page 1112; the transactions described in the Purchase Agreement and implemented in accordance therewith are the "**Maris Grove Transactions**". As part of the Maris Grove Transactions, SCL leased the Land to Mortgagor to be developed and operated as a continuing care retirement community (the "**Maris Grove Project**") in accordance with the Ground Lease dated October 11, 2005 (as amended, the "**Ground Lease**"), a memorandum of which Ground Lease was recorded on November 2, 2005 with the Office of the Recorder of Deeds in and for Delaware County, Pennsylvania in Volume 3643, Page 1142. The Ground Lease, together with any and all other documents executed and delivered by Mortgagor and/or ERC (as defined in Recital E below) in connection with the Maris Grove Transactions, as amended, are hereinafter the "**Maris Grove Transaction Documents.**"

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D. AC is the owner of that certain real property comprising approximately 135.5378 acres located in Loudoun County, Virginia as more particularly described in the Mezzanine Loan Agreement (the "**Ashburn Property**"). The Ashburn Property will be developed and operated by AC as a continuing care retirement community in accordance with the Mezzanine Loan Agreement.

E. Erickson Retirement Communities, LLC, a Maryland limited liability company ("**ERC**"), is the direct and indirect owner of all of the member interests of AC and all of the limited partnership interests of Mortgagor.

F. Mortgagee has agreed to allow a portion of the proceeds of the Mezzanine Loan to be distributed by AC to ERC for the purpose of allowing ERC to fulfill its obligations, as the direct and indirect owner of all of the limited partnership interests in Mortgagor, with respect to the Maris Grove Transactions. Accordingly, substantial benefits will accrue to Mortgagor through the making of the Mezzanine Loan. By separate instrument AC has guaranteed the payment and performance of Mortgagor and ERC with respect to the Maris Grove Transactions and has secured such instrument with a lien on the Ashburn Property.

G. As a condition to making the Mezzanine Loan to AC and as provided in the Mezzanine Loan Agreement, Mortgagee has required that Mortgagor guarantee to Mortgagee the payment and performance of AC and ERC under the Mezzanine Loan Documents pursuant to that certain Guaranty Agreement of even date herewith by Mortgagor in favor of Mortgagee (the "**Guaranty**") and to secure the Guaranty with this Mortgage. Finally, the Maris Grove Transactions and the Mezzanine Loan will be cross-defaulted and cross-collateralized.

H. Mortgagee and Lender are affiliated entities having the same current ownership.

I. This Mortgage is subordinate to the Maris Grove Transaction Documents, and Mortgagor and Mortgagee acknowledge that no payment will be made pursuant to the Guaranty or this Mortgage unless all amounts due and payable pursuant to the Maris Grove Transaction Documents are current.

NOW THEREFORE, for and in consideration of the foregoing Recitals, the making of the Mezzanine Loan by Mortgagee to AC, and the covenants, representations and warranties set forth in this Mortgage, Mortgagor hereby agrees as follows:

SECTION 1. DEFINITIONS AND RECITALS. The parties acknowledge that the above Recitals are true and correct and agree that the same are incorporated by reference into the body of this Mortgage. Whenever capitalized in this Mortgage, the following terms shall have the meaning given in this Section 1, unless the context clearly indicates a contrary intent.

1.1 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.

1.2 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

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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.

1.3 Event of Default: Any one or more of the events described in Section 8.01 hereof.

1.4 Guaranty: The Guaranty Agreement of even date herewith by Mortgagor guaranteeing the payment and performance of AC and ERC under the Mezzanine Loan Documents for the benefit of Mortgagee, as amended.

1.5 Guarantor's Obligations: The term **"Guarantor's Obligations"** shall have the meaning set forth in the Guaranty.

1.6 Insurance and Condemnation Proceeds: All of the items described in Section 2.04.

1.7 Land: The land consisting of approximately 87 acres located at 117 Brinton Lake Road, Glen Mills, Concord Township, Delaware County, Pennsylvania, which is more particularly described in Exhibit A attached to this Mortgage and incorporated by reference herein.

1.8 Mezzanine Note: The Promissory Note of even date herewith payable to the Mortgagee by AC evidencing the Mezzanine Loan in the face amount of Fifty Million Dollars ($50,000,000.00), including all current and future replacements, supplements, amendments and attachments thereto.

1.9 Mortgage: This instrument, including all current and future supplements, amendments and attachments thereto.

1.10 Mortgagee: Strategic Ashby Ponds Lender LLC, a Delaware limited liability company, its successors and assigns, and any subsequent holders of the Guaranty.

1.11 Mortgagor: Concord Campus, L.P., its successors and assigns.

1.12 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Mortgagee hereunder, or any encumbrance hereinafter approved in writing by Mortgagee.

1.13 Project: The term **"Project"** shall mean the Maris Grove Project, as defined in Recital C above.

1.14 Project Documents: The term **"Project Documents"** shall have the meaning set forth in the Ground Lease.

1.15 Property: All of the property described in Sections 2.1, 2.2, 2.3 and 2.4.

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1.16 Personal Property: All of the personal property and fixtures described in Section 2.2.

1.17 Real Property: All of the real property described in Section 2.1.

1.18 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 2.3.

1.19 Security Documents: The term **"Security Documents"** includes the Guaranty and this Mortgage.

SECTION 2. GRANT

2.1 Real Property. The Mortgagor, in consideration of the Mortgagee making the Mezzanine Loan to AC and other valuable consideration as more particularly described in the Recitals of this Mortgage, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby mortgages, warrants, grants, bargains, sells, conveys and assigns to Mortgagee all of its right, title and interest in and to the Mortgagor's leasehold estate and interest in the Land described more particularly in Exhibit A attached hereto as a part hereof, together with all of Grantor's interest in (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, including but not limited to any acquisition by Mortgagor of the fee simple estate in the Land after the date hereof, and this Mortgage shall be deemed to encumber any hereafter acquired fee simple estate in the Land as if such fee simple estate was included as of the date hereof (hereinafter collectively referred to as the **"Real Property"**), subject to the Permitted Encumbrances.

2.2 Personal Property and Fixtures. The Mortgagor further grants and assigns 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, 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"**).

2.3 Rents and Other Rights. The Mortgagor further 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 Project), 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

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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"**).

2.4 Insurance Policies and Condemnation Awards. The Mortgagor further grants and assigns to the Mortgagee all of Mortgagor's interest in 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"**).

2.5 Security Interest Under the Uniform Commercial Code.

2.5.1 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 Pennsylvania 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 Security 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 Security Documents.

2.5.2 This Mortgage constitutes a financing statement filed as a fixture filing under Sections 9334 and 9502 of the Uniform Commercial Code covering any of the Property which now is or later may become fixtures attached to the Real Property. The following addresses are the mailing addresses of Mortgagor, as debtor under the code, and Mortgagee, as secured party under the Code, respectively:

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Mortgagor: Concord Campus, L.P.
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Financial Officer

Mortgagee: Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

SECTION 3. HABENDUM CLAUSE AND DEFEASANCES.

To HAVE AND TO HOLD the Property unto the Mortgagee, and its successors and assigns forever, and Mortgagor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto the Mortgagee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. All right, title and interest of the Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Real Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, pledge, conveyance, assignment or other act by the Mortgagor, shall become subject to the lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Mortgagor and specifically described herein. Notwithstanding the foregoing, the Mortgagor shall, at its own cost, make, execute, acknowledge, deliver and record any and all such further acts, deeds, conveyances, mortgages, notices of assignment, transfers, assurances and other documents as the 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

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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 Security Documents to which the Mortgagor is a party, then this Mortgage, and the estate hereby granted, shall cease, terminate and be void, and the estate hereby granted shall cease and the Property shall be released to the Mortgagor, at the cost of Mortgagor.

This Mortgage secures, inter alia, present and future advances made by the Mortgagee pursuant to the Security Documents, including, without limitation, advances made to enable completion of the Project, 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. The maximum principal amount that may be secured by this Mortgage is $50,000,000.00.

The Guaranty is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Mortgage secures the Guaranty and the punctual performance, observance and payment by the Mortgagor of all of the Guarantor's Obligations to be performed, observed or paid by the Mortgagor thereunder. In the event of express and direct contradiction between any of the provisions of the Guaranty and any of the provisions contained herein, then the provisions contained in the Guaranty shall control. Any warranties, representations and agreements made in the Guaranty by the Mortgagor shall survive the execution and recording of this Mortgage and shall not merge herein.

SECTION 4. REPRESENTATIONS AND WARRANTIES

4.1 Warranty of Title and Further Assurances. The Mortgagor warrants that the Mortgagor is lawfully seized of a valid leasehold estate in Land and valid ownership of the remainder of 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 leasehold interest in the Land, and as a fourth lien with respect to the remainder of the Property, subject only to the lien of the Construction Loan Documents (as such term is defined in the Mezzanine Loan Agreement), the Community Loan (as such term is defined in the Mezzanine Loan Agreement) and the Maris Grove Transaction Documents.

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SECTION 5. COVENANTS, RIGHTS, AND DUTIES OF MORTGAGOR GENERALLY

5.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Security Documents. The Mortgagor covenants that it will punctually (a) pay or cause to be paid to the Mortgagee all amounts due under the Security Documents executed by the Mortgagor and all other costs and indebtedness secured hereby, according to the terms of the Security Documents executed by the Mortgagor; and (b) perform and satisfy all other obligations of the Mortgagor under the Security Documents.

5.2 Escrow Account. At the Mortgagee's option, the Mortgagor agrees that:

5.02.1 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 7.1 and 7.2, 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.

5.02.2 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.

5.02.3 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 Security Documents, as the Mortgagee may elect.

5.02.4 Notwithstanding anything herein to the contrary, during any period in which amounts are outstanding under the Mezzanine Loan, Mortgagor shall not be obligated to make any payments to the Escrow Account for insurance premiums, taxes, assessments or governmental charges.

5.3 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

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intended, (c) the value or status of the Property, or (d) the value or status of the Mortgagee's title to the Property.

5.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon any of the Security Documents or the transactions evidenced or contemplated by any of the Security Documents, or (b) any law now in force governing the taxation of mortgages and/or deeds of trust, debts secured by mortgages and/or deeds of trust, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon any of the Security Documents or the transactions evidenced or contemplated by any of the Security Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Security 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 exercise all rights hereunder as though an Event of Default had occurred.

5.5 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 and operate the Project.

5.6 Sale of Assets, Consolidation, Merger, Etc.: Except as may be otherwise expressly permitted by the Maris Grove Transaction Documents, 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 consent to any change in its name, ownership of member interests in the Mortgagor, or management or in the manner in which its business is conducted. Notwithstanding the foregoing, Mortgagor shall be permitted to allow a transfer of one percent or less of the membership interests in the Mortgagor to any entity which is wholly owned by Erickson Retirement Communities, LLC, provided that any such entity executes and delivers a pledge of such membership interests to Mortgagee.

5.7 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 Maris Grove Transaction Documents.

5.8 Reserved.

5.9 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

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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 Security Documents. The Mortgagor, at the request of the Mortgagee, shall promptly file 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.

5.10 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 Security Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Security 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 Security Documents. The Mortgagor shall, upon demand, pay all such sums together with interest thereon at the lesser of the Default Interest Rate defined in the Mezzanine Note or the maximum rate permitted by applicable law 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 under the Security Documents, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 5.10.

5.11 Environmental Requirements. The Mortgagor represents and warrants to the Mortgagee that except for the matters previously disclosed in the environmental reports listed on Schedule 2.19(c) of the Purchase Agreement, copies of which have previously been provided to 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 Project 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

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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 Mezzanine 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 obligations 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) release of the Guaranty 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 6. RIGHTS AND DUTIES OF MORTGAGOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

6.1 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 Security Documents, to receive the Rents.

6.2 Management. At all times the Mortgagor shall provide competent and responsible management to maintain and operate the Property.

6.3 Financial Statements; Books and Records. The Mortgagor shall furnish to the Mortgagee annual financial and operating statements of the Mortgagor. Such statements shall show all items of income and expense for the operation of the Property, shall be certified by the Chief Financial Officer of the Mortgagor's member and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Mortgagor's fiscal year prepared by a certified public accountant and in final form not later than one hundred twenty (120) days after the close of the Mortgagor's fiscal year audited by a firm of independent certified public accountants acceptable to the 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 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's sole member as

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to the accuracy thereof. The Mortgagor agrees to make its books and records relating to the operation of the Property available for inspection by 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 Security Documents.

6.4 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 Maris Grove Transaction Documents. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

6.5 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 SCL, as provided in the Ground Lease. 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 6.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Mortgage.

6.6 Restrictions on Sale and Transfer of the Property. The Mortgagor shall not permit Mortgagor's interest in 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 Maris Grove Transaction Documents, without the prior written consent of the Mortgagee. Any transferee of the leasehold estate in the Land or any other part or portion of the Property, by virtue of its acceptance of the transfer, shall (without in any way affecting the Mortgagor's liability under the Security Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Mortgagor's obligations under the Security Documents. The sale, assignment, transfer or conveyance of any member interest in the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale, assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Mortgagor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph. This section shall not apply to any condemnation, any disposition permitted by Section 6.9 or any disposition by the Mortgagee by foreclosure hereunder or as otherwise permitted by the Security Documents.

6.7 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/their 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

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thereon at the Default Interest Rate stated in the Mezzanine Note or the maximum rate permitted by applicable law, whichever is lower, accruing from the date of satisfaction, which sums shall be secured hereby.

6.8 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 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 designees to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with improvements contemplated in the Maris Grove Transaction Documents.

6.9 Removal and Replacement of Equipment and Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Project, 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. All sales shall be conducted in a commercially reasonable manner.

6.10 Taxes and Permitted Contests. The Mortgagor shall pay or cause to be paid: (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 Guarantor's Obligations. Upon payment thereof, the Mortgagor shall promptly supply the Mortgagee with receipts showing the payment of the taxes or claim.

6.11 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.

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6.12 Preservation of Appurtenances. The Mortgagor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

SECTION 7. INSURANCE AND CONDEMNATION

7.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Mortgagor under the Security Documents, the Mortgagor shall keep the Property insured for the benefit of the Mortgagor 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 Security 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, 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 at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Mortgagor shall provide the Mortgagee with receipts 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 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 to the payment of other charges or expenses actually incurred by the Mortgagor in the restoration, reconstruction, repair, renovation or replacement of the Property.

7.2 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.

7.3 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 Project described in the Maris Grove Transaction Documents, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the Commonwealth of Pennsylvania. Upon request, the Mortgagor shall provide the Mortgagee with evidence satisfactory to the Mortgagee that all such insurance is in effect.

7.4 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

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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 Project on the Property is 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.

7.5 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 any amounts guaranteed by the Mortgagor under the Security Documents if due and payable. 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. 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.

DEFAULT

7.6 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

7.06.1 Event of Default Under Other Security Documents. An **"Event of Default"** (if so defined) occurs under a Security Document other than this Mortgage.

7.06.2 Insurance Provisions. The failure of the Mortgagor to perform its obligations set forth in Section 7 to keep the Property adequately and continually insured.

7.06.3 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

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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.

7.06.4 Receiver; Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Mortgagor is not set aside, discharged, or stayed within sixty (60) 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 sixty (60) days.

7.06.5 Assignment of Rents. Any attempted assignment by the Mortgagor of the whole or any part of the Rents in contravention of Section 6.4.

7.06.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 6.5, 6.6, 6.7 or 6.9.

7.06.7 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 Project).

7.06.8 Defaults under Superior Liens. Any default by the Mortgagor under any documents executed in connection with any superior liens against the Property, which default is not cured within any applicable grace or cure period.

7.06.9 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.

7.06.10 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.

7.06.11 Environmental Liens. If the Environmental Protection Agency of the United States ("EPA"), or any other state or federal agency or any other person or entity (a) asserts or creates a lien upon any or all of the Property by reason of the failure of the Mortgagor to comply with all Environmental Requirements or (b) commences an action or proceeding based on any claims against the Mortgagor, the Property, the Mortgagee for damages or cleanup costs related to the Mortgagor's failure to comply with all Environmental Requirements, and in the case of such an action or proceeding Mortgagor is unsuccessful in

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obtaining a dismissal of such action or proceeding within thirty (30) days but in any event prior to the date any lien attaches to the Property.

7.7 Payment or Performance by the 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 lesser of the Default Interest Rate stated in the Mezzanine Note or the maximum rate permitted by applicable law 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 their rights under this Section 8.2 without liability to the Mortgagor.

7.8 Completion of Project: 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 Project Documents 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 Mortgagee to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 8.3 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 lesser of the Default Interest Rate provided in the Mezzanine Note or the maximum rate permitted by applicable law until paid. 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.

7.9 Possession by Mortgagee. Upon the occurrence of an Event of Default, 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 Security Documents, including actual attorney's fees, (c) third, to pay all sums

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secured by the Security 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.

FOR THE PURPOSE OF OBTAINING POSSESSION OF THE PROPERTY IF AN EVENT OF DEFAULT HEREUNDER OR UNDER THE OTHER SECURITY DOCUMENTS HAS OCCURRED AND IS CONTINUING, MORTGAGOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR MORTGAGOR AND ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, TO APPEAR FOR AND CONFESS JUDGMENT IN EJECTMENT AGAINST MORTGAGOR FOR POSSESSION OF THE PROPERTY AND TO APPEAR FOR AND CONFESS JUDGMENT AGAINST MORTGAGOR, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH MORTGAGOR, IN FAVOR OF MORTGAGEE, FOR RECOVERY BY MORTGAGEE OF POSSESSION THEREOF, FOR WHICH THIS MORTGAGE, OR A COPY THEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE PROPERTY, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED IT SHALL BE DISCONTINUED, OR POSSESSION OF THE PROPERTY SHALL REMAIN IN OR BE RESTORED TO MORTGAGOR, MORTGAGEE SHALL HAVE THE RIGHT FOR THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER ACTIONS AS ABOVE PROVIDED TO RECOVER POSSESSION OF THE PROPERTY. MORTGAGEE MAY CONFESS JUDGMENT IN EJECTMENT THEREIN BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO FORECLOSE THIS MORTGAGE OR TO ENFORCE THE OTHER SECURITY DOCUMENTS, OR AFTER ENTRY OF JUDGMENT ON THE MORTGAGE OR ON THE GUARANTY, OR AFTER A SHERIFF'S SALE OF THE PROPERTY IN WHICH MORTGAGEE IS THE SUCCESSFUL BIDDER. THE AUTHORIZATION TO PURSUE SUCH PROCEEDINGS FOR OBTAINING POSSESSION IS AN ESSENTIAL PART OF THE ENFORCEMENT OF THE MORTGAGE AND THE OTHER SECURITY DOCUMENTS, AND SHALL SURVIVE ANY EXECUTION SALE TO MORTGAGEE.

7.10 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.

7.11 Judgment; Foreclosure. At any time during the existence of an Event of Default, the Mortgagee, at the Mortgagee's option, may institute an action for the foreclosure of this Mortgage and the sale of the Property pursuant to the judgment or decree of a court of competent jurisdiction, sell the Property to the highest bidder or bidders at public auction at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or in the absence of any such requirement, as Mortgagee may deem appropriate, and from time to time adjourn such sale announcement at the time and place specified for such sale or for such adjourned sale or sales without further notice except such as may be required by law, and may invoke any other remedies permitted by Pennsylvania law or

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provided in this Mortgage or in any other Security Document, including, without limitation, the sale of the Property, in such a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the 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.

7.12 Application and Proceeds of Sale. Upon a sale under Section 8.6, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Mortgagor and without any liability to see to the application of the purchase money. The net proceeds from the sale, after deduction of all costs of the sale, shall be applied, unless otherwise required under Pennsylvania 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 due from the Mortgagor under the Security Documents 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.

7.13 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 8.6 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.

7.14 Right of the Mortgagee to Bid. The Mortgagee may bid and become the purchaser at a foreclosure sale under this Mortgage.

7.15 Bond. The Mortgagor waives any right to require the person authorized to make the sale hereunder to post a bond.

7.16 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to and Mortgagor hereby consents to, the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Security 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 Project and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Mortgagor (the cost of completing the Project 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

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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 lesser of the Default Interest Rate as provided in the Mezzanine Note or the maximum rate permitted by applicable law. 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 Security Documents, shall constitute waste. The Mortgagor hereby consents to the appointment of a receiver, should the Mortgagee elect to seek such relief. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the 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.

7.17 Remedies Cumulative. All rights, powers, and remedies of the Mortgagee provided for in the Security 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.

7.18 Consent to Jurisdiction and Venue. The Mortgagor consents to be sued in any jurisdiction where any of the Property is located.

7.19 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, and 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 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.

7.20 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 THIS MORTGAGE OR ANY OF THE OTHER SECURITY DOCUMENTS TO WHICH THE

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MORTGAGOR IS A PARTY. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS MORTGAGE. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE MORTGAGOR WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS MORTGAGE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE MORTGAGOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

SECTION 8. MISCELLANEOUS

8.1 Waivers. No term of any Security 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 Security 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 Security Documents, or at law or in equity.

8.2 Consents.

8.02.1 The Mortgagee may (a) release any person liable under the Security Documents, (b) release any part of the security, (c) extend the time of payment of the Guarantor's Obligations, and/or (d) modify the terms of the Security 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 Security Documents shall impair or affect the lien of this Mortgage or the priority of such lien over any subordinate lien.

8.02.2 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 Security 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 Security Documents, (b) the release of any other person liable under any Security Document, (c) the release of any portion of the security under the Security 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 Security Document.

8.3 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Mortgage.

8.4 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:

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(a) If to the Mortgagee: Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

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

Mark Pollak, Esquire
Wilmer Hale, LLP
100 Light Street, 13th Floor
Baltimore, Maryland 21202

(b) If to Mortgagor: Concord Campus, L.P.
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Financial Officer

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

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

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

8.5 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Security Documents. No transferor of any obligation under any Security Document shall be relieved of its obligations by any modification of any Security Document subsequent to the transfer.

8.6 Amendment. This Mortgage may not be modified except in writing signed by the Mortgagee and the Mortgagor.

8.7 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.

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8.8 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.

8.9 Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania.

8.10 Time of the Essence. Time is of the essence with respect to the Security Documents.

8.11 Effect of Payments. Any payment or other performance made in accordance with the Security Documents by any person other than the Mortgagor shall not entitle such person to any right of subrogation under the Security Documents, unless expressly consented to in writing by the Mortgagee.

8.12 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.

8.13 Assignment of Rents. The Mortgagor, does hereby sell, assign, transfer and set over unto the Mortgagee all of the rents, profits, income and other moneys, whether due or to become due, under all oral or written leases, licenses or other agreements for the use or occupancy of the Property, or any part thereof, in existence or coming into existence during the period this Mortgage is in effect. This assignment is absolute and effective immediately, provided that Mortgagor shall have a license to receive, collect and obtain the benefit of such rents, profits, income and other amounts until an Event of Default hereunder. 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 Pennsylvania, 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.

Upon the occurrence of an Event of Default by the Mortgagor under this Mortgage or any other of the Security 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,

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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 Commonwealth of Pennsylvania in effect from time to time.

8.14 Future Advances. If Mortgagor sends a written notice to Mortgagee which purports to limit the indebtedness secured by this Mortgage and to release the obligation of Mortgagee to make any additional advances to Mortgagor, such a notice shall be ineffective as to any future advances made: (i) to pay taxes, assessments, maintenance charges and insurance premiums; (iii) for costs incurred for the protection of the Property or the lien of this Mortgage; (iv) for expenses incurred by Mortgagee by reason of a default of Mortgagor hereunder or under any of the other Security Documents; and (v) for any other costs incurred by Mortgagee to protect and preserve the Property. It is the intention of the parties hereto that any such advance made by Mortgagee after any such notice by Mortgagor shall be secured by the lien of this Mortgage on the Property.

8.15 [Intentionally Omitted.]

8.16 Release. If the obligations secured by this Mortgage are paid in full in accordance with the terms of the Guaranty and other Security Documents, then this conveyance shall become null and void and be released at Mortgagor's request and expense, and the Mortgagee shall have no further obligation to make advances under and pursuant to the provisions hereof or any of the other Security Documents.

8.17 ENTIRE AGREEMENT; AMENDMENT. THE PARTIES AGREE THAT THIS ENTIRE AGREEMENT IS NONSTANDARD AND CONTAINS SUFFICIENT SPACE FOR THE PLACEMENT OF NONSTANDARD TERMS. THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS AND IS INTENDED TO BE THE FINAL EXPRESSION OF THE CREDIT AGREEMENT OF MORTGAGOR AND MORTGAGEE, RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ANY AND ALL PRIOR DISCUSSION AND/OR AGREEMENTS RELATIVE THERETO. THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN MORTGAGOR AND MORTGAGEE. MORTGAGOR AND MORTGAGEE HEREBY INITIAL THIS PROVISION AS AN AFFIRMATION THAT NO UNWRITTEN, ORAL CREDIT AGREEMENTS BETWEEN THE PARTIES EXIST.

The provisions hereof and any of the other Security Documents may be amended or waived only by an instrument in writing signed by Mortgagor and the Mortgagee, subject to the provisions of the other Security Documents.

8.18 Waiver of Statutory and Other Rights. To the extent permitted by law, Mortgagor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisement, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would

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prevent or hinder the enforcement or foreclosure of this Mortgage. Mortgagor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

8.19 Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of Mortgagee pursuant to this Agreement are subject in all respects to the terms, covenants, and limitations as set forth in that certain Cross Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, Mortgagee and Mortgagor (the "**Cross Tri-Party Agreement**"), the provisions of which Cross Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein.

8.20 Subordination. The Mortgagee hereby acknowledges and agrees that the rights and interests of the Mortgagee hereunder are subject to the prior lien, operation and effect of the Concord Junior IDOT (as defined in the Cross Tri-Party Agreement), and the Mortgagee hereby expressly subordinates the terms, conditions and covenants and the priority and effect of any liens and security interests of this Mortgage to the terms, conditions and covenants and the priority and effect of any liens and security interests of the Concord Junior IDOT. So long as the Concord Junior IDOT is in effect, as long as the Mortgagor complies with the terms, conditions and covenants of the Concord Junior IDOT, the Mortgagor shall be deemed to have complied with the terms, conditions and covenants contained herein, without any requirement for duplication of performance of any such terms, conditions and covenants.

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IN WITNESS WHEREOF the Mortgagor, by its duly authorized member, has executed and delivered this Mortgage as of the date and year first written above.

WITNESSES:

CONCORD CAMPUS, L.P.,
a Maryland limited partnership

By: Concord Campus GP, LLC, Its General Partner

By: Erickson Retirement Communities, LLC, Its Sole Member

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

Dawn E. Hughes
Dawn E. Hughes
Print Name:

The undersigned hereby certifies that the address of Mortgagee is:

STRATEGIC ASHBY PONDS LENDER LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

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Instrument Number: 2007053484 Book/Page: RECORD-04129/0243 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT A

Description of the Land

All that certain lot and parcel of land located in Delaware County, Pennsylvania and more particularly described as follows:

See EXHIBIT "A" attached

TOGETHER WITH that certain Loop Road Access Easement described on Exhibit "B" attached

FURTHER TOGETHER WITH those certain Temporary Construction/Grading Easements A, B, C and D described on Exhibit "C" attached

FURTHER TOGETHER WITH those Signage Easements described on Exhibit "D" attached.

FURTHER TOGETHER WITH that certain 20 Foot Wide Sanitary Sewer Easement described on Exhibit "E" attached.

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Instrument Number: 2007053484 Book/Page: RECORD-04129/0244 Date Filed: 6/19/2007 11:11:45 AM

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FURTHER TOGETHER WITH that certain 20 Foot Wide Sanitary Sewer Easement described on Exhibit "E" attached.

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EXHIBIT "A"

Metes and Bounds Description
Proposed Lot B (Tract)
Parcel 13-19-004 & Part Of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth Of Pennsylvania

BEGINNING at the intersection of the title line in the bed of Brinton Lake Road (a.k.a. Brinton Mill Road, a.k.a. Miller Road, a.k.a. T-305, 33 foot wide right-of-way), with the title line in the bed of Spring Valley Road (a.k.a. Marshall Road, 33 foot wide right-of-way), and from said point of beginning running, thence;

The following three (3) courses and distances along the title line through the bed of Brinton Lake Road;

1. North 25 degrees 15 minutes 44 seconds West, a distance of 2,010.26 feet to a point of curvature, thence;

2. Along the arc of a circle curving to the right, having a radius of 600.00 feet, a central angle of 22 degrees 23 minutes 51 seconds, an arc length of 234.55 feet, a chord bearing north 14 degrees 03 minutes 48 seconds West and a chord distance of 233.06 feet to a point of tangency, thence;

3. North 02 degrees 51 minutes 53 seconds West, a distance of 199.41 feet to a corner, thence;

4. Crossing the bed of Brinton Lake Road, and along the dividing line between parcel 13-19-004, lands now or formerly Concordel Properties, Inc. and parcel 13-19-005, lands now or formerly of Thompson, North 63 degrees 49 minutes 04 seconds East, a distance of 727.87 feet to an iron pipe, thence;

The following three (3) courses and distances along a line dividing parcel 13-19-004 and parcel 13-19-006, lands now or formerly WAWA, Inc.:

5. South 24 degrees 25 minutes 56 seconds East, a distance of 488.03 feet to a corner, thence;

6. South 65 degrees 34 minutes 04 seconds West, a distance of 133.65 feet to a corner, thence;

7. South 22 degrees 55 minutes 56 seconds East, a distance of 66.00 feet to a corner, thence;

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8. Along the common dividing line between parcel 13-19-004; parcel 13-20-070, lands now or formerly Concordel Properties, Inc. and parcel 13-19-006, North 66 degrees 25 minutes 00 seconds East, a distance of 143.06 feet to a stone monument, thence;

9. Along the common dividing line between parcel 13-20-070; parcel 13-19-006; and parcel 13- 19-007, lands now or formerly Styer Land Holding, North 69 degrees 08 minutes 55 seconds East, a distance of 673.22 feet to a stone found, thence;

The following three (3) courses and distances along a proposed subdivision line through parcel 13-20-070.

10. South 24 degrees 03 minutes 37 seconds East, a distance of 626.30 feet to a point of curvature, thence;

11. Along the arc of a circle curving to the left, having a radius of 350.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 556.92 feet, a chord bearing South 69 degrees 38 minutes 41 seconds East and a chord distance of 500.00 feet to a corner, thence;

12. North 64 degrees 46 minutes 15 seconds East a distance of 276.46 feet to a corner, thence;

13. Along a line through parcel 13-20-070 and along the dividing line between parcel 13-20-070 and parcel 13-19-075, lands now or formerly of Lamplugh, South 25 degrees 13 minutes 45 seconds East, a distance of 831.86 feet to a point on the title line in the bed of Spring Valley Road, thence;

The following two (2) courses and distances along the title line through the bed of Spring Valley Road:

14. South 64 degrees 20 minutes 00 seconds West, a distance of 895.03 feet to an angle point, thence;

15. South 64 degrees 30 minutes 00 seconds West, a distance of 1,237.42 feet to the point and place of beginning.

Containing 3,798,314 square feet or 87.197 acres

This property subject to restrictions, covenants and/or easements, as contained in a title commitment report prepared by Chicago Title Insurance Company, File No. 560765JW, with an effective date of 8/31/03.

This description was written based upon a map entitled "ALTA/ACSM Land Title Survey, Concord Campus, L.P., Spring Valley Road & Brinton Lake Road, part of parcel 13-20-070 and parcel 13-19-004, Concord Township, Delaware County, Commonwealth Of Pennsylvania", prepared by Control Point Associates, Inc., File No. CP03091, dated

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10/14/03, last revised 7/22/05, DWG. No. 1 of 1.

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EXHIBIT "B"

Metes and Bounds Description
Loop Road 'Access' Easement (A.K.A. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly Concordel Properties. Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point on the southeasterly proposed right-of-way of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 and 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way), at its intersection with the dividing line between parcel 13-20-070, lands now or formerly Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly Styer Land Holding, and from said point of beginning running, thence;

1. Along the proposed right-of-way line of Baltimore Pike, North 77 degrees 59 minutes 17 seconds East, a distance of 186.47 feet to a point of cusp, thence;

The following eleven (11) courses and distances through part of parcel 13-20-070:

2. Along the arc of a circle curving to the left, having a radius of 60.00 feet, a central angle of 70 degrees 20 minutes 00 seconds, an arc length of 73.65 feet, a chord bearing South 23 degrees 09 minutes 17 seconds West and a chord distance of 69.11 feet to a point of tangency, thence;

3. South 12 degrees 00 minutes 43 seconds East, a distance of 109.19 feet to a corner, thence;

4. South 02 degrees 56 minutes 02 seconds East, a distance of 76.06 feet to a corner, thence;

5. South 12 degrees 00 minutes 43 seconds East, a distance of 57.22 feet to a point of curvature thence;

6. Along the arc of a circle curving to the right, having a radius of 330.00 feet, a central angle of 21 degrees 34 minutes 15 seconds, an arc length of 124.24 feet, a chord bearing South 01 degree 13 minutes 35 seconds East and a chord distance of 123.51 feet to a point of tangency, thence;

7. South 09 degrees 33 minutes 33 seconds West, a distance of 144.61 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the left, having a radius of 270.00 feet, a central angle of 33 degrees 37 minutes 10 seconds, an arc length of 158.43 feet, a chord

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bearing South 07 degrees 15 minutes 02 seconds East and a chord distance of 156.16 feet to a point of tangency, thence;

9. South 24 degrees 03 minutes 37 seconds East, a distance of 1,071.25 feet to a point of curvature, thence;

10. Along the arc of a circle curving to the left, having a radius of 285.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 453.49 feet, a chord bearing South 69 degrees 38 minutes 41 seconds East and a chord distance of 407.14 feet to a point of tangency, thence;

11. North 64 degrees 46 minutes 15 seconds East, a distance of 384.08 feet to a point of curvature, thence;

12. Along the arc of a circle curving to the left, having a radius of 970.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 64.74 feet, a chord bearing North 62 degrees 51 minutes 32 seconds East and a chord distance of 64.72 feet to a point of tangency, thence;

13. Along a line through part of parcel 13-20-070 and part of parcel 13-20-069, lands now or formerly of Petschelt, North 60 degrees 56 minutes 49 seconds East, a distance of 777.92 feet to a point of curvature, thence;

The following three (3) courses and distances through parcel 13-20-069:

14. Along the arc of a circle curving to the left, having a radius of 470.00 feet, a central angle of 16 degrees 25 minutes 31 seconds, an arc length of 134.74 feet, a chord bearing North 52 degrees 44 minutes 04 seconds East and a chord distance of 134.28 feet to a point of non-tangency, thence;

15. North 29 degrees 55 minutes 21 seconds East, a distance of 56.28 feet to a point, thence;

16. North 36 degrees 56 minutes 24 seconds East, a distance of 99.02 feet to a point of curvature, thence;

17. Along a line through parcel 13-20-069 and part of parcel 13-20-070, along the arc of a circle curving to the left, having a radius of 90.00 feet, a central angle of 25 degrees 22 minutes 46 seconds, an arc length of 39.87 feet, a chord bearing North 24 degrees 15 minutes 01 second East and a chord distance of 39.54 feet to a point of compound curvature, thence;

The following two courses and distances through part of parcel 13-20-070:

18. Along the arc of a circle curving to the left, having a radius of 40.00 feet, a central

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angle of 62 degrees 59 minutes 02 seconds, an arc length of 43.97 feet, a chord bearing North 19 degrees 55 minutes 54 seconds West and a chord distance of 41.79 feet to a point of non-tangency, thence;

19. North 38 degrees 35 minutes 10 seconds East, a distance of 5.71 feet to a point on the southwesterly proposed right-of-way of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), thence;

20. Along the southwesterly proposed right-of-way of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 199.24 feet to a corner, thence;

The following four (4) courses and distances through parcel 13-20-069:

21. South 38 degrees 35 minutes 10 seconds West, a distance of 1.68 feet to a corner, thence;

22. Along the arc of a circle curving to the left, having a radius of 65.00 feet, a central angle of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord bearing South 86 degrees 41 minutes 26 seconds West and a chord distance of 86.79 feet to a point of tangency, thence;

23. South 44 degrees 48 minutes 16 seconds West, a distance of 170.64 feet to a point of curvature, thence;

24. Along the arc of a circle curving to the right, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing South 52 degrees 52 minutes 33 seconds West and a chord distance of 148.83 feet to a point of tangency, thence;

25. Along a line through parcel 13-20-069 and part of parcel 13-20-070, South 60 degrees 56 minutes 49 seconds West, a distance of 777.92 feet to a point of curvature, thence;

The following five (5) courses and distances through part of parcel 13-20-070:

26. Along the arc of a circle curving to the right, having a radius of 1,030.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 68.74 feet, a chord bearing South 62 degrees 51 minutes 32 seconds West and a chord distance of 68.73 feet to a point of tangency, thence;

27. South 64 degrees 46 minutes 15 seconds West, a distance of 384.08 feet to a point of curvature, thence;

28. Along the arc of a circle curving to the right, having a radius of 345.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 548.96 feet, a chord bearing North 69 degrees 38 minutes 41 seconds West and a chord distance of 492.86

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feet to a point of tangency, thence;

29. North 24 degrees 03 minutes 37 seconds West, a distance of 237.85 feet to a corner, thence;

30. South 65 degrees 56 minutes 23 seconds West, a distance of 5.00 feet to a corner, thence;

31. Along the dividing line between proposed Lot A and proposed Lot B, North 24 degrees 03 minutes 37 seconds West, a distance of 350.00 feet to a corner, thence;

The following five (5) courses and distances through part of parcel 13-10-070;

32. North 65 degrees 56 minutes 23 seconds East, a distance of 5.00 feet to a corner, thence;

33. North 24 degrees 03 minutes 37 seconds West, a distance of 483.40 feet to a point of curvature, thence;

34. Along the arc of a circle curving to the right, having a radius of 330.00 feet, a central angle of 28 degrees 54 minutes 15 seconds, an arc length of 166.48 feet, a chord bearing North 09 degrees 36 minutes 29 seconds West and a chord distance of 164.72 feet to a point of non-tangency, thence;

35. North 04 degrees 50 minutes 38 seconds East, a distance of 194.31 feet to a point of curvature, thence;

36. Along the arc of a circle curving to the left, having a radius of 253.00 feet, a central angle of 12 degrees 49 minutes 28 seconds, an arc length of 56.63 feet, a chord bearing North 01 degree 34 minutes 06 seconds West and a chord distance of 56.51 feet to a corner, thence;

The following two (2) courses and distances along the dividing line between part of parcel 13-20-070 and parcel 13-19-007, lands now or formerly of Stier Land Holding:

37. North 65 degrees 04 minutes 03 seconds East, a distance of 3.04 feet to a corner, thence;

38. North 23 degrees 20 minutes 57 seconds West, a distance of 54.55 feet to a corner, thence;

The following five (5) courses and distances through part of parcel 13-20-070:

39. Along the arc of a circle curving to the left, having a radius of 10.00 feet, a central angle of 65 degrees 35 minutes 45 seconds, an arc length of 11.45 feet, a chord bearing North 10 degrees 13 minutes 01 second East and a chord distance of 10.83

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feet to a point of compound curvature, thence;

40. Along the arc of a circle curving to the left, having a radius of 253.00 feet, a central angle of 08 degrees 54 minutes 55 seconds, an arc length of 39.37 feet, a chord bearing North 27 degrees 02 minutes 19 seconds West and a chord distance of 39.33 feet to a point of reverse curvature, thence;

41. Along the arc of a circle curving to the right, having a radius of 222.00 feet, a central angle of 19 degrees 29 minutes 04 seconds, an arc length of 75.49 feet, a chord bearing North 21 degrees 45 minutes 14 seconds West and a chord distance of 75.13 feet to a point of tangency, thence;

42. North 12 degrees 00 minutes 43 seconds West, a distance of 68.14 feet to a point of curvature, thence;

43. Along the arc of a circle curving to the left, having a radius of 75.00 feet, a central angle of 54 degrees 37 minutes 44 seconds, an arc length of 71.51 feet, a chord bearing North 39 degrees 19 minutes 34 seconds West and a chord distance of 68.83 feet to a point of non-tangency, thence;

44. Along the dividing line between part of parcel 13-20-070 and parcel 13-19-007, North 23 degrees 20 minutes 57 seconds West, a distance of 10.55 feet to the point and place of beginning.

Total gross area of Loop Road 'Access' Easement (a.ka. Evergreen Drive) Containing 258,571 square feet 5.936 acres

EXCEPTING AND RESERVING THE FOLLOWING:

Part of parcel 13-20-069 lands now or formerly of Petschelt

BEGINNING at a point on the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), said point being distant 143.08 feet on a course of North 51 degrees 24 minutes 50 seconds West, as measured from the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-06s, lands now or formerly of Guerin, and from said point of beginning running, thence;

The following five courses and distances through parcel 13-20-069:

1. South 38 degrees 35 minutes 10 seconds West, a distance of 1.68 feet to a corner, thence;

2. Along the arc of a circle curving to the left, having a radius of 65.00 feet, a central angle of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord

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bearing South 86 degrees 41 minutes 26 seconds West and a chord distance of 86.79 feet to a point of tangency, thence;

3. South 44 degrees 48 minutes 16 seconds West, a distance of 170.64 feet to a point of curvature, thence;

4. Along the arc of a circle curving to the right, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing South 52 degrees 52 minutes 33 seconds West and a chord distance of 148.83 feet to a point of tangency, thence;

5. South 60 degrees 56 minutes 49 seconds West, a distance of 34.55 feet to a corner, thence;

6. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly Concordel Properties, Inc., North 25 degrees 33 minutes 58 seconds West, a distance of 60.11 feet to a corner, thence;

The following four (4) courses and distances through parcel 13-20-069:

7. North 60 degrees 56 minutes 49 seconds East, a distance of 30.90 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the left, having a radius of 470.00 feet, a central angle of 16 degrees 25 minutes 31 seconds, an arc length of 134.74 feet, a chord bearing North 52 degrees 44 minutes 04 seconds East and a chord distance of 134.28 feet to a point of non-tangency, thence;

9. North 29 degrees 55 minutes 21 seconds East, a distance of 56.28 feet to a corner, thence;

10. North 36 degrees 56 minutes 24 seconds East, a distance of 15.66 feet to a corner, thence;

11. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, North 64 degrees 26 minutes 02 seconds East, a distance of 165.76 feet to a point on the southwesterly proposed right-of-way line of Conchester Highway, thence;

12. Along the southwesterly proposed right-of-way line of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 79.15 feet to the point and place of beginning.

CONTAINING 23,818 square feet or 0.547 acre

Total net area of Loop Road 'Access' Easement (a.k.a. Evergreen Drive) containing 234,753 square feet or 5.389 acres

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This property subject to restrictions, covenants and/or easements either written or implied.

this description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, LP, Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania", Prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 8/19/05, file no. p03-0913.sheet 2 of 8.

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EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'A'
Along Loop Road Access Easement (a.k.a. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

Beginning at a point on the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), said point being distant 123.85 feet, on a course of North 51 degrees 24 minutes 50 seconds West, as measured from the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin, and from said point of beginning running, thence;

The following two (2) courses and distances through parcel 13-20-069:

1. North 84 degrees 04 minutes 57 seconds West, a distance of 71.08 feet to a corner, thence;

2. South 40 degrees 42 minutes 32 seconds West, a distance of 369.30 feet to a corner, thence;

3. Along the common dividing line between parcel 13-20-069; parcel 13-20-070, lands now or formerly of Concordel Properties, Inc.; parcel 13-20-068, lands now or formerly of Guerin; parcel 13-20-068-001, lands now or formerly of Clendening; and parcel 13-20-073, lands now or formerly of Neef, South 64 degrees 26 minutes 02 seconds West, a distance of 551.00 feet to a corner, thence;

4. Along a line dividing parcel 13-20-070 and parcel 13-20-073, South 25 degrees 13 minutes 45 seconds East, a distance of 156.36 feet to a corner, thence;

5. Along the common dividing line between parcel 13-20-070; parcel 13-20-074, lands now or formerly of Teetesel; and parcel 13-20-075, lands now or formerly of Laplugh, South 64 degrees 20 minutes 00 seconds West, a distance of 400.00 feet to a, thence;

The following four (4) courses and distances along a subdivision line through parcel 13-20-070:

6. North 25 degrees 13 minutes 45 seconds West, a distance of 177.26 feet to a corner, thence;

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7. South 64 degrees 46 minutes 15 seconds West, a distance of 276.46 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the right, having a radius of 350.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 556.92 feet, a chord bearing North 69 degrees 38 minutes 41 seconds West and a chord distance of 500.00 feet to a point of tangency, thence;

9. North 24 degrees 03 minutes 37 seconds West, a distance of 237.85 feet to a corner, thence;

10. Along a line through parcel 13-20-070, North 65 degrees 56 minutes 23 seconds East, a distance of 5.00 feet to a point on the southerly right-of-way line of Loop Road 'Access' Easement, thence;

The following nine (9) courses and distances along the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive):

11. South 24 degrees 03 minutes 37 seconds East, a distance of 237.85 feet to a point of curvature, thence;

12. Along the arc of a circle curving to the left, having a radius of 345.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 548.96 feet, a chord bearing South 69 degrees 38 minutes 41 seconds East and a chord distance of 492.86 feet to a point of tangency, thence;

13. North 64 degrees 46 minutes 15 seconds East, a distance of 384.08 feet to a point of curvature, thence;

14. Along the arc of a circle curving to the left, having a radius of 1,030.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 68.74 feet, a chord bearing North 62 degrees 51 minutes 32 seconds East and a chord distance of 68.73 feet to a point of tangency, thence;

15. North 60 degrees 56 minutes 49 seconds East, a distance of 777.92 feet to a point of curvature, thence;

16. Along the arc of a circle curving to the left, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing North 52 degrees 52 minutes 33 seconds East and a chord distance of 148.83 feet to a point of tangency, thence;

17. North 44 degrees 48 minutes 16 seconds East, a distance of 170.64 feet to a point of curvature, thence;

18. Along the arc of a circle curving to the right, having a radius of 65.00 feet, a central angle

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of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord bearing North 86 degrees 41 minutes 26 seconds East and a chord distance of 86.79 feet to a point of non-tangency, thence;

19. North 38 degrees 35 minutes 10 seconds East, a distance of 1.68 feet to a point on the southwesterly proposed right-of-way line of Conchester Highway, thence;

20. Along the southwesterly proposed right-of-way line of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 19.23 feet to the point and place of BEGINNING.

Total gross area of the Temporary Construction/Grading Easement 'A'

Containing 125,793 square feet or 2.888 acres

Excepting and reserving the following:

Part of parcel 13-20-069 lands now or formerly of Petschelt

BEGINNING at a point on the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), said point being distant 125.85 feet on a course of North 51 degrees 24 minutes 50 seconds West, as measured from the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin, and from said point of beginning running, thence;

The following two (2) courses and distances through parcel 13-20-069:

1. North 84 degrees 04 minutes 57 seconds West, a distance of 71.08 feet to a corner, thence;

2. South 40 degrees 42 minutes 32 seconds West, a distance of 369.30 feet to a corner, thence;

3. Along the dividing line between parcel 13-20-069 and parcel 13-20-068, South 64 degrees 26 minutes 02 seconds West, a distance of 32.54 feet to a corner, thence;

4. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly Concordel Properties, Inc., North 25 degrees 33 minutes 58 seconds West, a distance of 71.67 feet to a point on the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive), thence;

The following five (5) courses and distances along the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive):

5. North 60 degrees 56 minutes 49 seconds East, a distance of 34.55 feet to a point of curvature, thence;

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6. Along the arc of a circle curving to the left, having a radius of 530.00 feet, a central angle of 16 degrees 08 minutes 34 seconds, an arc length of 149.32 feet, a chord bearing North 52 degrees 52 minutes 33 seconds East and a chord distance of 148.83 feet to a point of tangency, thence;

7. North 44 degrees 4s minutes 16 seconds East, a distance of 170.64 feet to a point of curvature, thence;

8. Along the arc of a circle curving to the right, having a radius of 65.00 feet, a central angle of 83 degrees 46 minutes 19 seconds, an arc length of 95.04 feet, a chord bearing North 86 degrees 41 minutes 26 seconds East and a chord distance of 86.79 feet to a point of non-tangency, thence;

9. North 38 degrees 35 minutes 10 seconds East, a distance of 1.68 feet to a point on the southwesterly proposed right-of-way line of Conchester Highway, thence;

10. Along the southwesterly proposed right-of-way line of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 19.23 feet to the point and place of BEGINNING.

Containing 16,967 square feet or 0.390 acre

Total net area of the Temporary Construction/Grading Easement 'A' containing 108,826 square feet or 2.498 acres

This property subject to restrictions, covenants and/or easements, either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, LP, Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania", prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 8/19/05, File No. P03-0913, sheet 2 of 8.

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EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'B'
Along Loop Road 'Access' Easement (a.k.a. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

Beginning at a point on the southeasterly proposed right-of-way of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 and 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way) said point being distant 186.47 feet on a course of North 77 degrees 59 minutes 17 seconds East, from its intersection with the dividing line between parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly of Styler Land Holdings, and from said point of beginning running, thence;

1. Along the proposed right line of Baltimore Pike, North 77 degrees 59 minutes 17 seconds East, a distance of 9.79 feet to a corner, thence;

2. Along the dividing line between parcel 13-20-070 and parcel 13-19-012, lands now or formerly of Migetz, South 22 degrees 50 minutes 19 seconds East, a distance of 280.20 feet to a corner, thence;

The following nineteen (19) courses and distances through parcel 13-20-070:

3. South 04 degrees 17 minutes 20 seconds East, a distance of 131.92 feet to a corner, thence;

4. South 24 degrees 03 minutes 37 seconds East, a distance of 859.17 feet to a corner, thence;

5. South 84 degrees 36 minutes 29 seconds East, a distance of 134.39 feet to a corner, thence;

6. South 05 degrees 23 minutes 31 seconds West, a distance of 183.64 feet to a corner, thence;

7. South 65 degrees 56 minutes 23 seconds West, a distance of 166.46 feet to a corner, thence;

8. South 25 degrees 33 minutes 58 seconds East, a distance of 82.53 feet to a corner, thence;

9. South 03 degrees 42 minutes 51 seconds East, a distance of 164.72 feet to a corner, thence;

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10. South 25 degrees 33 minutes 58 seconds East, a distance of 119.28 feet to a corner, thence;

11. South 52 degrees 15 minutes 58 seconds East, a distance of 66.51 feet to a corner, thence;

12. South 86 degrees 30 minutes 00 seconds East, a distance of 154.26 feet to a corner, thence;

13. North 64 degrees 26 minutes 02 seconds East, a distance of 942.41 feet to a corner, thence;

14. North 25 degrees 33 minutes 58 seconds West, a distance of 95.17 feet to a corner, thence;

15. North 10 degrees 57 minutes 30 seconds West, a distance of 92.67 feet to a corner, thence;

16. North 25 degrees 33 minutes 58 seconds West, a distance of 136.53 feet to a corner, thence;

17. North 31 degrees 27 minutes 49 seconds East, a distance of 131.24 feet to a corner, thence;

18. South 89 degrees 00 minutes 41 seconds East, a distance of 78.80 feet to a corner, thence;

19. South 62 degrees 22 minutes 34 seconds East, a distance of 112.92 feet to a corner, thence;

20. South 42 degrees 10 minutes 48 seconds East, a distance of 84.21 feet to a corner, thence;

21. South 30 degrees 23 minutes 36 seconds East, a distance of 94.63 feet to a corner, thence;

The following two (2) courses and distances along a line through part of parcel 13-20-070 and part of parcel 13-20-069, lands now or formerly of Petschelt:

22. South 51 degrees 52 minutes 03 seconds East, a distance of 61.00 feet to a corner, thence;

23. North 38 degrees 41 minutes 56 seconds East, a distance of 98.26 feet to a corner, thence;

The following eight (8) courses and distances through part of parcel 13-20-070:

24. North 20 degrees 38 minutes 19 seconds West, a distance of 63.56 feet to a corner, thence;

25. North 05 degrees 29 minutes 02 seconds East, a distance of 36.53 feet to a corner, thence;

26. South 84 degrees 30 minutes 58 seconds East, a distance of 44.84 feet to a corner, thence;

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27. South 53 degrees 03 minutes 36 seconds East, a distance of 92.51 feet to a corner, thence;

28. North 36 degrees 56 minutes 24 seconds East, a distance of 100.10 feet to a corner, thence;

29. North 19 degrees 18 minutes 31 seconds East, a distance of 43.32 feet to a corner, thence;

30. North 51 degrees 24 minutes 50 seconds West, a distance of 46.76 feet to a corner, thence;

31. North 38 degrees 35 minutes 10 seconds East, a distance of 27.00 feet to a point on the southwesterly proposed right-of-way of Conchester Highway (a.k.a. S.R., 0322, a.k.a. T.R. 322, variable width right-of-way), thence;

32 Along the southwesterly proposed right-of-way of Conchester Highway, South 51 degrees 24 minutes 50 seconds East, a distance of 24.67 feet to a corner, thence;

The following eighteen (18) courses and distances along the northerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive) part of parcel 13-20-069 and part of parcel 13-20-070:

33. South 38 degrees 35 minutes 10 seconds West, a distance of 5.71 feet to a point of non-tangency, thence;

34. Along the arc of a circle curving to the right, having a radius of 40.00 feet, a central angle of 62 degrees 59 minutes 02 seconds, an arc length of 43.97 feet, a chord bearing South 19 degrees 55 minutes 54 seconds East and a chord distance of 41.79 feet to a point of compound curvature, thence;

35. Along the arc of a circle curving to the right, having a radius of 90.00 feet, a central angle of 25 degrees 22 minutes 46 seconds, an arc length of 39.87 feet, a chord bearing South 24 degrees 15 minutes 01 second West and a chord distance of 39.54 feet to a point of tangency, thence;

36. South 36 degrees 56 minutes 24 seconds West, a distance of 99.02 feet to a corner, thence;

37. South 29 degrees 55 minutes 21 seconds West, a distance of 56.28 feet to a point of curvature, thence;

38. Along the arc of a circle curving to the right, having a radius of 470.00 feet, a central angle of 16 degrees 25 minute 31 seconds, an arc length of 137.74 feet, a chord bearing South 52 degrees 44 minutes 04 seconds West and a chord distance of 134.28 feet to a point of tangency, thence;

39. South 60 degrees 56 minutes 49 seconds West, a distance of 777.92 feet to a point of curvature, thence;

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40. Along the arc of a circle curving to the right, having a radius of 970.00 feet, a central angle of 03 degrees 49 minutes 26 seconds, an arc length of 64.74 feet, a chord bearing South 62 degrees 51 minutes 32 seconds West and a chord distance of 64.72 feet to a point of tangency, thence;

41. South 64 degrees 46 minutes 15 seconds West, a distance of 384.08 feet to a point of curvature, thence;

42. Along the arc of a circle curving to the right, having a radius of 285.00 feet, a central angle of 91 degrees 10 minutes 08 seconds, an arc length of 453.49 feet, a chord bearing North 69 degrees 38 minutes 41 seconds West and a chord distance of 407.14 feet to a point of tangency, thence;

43. North 24 degrees 03 minutes 37 seconds West, a distance of 1,071.25 feet to a point of curvature, thence;

44. Along the arc of a circle curving to the right, having a radius of 270.00 feet, a central angle of 33 degrees 37 minutes 10 seconds, an arc length of 158.43 feet, a chord bearing North 07 degrees 15 minutes 02 seconds West and a chord distance of 156.16 feet to a point of tangency, thence;

45. North 09 degrees 33 minutes 33 seconds East, a distance of 144.61 feet to a point of curvature, thence;

46. Along the arc of a circle curving to the left, having a radius of 330.00 feet, a central angle of 21 degrees 34 minutes 15 seconds, an arc length of 124.24 feet, a chord bearing North 01 degree 13 minutes 35 seconds West and a chord distance of 123.51 feet to a point of tangency, thence;

47. North 12 degrees 00 minutes 43 seconds West, a distance of 57.22 feet to a corner, thence;

48. North 02 degrees 56 minutes 02 seconds West, a distance of 76.06 feet to a corner, thence;

49. North 12 degrees 00 minutes 43 seconds West, a distance of 109.19 feet to a point of curvature, thence;

50. Along the arc of a circle curving to the right, having a radius of 60.00 feet, a central angle of 70 degrees 20 minutes 00 seconds, an arc length of 73.65 feet, a chord bearing North 23 degrees 09 minutes 17 seconds East and a chord distance of 69.11 feet to the point and place of BEGINNING.

Total gross area of the Temporary Construction/Grading Easement 'B' containing 499,474 square feet or 11.466 acres

Excepting and reserving the following:

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Part of parcel 13-20-069 lands now or formerly of Petschelt

BEGINNING at the northerly most corner of the Temporary Construction/Grading Easement 'B', said corner being located the following two (2) courses and distances from the intersection of the southwesterly proposed right-of-way line of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), with the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin:

A. Along the southwesterly proposed right-of-way line of Conchester Highway, North 51 degrees 24 minutes 50 seconds West, a distance of 222.23 feet to a corner, thence;

B. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly of Concordel Properties, Inc., South 64 degrees 26 minutes 02 seconds West, a distance of 165.76 feet to the true point and place of beginning and from said point of beginning running, thence;

The following four (4) courses and distances along the northerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive), part of parcel 13-20-069:

1. South 36 degrees 56 minutes 24 seconds West, a distance of 15.66 feet to a corner, thence;

2. South 29 degrees 55 minutes 21 seconds West, a distance of 56.28 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the right, having a radius of 470.00 feet, a central angle of 16 degrees 25 minutes 31 seconds, an arc length of 134.74 feet, a chord bearing South 52 degrees 44 minutes 04 seconds West and a chord distance of 134.28 feet to a point of tangency, thence;

4. South 60 degrees 56 minutes 49 seconds West, a distance of 30.90 feet to a corner, thence;

5. Along the dividing line between parcel 13-20-069 and parcel 13-20-070, lands now or formerly of Concordel Properties, Inc., North 25 degrees 33 minutes 58 seconds West, a distance of 58.29 feet to a corner, thence;

The following two (2) courses and distances through parcel 13-20-069:

6. South 51 degrees 52 minutes 03 seconds East, a distance of 22.90 feet to a corner, thence;

7. North 38 degrees 41 minutes 56 seconds East, a distance of 70.15 feet to a corner, thence;

8. Along the dividing line between 13-20-069 and parcel 13-20-070, North 64 degrees 26 minutes 02 seconds East, a distance of 149.25 feet to the point and place of BEGINNING.

Containing 9,398 square feet or 0.216 acre

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Total net area of the Temporary Construction/Grading Easement 'B'

Containing 490,076 square feet or 11.250 acres

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, LP, Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania", prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 8/19/05, File No. P03-0913, sheet 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0265 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'C'
Along Loop Road Access Easement
(A.K.A. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth Of Pennsylvania

BEGINNING at a point on the northwesterly most corner of the Temporary Construction/Grading Easement 'C', said point being the following two (2) courses and distances measured along the dividing line between part of parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly of Styer Land Holding, from the proposed right-of-way line of Baltimore Pike (a.k.a, Pennsylvania State Highway U.S. Route 1 & 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way):

The following two (2) courses and distances along the dividing line between parcel 13-20-070 and parcel 13-19-007:

A. South 23 degrees 20 minutes 57 seconds East, a distance of 321.46 feet to a corner, thence;

B. South 65 degrees 04 minutes 03 seconds West, a distance of 3.04 feet to the true point and place of beginning and from said point of beginning running, thence;

The following seven (7) courses and distances along the southerly right-of-way line of Loop Road 'Access' Easement (a.k.a. Evergreen Drive):

1. Along the arc of a circle curving to the right, having a radius of 253.00 feet, a central angle of 12 degrees 49 minutes 28 seconds, an arc length of 56.63 feet, a chord bearing South 01 degree 34 minutes 06 seconds East and a chord distance of 56.51 feet to a point of tangency, thence;

2. South 04 degrees 50 minutes 38 seconds West, a distance of 194.31 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the left, having a radius of 330.00 feet, a central angle of 28 degrees 54 minutes 15 seconds, an arc length of 166.48 feet, a chord bearing South 09 degrees 36 minutes 29 seconds East and a chord distance of 164.72 feet to a point of tangency, thence;

4. South 24 degrees 03 minutes 37 seconds East, a distance of 483.40 feet to a corner,

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thence;

5. South 65 degrees 56 minutes 23 seconds West, a distance of 5.00 feet to a corner, thence;

6. North 24 degrees 03 minutes 37 seconds West, a distance of 611.12 feet to a corner, thence;

7. North 04 degrees 50 minutes 38 seconds East, a distance of 289.89 feet to a corner, thence;

8. Along the dividing line between parcel 13-20-070 and parcel 13-19-007, North 65 degrees 04 minutes 03 seconds East, a distance of 21.53 feet to the point and place of BEGINNING.

Containing 11,280 square feet or 0.259 acre

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, L.P., Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 7/27/05, File No. P03-0913, sheet 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0267 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "C"

Metes and Bounds Description
Temporary Construction/Grading Easement 'D'
Along Loop Road Access Easement
(A.K.A. Evergreen Drive)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point at the northwesterly most corner of the Temporary Construction/Grading Easement 'D', said point being distant 10.55 feet on a course of South 23 degrees 20 minute 57 seconds East as measured along the dividing line between parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-070, lands now or formerly of Styer Land Holding, and the proposed right-of-way line of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 & 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way), and from said point of beginning running, thence;

The following five (5) courses and distances along the southwesterly right-of-way line of proposed Evergreen Drive Loop Road Easement:

1. Along the arc of a circle curving to the right, having a radius of 75.00 feet, a central angle of 54 degrees 37 minutes 44 seconds, an arc length of 71.51 feet, a chord bearing South 39 degrees 19 minutes 34 seconds East and a chord distance of 68.83 feet to a point of tangency, thence;

2. South 12 degrees 00 minutes 43 seconds East, a distance of 68.14 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the left, having a radius of 222.00 feet, a central angle of 19 degrees 29 minutes 04 seconds, an arc length of 75.49 feet, a chord bearing South 21 degrees 45 minutes 14 seconds East and a chord distance of 75.13 feet to a point of reverse curvature, thence;

4. Along the arc of a circle curving to the right, having a radius of 253.00 feet, a central angle of 08 degrees 54 minutes 55 seconds, an arc length of 39.37 feet, a chord bearing South 27 degrees 02 minutes 19 seconds East and a chord distance of 39.33 feet to a point of compound curvature, thence;

5. Along the arc of a circle curving to the right, having a radius of 10.00 feet, a central angle of 65 degrees 35 minutes 45 seconds, an arc length of 11.45 feet, a chord bearing South 10 degrees 13 minutes 01 second West and a chord distance of 10.83 feet to a point, thence;

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6. Along the dividing line between parcel 13-20-070 and parcel 13-19-007, North 23 degrees 20 minutes 57 seconds West, a distance of 256.36 feet to the point and place of beginning.

Containing 2,255 square feet or 0.052 acre

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus, L.P., Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/05, last revised 7/27/05, File No. p03-0913, sheet 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0269 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "D"

Metes and Bounds Description
Proposed Signage Easement (Adjacent To Route I)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point at the northwesterly most corner of the Proposed Sign Easement, said point being distant 10.55 feet on a course of South 23 degrees 20 minutes 57 seconds East as measured along the dividing line between part of parcel 13-20-070, lands now or formerly of Concordel Properties, Inc. and parcel 13-19-007, lands now or formerly of Styler Land Holding from the proposed right-of-way of Baltimore Pike (a.k.a. Pennsylvania State Highway U.S. Route 1 and 322, a.k.a. S.R. 0001, a.k.a. L.R. 131, a.k.a. U.S. Route 1, variable width right-of-way), and from said point of beginning running, thence;

The following four (4) courses and distances through part of parcel 13-20-070; also being the southwesterly right-of-way line of the Proposed Evergreen Drive Loop Road Easement:

1. Along the arc of a circle curving to the right, having a radius of 75.00 feet, a central angle of 54 degrees 37 minutes 44 seconds, an arc length of 71.51 feet, a chord bearing south 39 degrees 19 minutes 34 seconds east and a chord distance of 68.83 feet to a point of tangency, thence;

2. South 12 degrees 00 minutes 43 seconds East, a distance of 68.14 feet to a point of curvature, thence;

3. Along the arc of a circle curving to the left, having a radius of 222.00 feet, a central angle of 11 degrees 20 minutes 14 seconds, an arc length of 43.93 feet, a chord bearing South 17 degrees 40 minutes 50 seconds East and a chord distance of 43.86 feet to a point of non-tangency, thence;

4. South 66 degrees 39 minutes 03 seconds West, a distance of 1.22 feet to a corner, thence;

5. Along the dividing line between part of parcel 13-20-070 and part of parcel 13-19-007, North 23 degrees 20 minutes 57 seconds West, a distance of 176.63 feet to the point and place of BEGINNING.

Containing 1,949 square feet 0.045 acres

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan. Brandolini Property Management, Inc. & Concord Campus L.P., Proposed

Capmark - CD#28 - Control ID#1181

Loop Road Between Route 1 & 322, Concord Township. Delaware County, Commonwealth Of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/2005, last revised 6/6/2005, Project No. P03-0913, Sheet No. 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0271 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "D"

Metes and Bounds Description
Proposed Signage Easement (Adjacent To Route 322)
Part of Parcel 13-20-070
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth Of Pennsylvania

BEGINNING at the northerly most corner of the proposed Maris Grove Sign Easement said corner being located the following two (2) courses and distances from the intersection of the southwesterly proposed right-of-way of Conchester Highway (a.k.a. S.R. 0322, a.k.a. T.R. 322, variable width right-of-way), with the dividing line between parcel 13-20-069, lands now or formerly of Petschelt and parcel 13-20-068, lands now or formerly of Guerin:

A. Along the southwesterly proposed right-of-way line of Conchester Highway, North 51 degrees 24 minutes 50 seconds West, a distance of 342.32 feet to a corner, thence;

B. ALONG a line through parcel 13-20-070, lands now or formerly Concordel Properties, Inc. also being measured the northeasterly right-of-way line of the Proposed Evergreen Drive Loop Road, South 38 degrees 35 minutes 10 seconds West, a distance of 5.71 feet to the true point and place of beginning and from said point of beginning running, thence;

The following two (2) courses and distances along the northeasterly right-of-way line of the Proposed Evergreen Drive Loop Road Easement:

1. Along the arc of a circle curving to the right, having a radius of 40.00 feet, a central angle of 62 degrees 59 minutes 02 seconds, an arc length of 43.97 feet, a chord bearing South 19 degrees 55 minutes 54 seconds East and a chord distance of 41.79 feet to a point of compound curvature, thence;

2. Along the arc of a circle curving to the right, having a radius of 90.00 feet, a central angle of 25 degrees 22 minutes 46 seconds, an arc length of 39.87 feet, a chord bearing South 24 degrees 15 minutes 01 second West and a chord distance of 39.54 feet to a point of non- tangency, thence;

The following two (2) courses and distances through part of parcel 13-20-070:

3. North 53 degrees 02 minutes 10 seconds West, a distance of 45.45 feet to a point, thence;

4. North 38 degrees 35 minutes 12 seconds East, a distance of 61.42 feet to the point and place of BEGINNING.

DNEAST #9804284 v1

Capmark - CD#28 - Control ID#1181

Containing 2,196 square feet 0.050 acres

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Proposed Evergreen Drive Site Layout Plan, Brandolini Property Management, Inc. & Concord Campus L.P., Proposed Loop Road Between Route 1 & 322, Concord Township, Delaware County, Commonwealth of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/2005, last revised 6/6/2005, Project No. P03-0913, Sheet No. 2 of 8.

Capmark - CD#28 - Control ID#1181

Instrument Number: 2007053484 Book/Page: RECORD-04129/0273 Date Filed: 6/19/2007 11:11:45 AM

EXHIBIT "E"

Metes and Bounds Description
Proposed 20 Foot Wide Sanitary Sewer Basement 'D'
Part of Parcel 13-19-018
Lands Now or Formerly of Concordel Properties, Inc.
Concord Township, Delaware County
Commonwealth of Pennsylvania

BEGINNING at a point on the southwesterly legal right-of-way line of Brinton Lake Road (a.k.a. Brinton Road, a.k.a. Miller Road, a.k.a T-305, 33 right-of-way, 30 foot from center proposed right-of-way), said point being distant 1,144.40 feet on a course of North 25 degrees 15 minutes 44 seconds West as measured along the southwesterly legal right-of-way line of Brinton Lake Road from its intersection with the northwesterly legal right-of-way line of Spring Valley Road (a.k.a. Marshall Road, 33 foot wide right-of-way, 30 foot from title line proposed right-of-way), and from said point of beginning running, thence;

The following three (3) courses and distances through parcel 13-19-018:

1. South 64 degrees 44 minutes 16 seconds West, a distance of 183.91 feet to a corner, thence;

2. North 37 degrees 19 minutes 07 seconds West, a distance of 20.45 feet to a corner, thence;

3. North 64 degrees 44 minutes 16 seconds East, a distance of 188.18 feet to a point on the southwesterly legal right-of-way line of Brinton Lake Road, thence;

4. Along the southwesterly legal right-of-way line of Brinton Lake Road, South 25 degrees 15 minutes 44 seconds East, a distance of 20.00 feet to the point and place of BEGINNING.

Containing 3,721 square feet or 0.085 acre

This property subject to restrictions, covenants and/or easements either written or implied.

This description was written based upon a map entitled "Overall Site Plan (Record Plan), Final Subdivision and Land Development Plans, Common Road #1, Erickson Retirement Communities, Maris Grove Retirement Campus Common Road #1, Spring Valley Road & Brinton Lake Road, Concord Township, Delaware County, Commonwealth Of Pennsylvania," prepared by Bohler Engineering, Inc., dated 3/28/2005, last revised 7/8/2005, Project No. P03-1042, Cad I.D. #P03-1042-Master-02, Sheet No. 21.04 of 79.

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STATE OF MARYLAND)
)
CITY/COUNTY OF Baltimore)

The foregoing instrument was subscribed, sworn to, and acknowledged before me the undersigned notary pubic, on this 30th day of May, 2007, in the jurisdiction aforesaid by Gerald F. Doherty, Executive Vice President, General Counsel and Secretary of Erickson Retirement Communities, LLC, a Maryland limited liability company, sole member of Concord Campus GP, LLC, general partner of Concord Campus, L.P., a Maryland limited partnership.

Lois M. Shaw (SEAL)
NOTARY PUBLIC

My Commission Expires:

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Comm. Exp. October 1, 2008

Capmark - CD#28 - Control ID#1181

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "**Agreement**") is made this ___ day of May, 2007 to and for the benefit of **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company (the "**Lender**"), by **CONCORD CAMPUS, L.P.**, a Maryland limited partnership (the "**Guarantor**").

RECITALS

A. Subject to and in accordance with the terms of that certain Loan Agreement (the "**Loan Agreement**") of even date herewith by and between the Lender and Ashburn Campus, LLC (the "**Borrower**"), the Lender has agreed to make a loan to the Borrower in the sum of **FIFTY MILLION AND 00/100 DOLLARS ($50,000,000.00)** (the "**Mezzanine Loan**") as evidenced by a promissory note of even date issued by the Borrower to the Lender (the "**Mezzanine Note**").

B. Strategic Concord Landholder, LP, a Delaware limited partnership ("**SCL**"), is the owner of that certain real property comprising approximately 87 acres located at 117 Brinton Lake Road, Glen Mills, Concord Township, Delaware County, Pennsylvania (the "**Maris Grove Property**"). SCL acquired the Maris Grove Property from the Guarantor in accordance with the Purchase Agreement dated October 11, 2005 (as amended, the "**Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded among the land records of Delaware County, Pennsylvania in Volume 3643, Page 1112; the transactions described in the Purchase Agreement and implemented in accordance therewith are the "**Maris Grove Transactions**". As part of the Maris Grove Transactions, SCL leased the Maris Grove Property to the Guarantor to be developed and operated as a continuing care retirement community (the "**Maris Grove Project**") in accordance with the Ground Lease dated October 11, 2005 (as amended, the "**Ground Lease**").

C. Erickson Retirement Communities, LLC, a Maryland limited liability company ("**ERC**"), is the direct and indirect owner of all of the member interests of Borrower and all of the limited partnership interests of the Guarantor.

D. Lender has agreed to allow a portion of the proceeds of the Mezzanine Loan to be distributed by the Borrower to ERC for the purpose of allowing ERC to fulfill its obligations, as the direct and indirect owner of all of the limited partnership interests in Guarantor, with respect to the Maris Grove Transactions. Accordingly, substantial benefits will accrue to Guarantor through the making of the Mezzanine Loan.

E. As a condition to making the Mezzanine Loan to the Borrower, and to allowing a portion of the Mezzanine Loan to be used to support the Maris Grove Project, Lender is requiring that the Guarantor execute and deliver this Agreement, and secure this Agreement with a lien on the Maris Grove Project (the "**Maris Grove IDOT**").

NOW, THEREFORE, for and in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Guarantor agrees as follows:

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1. Guaranty. The Guarantor hereby absolutely, irrevocably and unconditionally guarantees to the Lender the full and punctual payment and performance when due of any and all present and future amounts and obligations of every kind and nature whatsoever of the Borrower and/or ERC to the Lender, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, both now and hereafter existing, or due or to become due, arising under, out of, as a result of, or in connection with, the Security Documents (as defined in the Loan Agreement) (the **"Guarantor's Obligations"**).

2. Absolute Guaranty. The guaranty of the Guarantor under this Agreement is a guaranty of payment and performance and shall remain in full force and effect until all of the Guarantor's Obligations are indefeasibly satisfied and paid in full. The obligations and liabilities of the Guarantor under this Agreement are the primary, direct and immediate obligations of the Guarantor and shall not be affected, limited, impaired, modified or released by, subject to or conditioned upon, and may be enforced against the Guarantor irrespective of:

(a) Any attempt, pursuit, enforcement or exhaustion of any rights and remedies the Lender may at any time have to collect any or all of the Guarantor's Obligations (whether pursuant to any of the Security Documents or otherwise) from the Borrower;

(b) The invalidity, irregularity, or unenforceability in whole or in part of any or all of the Security Documents;

(c) Any counter-claim, recoupment, setoff, reduction or defense based on any claim the Guarantor may now or hereafter have against the Borrower, ERC or any other obligor;

(d) The voluntary or involuntary liquidation, dissolution, termination, merger, sale or other disposition of the Borrower or any of the Borrower's assets or properties;

(e) Any bankruptcy, reorganization, insolvency or similar proceedings for the relief of debtors under any federal or state law by or against the Borrower, ERC or any other obligor, or any discharge, limitation, modification or release of liability of the Borrower, ERC or any other obligor by virtue of any such proceedings; and

(f) Any event, circumstance or matter to which the Guarantor has consented pursuant to the provisions of Section 3 hereof.

3. Consents. Without notice to, or further consent of, the Guarantor, the Guarantor hereby consents that the Lender may at any time and from time to time on one or more occasions:

(a) Renew, extend, accelerate, subordinate or change any of the terms or provisions of all or any part of the Guarantor's Obligations in accordance with the terms of the Security Documents;

(b) Waive, excuse, release, change, amend, modify or otherwise deal in any manner satisfactory to the Lender with any of the provisions of any of the Security Documents in accordance with the terms of the Security Documents;

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(c) Release the Borrower and/or ERC;

(d) Waive, omit or delay the exercise of any of its powers, rights and remedies against the Borrower and/or ERC;

(e) Apply any payments of all or any of the Guarantor's Obligations received from the Borrower, ERC or the Guarantor to the Guarantor's Obligations in any order and manner as the Lender, in its sole and absolute discretion, may determine; or

(f) 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 vary the risk of the Guarantor or otherwise operate as a legal or equitable discharge, release or defense of the Guarantor under applicable laws.

4. Waivers. The Guarantor hereby waives:

(a) Notice of the execution and delivery of any of the Security Documents;

(b) Notice of the Lender's acceptance of and reliance on this Agreement;

(c) Any notice from the Lender of the financial condition of the Borrower regardless of the Lender's knowledge thereof;

(d) Demand for observance, performance or enforcement of, or notice of default under, any of the provisions of this Agreement or any of the Security Documents, and all other demands and notices otherwise required by law which the Guarantor may lawfully waive, except for any notice expressly provided for herein;

(e) Any right or claim to cause a marshaling of the assets of the Borrower;

(f) Any and all rights of the Guarantor to subrogation, recourse, reimbursement or indemnity against the Borrower and/or ERC for any or all of the Guarantor's Obligations and any other rights which may accrue on account of any payments made or performance rendered by the Guarantor to the Lender pursuant to this Agreement;

(g) Any defense at law or in equity based on the adequacy or value of the consideration for this Agreement.

5. Representations and Warranties. The Guarantor hereby represents and warrants to the Lender that:

(a) Due Organization. The Guarantor:

(i) Is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Maryland;

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(ii) Has the power to own its property and to carry on its business as now being conducted; and

(iii) Has delivered a true and complete copy of its certificate of limited partnership and limited partnership agreement, together with all amendments, to the Lender.

(b) Due Authorization. The Guarantor has full power and authority to enter into, execute, and deliver this Agreement, and to perform and comply with the terms, conditions, and agreements set forth in this Agreement, all of which have been duly authorized by all proper and necessary action of the Guarantor. No consent or approval of any other person or public authority or regulatory body is required as a condition to the validity of this Agreement, or, if required, the same has been obtained.

(c) Validity of Agreement. This Agreement has been properly executed by the Guarantor and will to the best of Guarantor's knowledge:

(i) Not violate any provision of law, any order of any court or agency of government, or any provision of the Guarantor's certificate of formation or operating agreement;

(ii) Constitute the valid and legal binding obligations of the Guarantor, and be fully enforceable against the Guarantor, in accordance with its terms.

(d) No Litigation. There is no controversy or litigation of any nature now pending to which Guarantor is a party or, to the best of the Guarantor's knowledge, threatened against Guarantor in any court or before any governmental agency which questions the validity or enforceability of this Agreement, or any action taken or to be taken under it.

(e) Review of Security Documents. The Guarantor has received and reviewed copies of the Security Documents.

(f) Ownership of the Borrower and the Guarantor. ERC is the sole owner of all of the membership interests in the Borrower and of all of the direct and indirect limited partnership interests in the Guarantor, and, as a result thereof and because a portion of the Mezzanine Loan will include moneys that will be distributed to ERC to allow ERC to fulfill its obligations, as the direct and indirect owner of all of the limited partnership interests in Guarantor, under the Maris Grove Transactions, the Loan to the Borrower by the Lender under the Loan Agreement will result in financial benefits to the Guarantor, and the execution and delivery of this Guaranty had been determined by the Guarantor to be in its best interests, to its direct benefit and advantage and in the furtherance of its duly authorized purposes and objectives.

6. Default. The occurrence of any one or more of the following events shall constitute a default under the provisions of this Agreement (collectively or individually, a "**Default**"):

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(a) The failure of the Guarantor promptly to pay and perform all or any part of the Guarantor's Obligations to be paid and performed by the Guarantor under the provisions of Section 1 of this Agreement;

(b) Any representation or warranty made herein or any financial statement or other information furnished by the Guarantor pursuant hereto shall prove to be false or misleading in any material respect on the date as of which made or furnished;

(c) The occurrence of an Event of Default (as defined in the Loan Agreement) under the provisions of the Loan Agreement;

(d) The commencement or filing of any proceedings by or against the Guarantor or any of the Guarantor's assets or properties under the provisions of any bankruptcy, reorganization, arrangement, insolvency, receivership, liquidation or similar law for the relief of debtors, and, except with respect to any such proceedings instituted by the Guarantor, are not discharged within ninety (90) days of their commencement; or

(e) If the Borrower and/or ERC becomes insolvent or generally does not pay its debts as they become due, or if a petition for relief in a bankruptcy court is filed by the Borrower and/or ERC, or if the Borrower and/or ERC applies for, consents to, or acquiesces in the appointment of a trustee, custodian, or receiver for the Borrower and/or ERC or any of its or their respective assets and property, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent, or acquiescence, a trustee, custodian, or receiver is appointed for the Borrower and/or ERC or for a substantial part of the assets and property of the Borrower and/or ERC and is not discharged within ninety (90) days; or any bankruptcy, reorganization, debt arrangement, or other proceeding or case under any bankruptcy or insolvency law or any dissolution or liquidation proceeding is instituted against the Borrower and/or ERC and is consented to or acquiesced in by the Borrower and/or ERC, respectively, and is not discharged within ninety (90) days; or the Borrower and/or ERC takes any action to authorize any of the actions described in this subsection.

7. Rights and Remedies.

(a) Upon the occurrence of a Default under the provisions of this Agreement and written notice from the Lender, an amount equal to the total of the Guarantor's Obligations then outstanding (whether matured or unmatured and regardless of whether any portion of the Guarantor's Obligations are then due and payable by the Borrower, ERC or any other obligor) shall immediately and automatically be due and payable by the Guarantor to the Lender without further action by, the Lender unless expressly provided for herein.

(b) The Lender at any time and from time to time after the occurrence of a Default may exercise any powers, rights and remedies available to the Lender under the provisions of this Agreement and applicable laws to enforce and collect the obligations and liabilities of the Guarantor hereunder, all such powers, rights and remedies being cumulative and enforceable alternatively, successively or concurrently.

(c) The Guarantor shall pay to the Lender on demand the amount of any and all reasonable costs and expenses, including, without limitation, court costs and

reasonable attorneys' fees and expenses, paid or incurred by or on behalf of the Lender in exercising any such powers, rights and remedies.

(d) Each and every Default hereunder shall give rise to a separate cause of action, and separate actions may be brought hereunder as each cause of action arises.

(e) No failure or delay by the Lender in one or more instances to require strict performance by the Guarantor of any of the provisions hereof or to exercise any powers, rights or remedies available to it under the provisions of this Agreement or applicable laws shall operate as a waiver thereof or preclude the Lender at any later time or times from demanding strict performance thereof or exercising any such powers, rights or remedies.

(f) No conduct, custom or course of dealing shall be effective to waive, amend, modify or release this Agreement.

(g) No modification or waiver of any of the provisions of this Agreement shall be effective unless it is in writing and signed by the Lender, and any waiver shall be effective only in the specific instance and for the specific purpose for which it is given.

8. Notices.

(a) Any notice, request, demand or other communication with respect to this Agreement shall be deemed sufficient if in writing and mailed by certified mail, postage prepaid, return receipt requested:

If to the Lender:
Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036
Phone: (212) 761-4468
Fax: (212) 507-4861

With a copy to:
Mark Pollak, Esquire
Wilmer Hale LLP
100 Light Street, Suite 1300
Baltimore, Maryland 21202
Phone: (410) 986-2860
Fax: (410) 986-2828

If to the Guarantor:
Concord Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: General Counsel
Phone: (410) 402-2350
Fax: (410) 402-2348

(b) The Lender or the Guarantor may change their respective address specified in (a) above by sending written notice to the other party.

9. Consent to Jurisdiction. The Guarantor irrevocably:

(a) Consents and submits to the jurisdiction and venue of any state or federal court sitting in the Commonwealth of Pennsylvania over any suit, action or proceeding arising out of or relating to this Agreement or the Maris Grove IDOT;

(b) Waives, to the fullest extent permitted by law, any objection that the Guarantor 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) Consents to the service of process in any suit, action or proceeding by the mailing of copies of the process to the Guarantor by certified or registered mail at the Guarantor's address set forth for the purpose of giving notice.

10. Waiver of Jury Trial. The Guarantor hereby voluntarily and intentionally waives any right it 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 obligations and liabilities of the Guarantor hereunder, the Guarantor's Obligations, this Agreement or the Maris Grove IDOT.

11. Continuing Agreement. This Agreement shall be a continuing one and shall be binding upon the Guarantor regardless of how long before or after the date hereof any of the Guarantor's Obligations were or are incurred, and all representations, warranties, covenants, undertakings, obligations, consents, waivers and agreements of the Guarantor herein shall survive the date of this Agreement and shall continue in full force and effect until all Guarantor's Obligations have been indefeasibly performed and/or paid in full and no commitments therefor are outstanding in accordance with the terms of the Loan Agreement and/or any of the other Security Documents. This Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time any performance or payment, or any part thereof, of any of the Guarantor's Obligations or of any of the obligations and liabilities of the Guarantor hereunder is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, receivership, dissolution, liquidation or reorganization of the Borrower, ERC or the Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower, ERC or the Guarantor or any substantial part of the property of the Borrower, ERC or the Guarantor, or otherwise, all as though such performance and/or 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. Upon payment and/or performance by the Guarantor of the Guarantor's Obligations or any part thereof pursuant to the provisions of this Agreement or otherwise, any right or claim the Guarantor may now or hereafter have with respect to any such payment and/or performance against the Borrower arising by way of subrogation, reimbursement, indemnity or otherwise is hereby made subordinate and subject in right of payment and/or performance to the prior indefeasible payment and/or performance in full of the Guarantor's Obligations.

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12. Miscellaneous.

(a) All amounts payable by the Guarantor hereunder to the Lender shall be paid in lawful money of the United States of America in good funds at the Lender's address set forth in Section 10 above, or to any other place as the Lender or other holder of this Agreement may from time to time designate.

(b) The Lender may, without notice to, or consent of, the Guarantor, assign or transfer all or any part of the Guarantor's Obligations and this Agreement will inure to the benefit of the Lender's assignee or transferee; provided, that the Lender shall continue to have the unimpaired right to enforce this Agreement as to that part of the Guarantor's Obligations the Lender has not assigned or transferred.

(c) 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.

(d) This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, both in interpretation and performance.

(e) Time is of the essence in connection with all obligations of the Guarantor hereunder.

(f) This Agreement may be executed in any number of duplicate originals or counterparts, each of which shall be deemed to be an original and, when all taken together, shall constitute one and the same instrument.

(g) Section 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.

(h) This Agreement shall be binding upon the Guarantor and the Guarantor's successors, assigns, heirs, executors, administrators and estate and shall inure to the benefit of the Lender and its successors and assigns.

13. Subordination. This Guaranty and the Maris Grove IDOT are subordinate to the Maris Grove Transaction Documents, and Guarantor and Lender acknowledge that no payment will be made pursuant to this Guaranty unless all amounts due and payable pursuant to the Maris Grove Transaction Documents are current.

14. Application of Option Purchase Price and Security Interest. Guarantor hereby agrees that in the event that Guarantor is deemed to have exercised the Tenant Purchase Option under the Ground Lease as a result of the exercise by Facility Tenant of Facility Tenant's purchase option under the Facility Lease, that any proceeds from the sale of the Leased Property remaining after payment of the Option Purchase Price, shall be applied to the payment and satisfaction of any and all amounts remaining to be paid pursuant to the Mezzanine Loan and Guarantor hereby grants to Lender a security interest in and to such sale proceeds resulting

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therefrom. All capitalized terms used in this Section 14 that are not otherwise defined herein shall have the meanings given to such terms as set forth in the Ground Lease.

15. Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of Lender pursuant to this Agreement are subject in all respects to the terms, covenants, and limitations as set forth in that certain Cross Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, Lender and Borrower (the "**Cross Tri-Party Agreement**"), the provisions of which Cross Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein.

[SIGNATURE APPEARS ON THE NEXT PAGE.]

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IN WITNESS WHEREOF, the Guarantor has executed and delivered this Agreement as of the day and year first written above.

WITNESS:

Dawn E. Hughes
Name: Dawn E. Hughes

GUARANTOR:

CONCORD CAMPUS, L.P.,
a Maryland limited partnership

By: Concord Campus GP, LLC, a Maryland limited liability company, its General Partner

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, Member

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

STATE OF MARYLAND, CITY/COUNTY OF Baltimore, to wit:

I HEREBY CERTIFY, that on this 30th day of May, 2007, before me, the subscriber, a Notary Public of the State and City/County aforesaid, personally appeared Gerald F. Doherty, who acknowledged himself/herself to be Executive V.P. of Erickson Retirement Communities, LLC, Member of Concord Campus GP, LLC, General Partner of **CONCORD CAMPUS, L.P.**, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that, being authorized to do so, he/she executed the same as for the purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal as of the day and year set forth above.

Lois M. Shaw
Notary Public

My Commission expires: _____

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Comm. Exp. October 1, 2008

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

DEBBIE BOND 2024662266

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CHICAGO TITLE INSURANCE COMPANY
1129 20TH STREET, NW
SUITE 300
WASHINGTON DC 20036

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 10:14 AM 06/12/2007
INITIAL FILING # 2007 2196680

SRV: 070697288

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: STRATEGIC ASHBY PONDS LENDER LLC

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
MORGAN STANLEY/US RE INVSTNG DIV 1585 BROADWAY FLOOR	NEW YORK	NY	10036	US

1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION
LTD LIABILITY COMPANY	DE

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

2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION

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, AS COLLATERAL AND ADMINISTRATIVE AGENT

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
TWO HOPKINS PLAZA 21ST FLOOR	BALTIMORE	MD	21201	US

Collateral Description - please see attachment

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

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[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street – 18th 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 Strategic Ashby Ponds Lender LLC

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Morgan Stanley/US RE Investing Division Morgan Stanley/US RE Investing Division 1585 Broadway, Floor 37	New York	NY	10036	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
		limited liability company	Delaware	DE - 4352496 ☐ 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
OR Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit "A", attached hereto and made a part hereof.

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: Delaware Secretary of State Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

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EXHIBIT "A"

TO UCC-1 FINANCING STATEMENT
FILED WITH THE
DELAWARE SECRETARY OF STATE

DEBTOR: STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, in its capacity as Collateral and Administrative Agent

This Financing Statement covers the following collateral:

All of Debtor's interest in and right, title, and interest as "Beneficiary" under all of the following loan documents, and all proceeds thereof:

1. Indemnity Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing between Debtor and Concord Campus, L.P. dated May 31, 2007.

2. Guaranty Agreement between Debtor and Concord Campus, L.P. dated May 31, 2007.

3. All rights and interests of Debtor related to the foregoing documents and the matters described therein.

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Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF A FINANCING STATEMENT FILED IN THE OFFICE OF UNIFORM COMMERCIAL CODE DATED THE TWELFTH DAY OF JUNE, A.D. 2007, BEARING FILE NUMBER 20072196680.

Jeffrey W. Bullock, Secretary of State

20100248967UCXH

100067846

AUTHENTICATION: 7776120

DATE: 01-25-10

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EXHIBIT 17

"Strategic/Ashby Ponds Subordination Documents"

1. **"Tri-Party Agreement":**
   Subordination And Standstill Tri-Party Agreement
   Strategic Ashby Ponds Lender, LLC, as Junior Mortgagee,
   and Ashburn Campus, LLC as Borrower and Mortgagor

2. Loan Agreement:
   Ashburn Campus, LLC and Strategic Ashby Ponds Lender, LLC

3. Promissory Note:
   Ashburn Campus, LLC to Strategic Ashby Ponds Lender, LLC

4. Deed Of Trust, Assignment Of Rents And Leases, Security Agreement And Fixture Filing

5. UCC-1 Financing Statement Recorded With The Delaware Secretary Of State
   (Debtor: Strategic Ashby Ponds Lender, LLC;
   Secured Party: Administrative Agent)

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(7)

COUNTY PARCEL IDENTIFICATION
NUMBER 060-49-8809

20070612-0044117
Loudoun County, VA Pgs: 33
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

SUBORDINATION AND STANDSTILL

TRI-PARTY AGREEMENT

Among

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Collateral and Administrative Agent

STRATEGIC ASHBY PONDS LENDER LLC,
as Junior Mortgagee

and

ASHBURN CAMPUS, LLC
as Borrower and Mortgagor

Dated as of May 31, 2007

THIS INSTRUMENT WAS PREPARED BY
AND SHOULD BE RETURNED TO:

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

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

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SUBORDINATION AND STANDSTILL TRI-PARTY AGREEMENT

THIS SUBORDINATION AND STANDSTILL TRI-PARTY AGREEMENT (this "**Agreement**" or "**Tri-Party Agreement**") is made as of May 31, 2007, by MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and its successors and assigns (the "**Agent**"), as collateral and administrative agent for the lenders (the "**Lenders**") party to the Senior Loan Agreement (hereinafter defined) from time to time; STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company ("**Junior Mortgagee**"), and ASHBURN CAMPUS, LLC, a Maryland limited liability company ("**Ashburn**").

RECITALS

Ashburn is indebted to the Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed $125,000,000.00 (the "**Senior Loan**").

The Lenders agreed to advance the Senior Loan pursuant to a Construction Loan Agreement between Ashburn, the Agent and the Lenders dated of even date herewith (which Construction Loan Agreement, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the "**Senior Loan Agreement**"), as evidenced by one or more Revolving Loan Notes by Ashburn in favor of the Lenders (which Revolving Loan Notes, as the same may from time to time be amended, restated, supplemented or otherwise modified, are herein collectively called the "**Senior Note**"), and secured by an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency, Incorporated, as trustee, in favor of the Agent for the benefit of the Lenders dated of even date herewith (which Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Senior Mortgage**") encumbering the Land (as defined in the Senior Loan Agreement and as described on Exhibit A attached hereto).

Ashburn intends to use the proceeds of the Senior 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 Ashby Ponds, Inc., a Maryland nonstock corporation ("**API**"), which will apply for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code.

Ashburn has also requested a loan from the Junior Mortgagee in the amount of $50,000,000.00 (the "**Junior Loan**").

The Junior Mortgagee has agreed to advance the Junior Loan pursuant to a Loan Agreement between Ashburn and the Junior Mortgagee dated of even date herewith (which Loan Agreement, as the same may from time to time be further amended, restated, supplemented or otherwise modified, is herein called the "**Junior Loan Agreement**"), as evidenced by a Promissory Note by Ashburn in favor of the Junior Mortgagee (which Promissory Note, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the "**Junior Note**"), and secured by a Deed of Trust, Assignment of Rents and

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Leases, Security Agreement and Fixture Filing from Ashburn to Alexander Title Agency, Incorporated, as trustee, for the benefit of the Junior Mortgagee dated of even date herewith (which Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing, as the same may from time to time be amended, restated, supplemented or otherwise modified, is herein called the "**Junior Mortgage**") encumbering the Land.

Junior Mortgagee and Ashburn, as a precondition to the effectiveness of the Junior Loan, have requested that the Agent, on behalf of the Lenders, consent to such Junior Loan. In order to induce the Agent to grant such consent, and to evidence and set forth terms and conditions applicable thereto, including limitations on the exercise of rights under the Junior Loan Documents, the Agent and the Junior Mortgagee have agreed to enter into this Agreement.

As a condition to the granting of its consent to the Junior Loan, the Agent has required (among other things) the execution and delivery of this Agreement by the Junior Mortgagee.

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**" and "**Event of Default**" shall have the same meanings as assigned to such terms under the provisions of the Senior Loan Agreement.

"**Distributable Amounts**" means, cumulatively and collectively, any amounts and sums of money or other financial assets held or owned by Ashburn which from time to time are not subject in any respect to any lien, security interest or limitation on distribution under the Senior Loan Documents and which Ashburn is otherwise free and permitted to distribute to its member pursuant to applicable terms and limitations under the Senior Loan Documents and under the constituent documents of Ashburn as well as any other applicable documents or restrictions.

"**Distribution Proceeding**" means and includes any proceeding for the liquidation, distribution or reorganization of any of the assets of Ashburn (including any proceeding involving the distribution of all or substantially all of the assets of Ashburn) or any liquidation, dissolution, winding up or reorganization of Ashburn 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 Ashburn under any federal or state

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bankruptcy, reorganization, insolvency or other law or laws relating to the relief of debtors, readjustment of indebtedness, reorganization or composition.

"**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 Ashburn by Erickson, or by any permitted successor of Erickson as the (or as a) member of Ashburn, as a capital contribution to Ashburn and which contributed amounts are not, from time to time, required to be or to have been contributed to and held by Ashburn, or subject in any respect to any lien, security interest or limitation on distribution under the Senior Loan Documents and which Ashburn is otherwise free and permitted to distribute back to its member(s) pursuant to applicable terms and limitations under the Senior Loan Documents and under the constituent documents of Ashburn as well as any other applicable documents or restrictions.

"**Junior Loan Documents**" shall mean, collectively, the Junior Loan Agreement, the Junior Note and the Security Documents (as such term is defined in the Junior Loan Agreement).

"**Master Lease**" means the Ashby Ponds Retirement Community Master Lease and Use Agreement dated of even date herewith between Ashburn and API, as such Ashby Ponds Retirement Community Master Lease and Use Agreement may at any time and from time to time be 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.

"**Senior Loan Documents**" shall have the same meaning as is ascribed to the term "Loan Documents" under the provisions of the Senior Loan Agreement.

"**Subordinated Obligations**" means collectively and includes all present and future obligations and liabilities of Ashburn to the Junior Mortgagee or its affiliates or parent of any kind and nature whatsoever both now existing and hereafter arising, including, without limitation, all 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 Junior Loan Documents or any other now or hereafter existing instrument, agreement or document between the Junior Mortgage and Ashburn (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 otherwise specified. As used herein, the singular number shall include the plural, the plural the

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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 Junior Mortgagee hereby acknowledges and agrees with and for the benefit of the Agent and the Lenders that the rights and interests of Junior Mortgagee under the Junior Loan Documents, including all interests 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 Senior Loan Documents, have been acquired by Junior Mortgagee and are and shall hereafter be and remain in all respects subject to the prior lien and operation of the Senior Loan Documents, and the encumbrances thereunder and terms and conditions thereof, which Senior Loan Documents are prior and superior to the interests acquired by the Junior Mortgagee in the Land or otherwise relating to the Retirement Community. Further, the Junior Mortgagee hereby expressly subordinates:

(a) the payment of the Subordinated Obligations (including, without limitation, all principal, interest and other amounts due or to become due under the Junior Loan Documents) to the prior payment in full of the Senior Loan and agrees that all of the right, title and interest of the Junior Mortgagee 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 Agent and the Lenders in and to the repayment of the Senior Loan and any other amounts due pursuant to the Senior Loan Documents (other than as expressly excepted under Section 2.4 of this Agreement); and

(b) the terms, conditions and covenants of the Junior Loan Documents to the terms, conditions and covenants of the Senior 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 Senior Loan Documents; and

(c) the priority and effect of any liens and security interests in favor of the Junior Mortgagee created by the Junior Loan Documents and all of their terms and provisions, to the priority and effect of the liens and security interests in favor of the Agent and the Lenders created by the Senior 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 Junior Mortgagee will not take, demand or receive, and Ashburn 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 Senior 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 any such proceeding, except solely as provided and permitted under Section 2.4 of this Agreement. All subordinated payments shall accrue but shall not be paid to Junior Mortgagee during any time that the same is not permitted to be paid hereunder.

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In the event that any payment of the Subordinated Obligations by Ashburn 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 Junior Mortgagee, which payment is not permitted by this Article II, such payment will be received by Junior Mortgagee solely as agent for the Agent and the Lenders, and Junior Mortgagee will immediately turn the same over to the Agent for application to the Senior Loan in the form received except for the endorsement of Junior Mortgagee where appropriate, which endorsement Junior Mortgagee agrees to make. Until so turned over, Junior Mortgagee shall hold such payment in trust for the Agent and the Lenders. If Junior Mortgagee fails to so endorse any such payment where necessary or appropriate, Junior Mortgagee hereby irrevocably constitutes and appoints the Agent as attorney-in-fact for Junior Mortgagee 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 Agent and the Lenders.

SECTION 2.3 Distribution Proceeding. Upon any Distribution Proceeding by or against Ashburn, 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 Junior Mortgagee upon or in respect of the Subordinated Obligations, shall be paid or delivered by Junior Mortgagee 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 Agent for application by the Agent as a payment or prepayment on account of any or all of the obligations owing in connection with the Senior Loan (collectively, the "**Senior Loan Obligations**"), and Junior Mortgagee shall not receive any such payment or distribution or any benefit therefrom unless and until the Senior Loan has been fully satisfied. In the event that, notwithstanding the foregoing, any payment by, or distribution of the assets of, Ashburn 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 Junior Mortgagee before the Senior Loan has been fully satisfied, such payment or distribution will be received by Junior Mortgagee solely as agent for the Agent and the Lenders, and Junior Mortgagee will immediately turn the same over to the Agent for application to the Senior Loan in the form received except for the endorsement of Junior Mortgagee where appropriate which endorsement Junior Mortgagee agrees to make. Until so turned over, Junior Mortgagee shall hold such payment or distribution in trust for the Agent and the Lenders. If Junior Mortgagee fails to so endorse any such payment or distribution where necessary or appropriate, Junior Mortgagee hereby irrevocably constitutes and appoints the Agent as attorney-in-fact for Junior Mortgagee 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 Agent and the Lenders.

SECTION 2.4 Limited Exceptions to Junior Mortgagee Subordination. The Agent (on behalf of the Lenders) has consented to and agreed to accept certain limited exceptions to the subordination rights granted by Junior Mortgagee to the Agent and the Lenders 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 Senior Loan Documents upon the Land and Retirement Community, and terms and conditions thereof as applicable to Ashburn, which rights are absolute (in accordance with their terms) and are not subject to the provisions of this Section 2.4, and which rights Junior Mortgagee has acknowledged are prior in right and title to the interests

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being acquired by Junior Mortgagee relating to the Retirement Community. The limited exceptions which have been approved and agreed to by the Agent are as follows:

(a) Ashburn may pay, and the Junior Mortgagee may receive, accept and retain, payments of principal and interest due under the Junior Loan Documents ("**Junior Payments**") so long as (i) such payments are regularly scheduled Junior Payments due under the Junior Loan Documents at non-default rates, do not include any late payment fees, attorneys' fees or other non-scheduled fees or charges, and do not exceed the amount of the regularly scheduled payments, (ii) Junior Mortgagee shall not have received any notice from the Agent that a Default (which remains uncured within any applicable grace or cure period) or Event of Default shall have occurred prior to any such payment and Junior Mortgagee shall not have received any notice from the Agent that a Default or Event of Default will occur as a result of any such payment, (iii) any such Junior Payment is made only if Junior Mortgagee has not received notice from the Agent that any regularly scheduled payments of the principal of, and interest on, the Senior Loan are then in default or that any payments and reimbursements then due under the Senior Loan Agreement have not been made and (iv) such payments are paid solely from Distributable Amounts or Excess Erickson Contributions.

(b) Any rights derived by Junior Mortgagee against Ashburn as a result of any action upon or to enforce the Junior Mortgagee's security interests in and to the member interests in Ashburn owned by Erickson shall in any event be subordinate and subject to the Agent's pre-existing, first lien security interest in and to such member interests, and shall continue to constitute Subordinated Obligations which are subordinated hereunder and under the Subordination Agreement executed by Erickson and provided, further, that in the event and at completion of any execution by Junior Mortgagee upon such member interests, the Junior Mortgagee agrees to and shall promptly execute in favor of and deliver to Agent for the benefit of the Lenders an Assignment of Member Interests in respect thereof (substantially similar to the assignment provided by Erickson to Agent and to which Junior Mortgagee's pledge is hereby made subordinate, without warranties however except that such member interests have not been previously assigned to another party), in the event of the failure of Junior Mortgagee to make any such assignment or delivery, the Agent, or any of its officers or employees on behalf of the Agent, is hereby appointed attorney-in-fact of the Junior Mortgagee 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 Junior Mortgagee. Notwithstanding the foregoing provisions of this sub-section (b) or of any other provision of this Agreement or of the Junior Loan Documents, (i) if the Agent ever commences the exercise of remedies under the Agent's pledge of such member interests, the Junior Mortgagee shall not commence exercise of any remedies, and shall cease exercise of any remedies already commenced, against such assets, and the Junior Mortgagee shall stand still with respect to such assets for as long as the Agent is in good faith and diligently pursuing its remedies; and (ii) without prior written notice to and consent of the Agent, the Junior Mortgagee and its affiliates (including any person or entity which owns or controls, directly, indirectly, beneficially or otherwise, the Junior Mortgagee or any interest in the Junior Mortgagee or its assets) shall not be entitled to take any act, whether by assignment, merger or otherwise, which would result in any party other than the Junior Mortgagee (as currently owned and controlled, directly, indirectly, beneficially or otherwise, on the date hereof) owning or controlling any of the member interests of Ashburn or owning, controlling or holding any rights under the Junior Loan Documents or in and to the Subordinated

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Obligations, except for such as acts as may be specifically permitted pursuant to Section 5.7(b) of this Agreement.

(c) Ashburn shall have the option to prepay, and the Junior Mortgagee may receive, accept and retain, prepayment of the full amount of the Junior Loan (which shall be deemed to include any Make Whole Amount [as defined in the Junior Loan Agreement], if applicable) pursuant to the Junior Loan Documents so long as (i) such prepayment of the Junior Loan is paid solely from Distributable Amounts or Excess Erickson Contributions, (ii) Junior Mortgagee shall not have received any notice from the Agent that a Default (which remains uncured within any applicable grace or cure period) or Event of Default shall have occurred immediately prior to any such prepayment and Junior Mortgagee shall not have received any notice from the Agent that a Default or Event of Default will occur as a result of any such prepayment, (iii) any such Junior Loan prepayment is made only if Junior Mortgagee has not received a notice from the Agent that any regularly scheduled payments of the principal of, and interest on, the Senior Loan are then in default or that any payments and reimbursements then due under the Senior Loan Agreement have not been made, and (iv) Ashburn and/or Junior Mortgagee shall have given not less than thirty (30) days prior written notice to the Agent of Ashburn's intent to prepay the full Junior Loan to Junior Mortgagee, including specific disclosure of the source of the funds to be used and a detailed demonstration reasonably satisfactory to the Agent that the other conditions of this sub-section will be satisfied in connection with such payment.

(d) Erickson, as a guarantor of the Subordinated Obligations, may pay and perform under that certain Limited Guaranty and Indemnity Agreement of even date herewith between Erickson and Lender (the "**Limited Guaranty**"), and Lender may receive, accept and retain any payments or enforce performance under the Limited Guaranty so long as (i) immediately prior to, upon, and after giving effect to any such payment or performance, no Event of Default shall have occurred (whether or not any notice thereof has been provided by any Person to any other Person), and (ii) Lender has fully complied with the terms of this Agreement.

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 Agent under any of the Senior 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 Junior Mortgagee unless and until the Senior Loan is fully paid and discharged, provided that this provision shall not limit the right granted herein to the Junior Mortgagee pursuant to Section 3.3 hereof to cure defaults under the Senior Loan Documents in strict accordance with the provisions hereof, or the rights granted to the Junior Mortgagee pursuant to Section 3.4 hereof to acquire Agent's Secured Position (as hereinafter defined) in strict accordance with the provisions hereof.

The provisions of this Section 2.4 do not apply to funds received by the Junior Mortgagee from sources other than Ashburn, except as expressly set forth in paragraph (d) above.

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SECTION 2.5 General Standstill Agreement Regarding Subordinated Obligations.

Junior Mortgagee represents and warrants to the Agent that the Subordinated Obligations are not represented or evidenced by any instruments or documents other than the Junior Loan Documents. In addition to the other standstill provisions of the Agreement, Junior Mortgagee agrees that until the Senior Loan has been fully satisfied, except as expressly provided and permitted under Section 2.4 above, the Junior Mortgagee, without the prior written consent of the Agent, 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 Ashburn in filing any petition commencing any Distribution Proceeding against or in respect of Ashburn, (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 Ashburn except as expressly provided for under the Junior Loan Documents.

SECTION 2.6 Maintenance of Books and Legend; Single Purpose Entity.

(a) Junior Mortgagee will maintain proper books and records concerning the Subordinated Obligations and from time to time at the request of the Agent will permit the Agent 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) Junior Mortgagee will include the following legend on or within the Junior Loan 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 [Junior Mortgagee] pursuant to this [identify agreement] are subject in all respects to terms, covenants and limitation as set forth in that certain Subordination and Standstill Tri-Party Agreement dated as of May 31 2007 among Mercantile-Safe Deposit and Trust Company, as Agent, [Junior Mortgagee] and Ashburn Campus, LLC, a Maryland limited liability company, the provisions of which Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein."

SECTION 2.7 Amendments.

Junior Mortgagee agrees that none of the Junior Loan 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 Agent, which shall not unreasonably be withheld, delayed or conditioned provided there is no anticipated adverse effect on the Agent or the Lenders or their security for the Senior Loan, or on Ashburn's operations or financial condition. Nothing contained herein is intended to modify or amend the rights and obligations of Junior Mortgagee under the Junior Loan Documents, except to the extent provided in this Agreement.

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SECTION 2.8 Limitations on Further Credit.

Junior Mortgagee shall not extend any credit to Ashburn, except for any extensions of credit made in accordance with the terms of the Junior Loan, other than the proceeds of the Junior Note, or by way of an equity interest in Ashburn; provided, however, that any indebtedness incurred by Ashburn from Junior Mortgagee (whether permitted by or in violation of the Senior Loan Documents or this Agreement) shall be deemed Junior Mortgage subject to the terms and conditions of this Agreement.

SECTION 2.9 Additional Prohibited Actions by Junior Mortgagee.

Without the prior written consent of Agent, Junior Mortgagee shall not: (a) subordinate to any party (other than the Agent, and acknowledging that the Junior Loan is subordinate to the Senior Loan and the Community Loan [as such term is defined in the Senior Loan Agreement]) the Junior Loan, any rights in respect thereof, the Junior Note, any Junior Security Document, or any other instrument, agreement, document or other evidence of indebtedness evidencing, securing or relating to the Junior Loan; (b) materially amend, modify, alter or change any of the terms of any of the Junior Loan Documents; or increase the amount of the Junior Loan; (c) accept any collateral for the Junior Loan except as set forth in the Junior Security Documents; or (d) permit any cross-default provisions in the Junior Security Documents whereby a default under any loan subordinate to the Junior Loan would trigger a default under the Junior Loan.

SECTION 2.10 Actions by Agent.

Agent may, from time to time and in its sole discretion, without notice to and without impairing or affecting the rights of Agent or the obligations or subordinations of Junior Mortgagee hereunder, take all or any of the following actions: (a) retain or obtain a security interest in any collateral to secure any of the Senior Mortgage; (b) retain or obtain the primary or secondary liability of any party or parties with respect to any of the Senior Mortgage; (c) exercise, or refrain from exercising, any rights of Agent against Ashburn or any other obligor or any collateral securing any of the Senior Mortgage; (d) extend or renew for any period (whether or not longer than the original period), or amend, modify, supplement, restate or exchange any of the terms and conditions of, the Senior Mortgage or any Senior Loan Document, or release or compromise any obligation of any nature of any person (including without limitation Junior Mortgagee) with respect thereto; or (e) surrender, release or exchange all or any part of any collateral securing any of the Senior Mortgage, or compromise or extend or renew for any period (whether or not longer than the original period), or alter the terms and conditions of, or exchange, any obligations of any nature of any person with respect to any such collateral; or (f) modify the terms of the Senior Loan Documents. Agent shall have the right (but not the obligation) to advance funds from time to time in excess of the stated $125,000,000 Loan amount (hereinafter **"Protective Advances"**) in connection with any failure by Ashburn to perform any covenants, agreements, terms or conditions of any Senior Loan document or for any purpose Agent deems appropriate in its sole discretion with respect to the Project. No increases to the amount of the Senior Mortgage shall be made except for Protective Advances. Any funds advanced by Agent pursuant to this paragraph shall be included in the term "Senior Mortgage" for all purposes of this Agreement and shall bear interest as provided in the Senior Loan Documents.

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ARTICLE 3.
LIMITED RIGHTS OF JUNIOR MORTGAGEE

SECTION 3.1 Consent to Junior Loan.

Agent, on behalf of the Lenders, hereby acknowledges and consents to the making of the Junior Loan pursuant to the Junior Loan Documents, subject, however, in all respects to the terms and conditions of this Agreement, and agrees that the consummation of the Junior Loan transaction pursuant to the Junior Loan Documents shall not constitute or be deemed a default under or violate any provision of the Senior Loan Documents.

SECTION 3.2 No Cross Default under Senior Loan Documents.

So long as the Junior Mortgagee fully complies with the terms, conditions and limitations set forth in this Agreement, and its obligations hereunder, Agent agrees that a default under the Junior Loan 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 Senior Loan Documents.

SECTION 3.3 Notice and Cure Rights in Favor of Junior Mortgagee.

Agent herein specifically grants to the Junior Mortgagee 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 Senior 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 Junior Mortgagee has cured a prior Default or Event of Default under the Senior Loan Documents. Agent shall endeavor to furnish to the Junior Mortgagee a copy of any formal notice of or relating to a Default under the Senior Loan Documents (a "**Default Notice**") contemporaneously with the sending of such Default Notice to Ashburn pursuant to the terms of the Senior Loan Documents. Failure of the Agent to send a Default Notice to the Junior Mortgagee shall not constitute a breach of this Agreement by the Agent, but Junior Mortgagee'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 a Default Notice with respect to a monetary payment default ("**Payment Default**"), the Junior Mortgagee shall have the opportunity (but not the obligation) to cure any such Payment Default by tendering to Agent, within five (5) days after receipt of the relevant Default Notice [or any longer period provided or available under the Senior 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 Junior Mortgagee to cure any such Payment Default, Agent 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 Agent to accelerate any amounts due under the Senior 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, Agent shall be deemed to have waived the subject Payment Default, and Agent 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 Senior Loan Documents

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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 Junior Mortgagee shall have the opportunity (but not the obligation) to cure any such Non-Payment Default in any manner reasonably acceptable to the Agent 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 Senior Loan Documents (also, a "**Cure Period**")]. Notwithstanding the existence and pendency of any Cure Period hereunder, and rights granted to the Junior Mortgagee to cure any such Non-Payment Default, Agent 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 Agent 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, Agent 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 Senior 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 the Junior Mortgagee shall undertake to pay any amount due to Agent, or shall expend any sum to cure any Non-Payment Default, as provided under the foregoing provisions, the Junior Mortgagee shall be subrogated to rights of Agent in respect thereof provided, however, that such subrogation shall not be effective in any respect until such time as Agent shall have been paid in full all amounts due and owing to it under the Senior Loan Documents, and such right of subrogation shall be deemed a Subordinated Obligation hereunder.

(d) The Agent shall be entitled to accept any cure effected by the Junior Mortgagee on the terms provided for in this Section 3.3 as performance by the parties obligated under the Senior Loan Documents.

SECTION 3.4 Rights to Acquire Secured Position.

The Junior Mortgagee shall have the right and the opportunity (but not the obligation) at any time following the effectiveness of an Acceleration Action under the Loan Documents, upon and following the complete and indefeasible payment in full to Agent by the Junior Mortgagee of all of the Senior Loan Obligations, to acquire from the Agent all enforcement and lien rights and beneficial and security interests arising in favor of the Agent or its successors under the Senior Loan Documents (the "**Secured Position**"). The right in Junior Mortgagee to acquire such enforcement and lien rights and beneficial and security interests is further subject to and conditioned on (a) the reimbursement by Junior Mortgagee of all of the Senior Loan Obligations, including without limitation all costs and expenses of Agent in connection with any 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 Junior Mortgagee, (b) a release, indemnification and hold harmless agreement acceptable to Agent from an entity approved by

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Agent (which entity must have a minimum net worth of $100,000,000) as to any claims against Agent in respect of the interests assigned to or at the direction of the Junior Mortgagee, and claims which have been made against Agent or the Lenders as of such date of acquisition, or which may later be alleged against Agent or the Lenders based upon enforcement actions taken after such date of acquisition, (c) Junior Mortgagee providing an irrevocable notice (the "**Irrevocable Notice**") electing to acquire such rights and security interests within sixty (60) days of notice of an Acceleration Action, and (d) Junior Mortgagee closing on the acquisition of such rights and security interests within a reasonable time after sending the Irrevocable Notice. In such event, upon receipt of full payment, Agent will endorse and assign to Junior Mortgagee or its designee the Secured Position, without recourse or warranty other than a representation and warranty that the Secured Position held by Agent has not been assigned to any other party.

ARTICLE 4.
GENERAL PROVISIONS

SECTION 4.1 Representations and Warranties of Junior Mortgagee.

Junior Mortgagee represents and warrants to the Agent for the benefit of the Lenders that (a) Junior Mortgagee 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 Junior Mortgagee and has been duly executed and delivered by a person duly authorized to execute and deliver this Agreement on behalf of Junior Mortgagee, (c) assuming proper execution and delivery by the other parties hereto, this Agreement constitutes the valid and binding obligation of Junior Mortgagee 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 Junior Mortgagee, the consummation of the transactions herein contemplated, nor the compliance with the terms and provisions hereof by Junior Mortgagee will conflict with or result in the breach of any of the terms, conditions or provisions of the Certificate of Formation or Operating Agreement of Junior Mortgagee or of any applicable law or regulation or of any agreement or instrument to which Junior Mortgagee 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 Junior Loan Documents.

SECTION 4.2 Default under Senior Loan Documents.

The breach or the failure of Junior Mortgagee 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 an Event of Default under this Agreement and an Event of Default under the provisions of the Senior Loan Documents (which Event of Default under the Senior Loan Documents shall not be subject to any further cure rights, whether under Section 3.3 of this Agreement or otherwise.) This Agreement constitutes one of the Senior Loan Documents.

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SECTION 4.3 Remedies.

Upon the occurrence of any Event of Default hereunder, Agent shall have the right to exercise all remedies provided for under this Agreement, under applicable law or otherwise.

SECTION 4.4 Enforceability of the Provisions of this Agreement and Waivers.

(a) All rights and interests of the Agent hereunder, and all agreements and obligations of the Junior Mortgagee 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 Agent, until the Senior Loan Obligations shall have been paid and performed in full, irrespective of (i) any act or failure to act on the part of Junior Mortgagee or any noncompliance by Junior Mortgagee with the provisions of this Agreement, (ii) any lack of validity or enforceability of any of the Senior Loan Documents, (iii) any attempt, pursuit, enforcement or exhaustion of any rights and remedies the Agent may at any time have to collect the Senior Loan from Ashburn or any other maker, guarantor, endorser, surety or other person directly or contingently liable therefor or from any collateral and security for the Senior Loan, (iv) any release or non-perfection of any collateral and security for any or all of the Senior Loan, or (v) any other circumstance which might otherwise constitute a defense available to, or discharge of, Ashburn in respect of the Senior Loan.

(b) Without notice to, or consent of, the Junior Mortgagee, and without in any way affecting, limiting, modifying, discharging or releasing the right of the Agent to enforce this Agreement or the liabilities and obligations of the parties hereto, the Agent 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 Agent, all or any part of the Senior Loan, any collateral and security therefor, Ashburn or any other maker, guarantor, endorser, surety or other person directly or contingently liable or obligated for all or any part of the Senior Loan or any of the provisions of any of the Senior 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 Agent under the provisions of any of the Senior 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 Ashburn or any other party in respect of the Senior Loan or of Ashburn or the Junior Mortgagee in respect of this Agreement.

(c) Junior Mortgagee 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 Ashburn or any other person or entity. In furtherance of the foregoing and without limiting the generality thereof, Junior Mortgagee agrees, subject only to the specific terms of this Agreement, as follows: (i) Agent 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 Junior Mortgagee's liability hereunder, (A) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Senior Loan Obligations, (B) settle, compromise, release or discharge,

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or accept or refuse any offer of performance with respect to, or substitutions for, the Senior 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 Senior Loan Obligations and take and hold other security for the payment of the Senior Loan Obligations, (D) release, exchange, compromise, subordinate or modify, with or without consideration, any other security for payment of the Senior Loan Obligations, any guaranties of the Senior Loan Obligations, or any other obligation of any Person with respect to the Senior Loan Obligations, (E) enforce and apply any other security now or hereafter held by or for the benefit of Agent in respect of the Senior Loan Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that Agent may have against any such security, as Agent in its discretion may determine consistent with the Senior 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 Junior Mortgagee against Ashburn or any other security for the Senior Loan Obligations, and (F) exercise any other rights available to Agent under the Senior Loan Documents, at law or in equity; and (ii) this Agreement and the obligations of Junior Mortgagee 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 Junior Mortgagee 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 Senior Loan Obligations or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Senior 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 Senior Loan Agreement, any of the other Senior Loan Documents or any agreement or instrument executed pursuant thereto, or any guaranty or other security for the Senior Loan Obligations, (C) the Senior 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 Senior Loan Obligations, even though Agent might have elected to apply such payment to any part or all of the Senior Loan Obligations, (E) any failure to perfect or continue perfection of a security interest in any other collateral which secures any of the Senior Loan Obligations, (F) any defenses, set-offs or counterclaims which Ashburn may allege or assert against Agent in respect of the Senior 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 Junior Mortgagee in respect of the Senior Loan Obligations.

(d) Subject only to the specifications of this Agreement, Junior Mortgagee hereby waives, for the benefit of Agent and the Lenders: (i) any right to require Agent or Lenders, as a condition of payment or performance by Junior Mortgagee, to (A) proceed against Ashburn, any guarantor of the Senior Loan Obligations or any other Person, (B) proceed against or exhaust any other security held from Ashburn, any guarantor of the Senior Loan Obligations or any other Person, (C) proceed against or have resort to any balance of any deposit account or credit on the

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books of Agent in favor of Ashburn or any other Person, or (D) pursue any other remedy in the power of Agent or Lenders whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Ashburn including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Senior Loan Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Ashburn from any cause other than indefeasible payment in full of the Senior 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 Agent's errors or omissions in the administration of the Senior 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 Junior Mortgagee's obligations hereunder (B) the benefit of any statute of limitations affecting Junior Mortgagee's liability hereunder or the enforcement hereof, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that Agent 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 Senior Loan Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Senior Loan Obligations or any agreement related thereto, notices of any extension of credit to Ashburn 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.

SECTION 4.5 Covenants.

Junior Mortgagee hereby agrees with Agent as follows:

(a) The Junior Loan Agreement shall indicate that the Junior Mortgage is subordinated pursuant to the terms of this Agreement.

(b) Junior Mortgagee shall execute such further documents, instruments and financing statements, and shall take such further actions, as Agent may request from time to time to evidence and carry out the subordination of the Junior Mortgage and other agreements set forth in this Agreement.

(c) Upon request from Agent from time to time, Junior Mortgagee shall confirm to Agent in writing that it has not knowingly received any payments or collateral in violation of the terms hereof.

(d) There shall be no increase in the amount of the Junior Mortgage without the prior written consent of Agent, except for any increases made in accordance with the terms of the Junior Loan Documents.

(e) Junior Mortgagee shall upon the written request of Agent, but not more than once per calendar quarter, promptly furnish to Agent a true, correct and complete statement of

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the outstanding Junior Mortgage. Agent hereby agrees with Junior Mortgagee that, upon the written request of Junior Mortgagee, but not more than once per calendar quarter, Agent shall furnish to Junior Mortgagee a statement of the outstanding principal balance of the Senior Mortgage reflected by Agent's records.

SECTION 4.6 Bankruptcy Financing.

In the event Ashburn shall become subject to any proceeding under the United States Bankruptcy Code or any similar federal or state law (a "Bankruptcy Proceeding") and Agent desires to permit the use of cash collateral or to provide financing to Ashburn secured by the collateral for the Senior Mortgage or any other property of Ashburn (inclusive of any property which is collateral for the Junior Loan) as debtor-in-possession in any Bankruptcy Proceeding ("**DIP Financing**"), Junior Mortgagee agrees as follows: (a) adequate notice to Junior Mortgagee shall have been provided with respect to interim approval of such DIP Financing or for use of cash collateral if Junior Mortgagee receives notice two (2) business days prior to the entry of the order approving such use of cash collateral or the interim order approving such DIP Financing, or if Junior Mortgagee receives such other or shorter notice as approved by the Bankruptcy Court, provided, however, that Junior Mortgagee shall receive the notice required under the Federal Rules of Bankruptcy Procedure for a final hearing in connection with such DIP Financing; and (b) Junior Mortgagee shall not contest any such use of cash collateral or DIP Financing. If Agent shall advise Junior Mortgagee that Agent opposes post-petition use of cash collateral or any proposed DIP Financing by Junior Mortgagee or any other person, then Junior Mortgagee shall, at Agent's request, either (i) not provide or participate in any such DIP Financing, or (ii) join in any application or opposition made by Agent, and shall assert no position inconsistent therewith. Notwithstanding anything to the contrary in this paragraph, Junior Mortgagee shall not be prohibited from taking any action to request adequate protection of its interest. For purposes of this paragraph, notice of a proposed financing or use of cash collateral shall be deemed given when given in the manner prescribed by Section 5.3 hereof, to Junior Mortgagee or its counsel.

ARTICLE 5.
MISCELLANEOUS

SECTION 5.1 Course of Dealing; Amendment.

No course of dealing between the Agent and Junior Mortgagee shall be effective to amend, modify or change any provision of this Agreement. The Agent 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 Agent in refraining from so doing at any time or times. The failure of the Agent 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 Agent and the Junior Mortgagee.

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SECTION 5.2 Waiver of Default.

The Agent may, at any time and from time to time, execute and deliver to Ashburn a written instrument waiving, on such terms and conditions as the Agent 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.

(a) Junior Mortgagee shall endeavor to furnish to the Agent a copy of any formal notice of or relating to a breach or a default under the Junior Loan Documents contemporaneously with the sending of such formal notice to Ashburn pursuant to the terms of the Junior Loan Documents.

(b) 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:

Junior Mortgagee:	Strategic Ashby Ponds Lender LLC c/o Mr. Andrew Bauman Morgan Stanley/US RE Investing Division 1585 Broadway, Floor 37 New York, New York 10036 Phone: (212) 761-4468 Fax: (212) 507-4861
With a copy to:	Mark Pollak, Esquire Wilmer Hale LLP 100 Light Street, Suite 1300 Baltimore, Maryland 21202 Phone: (410) 986-2860 Fax: (410) 986-2828
Ashburn:	Ashburn Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Financial Officer

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With a copy to:	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228
Agent:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21202 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.

Junior Mortgagee (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 Senior Loan Documents, (b) waives, to the fullest extent permitted by law, any objection that the Junior Mortgagee 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 Junior Mortgagee and the Agent hereby voluntarily and intentionally waive any rights they may have to trial by jury in any action or proceeding to which Junior Mortgagee or the Agent 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 Junior Mortgagee, Ashburn, the Agent, 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

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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.

(a) The Agent may, without notice to, or consent of, the Junior Mortgagee, sell, assign or transfer to any Person or Persons all or any part of the Senior Loan and each such Person or Persons shall have the right to enforce the provisions of this Agreement as fully as the Agent, provided that the Agent shall continue to have the unimpaired right to enforce the provisions of this Agreement as to so much of the Senior Loan that it has not sold, assigned or transferred. In connection with any such assignment, the Agent 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 Junior Mortgagee will fully cooperate with the Agent 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 Agent in order to effect any such assignment.

(b) Notwithstanding any provision of this Agreement to the contrary, Junior Mortgagee may, without the consent of the Agent, assign, transfer or grant a lien upon any part of the Subordinated Obligations or the membership interests of Ashburn, provided that (i) any such transferee (either by assignment, transfer or grant of lien) is a Qualified Transferee, as described in Exhibit B attached hereto, and (ii) any such transferee shall have agreed to acquire the Subordinated Obligations or the membership interests (or lien on the membership interests) with full knowledge and subject to the obligations imposed on, and shall be entitled to the benefits accruing to, the Junior Mortgagee hereunder. Agent further agrees that with respect to an investment pool or investment fund which owns all or a part of the membership interests in the Junior Mortgagee, a transfer of limited partner interests, limited liability interests, syndicate interests or other interests in such investment pool or investment fund is not subject to any restriction pursuant to the terms of this Agreement

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 Senior Loan Obligations were or are incurred. This Agreement shall continually exist in full force and effect until the Senior 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 Senior Loan is rescinded or must otherwise be restored or returned by the Agent upon, under or as a result of any Distribution Proceeding by or against Ashburn or otherwise, all as though such payment had not been made.

SECTION 5.9 Binding Effect.

This Agreement shall be binding upon the Agent, Ashburn and the Junior Mortgagee and their respective successors, assigns, heirs, personal representatives, executors, administrators and estate and shall inure to the benefit of the Junior Mortgagee, Ashburn, the Agent, the Lenders and their successors and assigns, respectively.

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SECTION 5.10 Applicable Law.

This Agreement and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

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 Junior Mortgagee and its affiliates, successors and assigns of the provisions of this Agreement, the Junior Mortgagee assigns, pledges, and grants to the Agent a security interest in and to all right, title and interest of the Junior Mortgagee under the Junior Loan Documents and all proceeds thereof. Upon the request of the Agent, the Junior Mortgagee shall endorse, assign, and deliver to the Agent, in a manner acceptable to the Agent, all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Junior Loan Documents. In the event of the failure of the Junior Mortgagee to make any such endorsement, assignment, or delivery, the Agent, or any of its officers or employees on behalf of the Agent, is hereby appointed attorney-in-fact of the Junior Mortgagee 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 the Junior Mortgagee.

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 Senior Loan Documents and the Junior Loan Documents, unless the same is specifically resolved by the terms of this Agreement, the terms of the Senior Loan Documents

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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 Senior Loan Documents relating to casualty or condemnation proceeds shall govern over any similar provisions of the Junior Loan Documents. The Junior Mortgagee also further acknowledges and agrees that the Junior Mortgagee shall not impose on Ashburn or any other party any additional requirements or conditions regarding construction of the Improvements on the Land other than those already contained in the Senior Loan Documents; and that any provisions of the Junior Loan Documents purporting to impose any such additional requirements or conditions shall be ineffective for so long as the Senior Loan Obligations are outstanding. In particular, with respect to casualty and condemnation proceeds, the parties agree that the same shall be disbursed (if at all) pursuant to and in accordance with the terms of the Senior Loan Documents, and that the Junior Mortgagee shall not impose any inconsistent or additional requirements on the use of such casualty or condemnation proceeds from those provided for in the Senior Loan Documents. The provisions of this Section 5.15 shall not prohibit Junior Mortgagee from receiving copies of construction related materials for informational purposes. The Junior Mortgagee also covenants and agrees that, regardless of any contrary provisions in the Junior Loan Documents, for so long as the Senior Loan Obligations are outstanding, the Junior Mortgagee shall join in and consent to any plat, zoning or land-related application, permit request or other governmental requirement for which the Junior Mortgagee's consent is required in the construction process, and will cooperate with Ashburn and, in the event the Agent exercises its rights to do so under the Senior Loan Documents, the Agent, in completing the Project, including construction of the Improvements, as those terms are defined in the Senior Loan Documents.

Notwithstanding the provisions of the Junior Loan Documents, and without in any way limiting the provisions hereof, until the Senior Loan Obligations have been paid in full: (i) Junior Mortgagee may not further encumber the Property; (ii) notwithstanding Section 11.2(c) of the Junior Loan Agreement, Junior Mortgagee shall have no rights as co-obligee of bonds required therein; and (iii) there shall be no actions taken by Junior Mortgagee with respect to any Payment Default nor Non-Payment Default, nor may Junior Mortgagee take any action during any Cure Period under the Senior Loan Documents.

SECTION 5.16 Intentionally deleted.

SECTION 5.17 No Release of Obligations of Ashburn. The parties acknowledge and agree that the entry into the Junior Loan transaction and the Administrative Agent's consent thereto on the terms contained in this Agreement, the subordination of Junior Mortgagee's rights as provided herein, and the execution, delivery and performance of this Agreement do not relieve Ashburn of any of its obligations under the Senior Loan Documents or the Junior Loan Documents, and that Ashburn shall continue to be bound by and shall perform all of its obligations pursuant to the terms of the Senior Loan Documents and the Junior Loan Documents.

SECTION 5.18 Integration Clause.

This Agreement constitutes and expresses the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements or conditions, whether express or implied, oral or written.

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SECTION 5.19 Additional Documentation.

Junior Mortgagee shall execute and deliver to the Agent such further instruments and shall take such further action as the Agent may reasonably request from time to time in order to carry out the provisions and intent of this Agreement.

SECTION 5.20 Defects waived.

This Agreement is effective notwithstanding any defect in the validity or enforceability of any instrument or document at any time evidencing or securing the whole or any part of the Senior Loan Obligations.

SECTION 5.21 Execution in Counterparts.

This Agreement may be executed in any number of counterparts and by different parties to this Agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

SECTION 5.22 Rights of Lenders.

The Junior Mortgagee acknowledges and agrees that the Agent is acting as agent for itself and for the other Lenders party to the Senior Loan Documents from time to time, and that all rights of the Agent hereunder are held for the ratable benefit of the Agent and the other Lenders, whether specifically so expressed or not.

SECTION 5.23 Liability of Agent.

None of Agent nor any of its directors, officers, employees or agents shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Senior Loan Document or the transactions contemplated hereby (except to the extent resulting from its own gross negligence or willful misconduct in connection with the duties expressly set forth herein as determined by a final, non-appealable judgment by a court of competent jurisdiction), or (ii) be responsible in any manner to Ashburn, the Junior Mortgagee or its affiliates, successors and assigns or any other person or entity for any recital, statement, representation or warranty made by Ashburn or any other party to the Senior Loan Documents, or any member, partner, shareholder or officer of any of them, contained in this Agreement or in any other Senior Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or any other Senior Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Senior Loan Document (or the creation, perfection or priority of any lien, mortgage or security interest therein) or for any failure of Ashburn or any other party to any Senior Loan Document to perform its obligations hereunder or thereunder. Agent shall not be under any obligation to the Junior Mortgagee to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Senior Loan Document, or to inspect the properties, books or records of Ashburn or any other party to any of the Senior Loan Documents.

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SECTION 5.24 Limited Recourse.

Notwithstanding anything to the contrary in this Agreement or in any documents delivered by any other party in connection with the consummation of the transactions contemplated hereby, it is expressly understood and agreed that the Junior Mortgagee's liability shall be limited to and payable only out of the assets held by the Junior Mortgagee and not any of the Junior Mortgagee's directors, officers, employees, shareholders, contract holders or policy holders, shall be subject to any lien, levy, execution, setoff or other enforcement procedure for satisfaction of any right or remedy of any party in connection with the transactions contemplated hereby.

[SIGNATURES FOLLOW ON NEXT PAGE]

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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.

STRATEGIC ASHBY PONDS LENDER LLC,
a Delaware limited liability company

By: Strategic LP, a Utah limited partnership, its member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew S. Bauman
Title: Vice President

Date: As of May 31, 2007

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STATE OF New York

COUNTY OF New York

On this 31st day of May, 2007, before me Andrew S. Bauman the undersigned officer, personally appeared ANDREW S. BAUMAN, who acknowledged himself to be the Vice President of MSREA Holdings, LLC, a Delaware limited liability company, managing member of Strategic Master LLC, a Utah limited liability company, sole general partner of Strategic LP, a Utah limited partnership, member of STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company, and that he, in such capacity, being authorized to do so, executed the foregoing instrument on behalf of STRATEGIC ASHBY PONDS LENDER LLC.

(NOTARY SEAL)

JULIE F ZEITLIN
Notary Public - State of New York
NO. 01ZE6149901
Qualified in New York County
My Commission Expires 7/17/2010

Notary Public

Julie F. Zeitlin

Printed Name

Notary Commission No.:_____

My Commission Expires:_____

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ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

Date: As of May 31, 2007

STATE OF MARYLAND

COUNTY OF BALTIMORE

On this the 31st day of May, 2007, before me, Cathy M Thompson the undersigned officer, personally appeared Gerald F. Doherty, who acknowledged himself to be the Executive Vice President for ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company, as Sole Member of ASHBURN CAMPUS, LLC, a Maryland limited liability company, and that he, as such Executive Vice President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

(NOTARY SEAL)

CATHY M. THOMPSON NOTARY PUBLIC QUEEN ANNE'S COUNTY, MD.

Cathy M Thompson
Notary Public, State of Maryland

Cathy M Thompson
Printed Name

Notary Commission No.: _____

My Commission Expires: CATHY M. THOMPSON Notary Public Queen Anne's County, Maryland My Commission Expires December 1, 2007

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MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, as Agent

By:_____
Bruce D. McLean,
Senior Vice President

STATE OF MARYLAND
ANNE ARUNDEL
COUNTY OF ~~BALTIMORE~~

On this the 23rd day of May, 2007, before me, Bruce D. McLean the undersigned officer, personally appeared Bruce D. McLean, who acknowledged himself to be the Senior Vice President of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, and that he, as such Senior Vice President being authorized so to do, executed the foregoing instrument for the purposes there in contained, by signing the name of the corporation, as Agent, by himself as such officer.

(NOTARY SEAL)

_____
Notary Public, State of Maryland

_____
Printed Name
Notary Commission No.:_____
My Commission Expires:_____

Michele J. Johnson
NOTARY PUBLIC
Anne Arundel County
State of Maryland
My Commission Expires
February 1, 2010

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

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EXHIBIT B

CROSS TRI-PARTY AGREEMENT
among
MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
as Collateral and Administrative Agent
STRATEGIC ASHBY PONDS LENDER LLC,
as Ashburn Junior Mortgagee
and
CONCORD CAMPUS, L.P.
as Borrower and Ground Lessee

Dated as of May 31, 2007

"Qualified Transferee" shall mean

(a) an insurance company, bank, savings and loan association, investment bank, trust company, commercial credit corporation, pension plan, pension fund, pension fund advisory firm, mutual fund, real estate investment fund or governmental entity or plan; or

(b) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, which regularly engages in the business of making or owning real estate loans or investments, or an "institutional accredited investor" within the meaning of Regulation D of the Securities Act of 1933, as amended; or

(c) a Person that is otherwise a Qualified Transferee but that is acting in an agency capacity for a syndicate of lenders where at least 51% (by loan balance owned) of the lenders in such syndicate are otherwise Qualified Transferees under clauses (a) through (c) above; or

(d) an institution substantially similar to any of the foregoing; or

(e) an investment fund, limited liability company, limited partnership or general partnership where a nationally recognized manager of investment funds, which is a Qualified Transferee, acts at the general partner, managing member or fund manager; or

(f) any entity Controlled by or Controlling, or under common Control (each term, as defined below) with, any of the entities described in clauses (a) through (d) of this definition,

provided, that, in case of each of clauses (a) through (e) of this definition, such party has at least $600,000,000 in total assets (in name or under management) and (except with respect to a pension advisory firm, asset manager, or similar fiduciary) at least $200,000,000 in capital/statutory surplus or shareholder's equity, and except with respect to a pension advisory

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firm, asset manager or similar fiduciary, is regularly engaged in the business of making or owning commercial real estate loans (or interests therein) or investments.

For purposes of this definition only, "Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise, and "Controlled" and "Controlling" having meanings correlative thereto.

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
18027013C

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "**Agreement**") is made and entered into as of May 31, 2007 by and between **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company, ("**Lender**"), and **ASHBURN CAMPUS, LLC**, a Maryland limited liability company ("**Borrower**").

RECITALS

A. Borrower acquired approximately 135.5378 acres located in Loudoun County, Virginia (as more specifically described on **Exhibit A** attached hereto, the "**Property**") for development as a continuing care retirement community ("**CCRC**") to be known as Ashby Ponds ("**Ashby Ponds**"). When complete, the CCRC will include approximately 1,585 independent living units and approximately 228 health care units (of which amount 96 will be assisted living units and 132 will be nursing care units (individually, a "**Unit**" and collectively, the "**Units**")) and accessory uses (collectively, the "**Project**").

B. The Project will be developed and operated on the Property consistent with the following outline:

(i) Borrower has and will continue to, subject to certain management and financing arrangements described below, develop the Project for lease to Ashby Ponds, Inc., a Maryland nonstock corporation ("**API**"), in accordance with the terms of a Master Lease and Use Agreement between API and Borrower dated of even date herewith (the "**Master Lease**"). Under the Master Lease, API operates the Project. In addition, the Master Lease provides API with certain rights to purchase the interest of Borrower in the Property and the Project.

(ii) Borrower has retained Erickson Retirement Communities, LLC ("**ERC**") to manage the development of the Project in accordance with that certain Development Agreement dated of even date herewith (the "**Development Agreement**").

(iii) Residents of the Units (the "**Residents**") will occupy their Units and receive various services pursuant to terms of an agreement (the "**Residence and Care Agreement**") between each Resident and API. Residents are required to deliver certain funds upon obtaining residency of their Unit ("**Entrance Deposits**"), which may be refunded under the terms of the Residence and Care Agreement. In addition, Residents will make certain monthly payments ("**Monthly Fees**"), which can include the cost of services acquired, as more fully described in the Residence and Care Agreements.

C. The development of the Project will be financed consistent with the following outline:

(i) API will loan Borrower the proceeds from the initial Entrance Deposits provided by Residents (the "**Community Loan**") under the terms of a certain loan agreement and note (the "**Community Loan Agreement**" and the "**Community Note,**"

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respectively), which Community Loan had been secured, in part by the Community Mortgage and Security Agreement, dated of even date herewith (the "**Community Loan Mortgage**") (collectively, the "**Community Loan Documents**"), the proceeds of which will be used, among other things, to finance the acquisition, development, improvement and construction of the Property and the Project. The Community Loan Mortgage is subordinate to the Construction Loan Documents (as defined below).

(ii) Borrower has obtained from Mercantile-Safe Deposit and Trust Company, among other lenders (collectively, "**Construction Lender**"), a revolving loan and letter of credit facility in the aggregate principal amount of up to One Hundred Twenty-Five Million Dollars ($125,000,000) (the "**Construction Loan**") to be used for the construction of the Project and for certain other permitted purposes as more particularly set forth in the Construction Loan Agreement between Lender and Borrower dated of even date herewith (the "**Construction Loan Agreement**"), which Construction Loan is secured, in part, by that certain Amended and Restated Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing by Borrower encumbering the Property and the Project in favor of Lender of even date with the Construction Loan Agreement. The Construction Loan Agreement together with any and all additional documents executed and delivered by Borrower to the Construction Lender in connection with the Construction Loan are hereinafter collectively the "**Construction Loan Documents.**"

(iii) Using proceeds of the Community Loan and the Construction Loan, Borrower will continue to (a) develop the Property for the Project in accordance with the zoning approvals and permits and the health care approvals, and (b) loan funds to API from time to time, but not exceeding at any one time the amount of Thirty-Three Million Six Hundred Thousand Dollars ($33,600,000) for the purchase of insurance for the Property, payment of taxes on the Property and to otherwise make any and all valid expenditures necessary for operating and/or maintaining the Property (the "**Working Capital Loan**"), the terms of which are set forth in a loan agreement and a note (the "**Working Capital Loan Agreement**" and the "**Working Capital Promissory Note,**" respectively). The Working Capital Loan and API's obligation to lend funds to Borrower under the Community Loan are secured, in part, by a Security Agreement, Pledge and Collateral Assignment of License and Residence and Care Agreement dated of even date herewith, between API and Borrower (the "**Working Capital Security Agreement**"), pursuant to which, API assigned to Borrower all of its 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 Working Capital Security Agreement), and cash and deposits, but only the foregoing which are now located at, or used in connection with or relate to, or arise from the Project, its development, financing and operation, including all payments to be made by residents of the Project under the Residence and Care Agreements which are subject to the terms of a Lockbox Account Agreement, dated of even date herewith, between API and Borrower (the "**Lockbox Account Agreement**"). The Working Capital Loan Agreement, Working Capital Promissory Note, Working Capital Security Agreement, and Lockbox Account Agreement are collectively referred to herein as the "**Working Capital Loan Documents**".

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D. Borrower desires to borrow from Lender the sum of Fifty Million Dollars ($50,000,000.00) (the "**Mezzanine Loan**") on the terms and conditions set forth in this Agreement and in the promissory note delivered simultaneously herewith (the "**Mezzanine Note**").

E. Strategic Concord Landholder, LP, a Delaware limited partnership ("**SCL**"), is the owner of that certain real property comprising approximately 87 acres located at 117 Brinton Lake Road, Glen Mills, Concord Township, Delaware County, Pennsylvania (the "**Maris Grove Property**"). SCL acquired the Maris Grove Property from Concord Campus, L.P., a Maryland limited partnership ("**CC**"), in accordance with the Purchase Agreement dated October 11, 2005 (as amended, the "**Purchase Agreement**") and by the Quit Claim Deed dated October 11, 2005 and recorded among the land records of Delaware County in Volume 3643, page 1112; the transactions described in the Purchase Agreement and implemented in accordance therewith are the "**Maris Grove Transactions**". As part of the Maris Grove Transactions, SCL leased the Maris Grove Property to CC to be developed and operated as a CCRC (the "**Maris Grove Project**") in accordance with the Ground Lease dated October 11, 2005 (as amended, the "**Ground Lease**").

F. ERC is the direct and indirect owner of all of the member interests of Borrower and all of the limited partnership interests of CC.

G. Lender has agreed to allow a portion of the proceeds of the Mezzanine Loan to be distributed by the Borrower to ERC for the purpose of allowing ERC to fulfill its obligations, as the direct and indirect owner of all of the limited partnership interests in CC, with respect to the Maris Grove Transactions. Accordingly, substantial benefits will accrue to CC through the making of the Mezzanine Loan.

H. As a condition to making the Mezzanine Loan to the Borrower, and to allowing a portion of the Mezzanine Loan to be used to support the Maris Grove Project, Lender is requiring that CC guaranty by separate instrument the performance of Borrower under the Mezzanine Loan (the "**CC Guaranty**"), and that such guaranty be secured with a lien on the Maris Grove Project (the "**Maris Grove IDOT**"). In addition, Borrower will guarantee the payments by CC under the Ground Lease by separate instrument (the "**Borrower Guaranty**"), and such Borrower Guaranty will be secured by a lien on the Project (the "**Ashburn IDOT**"). Finally, the Maris Grove Transactions and the Mezzanine Loan will be cross-defaulted and cross-collateralized.

I. Lender and SCL are affiliated entities having the same current ownership. Such a relationship may or may not continue into the future and there are no obligations on or commitments from either SCL or Lender as to its or their future ownership. The terms of the relevant documents will govern changes in the ownership of either entity or of the interest in either entity or of the interest either entity may have either in the Maris Grove Project or the Project.

NOW, THEREFORE, in consideration of the premises and the respective agreements set forth herein, and in reliance upon the respective representations and warranties made hereunder, the parties agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Defined Terms. In addition to terms defined in the recitals or elsewhere in this Agreement, the following definitions will apply to this Agreement:

(a) "**Security Documents**" means the Mezzanine Note, the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Borrower to Lender (the "**Mortgage**"), the Maris Grove IDOT from CC to Lender, the Lender-Developer Agreement between ERC and Lender, certain UCC-1 financing statements, the Limited Guaranty of ERC, the CC Guaranty, the Member Pledge from ERC to Lender of its interests in Borrower, and the Pledge Agreement from Borrower to Lender with regard to various contract rights and public entitlements, in each instance as more fully described in the applicable document.

(b) "**Term**" shall mean the period from the date hereof until such time as the Mezzanine Loan and all other amounts due and payable under the Mezzanine Note and this Agreement have been paid in full.

(c) "**Omnibus Agreement**" shall mean that certain Omnibus Amendatory Agreement dated of even date with this Agreement by and among CC, ERC, SCL and Lender.

1.2 Index. Attached as Schedule A is an index to terms defined in this Agreement.

ARTICLE II.
LOAN

Simultaneously with the delivery of this Agreement, Lender has advanced to Borrower the entire principal amount of the Mezzanine Loan and has received from Borrower, ERC and CC, as applicable, the Security Documents. In addition, Borrower has complied with the Closing Conditions of **Exhibit C** and the Closing Requirements of **Exhibit D**.

ARTICLE III.
LOAN PAYMENTS AND SECURITY

3.1 Principal and Interest on the Mezzanine Loan. Borrower will make payments on the Mezzanine Loan in accordance with this Agreement and the Mezzanine Note.

3.2 Acceleration. In the event of a default by Borrower of its obligations under this Agreement beyond any applicable notice and cure period, the full amount of Mezzanine Loan, including any Make-Whole Amount, shall be immediately due and payable by Borrower to Lender.

3.3 Additional Payments. If Lender shall make any expenditure for which Borrower is responsible or liable under this Agreement, or if Borrower shall become obligated to Lender under this Agreement for any sum other than principal and interest, the amount thereof shall be due and payable by Borrower to Lender, together with all applicable sales taxes thereon, if any, simultaneously with the next succeeding monthly payment under the Mezzanine Note or at such other time as may be expressly provided in this Agreement for the payment of the same.

3.4 [Reserved]

3.5 Unconditional Obligation. Principal and interest on the Mezzanine Loan shall be paid to Lender without demand and without deduction, set-off, claim or counterclaim of any nature whatsoever which Borrower may have or allege to have against Lender, and all such payments shall, upon receipt by Lender, be and remain the sole and absolute property of Lender. All such sums shall be paid to Lender in legal tender of the United States by wire transfer of immediately available federal funds or by other means acceptable to Lender in its sole discretion. If Lender shall at any time accept any 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 Lender's rights hereunder.

3.6 Past Due Payments. If Borrower fails to make any payment of principal, interest or any other sums or amounts to be paid by Borrower hereunder on or before the date such payment is due and payable and such failure continues for a period of five (5) days, Borrower shall pay to Lender 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 Property is located, from the date such payment became due to the date of payment thereof by Borrower.

ARTICLE IV.
ASSURANCES

4.1. Maintain Existence and Good Standing. Borrower will maintain its existence, in good standing in all requisite jurisdictions, and will secure and maintain all necessary licenses and approvals to operate in accordance with all applicable laws.

4.2. Compliance With Agreements. Borrower will comply with all documents applicable to the development of the Project and its performance under agreements with API and any other parties.

4.3. Compliance With Laws. Borrower will comply with all applicable laws, rules and regulations in connection with the conduct of its business and the completion of the Project.

4.4. Further Assurances. Borrower will provide, and where applicable, will secure the performance of ERC and/or CC to provide, such other necessary or appropriate documentation and assurances as to assure Lender of the full benefit of the Security Documents.

ARTICLE V.
USE AND OPERATION OF PROPERTY

5.1 Development of the Project. Borrower covenants and agrees that it shall develop and construct, or cause to be developed and constructed, the Project in accordance with this Agreement, the Third Party Documents (defined in Section 20.1 below) and any other agreements relating to the Project (the "**Project Documents**").

5.2 Permitted Use. Borrower covenants and agrees that it will not perform, nor allow to be performed at the Project any acts which will cause the cancellation of any insurance policy covering the Project or any part thereof (unless another adequate policy is available), nor shall Borrower sell or otherwise provide or permit to be kept, used or sold in or about the Project 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.

5.3 Necessary Approvals. Borrower shall maintain in good standing all licenses, permits and approvals necessary to perform its obligations with regard to the Project under all applicable laws. Lender shall at no cost or liability to Lender cooperate with Borrower in this regard, limited to executing all applications and consents required to be signed by Lender in order for Borrower to obtain and maintain such approvals.

5.4 Lawful Use, Etc. Borrower shall not use or suffer or permit the use of the Project or the Property for any unlawful purpose. Borrower shall not commit or suffer to be committed any waste on the Property, or in the Project, nor shall Borrower cause or permit any unlawful nuisance thereon or therein. Borrower shall not suffer nor permit the Property, or any portion thereof, to be used in such a manner as (i) might reasonably impair Lender's interest therein 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 Property or any portion thereof.

5.5 Environmental Matters. Neither Borrower nor any of its employees, agents, invitees, licensees, contractors, guests, or permittees shall use, generate, manufacture, refine, treat, process, produce, store, deposit, handle, transport, release, or dispose of Hazardous Substances in, on or about the 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. Borrower shall give Lender prompt notice of any claim received by Borrower from any person, entity, or governmental authority that a release or disposal of Hazardous Substances has occurred on the Property or the groundwater thereof.

Borrower shall not discharge or permit to be discharged into any septic facility or sanitary sewer system serving the 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 Borrower on, in or from the Property. Any

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toxic or hazardous sewage or waste which is produced or generated in connection with the use or operation of the 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 Property.

5.6 Compliance With Restrictions, Etc. Borrower, at its expense, shall comply with all restrictive covenants and other title exceptions affecting the Property ("**Permitted Exceptions**").

5.7 Notices and Reports. Borrower shall prepare and deliver to Lender periodic reports, not less than monthly, of the state of the business and affairs of the Borrower. Borrower shall cause ERC, as the sole member of Borrower, or its delegate, to prepare statements of the financial condition of the Borrower as of the last day of each month, such financial statements for the Borrower to include (i) statements of profits or losses, (ii) balance sheets as of the close of such month, (iii) statements of cash flow, (iv) statements of changes in capital, and (v) a narrative explanation of variances to each TAB Summary (defined in Section 5.8 below). Such statements and reports shall, if requested by Lender, be certified by the chief financial officer of ERC and shall be in form and substance reasonably satisfactory to Lender. Copies of such statements shall be furnished to Lender within thirty (30) days after the end of each month. Annual financial statements (unaudited) shall be furnished to Lender within sixty (60) days after the close of the fiscal year. Borrower shall also provide to Lender (a) a detailed description of any amounts paid within such period to ERC or any affiliate thereof in excess of amounts reflected in the relevant annual budgets and plans for the development of each Phase (defined in Section 11.2(a) below) ("**Phase Plans**") then in effect; and (b) copies of all reports, notices or other transmittals either (x) made by the Borrower and/or ERC to any lender or other entity under any loans affecting the Property or the Project ("**Project Loans**"), or (y) received by the Borrower or ERC from ERC (in its capacity as the Developer or otherwise), API, or any other entity under any Project Loans. Borrower also shall provide copies to Lender of all reports and notices received or made by the Borrower and/or ERC relating to any other Project Documents.

5.8 Annual TAB Summaries. Borrower has provided to Lender a Total Anticipated Budget containing multi-year projections (the "**TAB Summary**") for the construction of the Project, setting forth the costs and expenses relating to specific Phases of the Project as contained in each Phase Plan (see **Exhibit I** attached). Borrower shall submit to Lender on a monthly basis the most recent TAB Summary (in format comparable to **Exhibit I** attached) for the Project, reflecting the reasonably projected income and expenditures (capital, operating and other) for the Project. Borrower shall identify and provide a narrative to Lender explaining any material adverse changes regarding the TAB Summary.

5.9 Major Decisions Affecting Borrower, the Project, the Property and the improvements. The affirmative consent or approval of the Lender shall be required for each of the following "**Major Decisions**":

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(a) causing the modification, amendment, extension or termination of any documents or agreements entered into, made, given or delivered, as applicable, in connection with or in any manner related to the Project Documents, or any agreement between ERC and API, and, after the termination thereof, the entry into, making, giving or delivering, as applicable, of any new or substitute document or agreement; provided, however, Lender's consent for change orders shall only be required to the extent that any one or more of such change orders exceed (i) $500,000 individually or (ii) $750,000 in the aggregate per building;

(b) except for (i) any loans from ERC, (ii) Borrower's agreements under the Construction Loan Documents and the Community Loan Documents to which it is a party, or (iii) the execution and delivery by Borrower of the Borrower Guaranty and the Ashburn IDOT, borrowing money and issuing any evidences of indebtedness, securing any such loans by mortgage, pledge or other lien on any of the assets of the Borrower and, to the extent not previously approved, making any material decisions or taking any material actions under the applicable loan documents;

(c) causing the adoption, modification or amendment of the Development Plan or any Phase Plan of the Project (provided that Borrower may act with respect to this Major Decision without Lender's consent (but with reasonable prior notice to Lender) unless and until Lender provides written notice to the contrary);

(d) except as permitted by this Agreement and for Development Distributions (as defined in that certain Lender-Developer Agreement dated as of even date herewith between Lender and ERC) to ERC (if, as and when required or permitted under the Lender-Developer Agreement), making any loans or distributions;

(e) initiating, defending, adjusting, settling or compromising any significant litigation involving the Borrower or any other entity involved in the Project (provided that Borrower may act with respect to this Major Decision without Lender's consent [but with reasonable prior notice to Lender if the action will or may have aggregate cost implications of $200,000 or more] unless and until Lender provides written notice to the contrary);

(f) acquiring any land, improvements or other real property, or any interest therein;

(g) electing to dissolve and terminate Borrower or become a party to a merger, transfer of assets or consolidation with any other person or entity;

(h) except to the extent required by the Employee Retirement Income Security Act of 1974, as amended from time to time ("**ERISA**"), changing the insurance program of the Borrower as described in this Agreement (provided that Borrower may act with respect to this Major Decision without Lender's consent (but with reasonable prior notice to Lender if the change will diminish the creditworthiness of any insurer or would cause any insurance program to be commercially unreasonable in light of the nature and scope of the Project) unless and until Lender provides written notice to the contrary);

(i) subsequent to the completion of construction of any Phase, constructing any improvements or make any material (*i.e.*, with a cost in excess of $200,000) capital improvements, repairs, alterations or changes in, to or of such Phase (provided that Borrower may act with respect to this Major Decision without Lender's consent [but with reasonable prior notice to Lender] unless and until Lender provides written notice to the contrary);

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(j) voluntarily filing a bankruptcy petition on behalf of the Borrower;

(k) withdrawing funds from any escrows, reserves or accounts, unless such withdrawal is either: (i) a construction withdrawal for approved costs and expenses incurred by the Borrower for the approved development of the Project; or (ii) made to pay to Lender any sums to which it is entitled hereunder, including, as applicable, payment of the Prepayment Price and/or the Make-Whole Amount (each as defined in Section 24.1 below);

(l) initiating construction of a building or Phase which has not been approved for funding under any other financing for the Project, unless Borrower or ERC intends to finance such construction itself and has sufficient funds to complete such construction, and provided further, that such Borrower/ERC funded construction does not constitute a breach under the Construction Loan Documents, or any other financing documents related to the Project and/or under the Project Documents; or

(m) except as otherwise permitted, taking any action or making any decision that would (or is reasonably likely to) have a material adverse affect on the Project, the Borrower, a member of Borrower or its investment in the Borrower.

Borrower hereby acknowledges that any modification of the Master Lease to accelerate the date on which API can first exercise its option to purchase the Property and the Project constitutes a Major Decision requiring the consent of Lender under Section 5.9(a) above. Notwithstanding any other provisions of this Loan Agreement, Borrower acknowledges that such consent may be withheld to assure the performance of Borrower under the Borrower Guaranty and the Ashburn IDOT.

5.10 Negative Covenants by Borrower.

(a) Borrower shall not contract for goods or services at the Property in an aggregate annual amount greater than $200,000 or approve any agreement for the provision of goods or services to the Borrower by any person who is an affiliate of ERC; provided that Borrower may act with respect to this subsection without Lender's consent (but with reasonable prior notice to Lender if the agreement will or may have an aggregate cost of $200,000 or more and such agreement is not reflected in the approved development budget for the Project) unless and until Lender provides written notice to the contrary.

(b) Borrower shall not enforce the rights of the Borrower under any Project Document (as applicable); provided that Borrower may act with respect to this subsection without Lender's consent (but with reasonable prior notice to Lender if the action will or may have aggregate cost implications of $200,000 or more) unless and until Lender provides written notice to the contrary.

5.11 Prohibition on Distributions and Fees. At any time during the Term that (i) there exists an uncured Event of Default or (ii) the payment of any of the following would result in an Event of Default, including a failure of the Balance Test, Borrower shall not make payment of any: (x) distributions to its members; or (y) development fees or distributions to the Developer under the Development Agreement.

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5.12 Survival. As to conditions and uses of Borrower existing or occurring prior to the expiration or sooner termination of this Agreement, the provisions of this Article 5 shall survive the expiration or sooner termination of this Agreement to extent of any ongoing effects on Lender or its successors with respect to the Property.

ARTICLE VI.
TAXES AND ASSESSMENTS

Throughout the entire Term of this Agreement, Borrower 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, Borrower's construction of the Project, or any part thereof. Borrower shall not be obligated to bear, pay or discharge Lender's U.S. income tax(es) or any other tax based on net income of Lender. Upon request of Lender, Borrower shall promptly furnish to Lender satisfactory evidence of the payment of any tax, assessment, imposition or charge required to be paid by Borrower pursuant to the foregoing.

ARTICLE VII.
[RESERVED]

ARTICLE VIII.
LICENSE, PERMITS, FEES, ETC.

Borrower shall keep and maintain in full force during the entire term of this Agreement all licenses, permits or other approvals necessary for its obligations in connection with the Project. Borrower 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 imposed on Borrower in connection with its construction of the Project.

ARTICLE IX.
INSURANCE

9.1 Insurance by Borrower. Throughout the term of this Agreement, Borrower shall, at its sole cost and expense, maintain, or cause to be maintained, in full force and effect, the insurance of the types and in the amounts required of Borrower under the Development Agreement or any other Project Document.

9.2 Other Insurance. In addition, Borrower shall, at Lender's request, provide, keep and maintain in full force and effect such other insurance for such risks and in such amounts as

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may from time to time be commonly insured against in the case of business operations similar to those contemplated by this Agreement to be conducted by Borrower on the Property.

9.3 Carriers and Features. All insurance policies required to be carried by Borrower as provided in this Article shall be issued by insurance companies which have an A-:X or better rating by Best's Insurance Rating Service. All such policies shall be for periods of not less than one year and Borrower 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 Lender prior to any cancellation thereof.

Borrower shall pay the premiums for all insurance policies which Borrower 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 Lender a copy of the policy or policies, or a certificate or certificates thereof.

9.4 Failure to Procure Insurance. In the event Borrower 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 Agreement, Lender shall be entitled, although not obligated, to procure the same and Borrower shall immediately reimburse Lender for such premium expense.

9.5 Waiver of Subrogation. Borrower agrees that, if any property owned by it and located in the Property shall be stolen, damaged or destroyed by an insured peril, Lender shall not have any liability to Borrower, nor to any insurer of Borrower, for or in respect of such theft, damage or destruction, and Borrower shall require all policies of risk insurance carried by it on its property in the Property to contain or be endorsed with a provision in and by which the insurer designated therein shall waive its right of subrogation against Lender.

ARTICLE X.
DAMAGE OR DESTRUCTION

10.1 Notice. If, during the term of this Agreement, any improvements shall be destroyed or damaged in whole or in part by fire, windstorm or any other cause whatsoever, Borrower shall give Lender immediate notice thereof.

10.2 Construction Loan Documents. The parties acknowledge that decisions with regard to any damage or destruction of the Project are subject to the provisions of the Construction Loan Documents.

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 Borrower in any manner whatsoever without the prior written consent and approval of Lender, which will not be unreasonably withheld or delayed. Notwithstanding the foregoing, however, Borrower shall be obligated to undertake all alterations to the improvements required by any applicable law or ordinance

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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, Borrower shall comply with the provisions hereof.

11.2 Permitted and Required Construction and Renovation. Lender and Borrower acknowledge and agree that Borrower intends and has the right, and has agreed and shall be required as a 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 Development Plan to complete the Project; and that from time to time various minor, non-material alterations may be undertaken by Borrower. Borrower 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 of the Project within the Property (as set forth in the Development Plan, a "**Phase**"), final plans and specifications for such Phase shall be made available for Lender'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, Borrower shall obtain (and make available to Lender evidence of) the approval thereof by all governmental departments or authorities having or claiming jurisdiction of or over the 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, Borrower shall comply with all applicable laws, ordinances, requirements, orders, 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 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 Property or any part thereof.

(c) Before the commencement of work on any new Phase, Borrower shall make available to Lender a copy of its general construction contract for the construction of the subject improvements (the "**General Contract**"). Borrower shall, upon request of Lender, make Lender a co-obligee, additional insured or beneficiary of any general contractor's and/or subcontractor'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) Borrower represents and warrants to Lender 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 Agreement and all governmental requirements.

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(e) Lender shall have the right to inspect any such construction work at all times during normal working hours and to maintain at the 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 Borrower's work (but Lender shall not thereby assume any responsibility for the proper performance of the work in accordance with the terms of this Agreement, nor any liability arising from the improper performance thereof).

(f) All such work shall be performed at no cost, expense or liability to Lender, and free of any liens (including mechanics or construction liens) on Lender's interest in the Property.

(g) Upon substantial completion of work on the improvements, Borrower shall procure and provide to Lender a copy of an original final certificate of occupancy, if applicable, from the appropriate governmental authorities verifying the substantial completion thereof.

(h) Borrower shall, and hereby agrees to, indemnify and save and hold Lender harmless from and against and reimburse Lender 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 Lender which is occasioned by or results, directly or indirectly, from (i) any construction or renovation activities conducted upon the Property by Borrower or otherwise pursuant to the Project Documents, whether or not the same is caused by or the fault of Borrower or any contractor, subcontractor, laborer, supplier, materialman or any other third party, or (ii) any obligations or liabilities of Lender which are entered into or assumed by Lender, as owner of the Property, in connection with the Project.

ARTICLE XII.
MAINTENANCE AND REPAIRS

12.1 Repairs by Borrower. Borrower shall, to the extent so obligated in the Project Documents perform, at all times during the term of this Agreement and at its sole cost and expense, put, keep, replace and maintain the 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.

12.2 Lender's Obligation. Lender shall not be required to make any alterations, reconstructions, replacements, changes, additions, improvements or repairs of any kind or nature whatsoever to the Property or any portion thereof (including, without limitation, any portion of the improvements) at any time during the term of this Agreement.

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ARTICLE XIII.
LENDER'S RIGHT OF INSPECTION AND ENTRY

13.1 Inspection. Lender and its agents shall have the right to enter upon the 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 Borrower is in full compliance with its obligations under this Agreement (but Lender shall not thereby assume any responsibility for the performance of any of Borrower's obligations hereunder, nor any liability arising from the improper performance thereof). In making any such inspections, Lender shall not unduly interrupt or interfere with the residents and commercial tenants within the Project or the conduct of Borrower's or API's business.

ARTICLE XIV.
ASSIGNMENT

14.1 Transfers by Borrower. Borrower may not transfer or assign this Agreement without Lender's prior written consent, which consent may be withheld in Lender's sole and absolute discretion. For purposes of this Section and the requirement of Lender's consent, "transfer" shall include, without limitation, the sale, transfer, assignment or other disposition of any member or ownership interests in Borrower. If given, the consent of Lender to an assignment, transfer or encumbrance shall not relieve Borrower or such assignee from the obligation of obtaining the express consent in writing of Lender to any further assignment, transfer or encumbrance. In addition, any such approved assignee shall expressly assume this Agreement by an agreement in recordable form, an original executed counterpart of which shall be delivered to Lender prior to any assignment of this Agreement. Lender's consent to any assignment of this Agreement shall not operate to release any Borrower-assignor from its obligations hereunder, with respect to which said Borrower-assignor shall remain personally liable.

14.2 Assignment by Lender. Lender may assign its interest in this Agreement during the term hereof (either by assignment, transfer or lien); provided, however, that any such assignee shall be a Qualified Transferee, as described on **Exhibit J**. Borrower agrees that Lender and any affiliate of Lender is a Qualified Transferee. Borrower further agrees that with respect to an investment pool or investment fund which owns all or part of the membership interests in the Lender, or a lien on the membership interests in the Lender, a transfer of limited partner interests, limited liability company interests, syndicate interests or other interests in such investment pool or investment fund is not subject to any restriction pursuant to the terms of this Agreement.

ARTICLE XV.
LENDER'S INTEREST NOT SUBJECT TO LIENS

15.1 Liens, Generally. Borrower shall not create or cause to be imposed, claimed or filed upon the Lender's interest in the Property, or any portion thereof, any lien, charge or encumbrance whatsoever other than those created by the Construction Loan Documents, the

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Community Loan Documents and the Ashburn IDOT. If, because of any act or omission of Borrower, any such lien, charge or encumbrance shall be imposed, claimed or filed, Borrower 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 Lender's interest) and Borrower shall indemnify and save and hold Lender harmless from and against any and all costs, liabilities, suits, penalties, claims and demands whatsoever, and from and against any and all attorneys' fees, at both trial and all appellate levels, resulting therefrom or on account thereof. In the event that Borrower shall fail to timely pursue, with reasonable diligence, removal of the lien, charge or encumbrance from Lender's interest, Lender shall have the option of paying, satisfying or otherwise discharging (by bonding or otherwise) such lien, charge or encumbrance and Borrower agrees to reimburse Lender, upon demand, for all sums so paid and for all costs and expenses incurred by Lender in connection therewith, together with interest thereon, until paid.

15.2 Mechanics Liens. Except for permitted assignments, Lender's interest in the Property shall not be subjected to liens of any nature by reason of Borrower's construction, alteration, renovation, repair, restoration, replacement or reconstruction of the improvements or any improvements on or in the Property, or by reason of any other act or omission of Borrower (or of any person claiming by, through or under Borrower) including, but not limited to, mechanics' and materialmen's liens. All persons dealing with Borrower are hereby placed on notice that such persons shall not look to Lender or to Lender's credit or assets (including Lender's interest in the 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 Borrower. Borrower has no power, right or authority to subject Lender's interest in the Property to any mechanic's or materialmen's lien or claim of lien. If a lien, a claim of lien or an order for the payment of money shall be imposed against the Property on account of work performed, or alleged to have been performed, for or on behalf of Borrower, Borrower shall, within thirty (30) days after written demand by Lender to do so, cause the 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 Borrower 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, Borrower shall thereupon furnish Lender with a written instrument of release in form for recording or filing in the appropriate office and otherwise sufficient to establish the release as a matter of record.

15.3 Contest of Liens. Borrower may, at its option, contest the validity of any lien or claim of lien if Borrower 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 Property from such lien. If judgment is obtained by the claimant under any lien, Borrower 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. Borrower shall, at its own expense, defend the interests of Borrower and Lender in any and all such suits; provided, however, that Lender may, at its election, engage its own counsel and assert its own defenses, in which event Borrower shall cooperate with Lender and make available to Lender all information and data which Lender deems necessary or desirable for such defense.

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15.4 Notices of Commencement of Construction. If specifically provided for under applicable law, prior to commencement by Borrower of work on any new Phase of construction on the Property, or other material construction, Borrower shall record or file a notice or affidavit of the commencement of such work (the "**Notice of Commencement**"), identifying Borrower 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 Lender. Any such Notice of Commencement must clearly and accurately reflect the respective interests of Borrower and Lender in the Property. A copy of any such Notice of Commencement shall be furnished to and approved by Lender and its attorneys prior to the recording or filing thereof, as aforesaid.

ARTICLE XVI.
CONDEMNATION

16.1 In the event any action is filed to condemn the Property or the improvements thereof, the party having knowledge of such filing shall promptly give notice thereof to the other party.

ARTICLE XVII.
SUBORDINATION

Subject to the terms of the Tri-Party Agreement, Lender's interest in the Property and the Project is subordinate to the Construction Loan Documents and the Community Loan Documents, specifically the Construction Loan Mortgage and the Community Loan Mortgage, respectively. To the extent permitted by the Tri-Party Agreement, Borrower hereby authorizes Lender to take such actions as Lender deems necessary to protect and secure its interest in the event of any action taken by the beneficiary of the Construction Loan Documents.

ARTICLE XVIII.
REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants as follows:

18.1 Structure, Organization and Good Standing. Borrower and ERC are each a limited liability company, validly existing and in good standing under the laws of the State of Maryland, each has full power and all necessary licenses and permits, to enter into, deliver and perform its obligations under this Agreement and/or any other document, instrument or agreement noted in the recitals or executed and delivered in conjunction with the Project (the "**Transaction Documents**"), as applicable, and to own and operate its properties and to carry on its business as now conducted and as presently proposed to be conducted. Borrower is also qualified to conduct business as now conducted and as presently proposed to be conducted in the Commonwealth of Virginia. Borrower has no subsidiaries. All of the issued and outstanding interests in Borrower are owned by ERC.

18.2 Authority and Consents. Borrower and ERC each have full power to enter into this Agreement and Borrower and ERC have taken all action, corporate and otherwise, necessary

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to authorize the execution, delivery and performance of this Agreement and/or the Transaction Documents, as applicable, the completion of the transactions contemplated hereby and thereby, and the execution and delivery of any and all instruments necessary or appropriate in order to effectuate fully the terms and conditions of this Agreement and the Transaction Documents. No consent or approval of any court, governmental agency, other public authority, financial institution or third party (except as has already been obtained) is required as a condition to (a) the authorization, execution, delivery and performance of this Agreement or the Transaction Documents ; or (b) the consummation by Borrower and ERC of the transactions contemplated herein or therein. This Agreement has been, and the Transaction Documents, upon execution, will be, properly executed and delivered by the duly authorized officers of the sole member of Borrower, as applicable, and will constitute the valid and legally binding obligation of Borrower and ERC, and are, or will be, as applicable, enforceable against Borrower and/or ERC in accordance with their respective terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

18.3 No Conflict. Neither the execution and delivery of this Agreement and/or the Transaction Documents nor the carrying out of the transactions contemplated hereby and thereby will result in any violation, termination or modification of, or conflict with, either the organizational documents of Borrower or ERC, or any of the contracts or other instruments to which any of Borrower or ERC is a party, or of any judgment, decree, order, regulation or law applicable to any of Borrower or ERC.

18.4 Litigation, Claims, Etc. There is no litigation, claim or assessment pending, or to Borrower's knowledge, threatened, against or affecting Borrower, API or ERC in any court or before any governmental authority or arbitration board or tribunal which involve the possibility of materially and adversely affecting the Property, the Project, the financial condition of Borrower, API or ERC, or the ability of Borrower, API or ERC to perform their respective obligations under this Agreement and the Transaction Documents, or which may have a material adverse affect on this Agreement, the Project, Borrower, API, ERC or the transactions contemplated hereby, except as disclosed to Lender and listed in **Schedule 18.4** attached hereto ("**Disclosed Claims**"). Neither Borrower nor ERC, or to Borrower's knowledge, API, is in default with respect to any order of any court or governmental authority or arbitration board or tribunal which involve the possibility of materially and adversely affecting the Property, the Project, the financial condition of Borrower, API or ERC, or the ability of Borrower, API or ERC to perform their respective obligations under this Agreement and the Transaction Documents, or which may have an adverse affect on this Agreement, the Project, Borrower, API, ERC or the transactions contemplated hereby.

18.5 Reserved.

18.6 Transaction Documents are Legal and Authorized. Compliance by ERC and Borrower with all of the provisions of this Agreement and the Transaction Documents (a) is within the limited liability company powers of each of ERC and Borrower; (b) will not violate any provisions of any law or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the governing articles of each of ERC or Borrower or any indenture or any other agreement or instrument to which Borrower or ERC is a party or by which it or they

may be bound or result in the imposition of any liens or encumbrances on any property of either ERC or Borrower; and (c) has been duly authorized by all necessary limited liability company action on the part of ERC and Borrower. This Agreement, the Transaction Documents and any other documents executed and/or delivered by Borrower and/or ERC to Lender in connection with the transaction contemplated hereby, have been duly executed by authorized officers of the sole member of Borrower and delivered and constituted the legal, valid and binding contracts and agreements of Borrower enforceable in accordance with their terms, except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

18.7 Documents. True and complete copies of the Project Documents have been delivered to Lender and, to the best knowledge of Borrower, each of the Project Documents is in full force and effect and there is no default existing, pending or threatened under any material provision of the Project Documents.

18.8 Construction Loan Documents.

(a) Borrower has delivered all required reports and information to the Construction Lender pursuant to the Construction Loan Documents, subject to those items to be delivered to Construction Lender pursuant to that certain Post-Closing Agreement between Borrower and Construction Lender dated of even date herewith.

(b) Borrower has complied with and continues to comply with the financial covenants and obligations pursuant to the Construction Loan Documents.

(c) Borrower has obtained and continues to maintain the insurance required by the Construction Loan Documents.

(d) There exists no default by Borrower under the Construction Loan Documents or any event or omission which with the passage of time or the giving of notices, would constitute a default.

18.9 Use of Proceeds. None of the transactions contemplated in this Agreement (including without limitation thereof, the use of proceeds from the Mezzanine Loan) will violate or result in a violation of Section 7 of the Securities Exchange Act of 1934, as amended, or any regulation issued pursuant thereto, including, without limitation, Regulations G, T and X of the Board of Governors of the Federal Reserve System, 12 C.F.R., Chapter II. Borrower does not own nor does Borrower intend to carry or purchase any "*margin stock*" within the meaning of said Regulation G.

18.10 The Project and the Property.

(a) Title. Borrower has good and marketable fee simple title to the Property, insurable at general commercial rates, subject only to the Permitted Exceptions set forth on **Exhibit B** attached hereto and to the liens relating to the Construction Loan Documents, and there are no unfulfilled covenants or obligations related to the acquisition of the Property.

(b) Governmental Approvals and Licenses. Borrower and API have received all of the governmental approvals and licenses relating to the development and operation of the Project on the Property listed in the health care law opinion provided by Polsinelli Shalton Flanigan Suelthaus PC.

18.11 Full Disclosure. To the best of Borrower's knowledge, after due inquiry, Borrower and ERC have provided to Lender access to or copies of all material information available or known to Borrower and ERC regarding the Property, the Project, API and ERC. To the best of Borrower's knowledge, all disclosures made to Lender have been true, complete and accurate in all material respects, and there are no material facts which have been deliberately withheld or unfairly presented to Lender.

18.12 No Defaults. No defaults have occurred under the Transaction Documents and neither ERC, API nor the Borrower is in default in the payment of principal of or interest on any indebtedness for borrowed money and none is in default under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been issued and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder, and which involve the possibility of materially and adversely affecting the Property, the Project, the financial condition of Borrower, API or ERC, or the ability of Borrower, API or ERC to perform their respective obligations under this Agreement and the Transaction Documents, or which may have an adverse affect on this Agreement, the Project, Lender or the transactions contemplated hereby.

18.13 Taxes.

(a) All Tax Returns required to be filed on or before the date hereof by or on behalf of ERC and Borrower have been filed, and such Tax Returns are true, correct, and complete in all respects.

(b) ERC and Borrower have paid in full on a timely basis all Taxes owed by them, whether or not shown on any Tax Return.

(c) There is no action, suit, proceeding, investigation, audit or claim now proposed or pending against or with respect to ERC or Borrower in respect of any Tax.

(d) ERC and Borrower have withheld and paid over to the proper governmental authorities all Taxes required to have been withheld and paid over, and complied with all information reporting and backup withholding requirements, including maintenance of required records with respect thereto, in connection with amounts paid to any employee, independent contractor, creditor, or other third party.

For purposes of this Agreement, (i) "**Tax**" (including with correlative meaning the terms "**Taxes**" and "**Taxable**") means (a) all foreign, federal, state, local and other income, gross receipts, sales, use, ad valorem, value-added, intangible, unitary, transfer, franchise, license, payroll, employment, estimated, excise, environmental, stamp, occupation, premium, property, prohibited transactions, windfall or excess profits, customs, duties or other taxes, levies, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties,

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additions to tax or additional amounts with respect thereto, (b) any liability for payment of amounts described in clause (a) as a result of transferee, liability, of being a member of an affiliated, consolidated, combined or unitary group for any period, or otherwise through operation of law, and (c) any liability for payment of amounts described in clause (a) or (b) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other person for Taxes; and (ii) "**Tax Return**" shall mean any return (including any information return), report, statement, schedule, notice, form, estimate, or declaration or estimated tax relating to or required to be filed with any governmental authority in connection with the determination, assessment, collection or payment of any Tax.

18.14 Investment Company Act Status. Neither ERC nor Borrower is an "investment company", or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.

18.15 Compliance with Law. To the best of Borrower's knowledge, Borrower and ERC are each in compliance with all laws, ordinances, governmental rules or regulations to which it is subject, including, without limitation, ERISA, and all laws, ordinances, governmental rules or regulations relating to environmental protection, the violation of which would materially and adversely affect the Project, the Property, the business condition of Borrower or ERC, or any of ERC's or Borrower's ability to perform its obligations under this Agreement and the Transaction Documents to which it or they are a party or any other document or instrument contemplated thereby.

18.16 Environmental Matters.

(a) Hazardous Materials. "**Hazardous Materials**" shall mean any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in §101(14) of 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. §6901 *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; (viii) mold; and (ix) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) 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.

(b) Environmental Requirements. "**Environmental Requirements**" shall mean all laws, ordinances, statues, 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 Property, the Property, or the use of the Property, 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).

(c) Compliance. To Borrower's best knowledge, and subject to the matters disclosed in the reports listed on **Schedule 18.16(c)**, the Property and the Project are not in violation of any Environmental Requirements, and except for types and amounts that are used in the ordinary course of the development and operation of the Project (and consistent with Environmental Requirements), there are no Hazardous Materials on the Property or within the Project.

18.17 Financial Disclosure. Borrower and ERC have delivered to Lender all financial statements, other financial documents and disclosures regarding Borrower and such financial statements, documents and disclosures fairly present the financial condition and the results of operations, change in membership interests, and cash flow of Borrower as of the date of this agreement, all in accordance with GAAP (where applicable).

ARTICLE XIX.
LIABILITY OF LENDER; INDEMNIFICATION

19.1 Liability of Lender. Lender shall not be liable to Borrower, 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 Property, including, but not limited to: (a) repairs to any portion of the Property; (b) interruption in Borrower's or API's use of the Property; (c) any accident or damage resulting from the use or operation by Borrower or any other person or persons of any equipment within the Property, including without limitation, heating, cooling, electrical or plumbing equipment or apparatus; (d) the termination of this Agreement by reason of the condemnation or destruction of the Property in accordance with the provisions of this Agreement; (e) any fire, robbery, theft, mysterious disappearance or other casualty occurring within the 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 Property, whether from water, rain or other precipitation that may leak into, or flow from, any part of the Property, or from drains, pipes or plumbing fixtures in the improvements. Any goods, property or personal effects stored or placed by the Borrower or its employees in or about the Property shall be at the sole risk of the Borrower.

19.2 Indemnification of Lender. Borrower shall defend, indemnify and save and hold Lender harmless from and against and reimburse Lender 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, at both the trial and all appellate levels, incurred by Lender arising directly or indirectly from or out of: (a) any failure by Borrower, ERC or API to perform any of the terms, provisions, covenants or

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conditions of this Agreement on Borrower's, ERC's or API's part to be performed; (b) any accident, injury or damage which shall happen at, in or upon the Property, occurring during the term of this Agreement 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 Property, or any part thereof, or the operation of the business contemplated by this Agreement to be conducted thereon, thereat, therein, or therefrom; (d) any failure of Borrower 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 Property, or the groundwaters thereof, 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 Borrower, ERC, API or by any agent or invitee of Borrower, ERC or API; (f) any discharge of toxic or hazardous sewage or waste materials from the Property into any septic facility or sanitary sewer system serving the Property, whether by Borrower or by any agent of Borrower, ERC or API; (g) any other act or omission of Borrower, ERC, API, or its or their employees, agents, invitees, customers, licensees or contractors; or (h) any agreement entered into by Lender, at the request of Borrower, or in order to carry out any obligations of Borrower, as owner of the Property, in connection with the Project.

Borrower's indemnity obligations under this Article and elsewhere in this Agreement arising prior to the termination, expiration or assignment of this Agreement 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. Borrower shall promptly notify Lender of any claim, action, proceeding or suit instituted or threatened against Borrower or Lender of which Borrower receives notice or of which Borrower acquires knowledge. In the event Lender is made a party to any action for damages or other relief against which Borrower has indemnified Lender, as aforesaid, Borrower shall defend Lender, pay all costs and shall provide effective counsel to Lender in such litigation or, at Lender's option, shall pay all reasonable attorneys' fees and costs incurred by Lender in connection with its own defense or settlement of said litigation.

ARTICLE XX.
THIRD PARTY RIGHTS AND OBLIGATIONS

20.1 Third Party Documents. Lender and Borrower acknowledge that the Project and/or the interests of Lender, Borrower and API therein are subject and subordinate to various documents involving other parties, relating to the development, financing, leasing, occupancy and management of the Project on the 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**). Borrower has agreed and does hereby agree with and in favor of Lender to fully and timely perform all of its material obligations under and relating to the Third Party Documents. In the event that Borrower fails to fully and timely perform all of its material obligations under and relating to the Third Party Documents, and Borrower further fails to cure any Event of Default resulting therefrom,

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Borrower hereby irrevocably constitutes and appoints Lender as attorney-in fact for Borrower with full power, but not the obligation, to cure any Event of Default and otherwise perform any of Borrower's material obligations under and relating to the Third Party Documents. The foregoing appointment shall be irrevocable and shall be deemed to be coupled with an interest on the part of the Lender.

20.2 Compliance with Third Party Documents. Borrower shall comply with all material terms and provisions of the Third Party Documents, subject to Borrower'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 Third Party Documents, or otherwise contest, in good faith and with due diligence, any such alleged default by Borrower. Unless required by applicable laws, Borrower shall not enter into any modifications or amendments of the Third Party Documents, nor, except as otherwise expressly set forth in this Agreement, terminate the same prior to the expiration thereof, without Lender's prior written consent; nor shall Borrower elect not to extend the term of the Third Party Documents without Lender's prior written consent. In addition to the obligations contained herein, Borrower agrees to promptly deliver to Lender copies of all notices provided to Borrower under the terms of the Third Party Documents concerning notices of default, notices of changes or modifications and the like.

ARTICLE XXI.
DEFAULT

21.1 Events of Default. Each of the following events shall be an "**Event of Default**" hereunder by Borrower and shall constitute a breach of this Agreement:

(a) If Borrower shall fail to pay, within five (5) days of when due, any sums payable under the Mezzanine Note or this Agreement.

(b) If Borrower shall violate or fail to comply with or perform any other term, provision, covenant, agreement or condition to be performed or observed by Borrower under this Agreement, and such violation or failure shall continue for a period of thirty (30) days after written notice from Lender 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 Borrower shall have such additional time as is reasonable to effect such cure provided that (i) Borrower has commenced and diligently pursued such curative actions within the time period specified above, (ii) Borrower at all times diligently and continuously pursues such curative actions, and (iii) Borrower is not otherwise in default hereunder.

(c) If any assignment, transfer or encumbrance shall be made or deemed to be made that is in violation of the provisions of this Agreement.

(d) If, at any time during the term of this Agreement, Borrower 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 Borrower's property, including, without limitation, its leasehold interest in the Property, or if Borrower 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 Agreement, there shall be filed against Borrower 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 Borrower's property, and any such proceeding against Borrower shall not be dismissed within sixty (60) days following the commencement thereof.

(f) If any of Borrower's assets 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 any of Borrower's assets is sold by judicial sale and such sale is not vacated, set aside or stayed on appeal or otherwise within thirty (30) days thereafter.

(g) If Borrower defaults under any of the Project Documents and does not cure any such default within any applicable notice, grace and/or cure periods.

(h) If API defaults under any of the Third Party Documents and does not cure any such default within the applicable notice and cure period.

(i) If the Project fails the Balance Test (defined in Section 23.4 below) as determined under Section 23.4.

(j) If the Maris Grove Project fails the Balance Test (as defined in Section 23.4 of the Ground Lease) (the "**Maris Grove Balance Test**") as determined under Section 23.4 of the Ground Lease.

(k) If ERC defaults under the Guaranty (defined in Section 26.2 below) or any of the Third Party Documents.

(l) If Borrower takes any action which constitutes a Major Decision pursuant to Section 5.9, without the required prior written consent of Lender.

(m) If the Construction Lender exercises its right to require mandatory prepayment under the terms of the Construction Loan and the Construction Loan is not refinanced or otherwise replaced in an amount deemed appropriate by Lender.

(n) If a default occurs under any document delivered by CC, ERC or any other person or entity in connection with the Maris Grove Transactions, which default is not cured within any applicable notice, grace and/or cure periods.

(o) If CC defaults under the CC Guaranty and/or the Maris Grove IDOT, which default is not cured within any applicable notice, grace and/or cure periods.

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21.2 Remedies on Default. Upon the occurrence of an Event of Default hereinabove specified and subject to the terms of the Tri-Party Agreement:

(a) Lender may, subject to the limitations hereinafter set forth, terminate this Agreement and, peaceably or pursuant to appropriate legal proceedings, exercise any right or remedy permitted under the Security Documents.

(b) Lender may sue for all sums, charges, payments, costs and expenses due from Borrower to Lender hereunder either: (i) as they become due under this Agreement, or (ii) at Lender's option, accelerate the maturity and due date of the whole or any part of the Mezzanine Loan, as well as all other sums, charges, payments, costs and expenses required to be paid by Borrower to Lender hereunder, including, without limitation, damages for breach or default of Borrower's obligations hereunder in existence at the time of such acceleration, such that all sums due and payable under this Agreement shall, following such acceleration, be treated as being and, in fact, be due and payable in advance as of the date of such acceleration. Lender may then proceed to recover and collect all such unpaid sums so sued for from Borrower by distress, levy, execution or otherwise. Regardless of which of the foregoing alternative remedies is chosen by Lender under this subparagraph (b), Lender shall not be under any obligation to minimize or mitigate Lender's damages or Borrower's loss as a result of Borrower's breach of or default under this Agreement.

In addition to the remedies hereinabove specified and enumerated, Lender 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 Agreement of any particular remedy shall not preclude Lender from having or exercising any other remedy at law or in equity. Nothing herein contained shall be construed as precluding the Lender from having or exercising such lawful remedies as may be and become necessary in order to preserve the Lender's right or the interest of the Lender in the Property and in this Agreement, even before the expiration of any notice periods provided for in this Agreement, if under the particular circumstances then existing the allowance of such notice periods will prejudice or will endanger the rights and estate of the Lender in this Agreement.

21.3 Lender May Cure Borrower Defaults. If Borrower shall default in the performance of any term, provisions, covenant or condition on its part to be performed hereunder Lender may, after notice to Borrower and a reasonable time to perform after such notice (or without notice if, in Lender'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 Borrower. If, at any time and by reason of such default, Lender 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 in which the Property is located, shall be repaid to Lender by Borrower promptly when billed therefor.

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21.4 Rights Cumulative. The rights and remedies provided and available to Lender in this Agreement are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by Lender, 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 Lender: Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036
Phone: (212) 761-4468
Fax: (212) 507-4861

With a copy to: Mark Pollak, Esquire
Wilmer Hale LLP
100 Light Street, Suite 1300
Baltimore, Maryland 21202
Phone: (410) 986-2860
Fax: (410) 986-2828

If to Borrower: Ashburn Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: General Counsel
Phone: (410) 402-2350
Fax: (410) 402-2348

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 Agreement 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 BORROWER

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23.1 Conduct of Business. Borrower shall not engage in any business other than the development of the Project 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.

23.2 Additional Covenants of Borrower. In addition to the other covenants and representations of Borrower herein and in this Agreement, Borrower hereby covenants, acknowledges and agrees that Borrower shall:

(a) [Deleted].

(b) Give prompt notice to Lender of any litigation or any administrative proceeding involving Borrower, ERC, API, Lender, the Property or the Project of which Borrower has notice or actual knowledge and which involves a potential uninsured liability equal to or greater than $100,000 or which, in Borrower'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 Borrower, ERC, API or the Project.

23.3 Borrower a Single Purpose Entity. Borrower represents, agrees and warrants that Borrower is, and throughout the Term will remain, a Single Purpose Entity as defined, described and contemplated on **Exhibit F** hereof.

23.4 Balance Test. At all times during the Term, the Project shall satisfy the "**Balance Test**" pursuant to the terms of this Section 23.4 and as further defined in **Exhibit G**. In addition to any other reports required under this Agreement, Borrower shall prepare (or cause to be prepared) and furnish to Lender within 30 days after the end of each calendar quarter, and promptly upon written request at any time by Lender in connection with the occurrence of a material adverse event before the end of a calendar quarter, a projection of the Balance Test computation as of the end of such calendar quarter (or such other date as may be specified by Lender) in the form attached hereto and made part of **Exhibit G**; together with such supporting and additional information as may be requested by Lender in writing. Such report shall be for informational purposes only and Lender shall not be bound by any determination made by Borrower of the Balance Test computation in any such report provided to Lender. The Project shall be considered to fail the Balance Test upon the determination by Lender, in its reasonable discretion, to that effect and the delivery of notice (a "**Balance Test Default Notice**") to Borrower setting forth a summary of the computation underlying that determination. Within ten (10) business days following delivery of such Balance Test Default Notice, Borrower shall have the opportunity to supply documentation demonstrating that the Project satisfies the Balance Test which is satisfactory to Lender, in Lender's sole discretion; *provided, however*, that such right shall not apply if the determination by Lender is based on a failure of the Project to satisfy the Balance Test appearing on the face of a Balance Test report provided to Lender under this Section. If, after such 10-business day period, the parties disagree as to whether the Project fails to satisfy the Balance Test solely because of the projected costs to complete the Project, the final determination of the projected costs to complete shall be made by an independent consultant

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mutually selected by Lender and Borrower within five (5) business days following the close of the prior 10-business day period. The independent third party shall be directed to produce its conclusions regarding the costs to complete the Project for purposes of the Balance Test within 30 days of its engagement. If the parties are unable to agree on an acceptable third party for resolving their dispute as to costs, or if the dispute regarding the Balance Test cannot otherwise be resolved by the parties, the final determination shall be made by Lender in the exercise of its reasonable discretion. Within five (5) business days following any final determination under this Section 23.4 that the Project fails to satisfy the Balance Test, ERC shall have the right to cure the out-of-balance condition by making an additional capital contribution to Borrower of cash in such amount as shall cause the Project to satisfy the Balance Test after such additional capital contribution. The failure by Lender to contest any assumptions used by Borrower in preparing the Balance Test report as of any date shall not restrict Lender's right to contest the validity of those assumptions in applying the Balance Test as of a later date.

ARTICLE XXIV.
PREPAYMENT RIGHTS

24.1 Borrower's Option to Prepay. Borrower shall have the option to prepay the Mezzanine Loan (the "**Borrower Prepayment Option**"), as follows:

(a) Borrower shall exercise its Borrower Prepayment Option hereunder at any time by giving at least sixty (60) days written notice to Lender of Borrower's intent to exercise the Borrower Prepayment Option.

(b) The " **Prepayment Price**" to be paid by Borrower upon exercise of the Borrower Prepayment Option, if exercised, shall be determined as follows:

(i) If prepayment of the Mezzanine Loan pursuant to the Borrower Prepayment Option under this Section 24.1 (the "**Optional Prepayment**") occurs prior to the Make-Whole Deadline (defined below): the original principal amount of the Mezzanine Loan (and all other amounts due thereunder or hereunder), plus the Make-Whole Amount (defined below).

(ii) If the Optional Prepayment occurs on or after the Make-Whole Deadline: the Prepayment Price shall be equal to the then outstanding principal amount of the Mezzanine Loan and all other amounts due to Lender under the Mezzanine Note or this Agreement.

(c) The Optional Prepayment shall occur on or before a date which is sixty (60) days after Lender's receipt of Borrower's exercise notice, or at such other time as shall be mutually acceptable to Lender and Borrower.

(d) The Prepayment Price shall be paid in cash, by wire transfer to Lender's account.

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(e) All expenses incurred by Borrower and/or Lender in connection with prepayment of the Mezzanine Loan (including Lender's attorneys' fees) shall be paid by Borrower.

(f) Borrower shall be deemed to have exercised and effected the Borrower Prepayment Option hereunder, and shall be obligated to pay to Lender the full Prepayment Price immediately and without offset or credit, in the event that title to the Property is transferred or conveyed to API 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 Property has been or is subjected.

For purposes of this Agreement, "**Make-Whole Amount**" shall mean, with respect to any amounts of the original principal amount of the Mezzanine Loan re-paid to Lender prior to June 7, 2011 (the "**Make-Whole Deadline**"), an amount equal to such additional sum of money, if any, as must be added to such amount so that if such total amount (*i.e.*, such partial or full repayment of the original principal amount of the Mezzanine Loan (as applicable) plus, without duplication, the additional sum of money) were, on such date, used to purchase non-callable United States Treasury Securities having maturity dates as close to the Make-Whole Deadline as possible, such investment would result in the same yield to Lender that Lender would have received had Borrower made all payments of principal and interest on the original principal amount of the Mezzanine Loan through the Make-Whole Deadline.

24.2 Lender's Right to Require Borrower to Exercise the Borrower Prepayment Option. Lender shall have the absolute right, but not the obligation, to require Borrower to prepay the Mezzanine Loan in an amount equal to the original principal amount of the Mezzanine Loan plus the Make-Whole Amount, and including any other amounts then due and owing to Lender hereunder on any of the following dates or upon the occurrence of any of the following events:

(a) at any time from and after the Make-Whole Deadline, in the sole and absolute discretion of Lender; or

(b) at any time following the occurrence of an Event of Default with respect to Borrower or a default by ERC under the Guaranty (as defined in Section 26.2 below).

In order to exercise Lender's right to require prepayment, Lender shall deliver to Borrower and to ERC written notice (the "**Exercise Notice**") of such exercise, which notice shall state Lender's computation of the applicable prepayment amount due in full satisfaction of the Mezzanine Loan. The giving of the Exercise Notice by Lender shall constitute an irrevocable commitment by the Borrower to prepay the Mezzanine Loan. The prepayment of the Mezzanine Loan pursuant to Lender's right to require prepayment shall occur on or before a date which is one hundred twenty (120) days after Borrower's receipt of the Exercise Notice, or at such other time as shall be mutually acceptable to Lender and Borrower and shall be conducted in accordance with the provisions of Section 24.1.

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24.3 Rights Subject to Agreement. The Borrower Prepayment Option as set forth in this Article XXIV shall be subject to the payment to Lender, within the time frames set forth above, as applicable, of all amounts due or payable to Lender pursuant to the terms of this Agreement. In the event of an early termination of this Agreement, the rights of Borrower to prepay the Mezzanine Loan under Section 24.1 hereof shall, unless Borrower has filed or otherwise becomes subject to any type of bankruptcy event or filing, survive only until thirty (30) days after Borrower's receipt of notice that this Agreement has been terminated (TIME BEING OF THE ESSENCE); provided that Lender's rights under Section 24.2 shall survive an early termination of this Agreement until the original stated maturity date of the Mezzanine Note.

24.4 Limitation on Exercise of Borrower Prepayment Option. Notwithstanding any provision of this Article XXIV to the contrary, for so long as the CC Guaranty and/or the Maris Grove IDOT remain in effect, Borrower may not exercise the Borrower Prepayment Option set forth in Section 24.1 above without either (i) the prior written approval of SCL and Lender, which approval may be withheld in the sole and absolute discretion of either entity, or (ii) the simultaneous exercise of the Tenant Purchase Option (as defined in the Ground Lease) under Section 24.2 of the Ground Lease. Notwithstanding the foregoing, Lender shall retain the right under Section 24.2 of this Agreement to require Borrower to exercise the Borrower Prepayment Option at the times and in accordance with the provisions of Section 24.2.

ARTICLE XXV.
ADDITIONAL REQUIREMENTS

25.1 Book Entry System. The Lender, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices a copy of each agreement pursuant to which any rights to payments, property or other consideration (the "**Loan Payments**") hereunder are transferred or assigned to another person (a "**Loan Assignee**") and a register for the recordation of the names and addresses of Lender and any Loan Assignee, and the amount and type of any Loan Payments owing to, Lender and any Loan Assignee pursuant to the terms hereof from time to time (the "**Register**"); provided, however, in no event will Borrower be obligated to make Loan Payments to Lender and any Loan Assignee in the aggregate in excess of the Loan Payments payable hereunder. The entries in the Register shall be conclusive absent manifest error, and Borrower, Lender, and each Loan Assignee may treat each person whose name is recorded in the Register pursuant to the terms hereof as the owner of the Loan Payments hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, Lender and each Loan Assignee, at any reasonable time and from time to time upon reasonable prior notice. No assignment of any Loan Payments shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this clause. It is intended that this Section 25.1 constitute a "book entry system" within the meaning of Treasury Regulation Section 1.871-14(c)(1)(i)(B) and shall be interpreted consistently therewith.

25.2 Future Amendment. Subject to the terms and conditions of the Third Party Documents and the related agreements executed by Lender, Borrower hereby agrees to amend

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this Article XXV from time to time as Lender 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 Borrower's ability to use, develop, construct or improve the Property.

25.3 Tax Treatment of the Mezzanine Loan. Borrower and Lender hereby agree not to take any position with the U.S. Internal Revenue Service (in any filing therewith or otherwise) and for financial accounting purposes, that is inconsistent with the characterization of the Mezzanine Loan as a loan for U.S. federal income tax and GAAP purposes.

ARTICLE XXVI.
MISCELLANEOUS

26.1 Reserved.

26.2 Reliance. Lender has entered into this Agreement in reliance upon (i) the Limited Guaranty and Indemnity Agreement by ERC in favor of Lender dated as of even date herewith (the "**Guaranty**"), pursuant to which ERC has provided certain guarantees and indemnities relating to Borrower's performance of its obligations under this Agreement, (ii) the Lender-Developer Agreement between ERC and Lender dated of even date herewith, pursuant to which ERC grants certain rights to Lender with respect to the Development Agreement, (iii) the CC Guaranty, (iv) the Maris Grove IDOT, and (v) the Omnibus Agreement.

26.3 Estoppel Certificates. Borrower shall from time to time, within fifteen (15) days after request by Lender and without charge, give a Borrower Estoppel Certificate in the form attached hereto as **Exhibit H** and containing such other matters as may be reasonably requested by Lender to any person, firm or corporation specified by Lender and certifying as to the accuracy of statements as set forth therein.

26.4 Brokerage. Lender and Borrower 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 loan transaction reflected in this Agreement. 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 Agreement.

26.5 No Partnership or Joint Venture. Lender shall not, by virtue of this Agreement, in any way or for any purpose, be deemed to be a partner of Borrower in the conduct of Borrower's business upon, within or from the Property or otherwise, or a joint venturer or a member of a joint enterprise with Borrower.

26.6 Entire Agreement. This Agreement 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 Lender and Borrower that there are no verbal agreements, representations, warranties or other understandings affecting the same, and that Borrower hereby waives, as a material part of the consideration hereof, all claims against Lender for rescission, damages or any other form

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of relief by reason of any alleged covenant, warranty, representation, agreement or understanding not contained in this Agreement. This Agreement shall not be changed, amended or modified except by a written instrument executed by Lender and Borrower.

26.7 Waiver. No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon Lender or Borrower unless in writing and executed by Lender or Borrower, as the case may be. Neither the failure of Lender or Borrower to insist upon a strict performance of any of the terms, provisions, covenants, agreements and conditions hereof, nor the acceptance of any sums by Lender with knowledge of a breach of this Agreement by Borrower in the performance of its obligations hereunder, shall be deemed a waiver of any rights or remedies that Lender or Borrower 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 Agreement, including, without limitation, obligations for the payment of money.

26.9 Costs and Attorney's 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). Lender shall also be entitled to recover its reasonable attorneys' fees and costs incurred in any bankruptcy action filed by or against Borrower, including, without limitation, those incurred in seeking relief from the automatic stay, in dealing with the assumption or rejection of this Agreement, 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 Agreement 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 Agreement.

26.11 Severability. If any provision of this Agreement shall be deemed to be invalid, it shall be considered deleted therefrom and shall not invalidate the remaining provisions of this Agreement.

26.12 Successors and Assigns. The agreements, terms, provisions, covenants and conditions contained in this Agreement shall be binding upon and inure to the benefit of Lender and Borrower and, to the extent permitted herein, their respective successors and assigns.

26.13 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the state in which the Property is located.

26.14 Waiver of Jury Trial. BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM OR THEIR HEIRS, PERSONAL REPRESENTATIVES, SUCCESSORS OR ASSIGNS MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER'S ACCEPTING THIS AGREEMENT.

26.15 Usury Clause. It is the intent of Lender and Borrower to comply strictly with any applicable usury law. Lender shall not at any time be entitled to charge, receive, or collect, and Lender shall not be deemed to have contracted for, charged, or received, as interest on the principal indebtedness outstanding hereby, any amount in excess of the maximum amount to be contracted for, charged or received by applicable law, and in the event the Lender ever charges, receives, or collects as interest any such excess, such excess shall be cancelled if charged but not received or collected, or be deemed partial payment of the principal indebtedness evidenced hereby if received or collected, and if such excess has been received or collected and the principal shall have been paid in full, all such excess interest shall forthwith be refunded to Borrower. The term "applicable law," as used herein, shall mean the laws of the State of Kansas.

26.16 Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of Lender pursuant to this Agreement are subject in all respects to the terms, covenants, and limitations as set forth in (i) that certain Subordination and Standstill Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, Lender and Borrower (the "**Tri-Party Agreement**") and (ii) that certain Cross Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, SCL and Borrower (the "**Cross Tri-Party Agreement**"), the provisions of which Tri-Party Agreement and Cross Tri-Party Agreement, respectively, are incorporated herein by reference to the same extent as if fully set forth herein.

ARTICLE XXVII
RIGHTS AND OBLIGATIONS OF BORROWER WITH RESPECT TO PERFORMANCE BY API

Notwithstanding any provision of this Agreement to the contrary, to the extent that this Agreement requires or otherwise obligates Borrower to enforce or require any performance by API with respect to the Project or otherwise, Lender hereby acknowledges and agrees that Borrower's obligation of enforcement pursuant to this Agreement shall be limited by Borrower's contractual rights and powers to enforce or otherwise compel such performance by API pursuant to the assignment of any of such rights or powers to Borrower, or otherwise.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, Lender and Borrower have caused this Agreement to be duly executed on or as of the day and year first above written.

BORROWER:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, its Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

[*Signatures continue on following page.*]

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LENDER:

STRATEGIC ASHBY PONDS LENDER LLC,
a Delaware limited liability company

By: STRATEGIC LP, a Utah limited partnership, its Member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew Bauman
Title: Vice President

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SCHEDULE A

DEFINED TERMS

Accessibility Laws	Section 11.1
Agreement	Opening Paragraph
API	Recitals – B(i)
Ashburn IDOT	Recitals - H
Ashley Ponds	Recitals - A
Balance Test	Section 23.4 and Exhibit G
Balance Test Default Notice	Section 23.4
Borrower	Opening Paragraph
Borrower Guaranty	Recitals - H
Borrower Prepayment Option	Section 24.1
CC	Recitals - E
CC Guaranty	Recitals - H
CCRC	Recitals - A
CERCLA	Section 18.16(a)
Closing Date	Exhibit C
Community Loan	Recitals – C(i)
Community Loan Agreement	Recitals – C(i)
Community Loan Borrower	Exhibit G-1
Community Loan Documents	Recitals – C(i)
Community Loan Mortgage	Recitals – C(i)
Community Note	Recitals – C(i)
Consolidated Balance Test	Exhibit G-1
Consolidated Project Balance Test Coverage Amount	Exhibit G-1
Consolidated Projected Remaining Entrance Deposits	Exhibit G-1
Construction Lender	Recitals – C(ii)
Construction Loan	Recitals – C(ii)
Construction Loan Agreement	Recitals – C(ii)
Construction Loan Documents	Recitals – C(ii)
Development Agreement	Recitals – B(ii)
Disclosed Claims	Section 18.4
Entrance Deposits	Recitals – B(iii)
Environmental Requirements	18.16(b)
ERC	Recitals – B(ii)
ERISA	Section 5.9(h)
Event of Default	Section 21.1
Exercise Notice	Section 24.2

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Facility Tenant	Exhibit G-1
General Contract	Section 11.2(c)
Ground Lease	Recitals - E
Guaranty	Section 26.2
Hazardous Materials	Section 18.16(a)
Lender	Opening Paragraph
Loan Assignee	Section 25.1
Loan Payments	Section 25.1
Lockbox Account Agreement	Recitals – C(iii)
Major Decisions	Section 5.9
Make-Whole Amount	Section 24.1
Make-Whole Deadline	Section 24.1
Maris Grove Balance Test	Section 21.1(j)
Maris Grove IDOT	Recitals - H
Maris Grove Project	Recitals - E
Maris Grove Property	Recitals - E
Maris Grove Transactions	Recitals - E
Master Lease	Recitals – B(i)
Mezzanine Loan	Recitals - D
Mezzanine Note	Recitals - D
Monthly Fees	Recitals – B(iii)
Mortgage	Section 1.1(a)
Notice of Commencement	Section 15.4
Omnibus Agreement	Section 1.1(c)
Optional Prepayment	Section 24.1(b)(i)
Permitted Exceptions	Section 5.6
Person	Exhibit F
Phase	Section 11.2(a)
Phase Plans	Section 5.7
Prepayment Price	Section 24.1(b)
Project	Recitals - A
Projects	Exhibit G-1
Project Balance Test Coverage Amount	Exhibit G
Project Documents	Section 5.1
Project Loans	Section 5.7
Projected Remaining Entrance Deposits	Exhibit G
Property	Recitals - A
Purchase Agreement	Recitals - E
Qualified Transferee	Exhibit J
RCRA	Section 18.16(a)
Register	Section 25.1
Residence and Care Agreement	Recitals B(iii)
Residents	Recitals – B(iii)
SCL	Recitals - E

Security Documents	Section 1.1(a)
Survey	Exhibit C
Single Purpose Entity	Section 23.3 and Exhibit F
TAB Summary	Section 5.8
Tax	Section 18.13
Taxes	Section 18.13
Taxable	Section 18.13
Tax Return	Section 18.13
Term	Section 1.1(b)
Third Party Documents	Section 20.1
Title Commitment	Exhibit C
Title Insurance Policy	Exhibit C
Title Insurer	Exhibit C
Transaction Documents	Section 18.1
Tri-Party Agreement	Section 26.16
UCC Searches	Exhibit C
Unit or Units	Recitals - A
Working Capital Loan	Recitals – C(iii)
Working Capital Loan Agreement	Recitals – C(iii)
Working Capital Loan Documents	Recitals – C(iii)
Working Capital Promissory Note	Recitals – C(iii)
Working Capital Security Agreement	Recitals – C(iii)

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SCHEDULE 18.4

DISCLOSED CLAIMS

Robert Lee Butt, et. al., v. Erickson Retirement Communities, LLC, et. al., Case No.: 03-C-05-009447 OT, is currently pending in the Circuit Court of Baltimore County, Maryland.

The case arises out of alleged carbon monoxide poisoning of the Plaintiff while he was performing services for an outside consultant at Oak Crest Village. The Plaintiff alleges permanent brain damage and loss of concentration and memory. Damages have been requested in the amount of $20,000,000.

The claim is covered by insurance carried by Erickson (subject to a $50,000 deductible). Additional parties such as architect and HVAC contractor have been brought into case. Due to an amended complaint filed by Plaintiff and cross claims filed on behalf of Erickson, the case mediation, discovery and trial schedules will be reset.

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SCHEDULE 18.16(c)

Phase I Environmental Site Assessment prepared for Erickson Retirement Communities by Advantage Environmental Consultants, LLC, AEC Project No. 06-197, dated January 10, 2007.

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EXHIBIT A

LEGAL DESCRIPTION

(SEE ATTACHED)

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57' E 640.37 feet to a point;

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(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

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EXHIBIT B

PERMITTED EXCEPTIONS

(SEE ATTACHED)

And all other matters of record or applicable to the Property on the date hereof.

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1. Taxes subsequent to those for the second half of the year 2006, a lien not yet due and payable, and in addition thereto, possible supplemental assessment for taxes for the recent improvements constructed on the premises, if any, a lien not yet due and payable.

2. ~~Rights of parties entitled to possession, as tenants only, under unrecorded leases.~~

3. Terms, provisions, restrictions, conditions, easements and reservations set forth in Development Agreement dated November 16, 1987, recorded in Deed Book 968, at Page 1223, as affected by Agreement Relating to Development Agreement dated March 1, 1989, recorded in Deed Book 1029, at Page 1285 and by Assumption Agreement dated April 11, 1997, recorded in Deed Book 1496, at Page 106 as the same have been terminated, replaced, amended and restated in full so as to constitute a single, integrated document by that certain Amended and Restated Development Agreement and Amended and Restated Agreement Related to Development Agreement dated as of September 4, 2003 and recorded as Instrument No. 20041014-0110914.

4. Easement(s) granted to the Board of Supervisors of Loudoun County, Virginia, in Deed of Dedication, Quitclaim, and Easement dated July 13, 2004, recorded as Instrument 20040729-0077906 (Plat recorded as Instrument 20040729-0077907).

5. Easement(s) granted to Chesapeake and Potomac Telephone Company by Agreement dated May 3, 1930, recorded in Deed Book 10-F, at Page 355.

6. Easement(s) granted to Virginia Electric and Power Company by Agreement dated October 4, 1954, recorded in Deed Book 340, at Page 415, by Agreement dated February 9, 1956, recorded in Deed Book 354, at Page 315, and by Agreement dated September 8, 1959, recorded in Deed Book 392, at Page 284.

7. Easement(s) granted to Virginia Public Service Company by Agreement dated September 4, 1929, recorded in Deed Book 10-E at Page 137, and by Agreement dated August 15, 1932, recorded in Deed Book 10-P at Page 18.

8. Easement(s) granted to Loudoun County Sanitation Authority by Agreement dated April 1, 1987, recorded in Deed Book 942, at Page 676.

9. Easement(s) granted to United States of America in Deed of Easement dated March 4, 1992, recorded in Deed Book 1157, at Page 199.

10. Terms and Conditions of Agreement between Bles South Associates and Ashburn Village Joint Venture dated January 14, 1987, recorded in Deed Book 932, at Page 689.

11. Terms and conditions of Agreement between Loudoun County Sanitation Authority and Bles South Associates dated March 1, 1989, recorded in Deed Book 1029, at Page 1273.

*** CONTINUED ***

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12. Agreement contained in Acknowledgement of Floodplain Limits Increase dated July 29, 2004, recorded as Instrument No. 20040830-0091628.

13. Easement(s) granted to Level 3 Communications by Easement Agreement recorded as Instrument No. 20050726-0081233 (Note: This instrument refers to an Exhibit but none was attached).

14. Rights of others in and to the uninterrupted flow of Beaverdam Run.

15. Matters depicted on Survey entitled ALTA/ACSM Land Title Survey prepared by Dewberry & Davis of Leesburg Virginia, dated December 4, 2006 and last revised on May 30, 2007 entitled "ALTA/ACSM Land Title Survey For Ashburn Campus, LLC" (D&D Job PB-191R-LC), including the following:

    a. Flood plain and channel of Beaverdam Run;

    b. Fences on property boundaries and through property, not necessarily on property lines;

    c. Driveway from Smith Switch Road to the insured land crosses over the land retained by Seller.

16. Matters depicted on that certain plat entitled "SUBDIVISION WAIVER PLAT on the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156, including the following:

    a. Loudoun County Major Flood Plain;

    b. Scenic Creek Valley Buffer;

    c. LDN 60 1-Mile Noise Buffer.

17. Declaration of Covenants, Conditions and Restrictions dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104676, as amended by Amendment No. 1 to Declaration of Covenants, Conditions and Restrictions "Safe Harbor Agreement" dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104678.

18. Buffer Yard Declaration dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104680.

19. Terms and conditions of, and easements granted by, that certain Easement Agreement by and among Edward St. John LLC, Beaumeade Investors LLC and Ashburn Campus, LLC dated as of December 15, 2006 and recorded on December 15, 2006 as Instrument No. 20061215-0104679.

20. Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of December 21, 2006, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, to ALEXANDER TITLE AGENCY INCORPORATED, as Trustee, in favor of MERCANTILE SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, recorded among the Land Records of Loudoun County, Virginia on December 27, 2006 as Document No. 20061227-010967, as modified by Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture filing dated as of May 1, 2007 recorded on May ____, 2007 as Instrument No. _____.

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21. Assignment of Rents and Leases dated as of the 1st day of May, 2007, by ASHBURN CAMPUS, LLC, a Maryland limited liability company, to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, recorded among the Land Records of Loudoun County, Virginia as Instrument No. _____.

22. UCC-1 Financing Statement recorded on Decembet 27, 2006 as Instrument No. 20061227-0106968 showing Ashburn Campus, LLC as Debtor and Mercantile-Safe Deposit and Trust Company, as amended by UCC-3 Financing Statement recorded on _____ as Instrument No. _____.

23. Such matters occurring subsequent to December 14, 2006, as would be shown by a current survey and inspection of the land.

24. Deed of Trust and Security Agreement from Ashburn Campus, LLC as Grantor to Alexander Title Agency, Incorporated, as Trustee for the benefit of Ashby Ponds, Inc. as Beneficiary, securing the maximum principal amount of $650,939,631.00, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia

25. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Erickson Retirement, LLC as Debtor and Mercantile-Safe Deposit and Trust Company as Secured Party

26. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Ashby Ponds Inc. as Debtor and Ashburn Campus, LLC as Secured Party, as assigned to Mercantile-Safe Deposit and Trust Company filed May __, 2007 as Instrument _____

27. UCC-1 Financing Statement filed with Loudoun County, Virginia on May ____, 2007 as Instrument _____, disclosing Ashburn Campus, LLC as Debtor and Strategic Ashby Ponds Lender, LLC as Secured Party.

28. Subordination and Standstill Tri-Party Agreement by and between Mercantile-Safe Deposit and Trust Company, Strategic Ashby Ponds Lender, LLC and Ashburn Campus, LLC, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia.

29. Unrecorded lease by and between Ashburn Campus, LLC and Ashby Ponds, Inc., dated May __, 2007.

30. Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn Campus, LLC as Grantor to Alexander Title Agency, Incorporated, as Trustee for the benefit of Strategic Ashby Ponds Lender, LLC, as Beneficiary, securing the maximum principal amount of $50,000,000.00, dated May __, 2007 and recorded May ___, 2007 as Instrument _____ among the Land Records of Loudoun County, Virginia.

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EXHIBIT C

CONDITIONS TO CLOSING

1.1 Borrower's Deliveries. Prior to the advance of the Mezzanine Loan, Borrower shall deliver to Lender, at Borrower's sole cost and expense, the following:

(a) *Title Commitment.* Commitment (the "**Title Commitment**") to the Borrower for ALTA Form B (1992) Lender's Title Insurance Policy committing to insure, at standard rates title to the Property as being good and marketable, subject only to the Permitted Exceptions, in the amount of not less than Fifty Million Dollars ($50,000,000.00), issued by Chicago Title Insurance Company (the "**Title Insurer**"). The Title Commitment shall be effective as of the date of the Mezzanine Note (the "**Closing Date**"), and shall reflect that fee simple title to the Property is held by Borrower with respect to the Project and that Lender's Title Insurance Policy to be issued to Lender (the "**Title Insurance Policy**") shall contain an extended coverage endorsement over the general or standard exceptions which are a part of the printed form of the policy and subject only to the Permitted Encumbrances. Each Title Insurance Policy shall, in addition, (a) not contain any exceptions for (i) liens for labor or material, whether or not of record, (ii) parties in possession, (iii) unrecorded easements, (iv) taxes and special assessments not shown on the public records, and (v) any matter that the Survey discloses; and (b) provide for the following endorsements: (A) an access endorsement insuring that there is direct and unencumbered access to the Property from all adjacent public streets and roads, (B) if applicable, a survey endorsement insuring that all foundations in place as of the date of such policy are within the lot lines and applicable setback lines, that the improvements do not encroach on adjoining land or any easements, and that there are no encroachments of improvements from adjoining land on the Property or any part thereof, except as shown on the survey, and (C) such other endorsements as Lender may reasonably require.

(b) *UCC Searches.* Written results of searches reflecting any liens, judgments, tax liens, bankruptcies, and open dockets (the "**UCC Searches**"), conducted by a company reasonably acceptable to the Lender.

(c) *Copies of Documents.* Legible copies of all documents of record referred to in any Title Commitment or disclosed by the UCC Searches.

(d) *Survey.* Current ALTA/ACSM land title survey of the Property (the "**Survey**") certified to Borrower, Lender and the Title Insurer (and such other persons or entities as the Borrower and Lender may designate) by a surveyor registered in the Commonwealth of Virginia and acceptable to Lender. Lender agrees that Dewberry & Davis LLC is acceptable as the surveyor to provide the Survey. The Survey shall also contain a surveyor's certification acceptable to Lender.

(e) *Environmental Reports.* Environmental assessment, in form and substance acceptable to Lender, regarding the presence and condition of any Hazardous Materials on the Property, or conditions which have or could result in the violation of any Environmental Requirements.

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(f) *Project Related Materials.* Such other information regarding the Project and the Property as may be requested by Lender to enable Lender to effect necessary due diligence with regard to the investment of funds by Lender.

1.2 Inspection. Lender shall be given full access to, and shall have the right to inspect, (a) the Project and the Property, (b) all financial records pertaining to the operation of the Project, and (c) files and records pertaining to the processing of approvals for the Project and the marketing of Units. All such materials shall be treated as confidential by Lender.

1.3 Limited Recourse. Notwithstanding anything to the contrary in this Agreement or in any documents delivered by Lender in connection with the consummation of the transaction contemplated hereby, it is expressly understood and agreed that Lender's liability shall be limited to and payable and collectible only out of assets held by Lender and not any of Lender's directors, officers, employees, shareholders, contract holders or policyholders, shall be subject to any lien, levy, execution, setoff or other enforcement procedure for satisfaction of any right or remedy of Borrower in connection with the transaction contemplated hereby. A provision comparable to the foregoing shall be inserted in such Transaction Documents as Lender shall require.

1.4 Conditions to the Closing. Lender's obligation to settle on this transaction shall be conditioned on the following and Lender being satisfied, in Lender's sole discretion, with:

(a) the condition of title to the Property as evidenced by the Title Commitment and the Survey;

(b) the disclosure provided by Borrower and ERC relative to the Property, the Project and ERC;

(c) the absence of any casualty, condemnation or event involving any Hazardous Materials deemed by Lender to affect adversely and materially the Property or the Project; and

(d) receipt by Lender of all items to be delivered pursuant to Section 1.2 of **Exhibit D**.

Should Lender determine, at any time prior to the Closing Date, that one or more of the conditions have not, cannot or will not be complied with to Lender's sole and absolute satisfaction, Lender may terminate this Agreement.

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EXHIBIT D

CLOSING REQUIREMENTS

1.1 Time and Place. The closing of the transactions contemplated hereunder (the "**Closing**") shall take place at a location selected by the Lender on or before _____, 2007.

1.2 Deliveries by Borrower. At the Closing, the Borrower shall deliver, or cause to be delivered, to the Lender the following:

(a) Copies of the Articles of Organization of Borrower and ERC and copy of Certificate of Limited Partnership of CC, certified as true, complete and correct by an officer of ERC.

(b) Certificates, dated as of the Closing, in form and substance satisfactory to Lender and their counsel, executed by the sole member of Borrower, the general partner of CC and by the Secretary of ERC and certifying: (i) the incumbency of the officer who executed the Agreement; (ii) attaching copies of resolutions or consents adopted by the sole member of Borrower and the general partner of CC and the Board of Directors of ERC authorizing and approving the execution of this Agreement and the consummation of the transactions contemplated hereby; and (iii) the authority of the sole member of Borrower, the general partner of CC and the officer of ERC who executed the Agreement.

(c) Title Commitment and Survey which comply with Exhibit C above.

(d) Legal opinions of counsel to Borrower, ERC, and CC addressed to the Lender and their respective successors and assigns, including legal opinions from (i) Gallagher, Evelius & Jones, LLP, Maryland counsel to Borrower, ERC and CC (regarding authority to enter into agreements, enforceability, and existence of litigation), (ii) Miles & Stockbridge P.C., Virginia counsel to Borrower and ERC (regarding compliance with health laws, enforceability, zoning and compliance with laws for the Project), satisfactory in form and substance to the Lender and their special counsel, and (iii) McNichol, Byrne & Matlawski, P.C., Pennsylvania counsel to CC regarding enforceability of the CC Guaranty and Maris Grove IDOT.

(e) Title Commitment insuring the Maris Grove IDOT in favor of Lender in form and amount acceptable to Lender.

(f) Estoppel and agreement from API, in form reasonably satisfactory to Lender, (i) that no default exists by API or Borrower under the Project Documents, which has not been cured, (ii) that there are not any litigation or claims pending, or on appeal, against API which affect API's financial stability, in each instance to Lender.

(g) Title Commitment insuring the Ashburn IDOT in favor of SCL in form and amount acceptable to SCL.

(h) Fully executed originals of all of the Security Documents.

(i) Fully executed original of the Omnibus Agreement.

(i) Such other documentation relating to the transactions contemplated hereby as may be reasonably requested by Lender or its counsel.

1.3 Further Assurances. In addition to the actions, documents and instruments specifically required to be taken or delivered hereby, prior to and after the date hereof, without additional consideration, each of the parties hereto agrees to execute, acknowledge and deliver such other documents and instruments and take such other actions as the other party may reasonably request in order to complete and perfect the transactions contemplated in this Agreement.

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EXHIBIT E

THIRD PARTY DOCUMENTS

The Community Loan Documents as defined in C(i) of the Recitals of this Agreement, the Construction Loan Documents as defined in C(ii) of the Recitals of this Agreement and the Borrower Guaranty and Ashburn IDOT, respectively, as defined in H of the Recitals of this Agreement.

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EXHIBIT F

SINGLE PURPOSE ENTITY REQUIREMENTS

Borrower or its assignee shall throughout the Term hereof do all things necessary to continue to be and remain a Single Purpose Entity (including without limitation, if Borrower is a partnership, insuring that each General Partner of Borrower continues as a Single Purpose Entity and shall not amend its Articles of Organization or Operating Agreement, or if Borrower is a corporation, that Borrower shall not amend its Articles of Incorporation or Bylaws, or if Borrower is a limited liability company, Borrower shall prevent any Member manager of Borrower from amending such Member's Articles of Organization or Bylaws or other formation documents). For purposes hereof, "**Single Purpose Entity**" shall mean a person, other than an individual, which (a) is formed, organized or reorganized solely for the purpose of undertaking the activities as contemplated under the Agreement, (b) does not engage in any business unrelated to the Property and the permitted use thereof under the Agreement, (c) has not and will not have any assets other than those related to its interest in the Property and has not and will not have any indebtedness other than indebtedness contemplated or as permitted under the Agreement or otherwise incurred in the ordinary course of business, (d) maintains its own separate books and records and its own accounts, in each case which are separate and apart from the books and records of any other any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization, or other organization, whether or not a legal entity, and any governmental authority ("**Person**"), (e) holds itself out as being a Person separate and apart from any other Person, (f) does not and will not commingle its funds or assets with those of any other Person except as required under any of the Third Party Documents, (g) conducts its own business in its own name, (h) maintains separate financial statements, (i) pays its own liabilities out of its own funds, (j) observes all limited liability company formalities, partnership formalities or corporate formalities, as applicable, (k) maintains an arm's-length relationship with its affiliated Persons, (l) does not guarantee or otherwise obligate itself with respect to the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person except as required or expressly authorized under the Agreement, (m) does not acquire obligations or securities of its partners, members or shareholders, (n) allocates fairly and reasonably shared expenses, including without limitation, any overhead for shared office space; (if any), (o) uses separate stationary, invoices and checks, (p) except as required or expressly authorized or contemplated under the Agreement, and the Third Party Documents, does not and will not pledge its assets for the benefit of any Person other than Lender or make any loans or advances to any other Person, (q) does and will correct any known misunderstanding regarding its separate identity, and (r) maintains adequate capital in light of its contemplated business operations.

In addition to the foregoing, and consistent with the Single Purpose Entity requirements hereof, Borrower covenants and agrees that throughout the Term hereof, Borrower shall not (i) voluntarily file or consent to the filing of a petition for bankruptcy, insolvency, reorganization, assignment for the benefit of creditors or similar proceedings under any federal or state bankruptcy, insolvency, reorganization or other similar law or otherwise seek any relief under

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any laws relating to the relief of debts or the protection of debtors generally; (ii) merge into or consolidate with any Person, or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets (except as permitted herein) or convert to another type of legal entity, without in each case Lender's consent; (iii) own any subsidiary, or make any investment in, any Person without the consent of Lender; (iv) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any partners, members, shareholders, principals and affiliates of the Person, or any general partner, managing member, principal or affiliate thereof or any other Person; or (v) become insolvent or fail to pay its debts and liabilities from its assets as the same shall become due.

Notwithstanding the foregoing, Lender hereby consents to the execution and delivery by Borrower of the Borrower Guaranty and the Ashburn IDOT as contemplated under the Agreement.

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EXHIBIT G

BALANCE TEST

For purposes of this Agreement "**Balance Test**" shall mean the determination, made as of any date, for the Project, as to whether

(i) the sum of the Projected Remaining Entrance Deposits plus fifty percent (50%) of the Estimated Cash Deposit (as deemed acceptable to Lender in its sole discretion)

exceeds

(ii) the sum of (x) the projected cost to complete construction and development of the Project as of the date of determination, taking into account anticipated cost increases and general inflationary trends; carrying costs through completion of the Project, including, without limitation, debt service on any financing of the Project and payment of interest on the Mezzanine Loan; and projected absorption of units in the Project based on current market environment for units of the type offered in the Project and long-term residential mortgage rates, as the same relate to the market demand for residential real estate; (y) the original principal amount of the Mezzanine Loan; and (z) the Project Balance Test Coverage Amount.

The projected cost to complete construction and development of the Project shall be determined based on all the facts and circumstances at the time of the determination, but in any event shall be no less than the projected costs to complete construction and development reflected in the Development Plan as then in effect as reflected in the Development Agreement as amended from time to time, including specifically the Phase Budgets and Phase Forecasts plus the aggregate "Unallocated Expense Summaries and Forecasts", as such term is defined therein.

The following defined terms shall apply for purposes of the foregoing:

"**Estimated Cash Deposit**" shall mean the estimated cash payment to be paid to Borrower in connection with the renegotiation of the purchase option under the Master Lease, or if applicable, a separate purchase option agreement.

"**Project Balance Test Coverage Amount**" shall mean an amount, determined as of any date, equal to (A) $21,000,000 reduced by (B) the sum of the amounts set forth below with respect to each of the residential buildings in the Project which, on or before the date of determination, have been leased to API pursuant to the Master Lease or delivered to and accepted by API; provided, however, that the Project Balance Test Coverage Amount shall at all times be no less than $9,000,000. The amounts described in clause (B) above are as follows:

Building Reference	Reduction in Project Balance Test Coverage Amount
Residential Building 1.1	**$1,200,000**
Residential Building 1.2	**1,200,000**

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Residential Building 1.3	**1,200,000**
Residential Building 1.4	**1,200,000**
Residential Building 1.5	**1,200,000**
Residential Building 1.6	**1,200,000**
Residential Building 2.1	**1,200,000**
Residential Building 2.2	**1,200,000**
Residential Building 2.3	**1,200,000**
Extended Care 1	**1,200,000**
Total	**$12,000,000**

"**Projected Remaining Entrance Deposits**" shall mean the entrance deposits projected to be received by Borrower based on entrance deposits for similar type units which have been sold or settled as of the date of determination and other applicable assumptions reflected in the proforma development budgets included in the Development Plan and the Phase Plans then in effect affecting the projected entrance deposits to be received for the Project.

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EXHIBIT H

BORROWER ESTOPPEL CERTIFICATE

THIS BORROWER'S ESTOPPEL CERTIFICATE ("**Certificate**") is given this ____ day of _____, _____, by **ASHBURN CAMPUS, LLC**, a Maryland limited liability company ("Borrower") in favor of **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company ("Lender").

RECITALS:

A. Pursuant to the terms and conditions of that certain Loan Agreement ("**Agreement**") dated _____, 2007, Lender loaned to Borrower certain amounts more particularly described in the Agreement.

B. Pursuant to the terms and conditions of the Agreement, Lender has requested that the Borrower execute and deliver this Certificate with respect to the Agreement.

NOW, THEREFORE, in consideration of the above premises, the Borrower hereby makes the following statements for the benefit of Lender:

1. The copy of the Agreement and all amendments, if any, attached hereto and made a part hereof as **Exhibit A** is a true, correct and complete copy of the Agreement, which Agreement is in full force and effect as of the date hereof, and has not been modified or amended.

2. The Agreement sets forth the entire agreement between the Lender and the Borrower relating to the loan described therein.

3. There exist no uncured or outstanding defaults or events of default under the Agreement, or events which, with the passage of time, and the giving of notice, or both, would be a default or event of default under the Agreement.

4. No notice of termination has been given by Lender or Borrower with respect to the Agreement.

5. All payments due the Lender under the Agreement through and including the date hereof have been made, including the monthly payment of interest for the period of _____ _____ to _____ in the amount of $_____.

6. As of the date hereof, the monthly interest on the Mezzanine Loan under the Agreement is _____.

7. There are no disputes between the Lender and the Borrower with respect to any sum due under the Agreement or with respect to any provision of the Agreement.

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8. The Borrower represents and warrants that (a) all conditions and requirements to be undertaken by Lender under the Agreement have been completed and complied with, and (b) Borrower has no offsets, counterclaims or defenses with respect to its obligations under the Agreement.

9. The Borrower understands and acknowledges that Lender is relying upon the representations set forth in this Certificate, and may rely thereon in connection with the assignment of the Agreement to _____.

IN TESTIMONY WHEREOF, witness the signature of the Borrower as of the day and year first set forth above.

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, its Sole Member

By: _____
Gerald F. Doherty,
Executive Vice President and
General Counsel

STATE OF MARYLAND

COUNTY OF BALTIMORE

On this the ___ day of 20_____, before me, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the Executive Vice President and General Counsel for ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company, as Sole Member of **ASHBURN CAMPUS, LLC**, a Maryland limited liability company, and that he/she, as such Executive Vice President and General Counsel being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself/herself as such officer.

_____
Notary Public, State of Maryland
Printed Name:
Notary Commission No.: _____
My Commission Expires: _____

(NOTARY SEAL)

_____

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EXHIBIT I

FORM OF TAB SUMMARY

(See Attached.)

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Ashburn Campus, LLC
Pro Forma Project Summary
May 10, 2007
Through 2020

	Proforma Project Totals
Net Operating Lease	22,142,262
Corp Equity Interest Contribution	17,500,000
Entrance Deposits	650,939,631
Total Funds	690,581,893
Hard Construction Costs (Construction Fees included)	363,862,868
Soft Costs:	
Architecture	16,124,618
Engineering	8,151,000
Fees, Permits	19,641,298
Builders Risk	1,408,512
Departmental Costs	55,611,164
Land	25,835,548
Property Taxes (Land Only)	808,229
FF&E (Markting Center)	1,613,919
Capital Expenditures (Major Repairs)	0
Construction Fees (Included in Construction costs)	0
Contingency (3% of Hard Costs)	12,018,618
Total Direct Costs	505,075,774
Direct Margin (Excluding Financing & Indirect Costs)	185,506,119
Direct Margin %	**36.73%**
Insurance Reserve	0
Interest Expense (Construction Loan)	63,955,551
Interest Expense Subdebt	35,000,000
Interest on Tax Excempt Bond	0
Outside Legal Fees	1,576,740
Financing Costs/Other	2,190,855
Working Capital Loan to Community	33,599,453
Repayment of Working Capital	(18,564,724)
Interest on Working Capital	0
Sub Total Financing Costs	117,757,875
Total Direct & Financing Costs	**622,833,649**
Contribution Cumulative Cash (Excluding other Indirect Cost	**67,748,244**
Contribution Margin	**10.88%**

Other Indirect Costs	
Development Fees (5% of Entrance Deposits)	32,546,982
Total Other Indirect Costs	**32,546,982**
Total Costs	**655,380,630**
Project Margin Cumulative Cash	**35,201,263**
Plus purchase price and start up adjustments	**89,898,737**
Enterprise value	**125,100,000**
Margin as % of Total Revenues	**5.10%**

Financing Structure	
Maximum Borrowing with LOC and Bonds	$125,000,000
Maximum Construction Borrowing	$100,531,000
Invester Equity	$50,000,000
LOC Interest Rate	9.00%
Equity Rate	14%

Average Absorption per Month:	13.55
ILU	1,585
RG 1.0 (SNF)	132
RG 2.0 (ALF)	96
Total Units	1,813

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EXHIBIT J

QUALIFIED TRANSFEREE

"Qualified Transferee" shall mean

(a) an insurance company, bank, savings and loan association, investment bank, trust company, commercial credit corporation, pension plan, pension fund, pension fund advisory firm, mutual fund, real estate investment fund or governmental entity or plan; or

(b) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, which regularly engages in the business of making or owning real estate loans or investments, or an "institutional accredited investor" within the meaning of Regulation D of the Securities Act of 1933, as amended; or

(c) a Person that is otherwise a Qualified Transferee but that is acting in an agency capacity for a syndicate of lenders where at Agreement 51% (by loan balance owned) of the lenders in such syndicate are otherwise Qualified Transferees under clauses (a) through (c) above; or

(d) an institution substantially similar to any of the foregoing; or

(e) an investment fund, limited liability company, limited partnership or general partnership where a nationally recognized manager of investment funds, which is a Qualified Transferee, acts at the general partner, managing member or fund manager; or

(f) any entity Controlled by or Controlling, or under common Control (each term, as defined below) with, any of the entities described in clauses (a) through (d) of this definition,

provided, that, in case of each of clauses (a) through (e) of this definition, such party has at least $600,000,000 in total assets (in name or under management) and (except with respect to a pension advisory firm, asset manager, or similar fiduciary) at least $200,000,000 in capital/statutory surplus or shareholder's equity, and except with respect to a pension advisory firm, asset manager or similar fiduciary, is regularly engaged in the business of making or owning commercial real estate loans (or interests therein) or investments.

For purposes of this definition only, "Control" means the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise, and "Controlled" and "Controlling" having meanings correlative thereto.

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PROMISSORY NOTE

Virginia

$50,000,000.00 **May 31, 2007**

FOR VALUE RECEIVED, the undersigned, **ASHBURN CAMPUS , LLC**, a Maryland limited liability company having a mailing address at 701 Maiden Choice Lane, Baltimore, Maryland 21228 (**"Borrower"**) promises to pay to the order of **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company, at its office at 1585 Broadway, Floor 37, New York, New York 10036 (the payee and each successor holder of this Promissory Note being herein called the "**Lender**") or to such other person or at such other place as the Lender may from time to time designate in writing, the principal sum of **FIFTY MILLION AND 00/100 DOLLARS ($50,000,000.00)** with interest from the date hereof payable in arrears at an annual rate of fourteen per cent (14 %), calculated on the basis of a 360 day year but accruing on the unpaid principal balance for the actual number of days elapsed.

Principal and interest evidenced by this Promissory Note shall be paid as follows:

a. If the date hereof is not the first day of a month, on the first day of the month next following the date hereof, interest only at the rate set forth above shall be paid upon the principal balance outstanding hereon from the date hereof.

b. Commencing on the first day of the second month after the date hereof, or if the date hereof is the first day of a month then commencing on the first day of the first month after the date hereof, and continuing on the first day of each successive month until the Maturity Date (hereinafter defined), interest only at the rate set forth above.

c. The entire principal balance and interest thereon shall in any event be due and payable on May 31, 2019 (the "**Maturity Date**").

If any installment of principal or interest or both is not paid within the time frame provided in the Loan Agreement (hereinafter defined), there shall also be immediately due and payable 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 Commonwealth of Virginia; provided, however such interest rate shall not exceed a maximum rate of eighteen percent (18%) per annum (the "**Default Interest Rate**").

At the option of Lender the entire indebtedness evidenced by this Promissory Note shall become immediately due and payable without notice or demand upon the occurrence at any time of any of the following events of default: (1) failure to pay to the Lender in full any principal or interest and such failure continues for a period of five (5) days or default of Borrower or any endorser or guarantor hereof under any liability, obligation or undertaking, hereunder or otherwise to the Lender that continues after any applicable notice required hereunder or therein and the expiration of any applicable grace period; (2) any Event of Default under the terms of that certain Loan Agreement of even date herewith between Borrower and Lender (the "**Loan Agreement**"), or any other instrument given to secure this Promissory Note shall occur and continue after any applicable notice required therein and the expiration of any applicable grace period; (3) any statement, representation or warranty made by the undersigned, or any endorser or any guarantor hereof in the Security Documents (as defined in the Loan Agreement), or in any supporting financial statement of the undersigned or any endorser or guarantor hereof shall have been false in any material respect; and (4) the liquidation, termination or dissolution of the Borrower or any endorser or guarantor hereof, or any of such ceasing to carry on actively its present business.

Borrower agrees to pay all costs of collection, including reasonable fees and expenses of Lender's attorneys, upon any default in the payment of principal or interest when due, which default continues beyond any applicable grace or cure period, and all costs including reasonable fees and expenses of Lender's attorneys in case it becomes necessary to protect the security hereof, whether or not suit is commenced.

This Promissory Note may be prepaid in whole but not in part (except as provided below) pursuant to the terms and provisions of Article XXIV of the Loan Agreement.

The Lender shall have the right to require that the indebtedness evidenced hereby be paid, in full, in accordance with the terms of Section 24.2 of the Loan Agreement.

In the event the payments required to be made hereunder or pursuant to any of the other Security Documents (as defined in the Loan Agreement), whether such payments are characterized as interest or otherwise, shall at any time exceed the limits permitted by any law governing usury or any other law applicable to the loan evidenced hereby, all such excess sums paid by Borrower for the period in question shall, without further agreement or notice between or by any party hereto, be applied to the principal balance as a partial prepayment thereof without premium.

Borrower and all endorsers and guarantors of this Promissory Note hereby severally waive presentment for payment, protest and demand, notice of protest, demand and of dishonor and nonpayment of this Promissory Note and Borrower's (and any endorser's or guarantor's) liability hereunder shall remain unimpaired, notwithstanding any extension of the time of payment or other indulgence granted by Lender, or the release of all or any part of the security for the payment hereof or the liability of any party which may assume the obligation to make

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payment of the indebtedness evidenced hereby or the performance of the obligations of Borrower.

Whenever notice, demand or a request under this Promissory Note may properly be given to Borrower or Lender, the same shall be given in accordance with the provisions of the Loan Agreement.

This Promissory Note is secured by the Security Documents (as defined in the Loan Agreement), which includes the Mortgage (as defined in the Loan Agreement), which Mortgage encumbers certain property more particularly described therein located in Loudon County, Virginia (the "**Property**").

The transaction of which this Promissory Note is a part bears a reasonable relation to the Commonwealth of Virginia, in as much as the Property is located in the Commonwealth of Virginia; accordingly, the Borrower and the Lender agree that this Promissory Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, to the maximum extent the parties may so lawfully agree.

EXECUTED AS A SEALED INSTRUMENT, as of the day and year first above written.

BORROWER:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, its Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

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June 7, 2007

Ashburn Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

Re: $50,000,000 Mezzanine Loan ("**Loan**") from Strategic Ashby Ponds Lender LLC ("**Lender**") to Ashburn Campus, LLC ("**Borrower**")

Ladies and Gentlemen:

Reference is made to that certain Promissory Note dated May 31, 2007 executed and delivered by Borrower to Lender evidencing the Loan. Lender hereby agrees that notwithstanding any provision of the Promissory Note to the contrary, that interest on the outstanding principal amount of the Loan shall begin to accrue effective as of June 7, 2007, the actual date the Loan was disbursed by Lender to Borrower.

Sincerely,

STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company

By: STRATEGIC LP, a Utah limited partnership, its Member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew Bauman
Title: Vice President

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ACKNOWLEDGED AND AGREED BY BORROWER AS OF THIS 7TH DAY OF JUNE, 2007.

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
a Maryland limited liability company, its
Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

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(5)

20070612-0044115
Loudoun County, VA Pgs: 32
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

ASHBURN CAMPUS, LLC,
a Maryland limited liability company
(Grantor)

To

ALEXANDER TITLE AGENCY, INCORPORATED,
a Virginia corporation
(Trustee)

for the benefit of

STRATEGIC ASHBY PONDS LENDER LLC,
a Delaware limited liability company
(Beneficiary)

May 31, 2007

DRAFTED BY AND WHEN RECORDED, RETURN TO:

WILMER HALE, LLP
100 Light Street, 13th Floor
Baltimore, Maryland 21202-3268
Attention: Mark Pollak, Esquire

This instrument prepared outside the Commonwealth of Virginia

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DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "**Deed of Trust**") is made as of the 31st day of May, 2007, by **ASHBURN CAMPUS, LLC**, a Maryland limited liability company (the "**Grantor**") to **ALEXANDER TITLE AGENCY, INCORPORATED**, a Virginia corporation (the "**Trustee**"), for the benefit of **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company (the "**Beneficiary**") for itself and on behalf of any successor holders of the Mezzanine Note secured hereby and hereafter defined.

RECITALS

A. Pursuant to the terms of that certain Loan Agreement between Grantor and Beneficiary of even date herewith (the "**Mezzanine Loan Agreement**"), Beneficiary agreed to loan to Grantor the sum of Fifty Million Dollars ($50,000,000) (the "**Mezzanine Loan**") on the terms and conditions more particularly set forth therein and in the promissory note delivered simultaneously therewith (the "**Mezzanine Note**").

B. The Grantor intends to use the proceeds of the Mezzanine Loan to finance the construction and development of a retirement community (the "**Retirement Community**") on the Land (hereinafter defined). The Retirement Community will be leased to and operated by Ashby Ponds, Inc., a Maryland non-stock corporation.

C. As a condition to Beneficiary's agreement to make the Mezzanine Loan, Beneficiary has required that the payment of the Mezzanine Note be secured by, among other things, this Deed of Trust. This Deed of Trust secures (a) the payment of all sums due to the Beneficiary by the Grantor according to the terms of any of the Security Documents (hereinafter defined), (b) the Grantor's obligations with respect to future advances, which may be made by the Beneficiary for any reason and (c) the performance of, and compliance with, all of the obligations of the Grantor (express or implied) contained in the Security Documents.

NOW THEREFORE, in consideration for the making of the Mezzanine Loan by Beneficiary and the covenants, representations and warranties set forth in this Deed of Trust, Grantor hereby agrees as follows:

SECTION 1. DEFINITIONS AND RECITALS. The Recitals of this Deed of Trust are hereby incorporated as a substantive part of this Deed of Trust. Whenever capitalized in this Deed of Trust, the following terms shall have the meaning given in this Section 1, unless the context clearly indicates a contrary intent.

1.1 Beneficiary: Strategic Ashby Ponds Lender LLC, a Delaware limited liability company, its successors and assigns, and any subsequent holders of the Mezzanine Note.

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1.2 Deed of Trust: This instrument, including all current and future supplements, amendments and attachments thereto.

1.3 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.

1.4 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.

1.5 Event of Default: Any one or more of the events described in Section 8.01 hereof.

1.6 Grantor: Ashburn Campus, LLC, its successors and assigns.

1.7 Insurance and Condemnation Proceeds. All of the items described in Section 2.04.

1.8 Land: The land consisting of approximately 135.5378 acres located in Loudoun County, Virginia, which is more particularly described in Exhibit A attached to this Deed of Trust and incorporated by reference herein.

1.9 Mezzanine Note: The Promissory Note of even date herewith payable to the Beneficiary by the Grantor evidencing the Mezzanine Loan in the face amount of Fifty Million Dollars ($50,000,000.00), including all current and future replacements, supplements, amendments and attachments thereto.

1.10 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Beneficiary hereunder, or any encumbrance hereinafter approved in writing by Beneficiary.

1.11 Project: The term **"Project"** shall have the meaning set forth in the Mezzanine Loan Agreement.

1.12 Project Documents: The term **"Project Documents"** shall have the meaning set forth in the Mezzanine Loan Agreement.

1.13 Property: All of the property described in Sections 2.1, 2.2, 2.3 and 2.4.

1.14 Personal Property: All of the personal property and fixtures described in Section 2.2.

1.15 Real Property: All of the real property described in Section 2.1.

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1.16 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 2.3.

1.17 Security Documents: The term "**Security Documents**" includes the Mezzanine Loan Agreement, the Mezzanine Note and each other document included in the meaning set forth in the Mezzanine Loan Agreement.

SECTION 2. GRANT

2.1 Real Property. The Grantor, in consideration of the Beneficiary making the Mezzanine Loan to the Grantor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby mortgages, warrants, grants, bargains, sells, conveys and assigns to Trustee, in trust, with power of sale for the benefit of the Beneficiary all of its right, title and interest in and to the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Grantor (hereinafter collectively referred to as the "**Real Property**"), subject to the Permitted Encumbrances.

2.2 Personal Property and Fixtures. The Grantor further grants and assigns to the Trustee for the benefit of the Beneficiary a security interest in, all of the Grantor'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 Mezzanine Loan, and all the right, title and interest of the Grantor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Deed of Trust (hereinafter collectively referred to as the "**Personal Property**").

2.3 Rents and Other Rights. The Grantor further grants and assigns to the Trustee for the benefit of the Beneficiary all of the Grantor'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 Grantor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of the Grantor 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 Grantor, or constructed, assembled or placed by or for the Grantor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "**Rents**").

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2.4 Insurance Policies and Condemnation Awards. The Grantor further grants and assigns to the Trustee for the benefit of the Beneficiary 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**").

2.5 Security Interest Under the Uniform Commercial Code.

2.5.1 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 Deed of Trust. The remainder of the Property shall be subject to the Virginia Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "**Uniform Commercial Code**") and this Deed of Trust shall constitute a Security Agreement with respect thereto. The Grantor hereby grants to the Beneficiary 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 Grantor's obligations under the Security Documents. With respect to such security interest (a) the Beneficiary 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 Beneficiary shall have a right of possession superior to any right of possession of the Grantor or any person claiming through or on behalf of the Grantor. The Grantor shall execute and file such financing statements and other security agreements as the Beneficiary shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Grantor to do so, the Beneficiary may execute, record and file all such financing statements and other security agreements for and in the name of the Grantor and the Grantor hereby irrevocably appoints the Beneficiary the agent and attorney-in-fact of the Grantor to do so. The Grantor 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 Beneficiary may file, without any Grantor's signature, one or more financing statements or other notices disclosing the Beneficiary's liens and other security interests. All financing statements and notices may describe the Beneficiary's collateral as all assets or all personal property of Grantor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Beneficiary's liens and security interests with respect to the collateral shall be governed by the granting language of the Security Documents.

2.5.2 This Deed of Trust constitutes a financing statement filed as a fixture filing under Sections 8.9-313 and 8.9-402 of the Uniform Commercial Code covering any of the Property which now is or later may become fixtures attached to the Real Property. The following addresses are the mailing addresses of Grantor, as debtor under the code, and Beneficiary, as secured party under the Code, respectively:

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

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Beneficiary: Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

SECTION 3. HABENDUM CLAUSE AND DEFEASANCES.

The Trustee shall have and hold the Property in fee simple in trust to secure to the Beneficiary and to the Trustee for the benefit of the Beneficiary the obligations described in Section 1.2 of this Deed of Trust, upon the terms and trust herein set forth.

To HAVE AND TO HOLD the Property unto the Trustee, and its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto the Trustee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. All right, title and interest of the Grantor 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 Grantor or constructed, assembled or placed by the Grantor 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 Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Grantor and specifically described herein. Notwithstanding the foregoing, the Grantor 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 Trustee shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Trustee of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Grantor 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 Deed of Trust. In addition, the Grantor hereby agrees that this Deed of Trust is a security agreement under the Uniform Commercial Code and creates in the Trustee a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Deed of Trust shall be effective as a financing statement pursuant to the Uniform Commercial Code. The Grantor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Trustee may require from time to time to perfect and maintain in favor of the Trustee 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 Grantor hereby irrevocably appoints the Trustee and the Beneficiary attorney-in-fact, coupled with an interest, for the Grantor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Grantor.

Provided always, and these presents are upon this express condition, that if the Grantor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Beneficiary,

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its successors or assigns, the obligations secured by this Deed of Trust, and otherwise perform the Grantor's respective obligations under the Security Documents to which the Grantor is a party, then this Deed of Trust, and the estate hereby granted, shall cease, terminate and be void, and the estate hereby granted shall cease and the Property shall be released to the Grantor, at the cost of Grantor.

This Deed of Trust secures, inter alia, present and future advances made by the Beneficiary pursuant to the Security Documents, including, without limitation, advances made to enable completion of the Project, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Deed of Trust, or to such later date as required by applicable law. This Deed of Trust also secures advances made by the Beneficiary with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Beneficiary for the protection of the Property or the lien of this Deed of Trust, including attorneys' fees, and expenses incurred by the Beneficiary 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 Deed of Trust, or to such later date as required by applicable law. The maximum principal amount that may be secured by this Deed of Trust is $50,000,000.00; provided that in no event shall Beneficiary be obligated to advance to or for the benefit of Grantor in excess of the stated principal amount of the Mezzanine Note.

The Mezzanine Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Deed of Trust secures all funds advanced pursuant to the Mezzanine Loan Agreement (which advances shall constitute part of the indebtedness evidenced by the Mezzanine Note, whether more or less than the principal amount stated in the Mezzanine Note) and the punctual performance, observance and payment by the Grantor of all of the requirements of the Mezzanine Loan Agreement and the Mezzanine Note to be performed, observed or paid by the Grantor. In the event of express and direct contradiction between any of the provisions of the Mezzanine Loan Agreement and any of the provisions contained herein, then the provisions contained in the Mezzanine Loan Agreement shall control. Any warranties, representations and agreements made in the Mezzanine Loan Agreement by the Grantor shall survive the execution and recording of this Deed of Trust and shall not merge herein.

SECTION 4. REPRESENTATIONS AND WARRANTIES

4.1 Warranty of Title and Further Assurances. The Grantor warrants that the Grantor 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 Grantor further covenants that the lien created hereby is and will be maintained as a third lien upon the Property, subject only to the lien of the Construction Loan and the Community Loan (as such capitalized terms are defined in the Mezzanine Loan Agreement).

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SECTION 5. COVENANTS, RIGHTS, AND DUTIES OF GRANTOR GENERALLY

5.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Security Documents. The Grantor covenants that it will punctually (a) pay or cause to be paid to the Beneficiary all amounts due under the Security Documents executed by the Grantor, which includes the principal and interest of the Mezzanine Loan and all other costs and indebtedness secured hereby, according to the terms of the Security Documents executed by the Grantor; (b) perform and satisfy all other obligations of the Grantor under the Security Documents; (c) construct the Project in accordance with the terms of the Security Documents.

5.2 Escrow Account. At the Beneficiary's option, the Grantor agrees that:

5.02.1 Upon written request of the Beneficiary, the Grantor will pay to the Beneficiary 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 7.1 and 7.2, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by the Beneficiary in an escrow account established with the Beneficiary (the "**Escrow Account**") and disbursed by the Beneficiary 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 Beneficiary in its reasonable determination and payments shall be made on the day of the month designated by the Beneficiary. No interest shall be payable by the Beneficiary 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 Grantor, at the sole discretion of the Beneficiary.

5.02.2 Upon the request of the Beneficiary, the Grantor shall pay such additional sums into the Escrow Account as the Beneficiary determines are necessary, so that one month prior to the date the Beneficiary 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.

5.02.3 The Grantor hereby grants the Beneficiary 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 Beneficiary may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy the Grantor's obligations under the Security Documents, as the Beneficiary may elect.

5.3 Compliance With Laws. The Grantor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Grantor, (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 Beneficiary's title to the Property.

5.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Mezzanine Loan, any of the Security Documents, or the transactions

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evidenced or contemplated by any of the Security Documents, or (b) any law now in force governing the taxation of mortgages and/or deeds of trust, debts secured by mortgages and/or deeds of trust, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon the Mezzanine Loan, any of the Security Documents, or the transactions evidenced or contemplated by any of the Security Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Security Documents), the Grantor will promptly pay any such tax. If the Grantor fails to make prompt payment, or if any law either prohibits the Grantor from making the payment or would penalize the Beneficiary if the Grantor makes the payment, then the failure, prohibition, or penalty, shall entitle the Beneficiary, in accordance with the terms of the Mezzanine Loan Agreement, to declare the entire unpaid principal balance of the Mezzanine Loan, together with all accrued interest, prepayment premium and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, the Grantor shall thereupon have thirty (30) days to pay the entire amount due without penalty or prepayment premium. If an Event of Default has occurred and is continuing or if the Grantor fails to make payment in full within thirty (30) days, then the Beneficiary shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

5.5 Certifications, Licenses, Permits, Etc.: The Grantor 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.

5.6 Sale of Assets, Consolidation, Merger, Etc.: Except as may be otherwise expressly permitted by the Mezzanine Loan Agreement, the Grantor 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 consent to any change in its name, ownership of member interests in the Grantor, or management or in the manner in which its business is conducted. Notwithstanding the foregoing, Grantor shall be permitted to allow a transfer of one percent or less of the membership interests in the Grantor to any entity which is wholly owned by Erickson Retirement Communities, LLC, provided that any such entity executes and delivers a pledge of such membership interests to Beneficiary.

5.7 Distributions, Etc: The Grantor 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 Mezzanine Loan Agreement.

5.8 Reserved.

5.9 Further Assurances and Continuation Statements. The Grantor from time to time will execute, acknowledge, deliver and record, at the Grantor's sole cost and expense, all further

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instruments, deeds, conveyances, supplemental mortgages, assignments, financing statements, transfers and assurances as in the reasonable opinion of the Beneficiary's counsel may be necessary (a) to preserve, continue and protect the interest of the Beneficiary in the Property, or (b) to secure the rights and remedies of the Beneficiary under this Deed of Trust and the other Security Documents. The Grantor, at the request of the Beneficiary, shall promptly file 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.

5.10 Expenses. The Grantor shall reimburse the Trustee and the Beneficiary 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 Security Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Security 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 Security Documents. The Grantor shall, upon demand, pay all such sums together with interest thereon at the Default Interest Rate defined in the Mezzanine Note accruing from the time the expense is paid. All such sums so expended by the Beneficiary shall be secured by this Deed of Trust. In any action or proceeding to foreclose this Deed of Trust or to recover or collect the Mezzanine Loan, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 5.10.

5.11 Environmental Requirements. The Grantor represents and warrants to the Beneficiary that except for the matters disclosed in the Environmental Reports (as defined in the Mezzanine Loan Agreement), copies of which have previously been provided to Beneficiary, there are no hazardous substances on the Real Property, that the Grantor 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 Grantor 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 Grantor, and except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances normally used in connection with the proper construction of the Project 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 Grantor further covenants and agrees to give written notice to the Beneficiary 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 Grantor or others.

The Grantor 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 Grantor 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

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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 Grantor shall fail to take such action, the Beneficiary 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 Grantor and shall bear interest at the Default Interest Rate defined in the Mezzanine Note or at the maximum interest rate which the Grantor 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 Grantor further covenants and agrees that the Grantor 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 Grantor shall defend, indemnify and hold harmless the Trustee and the Beneficiary against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Beneficiary 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 Mezzanine Loan and the full release of the lien of this Deed of Trust; (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 6. RIGHTS AND DUTIES OF GRANTOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

6.1 Control by the Grantor. Until the happening of an Event of Default, the Grantor shall have the right to possess and enjoy the Property and, except as prohibited by the Security Documents, to receive the Rents.

6.2 Management. At all times the Grantor shall provide competent and responsible management to maintain and operate the Property.

6.3 Financial Statements; Books and Records. The Grantor shall furnish to the Beneficiary annual financial and operating statements of the Grantor. 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 Grantor's member and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Grantor'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 Grantor's fiscal year audited by a firm of independent certified public accountants acceptable to the Beneficiary. The Grantor shall also provide the Beneficiary with copies of all federal, state and local tax returns and filings within ten (10) days of the date the same are filed. The Grantor shall deliver, and shall cause Lessee to deliver, to Beneficiary monthly financial statements on a consolidated and consolidating basis

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within thirty days after each calendar month, certified by the Chief Financial Officer of the Grantor's sole member as to the accuracy thereof. The Grantor agrees to make its books and records relating to the operation of the Property available for inspection by Beneficiary, upon request at any reasonable time, at the Grantor's principal place of business or at such other location in the State of Maryland as the Beneficiary may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Security Documents.

6.4 Restriction of Assignment of Rents. The Grantor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of the Beneficiary, except as permitted by the Mezzanine Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

6.5 Alterations and Improvements. The Grantor 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 Beneficiary, as provided in the Mezzanine 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 6.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Deed of Trust.

6.6 Restrictions on Sale and Transfer of the Property. The Grantor 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 Deed of Trust or the Mezzanine Loan Agreement, without the prior written consent of the Beneficiary required under the Mezzanine Loan Agreement. 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 Grantor's liability under the Security Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Grantor's obligations under the Security Documents. The sale, assignment, transfer or conveyance of any member interest in the Grantor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale, assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Grantor 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 6.9 or any disposition by the Beneficiary by foreclosure hereunder or as otherwise permitted by the Security Documents.

6.7 Restriction on Encumbrances. The Grantor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Grantor shall give the Trustee and the Beneficiary prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Grantor shall comply with its obligations under all Permitted Encumbrances. The Trustee and/or the Beneficiary may, at its/their election, satisfy

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any Encumbrance (other than a Permitted Encumbrance not then in default), and the Grantor shall, on demand, reimburse the Trustee and/or the Beneficiary for any sums advanced for such satisfaction together with interest at the Default Interest Rate stated in the Mezzanine Note accruing from the date of satisfaction, which sums shall be secured hereby.

6.8 Maintenance, Waste, Repair and Inspection. The Grantor 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 Mezzanine 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 Beneficiary or its designees to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with improvements contemplated in the Mezzanine Loan Agreement.

6.9 Removal and Replacement of Equipment and Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Project, 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 Beneficiary. The Grantor may, without consent and free from the lien and security interest of this Deed of Trust, 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 Deed of Trust, 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 Beneficiary, be applied as a prepayment of amounts guaranteed by the Grantor under the Security Documents, whether then due or not. All sales shall be conducted in a commercially reasonable manner.

6.10 Taxes and Permitted Contests. The Grantor shall pay or cause to be paid: (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 Grantor 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 Beneficiary, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Mezzanine Loan. Upon payment thereof, the Grantor shall promptly supply the Beneficiary with receipts showing the payment of the taxes or claim.

6.11 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 Grantor without the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld.

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6.12 Preservation of Appurtenances. The Grantor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

SECTION 7. INSURANCE AND CONDEMNATION

7.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Grantor under the Security Documents, the Grantor shall keep the Property insured for the benefit of the Grantor, the Beneficiary against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Beneficiary 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 Grantor to the Beneficiary under the Security Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Beneficiary. Such insurance shall be written in forms and by companies satisfactory to the Beneficiary, and the losses thereunder shall be payable to the Beneficiary alone and not to the Grantor and the Beneficiary, jointly. The policy or policies of such insurance shall, if requested by the Beneficiary, be delivered to and retained by the Beneficiary, and shall contain a standard New York Beneficiary Clause showing the loss, if any, as payable to the Beneficiary and shall require the insurer to give the Beneficiary at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Grantor shall provide the Beneficiary with receipt evidencing the payment of all premiums due on such policies. The Grantor shall give the Beneficiary prompt notice of any loss covered by such insurance, and the Beneficiary shall have the right (subject to the approval of the Grantor, 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 Beneficiary to be applied, at the option of the Beneficiary, either to the prepayment of the indebtedness secured by the Deed of Trust or to the payment of other charges or expenses actually incurred by the Grantor in the restoration, reconstruction, repair, renovation or replacement of the Property.

7.2 Liability Insurance. The Grantor 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.

7.3 Contractors' Insurance. During the construction of the improvements, the Grantor will cause all contractors and subcontractors (including the Grantor 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 Beneficiary, insuring the Project described in the Mezzanine Loan Agreement and all materials and supplies purchased with advances of the Mezzanine Loan, together with a policy or policies for Workers' Compensation Insurance to the full extent required by the laws of the Commonwealth of Virginia. Upon request, the Grantor shall provide the Beneficiary with evidence satisfactory to the Beneficiary that all such insurance is in effect.

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7.4 Other Insurance. The Grantor 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 Beneficiary is included thereon as a named insured with losses payable to the Beneficiary as above provided. The Grantor shall immediately notify the Beneficiary whenever any such separate insurance is taken out and shall promptly deliver to the Beneficiary the policy or policies of such insurance.

If any of the Project on the Property is located in an area which has been identified as a non-minimal flood hazard area, the Grantor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Deed of Trust or the maximum limit of coverage available for the Property.

Unless a written waiver from the Beneficiary is obtained, the Grantor 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.

7.5 Condemnation and Allocation of Condemnation Awards. The Grantor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Beneficiary of such proceedings. The Beneficiary may participate in any such proceedings, and the Grantor will, from time to time, deliver to the Beneficiary 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 Beneficiary, 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 Grantor) 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 Grantor under the Security 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 Grantor under the Security 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 Mezzanine Note shall take effect only on the actual date of the receipt of the payment or award by the Beneficiary. In the event any payment or award is used to restore the Property, as aforesaid, the Beneficiary 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 Deed of Trust. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Beneficiary and disbursed under such terms and conditions, to such persons, and at such times, as the Beneficiary may determine.

7.6 Endorsement and Execution of Security Documents. Upon the written request of the Beneficiary, the Trustee shall, without liability or notice to the Grantor, execute, consent to, or join in any instrument or agreement in connection with or necessary to effectuate the purposes of the Security Documents. The Grantor hereby irrevocably designates the Trustee as its attorney-in-fact to execute, acknowledge, and deliver, on the Grantor's behalf and in the Grantor's name,

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all instruments or agreements necessary to implement the provisions of Section 2.5, contemplated by Section 5.9, or necessary to perfect the lien created by this Deed of Trust on the Property. This power of attorney shall be deemed coupled with an interest and shall survive any disability of the Grantor.

7.7 Substitution of Trustees. The Beneficiary may, by filing a deed of appointment in the office where this instrument is recorded, appoint additional or replacement trustees and may remove the Trustee, from time to time, without notice to the Grantor or the Trustee and without specifying any reason.

7.8 Multiple Trustees. Any Trustee, individually, may exercise all powers granted to the Trustees collectively, without the necessity of the joinder of the other Trustees.

7.9 Terms of Trustees' Acceptance. The Trustee accepts the trust created by this Deed of Trust upon the following terms and conditions:

7.09.1 The Trustee may exercise any of its powers through appointment of attorneys-in-fact or agents.

7.09.2 The Trustee shall not be liable for any matter or cause arising under this Deed of Trust or in connection herewith except by reason of its own fraud, gross negligence or willful misconduct.

7.09.3 The Trustee may select and employ legal counsel in connection with this Deed of Trust at the expense of Grantor, except that Grantor shall not be obligated to pay for Trustee's legal counsel in the event that Trustee is liable pursuant to Section 7.09.2 above.

7.09.4 The Trustee shall be under no obligation to take any action upon any Event of Default unless it is furnished security or indemnity, in form satisfactory to the Trustee, against cost, expenses and liabilities which may be incurred by the Trustee.

7.09.5 A Trustee may resign upon five (5) days written notice to the Beneficiary.

7.10 Trustees' Reimbursement. The Grantor shall reimburse the Trustee for all reasonable disbursements and expenses incurred by reason of this Deed of Trust.

7.11 Save Harmless Clause. The Grantor shall indemnify and save harmless the Beneficiary and the Trustee, singularly or jointly, from all costs and expenses, including reasonable attorneys' fees, incurred by them or any of them by reason of this Deed of Trust, including any legal action to which the Beneficiary or the Trustee shall become a party, other than any legal action arising from the fraud, gross negligence or willful misconduct of the Beneficiary and/or the Trustee. Any money so paid or expended by the Beneficiary or the Trustee shall be due and payable upon demand together with interest at the Default Interest Rate stated in the Mezzanine Note from the date incurred and shall be secured by this Deed of Trust.

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SECTION 8. DEFAULT

8.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

8.01.1 Event of Default Under Other Security Documents. An **"Event of Default"** (if so defined) occurs under a Security Document other than this Deed of Trust.

8.01.2 Insurance Provisions. The failure of the Grantor to perform its obligations set forth in Section 7 to keep the Property adequately and continually insured.

8.01.3 Receiver; Bankruptcy. If the Grantor (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.

8.01.4 Receiver; Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of the Grantor is not set aside, discharged, or stayed within sixty (60) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating the Grantor a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for the Grantor of all or substantially all of its assets, or (c) an order of relief is entered against the Grantor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of sixty (60) days.

8.01.5 Assignment of Rents. Any attempted assignment by the Grantor of the whole or any part of the Rents in contravention of Section 6.4.

8.01.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 6.5, 6.6, 6.7 or 6.9.

8.01.7 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 Grantor or to another entity responsible for the operation of the Retirement Community).

8.01.8 Defaults under Superior Liens. Any default by the Grantor under any documents executed in connection with any superior liens against the Property, which default is not cured within any applicable grace or cure period.

8.01.9 Environmental Requirements. Failure of the Grantor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Beneficiary.

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8.01.10 Other Defaults. The failure of the Grantor to perform or observe any of its obligations or covenants under this Deed of Trust not previously specifically referred to in this Article 8, which failure continues for a period of thirty (30) days after written notice to the Grantor; provided, however, that the Beneficiary may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Grantor in the event that the default cannot be cured within the time set forth in this Deed of Trust and the Grantor is diligently pursuing cure of the default.

8.01.11 Environmental Liens. If the Environmental Protection Agency of the United States ("**EPA**"), or any other state or federal agency or any other person or entity (a) asserts or creates a lien upon any or all of the Property by reason of the failure of the Grantor to comply with all Environmental Requirements or (b) commences an action or proceeding based on any claims against the Grantor, the Property, the Beneficiary for damages or cleanup costs related to the Grantor's failure to comply with all Environmental Requirements, and in the case of such an action or proceeding Grantor is unsuccessful in obtaining a dismissal of such action or proceeding within thirty (30) days but in any event prior to the date any lien attaches to the Property.

8.01.12 Future Advances. If Grantor without the prior written approval of the Beneficiary, sends written notice to the Beneficiary which purports to limit the indebtedness secured by this Deed of Trust and to release the obligation of Beneficiary to make any additional advances to Grantor.

8.2 Payment or Performance by the Beneficiary. Upon the occurrence of any Event of Default, the Beneficiary 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 Grantor shall, upon demand, reimburse the Beneficiary for all sums so advanced or expenses incurred by the Beneficiary, together with interest at the Default Interest Rate stated in the Mezzanine Note from the date of advance or payment of the same, which sums shall be secured by this Deed of Trust. The Beneficiary may enter upon the Property without prior notice to the Grantor or judicial process and may take any action to enforce their rights under this Section 8.2 without liability to the Grantor.

8.3 Completion of Project: Upon the occurrence of an Event of Default, the Grantor agrees that the Beneficiary 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 Project Documents with such changes therein as the Beneficiary 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 Grantor 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 Grantor, (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 Grantor shall be liable to the Beneficiary for all sums paid or incurred by Beneficiary to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 8.3 or otherwise (such liabilities to be part of the Grantor's obligations), and all payments made or liabilities incurred by the

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Beneficiary hereunder of any kind whatsoever shall be paid by the Grantor to the Beneficiary upon demand with interest at the Default Interest Rate provided in the Mezzanine Note. For the purpose of exercising the rights granted by this Section, the Grantor hereby irrevocably constitutes and appoints the Beneficiary 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 Grantor.

8.4 Possession by Trustee and Beneficiary. Upon the occurrence of an Event of Default, the Trustee and/or the Beneficiary may enter upon and take possession of the Property with notice to the Grantor, but without judicial process or the appointment of a receiver. The Trustee and/or Beneficiary may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Trustee and/or the Beneficiary shall have the right as agent for the Grantor to operate the Property and carry on the business of the Grantor, either in the name of the Grantor or otherwise. The Trustee and the Beneficiary shall not be liable to the Grantor for taking possession of the Property, as aforesaid, nor shall the Trustee and/or the Beneficiary be required to make repairs or replacements, and the Trustee and/or Beneficiary shall be liable to account only for Rents actually received by the Trustee and/or Beneficiary. All Rents collected by the Trustee and/or the Beneficiary 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 Security Documents, including actual attorney's fees, (c) third, to pay all sums secured by the Security Documents in the order of priority selected by the Beneficiary, and (d) fourth, with the balance, if any, to the Grantor or such other person as may be entitled thereto.

FOR THE PURPOSE OF OBTAINING POSSESSION OF THE PROPERTY IF AN EVENT OF DEFAULT HEREUNDER OR UNDER THE MEZZANINE NOTE OR OTHER SECURITY DOCUMENTS HAS OCCURRED AND IS CONTINUING, GRANTOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF VIRGINIA OR ELSEWHERE, AS ATTORNEY FOR GRANTOR AND ALL PERSONS CLAIMING UNDER OR THROUGH GRANTOR, TO APPEAR FOR AND CONFESS JUDGMENT IN EJECTMENT AGAINST GRANTOR FOR POSSESSION OF THE PROPERTY AND TO APPEAR FOR AND CONFESS JUDGMENT AGAINST GRANTOR, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH GRANTOR, IN FAVOR OF BENEFICIARY, FOR RECOVERY BY BENEFICIARY OF POSSESSION THEREOF, FOR WHICH THIS DEED OF TRUST, OR A COPY THEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE PROPERTY, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED IT SHALL BE DISCONTINUED, OR POSSESSION OF THE PROPERTY SHALL REMAIN IN OR BE RESTORED TO GRANTOR, BENEFICIARY SHALL HAVE THE RIGHT FOR THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER ACTIONS AS ABOVE PROVIDED TO RECOVER POSSESSION OF THE PROPERTY. BENEFICIARY MAY CONFESS JUDGMENT IN EJECTMENT THEREIN BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO

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FORECLOSE THIS DEED OF TRUST OR TO ENFORCE THE MEZZANINE NOTE OR OTHER SECURITY DOCUMENTS, OR AFTER ENTRY OF JUDGMENT ON THE DEED OF TRUST OR ON THE MEZZANINE NOTE, OR AFTER A SHERIFF'S SALE OF THE PROPERTY IN WHICH BENEFICIARY IS THE SUCCESSFUL BIDDER. THE AUTHORIZATION TO PURSUE SUCH PROCEEDINGS FOR OBTAINING POSSESSION IS AN ESSENTIAL PART OF THE ENFORCEMENT OF THE DEED OF TRUST AND THE MEZZANINE NOTE AND THE OTHER SECURITY DOCUMENTS, AND SHALL SURVIVE ANY EXECUTION SALE TO BENEFICIARY.

8.5 Collection of Rents. Upon the occurrence of an Event of Default and upon written demand by the Beneficiary to the tenants, all Rents shall be payable directly to the Beneficiary.

8.6 Acceleration; Judgment; Foreclosure. At any time during the existence of an Event of Default, the Beneficiary, at the Beneficiary's option, may declare the Mezzanine Loan to be immediately due and payable without further demand, and may recover judgment against the Grantor for all amounts owing in connection with the Mezzanine Loan (but neither the recovery of judgment nor the levy of execution on the Property shall affect the Beneficiary's rights hereunder or the lien hereof), may institute an action for the foreclosure of this Deed of Trust and the sale of the Property pursuant to the judgment or decree of a court of competent jurisdiction, sell the Property to the highest bidder or bidders at public auction at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or in the absence of any such requirement, as Beneficiary may deem appropriate, and from time to time adjourn such sale announcement at the time and place specified for such sale or for such adjourned sale or sales without further notice except such as may be required by law, and may invoke any other remedies permitted by Virginia law or provided in this Deed of Trust or in any other Security Document, including, without limitation, the sale of the Property, in such a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Beneficiary's option and without obligation to have the Property marshalled. The Beneficiary 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.

8.7 Application and Proceeds of Sale. Upon a sale under Section 8.6, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Grantor 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 Virginia 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 Grantor under the Security Documents, whether then due or not, in the order of priority determined by the Beneficiary, and (d) fourth, the balance, if any, to the Grantor or to other persons entitled thereto.

8.8 Trustees' Commission. Except as the following may be expressly limited by Virginia law, upon a sale by the Trustee of any portion of or interest in the Property, the Trustee shall be entitled to a commission equal to the commission allowed trustees for making sales of property under decrees of the court having equity jurisdiction. In the event any portion of the Property is advertised for foreclosure sale and not sold, the Trustee shall be entitled to a commission equal

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to one-half (1/2) of the commission provided in the case of foreclosure sale. The person making the sale shall not be required to accept payment of the amounts secured hereby unless accompanied by all expenses of the proceedings and one-half (1/2) of the commission.

8.9 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 8.6 prior to receipt of a condemnation award or payment, the Beneficiary 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.

8.10 Right of the Beneficiary to Bid. The Beneficiary and/or the Trustee may bid and become the purchaser at a foreclosure sale under this Deed of Trust.

8.11 Bond. The Grantor waives any right to require the person authorized to make the sale hereunder to post a bond.

8.12 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Beneficiary shall be entitled to and Grantor hereby consents to, the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Security Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Beneficiary 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 Project 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 Grantor (the cost of completing the Project shall be expenses secured by this Deed of Trust and accrue interest as set forth herein). In so doing, the Trustee, the Beneficiary or such receiver shall have the right to manage the Property and to carry on the business of the Grantor and may exercise all of the rights and powers of the Grantor, either in the name of the Grantor, 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 Grantor with respect to the Property. The Trustee, the Beneficiary 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 Grantor shall pay on demand to the Trustee, the Beneficiary or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by the Trustee, the Beneficiary 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 Mezzanine 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 Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

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(b) The failure of the Grantor 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 Deed of Trust or the other Security Documents, shall constitute waste. The Grantor hereby consents to the appointment of a receiver, should the Beneficiary elect to seek such relief. The Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Beneficiary for or on behalf of the Grantor of any such delinquent payment shall not cure the default nor shall it impair the Beneficiary's right to the appointment of a receiver.

8.13 Remedies Cumulative. All rights, powers, and remedies of the Trustee and/or the Beneficiary provided for in the Security 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 Beneficiary.

8.14 Consent to Jurisdiction and Venue. The Grantor consents to be sued in any jurisdiction where any of the Property is located.

8.15 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Grantor shall assemble and make available to the Trustee and the Beneficiary those portions of the Property which consist of personal property at a place to be designated by the Trustee and the Beneficiary, and 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 Trustee or the Beneficiary to the Grantor. 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.

8.16 WAIVER OF JURY TRIAL. THE GRANTOR 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 MEZZANINE LOAN, THIS DEED OF TRUST, OR ANY OF THE OTHER SECURITY DOCUMENTS TO WHICH THE GRANTOR 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 DEED OF TRUST. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE GRANTOR WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS DEED OF TRUST 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 GRANTOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.

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SECTION 9. MISCELLANEOUS

9.1 Financing Sign on Property, Publicity: The Grantor authorizes the Beneficiary, at the expense of the Beneficiary, to place signs on the Land at any locations selected by the Beneficiary and approved by the Grantor 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 Beneficiary advertising the fact that financial assistance for the Project has been obtained from the Beneficiary.

9.2 Waivers. No term of any Security Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Beneficiary to insist upon the Grantor's strict performance of any of the terms of the Security Documents to which the Grantor 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 Beneficiary from exercising any rights under the Security Documents, or at law or in equity.

9.3 Consents.

9.03.1 The Beneficiary may (a) release any person liable under the Security Documents, (b) release any part of the security, (c) extend the time of payment of the Mezzanine Loan, and/or (d) modify the terms of the Security 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 Security Documents shall impair or affect the lien of this Deed of Trust or the priority of such lien over any subordinate lien.

9.03.2 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 Security Documents by reason of (a) the failure of the Beneficiary, or any other person to take any action, foreclose, or otherwise enforce any provision of the Security Documents, (b) the release of any other person liable under any Security Document, (c) the release of any portion of the security under the Security Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Beneficiary extending the time of payment or modifying the terms of any Security Document.

9.4 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Deed of Trust.

9.5 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 Beneficiary: Strategic Ashby Ponds Lender LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway, Floor 37
New York, New York 10036

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

Mark Pollak, Esquire
Wilmer Hale, LLP
100 Light Street, 13th Floor
Baltimore, Maryland 21202

(b) If to Grantor: Ashburn Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Financial Officer

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

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

(c) If to Trustee: Alexander Title Agency, Incorporated
5875 Trinity Parkway, Suite 210
Centreville, Virginia 20120

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.

9.6 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Security Documents. No transferor of any obligation under any Security Document shall be relieved of its obligations by any modification of any Security Document subsequent to the transfer.

9.7 Amendment. This Deed of Trust may not be modified except in writing signed by (a) the Beneficiary, (b) the Trustee and (c) the Grantor.

9.8 Severability. In the event any provision of this Deed of Trust shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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9.9 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 Grantor shall be promptly transmitted to the Beneficiary and the Trustee.

9.10 Applicable Law. This Deed of Trust shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

9.11 Time of the Essence. Time is of the essence with respect to the Security Documents.

9.12 Effect of Payments. Any payment or other performance made in accordance with the Security Documents by any person other than the Grantor shall not entitle such person to any right of subrogation under the Security Documents, unless expressly consented to in writing by the Beneficiary.

9.13 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.

9.14 Assignment of Rents. The Grantor, does hereby sell, assign, transfer and set over unto the Beneficiary 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 Deed of Trust is in effect. This assignment is absolute and effective immediately, provided that Grantor shall have a license to receive, collect and obtain the benefit of such rents, profits, income and other amounts until an Event of Default hereunder. This assignment of rents shall run with the land and be good and valid as against the Grantor herein, or those claiming by, through or under the Grantor, from the date of the recording of this Deed of Trust in Virginia, provided, however, that the Grantor may collect and retain such rents, profits and income so long as the Grantor is not in default hereunder. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Deed of Trust. 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.

Upon the occurrence of an Event of Default by the Grantor under this Deed of Trust, the Mezzanine Note or the Security Documents, the Grantor shall, upon demand therefor made by the Beneficiary, deliver and surrender possession of the Property to the Beneficiary, 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 Grantor fails, refuses or neglects to deliver or surrender such possession, the Beneficiary shall be entitled to the appointment of a receiver of the Property and of the earnings,

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issues, rents, profits and income with such power as the Court making such appointment may confer. The collection by the Beneficiary of rents or other income from the Property shall in no way waive the right of the Beneficiary to foreclose this Deed of Trust in the event of default, and the Beneficiary shall be entitled to all of the rights and remedies accorded to a Beneficiary by the statutes of the Commonwealth of Virginia in effect from time to time.

9.15 Future Advances. If Grantor sends a written notice to Beneficiary which purports to limit the indebtedness secured by this Deed of Trust and to release the obligation of Beneficiary to make any additional advances to Grantor, such a notice shall be ineffective as to any future advances made: (i) to enable completion of the improvements on the Property for which the Mezzanine Loan secured hereby was originally made; (ii) to pay taxes, assessments, maintenance charges and insurance premiums; (iii) for costs incurred for the protection of the Property or the lien of this Deed of Trust; (iv) for expenses incurred by Beneficiary by reason of a default of Grantor hereunder or under the Mezzanine Note or Mezzanine Loan Agreement; and (v) for any other costs incurred by Beneficiary to protect and preserve the Property. It is the intention of the parties hereto that any such advance made by Beneficiary after any such notice by Grantor shall be secured by the lien of this Deed of Trust on the Property.

9.16 [Intentionally Omitted.]

9.17 Release. If the indebtedness evidenced by this Deed of Trust is paid in full in accordance with the terms of this Deed of Trust, the Mezzanine Note, the Mezzanine Loan Agreement or any of the other Security Documents, then this conveyance shall become null and void and be released at Grantor's request and expense, and the Beneficiary shall have no further obligation to make advances under and pursuant to the provisions hereof or in the Mezzanine Loan Agreement or any of the other Security Documents.

9.18 ENTIRE AGREEMENT; AMENDMENT. THE PARTIES AGREE THAT THIS ENTIRE AGREEMENT IS NONSTANDARD AND CONTAINS SUFFICIENT SPACE FOR THE PLACEMENT OF NONSTANDARD TERMS. THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS AND IS INTENDED TO BE THE FINAL EXPRESSION OF THE CREDIT AGREEMENT OF GRANTOR AND BENEFICIARY, RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ANY AND ALL PRIOR DISCUSSION AND/OR AGREEMENTS RELATIVE THERETO. THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN GRANTOR AND BENEFICIARY. GRANTOR AND BENEFICIARY HEREBY INITIAL THIS PROVISION AS AN AFFIRMATION THAT NO UNWRITTEN, ORAL CREDIT AGREEMENTS BETWEEN THE PARTIES EXIST.

The provisions hereof and any of the other Security Documents may be amended or waived only by an instrument in writing signed by Grantor and the Beneficiary, subject to the provisions of the other Security Documents.

9.19 Waiver of Statutory and Other Rights. To the extent permitted by law, Grantor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisement, valuation, stay, homestead exemption, extension or

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exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would prevent or hinder the enforcement or foreclosure of this Deed of Trust. Grantor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

9.20 Virginia Statutory Provisions. This Deed of Trust is made under and pursuant to the provisions of Sections 55-59 to 55-60 and 26-49 of the Code of Virginia (1950), as amended, and shall be construed to impose and confer upon the parties hereto and Beneficiary the rights, duties and obligations prescribed by such provisions, except as herein otherwise restricted, expanded or changed, including without limitation the following rights, duties and obligations described in short form:

(a) Exemptions waived.

(b) Subject to call on default.

(c) Renewal, extension or reinstatement permitted.

(d) Substitution of trustees collectively or of any reason whatsoever, and any number of times without exhaustion of the right to do so permitted.

(e) Any Trustee may act.

9.21 Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of Lender pursuant to this Deed of Trust are subject in all respects to the terms, covenants, and limitations as set forth in that certain Subordination and Standstill Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, as Agent, Beneficiary and Grantor (the "**Tri-Party Agreement**"), the provisions of which Tri-Party Agreement are incorporated herein by reference to the same extent as if fully set forth herein.

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IN WITNESS WHEREOF the Grantor, by its duly authorized member, has executed and delivered this Deed of Trust as of the date and year first written above.

WITNESSES:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

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

Dawn E. Hughes

Dawn E. Hughes
Print Name:

The undersigned hereby certifies that the address of Beneficiary is:

STRATEGIC ASHBY PONDS LENDER LLC
c/o Mr. Andrew Bauman
Morgan Stanley/US RE Investing Division
1585 Broadway; Floor 37
New York, New York 10036

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STATE OF MARYLAND)
)
CITY/COUNTY OF Baltimore)

The foregoing instrument was subscribed, sworn to, and acknowledged before me the undersigned notary pubic, on this 30th day of May, 2007, in the jurisdiction aforesaid by Gerald F. Doherty, Executive Vice President, General Counsel and Secretary of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Ashburn Campus, LLC, a Maryland limited liability company.

Lois M. Shaw (SEAL)
NOTARY PUBLIC

My Commission Expires:_____

LOIS M. SHAW
NOTARY PUBLIC STATE OF MARYLAND
My Comm. Exp. October 1, 2008

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin: 060-49-8809
Loudoun Tax Map Parcel: 80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

DMEAST #9804263 v1

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MEMBER INTEREST PLEDGE AGREEMENT

THIS MEMBER INTEREST PLEDGE AGREEMENT (the "**Agreement**") is made and entered into as of _____, 2007,(the "**Effective Date**"), by **ERICKSON RETIREMENT COMMUNITIES, LLC**, a Maryland limited liability company ("**ERC**" or "**Pledgor**"), in favor of **STRATEGIC ASHBY PONDS LENDER LLC**, a Delaware limited liability company (the "**Pledgee**").

RECITALS

WHEREAS, Pledgee has made a loan to Ashburn Campus, LLC, a Maryland limited liability company ("**Borrower**"), secured by a deed of trust on that certain real property owned by Borrower and located in Loudoun County, Virginia (the "**Property**"); and

WHEREAS, subject to and upon the terms and conditions set forth in this Agreement and the Loan Agreement (the "**Mezzanine Loan Agreement**"), between Pledgee and Borrower, Pledgee has made the Mezzanine Loan, which together with all other capitalized terms not defined herein shall have the meaning set forth in the Mezzanine Loan Agreement; and

WHEREAS, Pledgor has partially guaranteed Borrower's performance under the Mezzanine Loan Agreement pursuant to that certain Limited Guaranty and Indemnity Agreement of even date herewith from Pledgor in favor of Pledgee (the "**Guaranty**"); and

WHEREAS, Pledgor, directly or indirectly, is the sole owner of one hundred percent (100%) of the equity interests of Borrower; and

WHEREAS, as a condition precedent to Pledgee making the Mezzanine Loan to Borrower, Pledgor has agreed to pledge and grant to Pledgee a security interest in the entire member interest in Borrower held by Pledgor consisting of a 100% sole member interest held by ERC (collectively, the "**Member Interest**"), in order to secure Borrower's performance under the Mezzanine Loan Agreement, and ERC'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 Mezzanine Loan Agreement.

2. Pledge. As security for (i) Borrower's full, prompt and complete payment of interest, and all other amounts required to be paid by Borrower under the Mezzanine Loan Agreement when due, (ii) the full, prompt and complete performance of all other obligations of Borrower under the Mezzanine Loan Agreement when due, (iii) Borrower's full, prompt and

complete payment and performance of Borrower's obligations pursuant to the Borrower Guaranty and the Ashburn IDOT, and (iv) Pledgor's full, prompt and complete performance of all of its obligations under the Guaranty ((i) (ii), (iii) and (iv) are hereinafter collectively referred to as the "**Obligations**"), the Pledgor hereby pledges and assigns to Pledgee the Member Interest and hereby grants to Pledgee a security interest in and to the Member Interest, including without limitation, all of Pledgor's capital accounts in and interest in the income, profits, gains and losses of Borrower and of Pledgor's right to receive distributions and the return of capital contributions from Borrower (collectively, the "**Collateral**"); provided however, that the Collateral shall not include cash payments, distributions or return of capital contributions or other payments by Borrower paid on, or in respect of, the Member Interest ("**Distributions**") so long as, at the time such Distributions are made or after giving effect to such Distributions, (A) neither Borrower nor Pledgor is in continuing default under any of the Project Documents (beyond applicable notice and cure periods), (B) Borrower is not in continuing default (beyond applicable notice and cure periods) under the Mezzanine Loan Agreement dealing with any payment thereunder, (C) no other default under the Mezzanine Loan Agreement dealing with matters other than any payment shall have occurred and is continuing (beyond applicable notice and cure periods) as to which Pledgee has not waived such Event of Default, (D) no claim for payment or performance has been made by Pledgee against Pledgor under the Guaranty which has not been satisfied, and (E) Pledgor has established in favor of Pledgee, as security for the payment of the Prepayment Price under the Mezzanine Loan Agreement, 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 Borrower in order to pay bona fide obligations of Borrower under the Project Documents) will be available to apply toward payment of the Prepayment Price if and when it becomes due and payable. Borrower may only make, and Pledgor may only receive, Distributions which are made in accordance with the foregoing conditions and limitations on making Distributions 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 Member Interest or other Collateral.

4. 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 (the "**UCC**"), 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 (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 Member 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 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 Borrower at least once in each of the two (2) calendar weeks immediately preceding the sale.

5. 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, Baltimore, Maryland 21228;

(b) Borrower 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 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 Member Interest free and clear of any liens, warrants, calls, security interests, options, encumbrances or other charges thereon or affecting title thereto, except the security interest created by this Agreement and perfected by the filing of the Financing Statement and the security interest therein granted to the Construction Lender pursuant to the Construction Loan Documents;

(e) 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 issuance of the Member Interest has been duly authorized and the Member Interest is validly issued, 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 operating agreement of the Borrower without the prior written consent of Pledgee (which consent may not be unreasonably withheld, conditioned or delayed); (ii) without the prior written consent of Pledgee, assign its rights to control Borrower or permit any other person to control Borrower; or (iii) waive, release or compromise any rights or claims that Pledgor may have against any other party which arise under the operating agreement of the Borrower;

(i) The Member Interest is not an interest which is dealt in or traded on securities exchanges or in securities markets, the terms of Borrower's operating agreement do not expressly provide that it is a security governed by Article 8 of the UCC, nor is the Borrower registered as an investment company under the federal investment company laws, and the Member 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 Member Interest.

6. 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.

7. No Further Transfer or Encumbrances. Except as permitted by the express terms of the Mezzanine Loan Agreement, 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 Member Interest in Borrower or the merger of Borrower with any other entity, except (i) where the issuance is not prohibited by the express terms of Mezzanine Loan Agreement 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 member interests in Borrower to a non-equity member as provided in Borrower's organizational documents, copies of which have been provided to Lender. Without in any way limiting the foregoing, unless and until Borrower exercises the Borrower Prepayment Option set forth in the Mezzanine Loan Agreement and pays Pledgee all amounts due in connection therewith, Pledgor may not elect to or voluntarily sell or in any manner convey the Member Interest.

8. 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 Member Interest and Pledgor shall have the right to receive Distributions, 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 beyond applicable notice and cure periods of (i) an Event of Default under the Mezzanine Loan Agreement or (ii) a claim by the Pledgee under the Guaranty which has not been satisfied, 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 Borrower 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), Borrower 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 Member 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:
Strategic Ashby Ponds Lender LLC
c/o Morgan Stanley US RE Investing Division
1585 Broadway, Floor 37
New York, NY 10036
Attn: Andrew S. Bauman
Phone: (212) 761-4468
Fax: (212) 761-0253

With a copy to:
Wilmer Hale LLP
100 Light Street – Suite 1300
Baltimore, Maryland 21202
Attn: Mark Pollak, Esq.
Phone: (410) 986-2860
Fax: (410) 986-2828

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If to Pledgor: Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: General Counsel
Phone: (410) 402-2350
Fax: (410) 402-2348

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. 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.

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 upon the earlier to occur of (i) the termination of the Mezzanine Loan Agreement and performance in full of the Obligations, or (ii) Pledgor's transfer of its interest in the Borrower or in the Mezzanine Loan Agreement pursuant to Article 14 of the Mezzanine Loan Agreement.

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.

22. Legend. Notwithstanding anything contained herein to the contrary, the interests and rights of Lender pursuant to this Agreement are subject in all respects to the terms, covenants, and limitations as set forth in (i) that certain Subordination and Standstill Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, Pledgee and Borrower (the "**Tri-Party Agreement**") and (ii) that certain Cross Tri-Party Agreement dated of even date herewith among Mercantile-Safe Deposit and Trust Company, SCL and Borrower (the "**Cross Tri-Party Agreement**"), the provisions of which Tri-Party Agreement and Cross Tri-Party Agreement, respectively, are incorporated herein by reference to the same extent as if fully set forth herein.

[*Signatures on following pages.*]

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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: _____
Name: Gerald F. Doherty
Title: Executive Vice President

[SIGNATURES CONTINUE ON NEXT PAGE]

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PLEDGEE:

STRATEGIC ASHBY PONDS LENDER LLC,
a Delaware limited liability company

By: STRATEGIC LP, a Utah limited partnership, its Member

By: Strategic Master LLC, a Utah limited liability company, its sole general partner

By: MSREA Holdings, LLC, a Delaware limited liability company, its managing member

By: _____ (SEAL)
Name: Andrew Bauman
Title: Vice President

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

DEBBIE BOND 2024662266

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CHICAGO TITLE INSURANCE COMPANY
1129 20TH STREET, NW
SUITE 300
WASHINGTON DC 20036

DELAWARE DEPARTMENT OF STATE
U.C.C. FILING SECTION
FILED 10:10 AM 06/12/2007
INITIAL FILING # 2007 2196565

SRV: 070697252

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: STRATEGIC ASHBY PONDS LENDER LLC

OR

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
MORGAN STANELY/US RE INVTNG DIV 1585 BROADWAY FLOOR 3	NEW YORK	NY	10036	US

1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION
L/LD LIABILITY COMPANY	DE

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

2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION

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, AS COLLATERAL AND ADMINISTRATIVE AGENT

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
TWO HOPKINS PLAZA 21ST FLOOR	BALTIMORE	MD	21201	US

Collateral Description - please see attachment

10. miscellaneous:
JUNIOR MORTGAGEE 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

JUNIOR MORTGAGEE FILING

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[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street – 18th 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 Strategic Ashby Ponds Lender LLC

1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Morgan Stanley/US RE Investing Division Morgan Stanley/US RE Investing Division 1585 Broadway, Floor 37	New York	NY	10036	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
		limited liability company	Delaware	DE - 4352496 ☐ 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
OR Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

See Exhibit "A", attached hereto and made a part hereof.

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: Delaware Secretary of State Junior Mortgagee Filing Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

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EXHIBIT "A"

TO UCC-1 FINANCING STATEMENT
FILED WITH THE
DELAWARE SECRETARY OF STATE

DEBTOR: STRATEGIC ASHBY PONDS LENDER LLC, a Delaware limited liability company

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, in its capacity as Collateral and Administrative Agent

This Financing Statement covers the following collateral:

All of Debtor's interest in and right, title, and interest as "Junior Mortgagee" under all of the following loan documents, and all proceeds thereof:

1. Loan Agreement between Ashburn Campus, LLC, a Maryland limited liability company ("**Ashburn**") and Debtor dated as of May 31, 2007;

2. Promissory Note by Ashburn in favor of the Debtor dated as of May 31, 2007;

3. Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing from Ashburn to and in favor of the Debtor dated as of May 31, 2007;

4. Lender-Developer Agreement between Erickson Retirement Communities, LLC, a Maryland limited liability company ("**ERC**") and Debtor dated as of May 31, 2007;

5. Limited Guaranty of ERC dated as of May 31, 2007;

6. Member Pledge from ERC to Debtor of its interests in Ashburn dated as of May 31, 2007;

7. Pledge Agreement from Ashburn to Debtor with regard to various contract rights and public entitlements dated as of May 31, 2007; and

8. All rights and interests of Debtor related to the foregoing documents and the matters described therein.

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Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ABOVE AND FOREGOING IS A TRUE AND CORRECT COPY OF A FINANCING STATEMENT FILED IN THE OFFICE OF UNIFORM COMMERCIAL CODE DATED THE TWELFTH DAY OF JUNE, A.D. 2007, BEARING FILE NUMBER 20072196565.

Jeffrey W. Bullock, Secretary of State

20100248934UCXH

100067846

AUTHENTICATION: 7776119

DATE: 01-25-10

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EXHIBIT 16

"Tenant Subordination Documents"

1. **"Tenant Subordination"**: Tenant Subordination Agreement
   (Ashby Ponds, Inc. for the benefit of the Administrative Agent)

2. Curative Rights Agreement
   (Ashby Ponds, Inc. for the benefit of the Administrative Agent)

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TENANT SUBORDINATION AGREEMENT

THIS TENANT SUBORDINATION AGREEMENT (this "**Tenant Subordination Agreement**") is given as of the 31st day of May, 2007, by ASHBY PONDS, INC., a Maryland non-stock corporation ("**AP**"), to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking institution, in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (hereinafter defined).

RECITALS

AP is the lessee under a certain Master Lease and Use Agreement dated approximately even date herewith (together with all amendments thereto from time to time, the "**Lease**") from Ashburn Campus, LLC, a Maryland limited liability company (which is hereinafter referred to as the "**Borrower**"), as landlord, to AP, of certain real property, together with the improvements thereon, located at 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia, as more particularly described in the Lease (the "**Premises**"), which Premises are to be used by AP 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 Lenders have made available to the Borrower a certain revolving construction loan in the aggregate principal amount at any one time outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**") for construction of the Retirement Community. The obligations of the Borrower in connection with the Loan have been secured by an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing encumbering the Premises dated of even date herewith (the "**Deed of Trust**") and certain Financing Statements related thereto (the "**Financing Statements**") (the Deed of Trust and the Financing Statements being hereinafter collectively referred to as the "**Documents**").

As a condition to the Lenders making the Loan available to the Borrower, the Lenders and the Administrative Agent have 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, AP will benefit from the advance of the Loan by the Lenders and AP 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. AP hereby acknowledges and agrees that the Lease and the rights and options granted to AP thereunder is and shall be subordinate, subject and inferior to the

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Documents and any other mortgage or deed of trust in favor of the Administrative Agent on behalf of the Lenders, whether securing the Loan or any other loan, financial accommodation or guaranty relating to the Premises or the Retirement Community.

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 Administrative Agent on behalf the Lenders), AP 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 Administrative Agent and the Lenders agree that the Lease shall not be terminated nor AP'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 (including this Tenant Subordination Agreement), the Working Capital Loan Documents or the Community Documents (as those terms are defined in the Loan Agreement) with respect to any obligations of AP, (b) AP is in compliance with all of the terms and conditions of all agreements between AP and the Administrative Agent and the Lenders, including, but not limited to, the Trust Agreement for Initial Entrance Deposits at Ashby Ponds and the Curative Rights Agreement between AP and the Administrative Agent both of even date herewith, (c) AP 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 (but if the Administrative Agent has received, pursuant to the Trust Agreement, funds from a Resident in an amount equal to the required loan advance with respect to such Resident under the Community Loan Agreement, the provisions of this paragraph (c) shall not apply as long as the Administrative Agent is entitled to retain such funds), and (d) AP is in compliance with all of its obligations under the Management Agreement of even date herewith between AP and Erickson Retirement Communities LLC, a Maryland limited liability company, or any amendment or replacement thereof approved by the Administrative Agent. 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 shall be subject to cure within thirty (30) days after written notice from the Administrative Agent to AP, the non-disturbance provisions of this paragraph shall not apply and the Administrative Agent shall be free to terminate the Lease and all of AP's rights with respect to the Premises.

4. In the event the non-disturbance provisions of Paragraph 3 do not apply and the Administrative Agent terminates the rights of AP under the Lease, the Administrative Agent 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 Administrative Agent will make available basic

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utility services (i.e. heat, air conditioning, electricity, water, sewer) at the cost of the Resident. The Administrative Agent and the Lenders specifically disclaim 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 Administrative Agent and the Lenders owe no obligations to the Residents except as specifically provided for in this Paragraph 4.

5. AP hereby agrees not to modify or amend the Lease, the Working Capital Loan Documents or the Community Documents (as defined in the Loan Agreement), without the prior written consent of the Administrative Agent, and agrees that no consent or waiver given to it under the Lease, the Working Capital Loan Documents or the Community Documents, shall be valid without the prior written consent of the Administrative Agent.

6. AP hereby agrees to furnish to the Administrative Agent a duplicate copy of the financial information to be supplied to the Borrower as required by the Lease.

7. AP does hereby agree to execute, acknowledge and deliver to the Administrative Agent such further instruments as may be necessary to effectuate the purposes of this Tenant Subordination Agreement.

8. AP agrees, as long as the Lease, the Working Capital Loan Documents and/or the Community Loan Documents are in effect, that

(a) AP shall cooperate fully with the Borrower in providing to the Administrative Agent 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) AP shall furnish to the Administrative Agent, within ten (10) days after filing thereof, copies of all federal, state and local income tax returns or informational filings for AP;

(c) AP 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 Administrative Agent as requested by the Administrative Agent from time to time and (iii) permit the Administrative Agent, by its agents, accountants and attorneys to enter and inspect all properties and operations of AP and to examine such records and books of account. The Administrative Agent will use reasonable efforts to not interfere with the business of AP in the course of such inspections; and

(d) AP will comply with all other covenants and requirements contained in the Loan Documents referring to AP, including all single purpose entity and separateness covenants.

9. Capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement.

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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 Administrative Agent's obligations under this Tenant Subordination Agreement shall expire on the date of release or satisfaction of the Documents or on such earlier date on which the Administrative Agent sells or assigns all of its rights under the Documents to another bank or lender. AP's obligations under this Tenant Subordination Agreement shall expire on the earlier of the date of release or satisfaction of the Documents.

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 Virginia, this Tenant Subordination Agreement shall be governed by the laws of Virginia; it being understood that, to the fullest extent permitted by the laws of Virginia, 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 Virginia is not specifically made the law applicable to this Tenant Subordination Agreement.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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WITNESS the following hands and seals as of the day and year first above written.

WITNESS:

Cathy A. Walker

ASHBY PONDS, INC.

By: Ronald E. Walker (SEAL)
Ronald E. Walker
President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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WITNESS the following hands and seals as of the day and year first above written.

WITNESS:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Collateral and Administrative Agent

_____

By: _____(SEAL)
Bruce D. McLean
Senior Vice President

ACKNOWLEDGED AND AGREED as of the ___ day of May, 2007.

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

_____

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

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WITNESS the following hands and seals as of the day and year first above written.

WITNESS:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Collateral and Administrative Agent

_____

By: _____(SEAL)
Bruce D. McLean
Senior Vice President

ACKNOWLEDGED AND AGREED as of the 31 day of May, 2007.

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

Cally M. Thompson

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

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CURATIVE RIGHTS AGREEMENT

(AP)

THIS CURATIVE RIGHTS AGREEMENT (this "**Agreement**") is given as of the 31st day of May, 2007 by ASHBY PONDS, INC., a Maryland non-stock corporation ("**AP**") to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation in its capacity as Collateral and Administrative Agent (hereinafter referred to as "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Construction Loan Agreement of even date herewith among the Administrative Agent, the Lenders and Ashburn Campus, LLC, a Maryland limited liability company (the "**Borrower**"), as follows:

RECITALS

Reference is hereby made to a Tenant Subordination Agreement between AP and Administrative Agent 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, AP is a party to certain other agreements with the Borrower, including the Community Documents, as defined in the Loan Agreement. The Lenders have required, as a condition to their execution of the Loan Agreement, that AP execute and deliver this Agreement granting to the Administrative Agent certain curative rights with respect to any and all agreements of any kind between AP 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, AP makes the following agreements in favor of and grants the following rights to the Administrative Agent on behalf of the Lenders:

1. AP agrees that, notwithstanding any contrary provisions of the Curable Documents, AP 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 AP has done the following:

   a. Notified the Administrative Agent 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;

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b. Given the Administrative Agent 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 Administrative Agent's receipt of any notice under paragraph (a) of this Agreement in which to effect the cure specified by AP, provided that any such period shall be extended for a reasonable time if the Administrative Agent has promptly undertaken and is diligently pursuing such a cure.

2. AP agrees that:

a. if the Administrative Agent 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 AP 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 Administrative Agent shall be entitled to cure defaults under the Curable Documents in accordance with the terms of this Agreement, but AP also acknowledges and agrees that neither the Administrative Agent nor the Lenders shall ever be obligated to pursue or effect any such cure, and that this Agreement confers no rights on AP or any of its successors or assigns; any action taken by the Administrative Agent hereunder shall be solely in the Administrative Agent's discretion.

3. AP agrees not to modify or amend the Curable Documents, without the prior written consent of the Administrative Agent, and agrees that no consent or waiver given to it under the Curable Documents shall be valid without the prior written consent of the Administrative Agent.

4. AP warrants and represents to the Administrative Agent and the Lenders that all possible defaults by the Borrower under the Curable Documents are and shall at all times remain susceptible of cure by the Administrative Agent in accordance with the terms of this Agreement. AP further warrants and represents to the Administrative Agent and the Lenders 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 AP to pursue remedies thereunder is the failure of the Borrower to pay amounts owing thereunder, and AP agrees that (a) if the Administrative Agent 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 Administrative Agent (and at all times prior to any default by the Borrower) AP shall make all loans required to be made by AP to the Borrower under the terms of the Community Loan Documents. The representations and warranties contained in this paragraph shall be

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construed to mean, among other things, that AP 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. AP acknowledges and agrees that under no circumstances shall the Administrative Agent or the Lenders be or become obligated to AP for repayment of any loans or other obligations now or hereafter owed to AP under the Curable Documents. AP agrees that if any funds otherwise to be advanced to the Borrower or to any party other than the Administrative Agent or the Lenders are received by the Administrative Agent or the Lenders, by whatever means, including but not limited to judicial process, such funds shall not constitute loans from AP to the Administrative Agent or the Lenders and may not be recovered by AP from the Administrative Agent or the Lenders 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 Administrative Agent or the Lenders 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 and interpreted 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 Virginia, this Agreement shall be governed by the laws of Virginia; it being understood that, to the fullest extent permitted by the laws of Virginia, the laws of the State of Maryland shall govern the validity and enforceability of this Agreement in all instances where the law of Virginia is not specifically made the law applicable to this Agreement.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, and intending to be legally bound hereby, AP has executed this Agreement as of the day and year first above written.

WITNESS:

ASHBY PONDS, INC.

By: _____ (SEAL)
Ronald E. Walker
President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Capmark - CD#28 - Control ID#1181

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:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

By: _____ (SEAL)
Name: Gerald F. Doherty,
Title: Executive Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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Cathy M. Thompson

MANAGER:

ERICKSON RETIREMENT COMMUNITIES, LLC

By: _____ (SEAL)
Name: Gerald F. Doherty,
Title: Executive Vice President

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EXHIBIT 15

"Ashby Ponds Subordination Documents"

1. **"Ashby Ponds Subordination":** Subordination Agreement (Creditor: Ashby Ponds, Inc.)

2. UCC-1 Financing Statement Filed With The Maryland State Department Of Assessments And Taxation

3. Collateral Assignment Of Junior Deed of Trust

Capmark - CD#28 - Control ID#1181

SUBORDINATION AGREEMENT
(Ashby Ponds, Inc.)

THIS SUBORDINATION AGREEMENT (the "**Agreement**") is made as of the 31st day of May, 2007 in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (hereinafter defined) by ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Borrower**"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company (the "**Guarantor**"), and ASHBY PONDS, INC., a Maryland non-stock corporation ("**AP**") (AP being hereinafter sometimes referred to as the "**Creditor**").

RECITALS

A. The Borrower has requested loans up to $125,000,000.00 (collectively, the "**Loan**") from the Lenders, pursuant to the terms of a Construction Loan Agreement between the Lenders, the Administrative Agent and the Borrower dated of even date herewith (the "**Loan Agreement**"). The Loan is evidenced by an Amended and Restated Revolving Loan Note from the Borrower dated of even date herewith (as amended, restated, replaced or otherwise modified, the "**Note**"), is guaranteed by the Guarantor pursuant to a Guaranty Agreement of even date herewith (the "**Guaranty**") and is secured by, among other things, an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "**Deed of Trust**") upon property located in Loudoun County, Virginia (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 AP by the Borrower, and AP has entered into an agreement with Guarantor 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 the Guarantor to the Administrative Agent and the Lenders 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 Deed of Trust. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditor, the Borrower and the Guarantor 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 Deed of Trust 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 the Guarantor 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 Lenders have 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 the Guarantor 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 Administrative Agent and the Lenders under the Loan Documents, and the Creditor agrees that all claims of the Administrative Agent and the Lenders 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 Administrative Agent and any others as may be reviewed and approved by the Administrative Agent 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 Administrative Agent, 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 Guarantor agree not to pay to the Creditor, any such claim or claims. All sums received by the Creditor from Borrower or the Guarantor following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantor 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 Administrative Agent to be held by the Administrative Agent, 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 Lenders' Obligations; provided that if any sums are delivered to the Administrative Agent prior to the cure of a curable Default under the Loan Documents, the Administrative Agent shall return such funds to the party entitled thereto after

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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 Administrative Agent on behalf of the Lenders.

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 Administrative Agent on behalf of the Lenders a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of the Administrative Agent, the Creditor shall endorse, assign, and deliver to the Administrative Agent in a manner acceptable to the Administrative Agent 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 Administrative Agent, or any of its officers or employees on behalf of the Administrative Agent and the Lenders, 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 Administrative Agent's and Lenders' Claims 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 the Guarantor under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Administrative Agent's and the Lenders' claims against the assets of the Borrower and the Guarantor shall be paid in full before any payment is made by or on behalf of the Borrower or the Guarantor to the Creditor. The Creditor, the Borrower and the Guarantor agree that the Administrative Agent, on behalf of the Lenders, 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 Administrative Agent to facilitate such direct collection by the Administrative Agent.

5. Collection of Claims of the Creditor. The Creditor agrees to pay over to the Administrative Agent on account of the claim or claims of the Administrative Agent and the Lenders against the Borrower and the Guarantor any funds that may be received by the Creditor from the Borrower and/or the Guarantor, or for or on behalf of the Borrower and/or the Guarantor, 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 Administrative Agent, 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 Guarantor's 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 Guarantor and the rights and privileges of the Administrative

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Agent and the Lenders hereunder shall continue until payment in full of all amounts due under the Loan Documents.

7. Waiver. The Administrative Agent and the Lenders 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 Guarantor to the Administrative Agent and the Lenders 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 Administrative Agent or the Lenders 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 Administrative Agent.

9. Notice. The Creditor agrees to notify the Administrative Agent 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 the Guarantor 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 Administrative Agent for the benefit of the Lenders of any funds or property payable to the Creditor from the Borrower's and/or the Guarantor's assets not previously assigned to the Administrative Agent for the benefit of the Lenders.

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 governed, 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 creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

13. Agreement of Borrower and Guarantor. The Borrower and Guarantor join in this Agreement to evidence their consent hereto and agree to be bound by the terms hereof. The Borrower and Guarantor shall not take any action which would violate the provisions of this Agreement.

14. Counterparts. This document may be executed in Counterparts.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

WITNESS:

ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS ADMINISTRATIVE AGENT

By: _____ (SEAL)
Bruce D. McLean
Senior Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

Cathy H. Thompson

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, and intending to be legally bound, the Creditor has executed this Subordination Agreement as of the date set forth above.

WITNESS:

Cathy A. Walker

CREDITOR:

ASHBY PONDS, INC.

By: Ronald E. Walker (SEAL)
Ronald E. Walker
President

Capmark - CD#28 - Control ID#1181

EXHIBIT A

"Subordinated Documents which have been approved by the Administrative Agent"

1. Community Loan Agreement dated MAY 31, 2007 between Ashby Ponds, Inc., as lender, and Ashburn Campus, LLC, as borrower, and related loan documents.

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STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

2007 MAY 11 A 8:56

ASSESSMENTS AND TAXATION

[redacted]

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street
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: Ashby Ponds, Inc.

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
		corporation	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, in its capacity as Collateral and Administrative Agent

OR

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	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 Ashburn Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Guarantor") to the Debtor, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof, and all rights and interests of Debtor 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, the Guarantor 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) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)
DMEAST #9776901 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: 5/11/07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: [signature], Custodian

This stamp replaces our previous certification system. Effective: 6/95

515-1990

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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):

1000361994747313

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747313
ORIGINAL FILE NUMBER: 0000000181306273
LIBER: U00515 FOLIO: 1990 PAGES: 0002

____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

Stamp Work Order and Customer Number HERE

CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$575.00

Capmark - CD#28 - Control ID#1181

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
1802701360

(4)

COLLATERAL ASSIGNMENT OF JUNIOR DEED OF TRUST

THIS COLLATERAL ASSIGNMENT OF JUNIOR DEED OF TRUST (this "**Assignment**") given as of the 31st day of May, 2007, by ASHBY PONDS, INC., a Maryland non-stock corporation ("**AP**") to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to that certain Construction Loan Agreement of even date herewith by and among AC (as hereinafter defined), the Administrative Agent and the Lenders.

RECITALS

WHEREAS, AP is the Beneficiary named in that certain Community Deed of Trust dated approximately even date herewith by and between Ashburn Campus, LLC, a Maryland limited liability company ("**AC**"), as grantor and AP, as beneficiary (the "**Junior Deed of Trust**"), which Junior Deed of Trust is recorded as Instrument Number 20070612004411 3 in the land records of Loudoun County, Virginia; and

WHEREAS, pursuant to a Subordination Agreement of even date herewith (the "**Subordination Agreement**") AP has agreed to subordinate payment under the notes and other obligations referred to in the Junior Deed of Trust (the "**Subordinated Indebtedness**") to payment of certain loans made by the Lenders to AC, in the maximum principal amount of One Hundred Twenty-Five Million Dollars ($125,000,000.00) and which are evidenced by an Amended and Restated Revolving Loan Note from AC to Administrative Agent of even date herewith (as amended, restated, replaced, or otherwise modified, the "**Note**"); and

WHEREAS, AC has secured its obligations in connection with the Note by, among other things, an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith by and between AC and the Administrative Agent (the "**Senior Deed of Trust**"), which Senior Deed of Trust is recorded in the land records of Loudoun County, Virginia as Instrument Number 2007 0612 0044111 ; and

WHEREAS, as collateral for its obligations under the Subordination Agreement, AP has pledged and granted to the Administrative Agent a security interest in the Subordinated Indebtedness; and

WHEREAS, the parties now desire to record this Assignment to evidence the fact that the Administrative Agent is holder of the Subordinated Indebtedness and all rights related thereto, including all rights under the Junior Deed of Trust.

NOW, THEREFORE, THIS ASSIGNMENT WITNESSED, that for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby stipulate and agree as follows:

1. AP has transferred, assigned, granted and conveyed to the Administrative Agent, and by these presents hereby confirms the transfer, assignment, grant and conveyance of,

20070612-0044114
Loudoun County, VA Pgs: 4
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

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all interest of AP in and under the Junior Deed of Trust, as the beneficiary thereof and thereunder.

2. Upon full payment of the Note, and the performance of all other obligations owing to the Administrative Agent and the Lenders under the Loan Documents described in the Senior Deed of Trust, the Administrative Agent will transfer, reassign, regrant and reconvey to AP all interests in, to and under the Junior Deed of Trust.

3. Except as provided to the contrary below, this Assignment shall be governed by, construed and interpreted 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 the Virginia, this Assignment shall be governed by the laws of the interests in or assignments of any of the Property, or as otherwise required by the laws of the Virginia, it being understood that, to the fullest extent permitted by the laws of the interests in or assignments of any of the Property, or as otherwise required by the laws of the Virginia, the laws of the State of Maryland shall govern the validity and enforceability of this Assignment in all instances where the interests in or assignments of any of the Property, or as otherwise required by the laws of the Virginia, is not specifically made the law applicable to this Assignment.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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WITNESS the following hands and seals.

WITNESS:

Cathy A. Walker

ASHBY PONDS, INC.

By: Ronald E. Walker (SEAL)
Ronald E. Walker
President

STATE/~~COMMONWEALTH~~ OF Maryland, CITY/~~COUNTY~~ OF Baltimore, to wit:

I HEREBY CERTIFY, that on this 25th day of May, 2007, before me, the undersigned Notary Public of the State/~~Commonwealth~~ of Maryland, personally appeared Ronald E. Walker, President of Ashby Ponds, 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 Ashby Ponds, Inc., and that he executed the same as President of Ashby Ponds, Inc. for the purposes contained therein.

WITNESS my hand and official seal.

Patricia O. Keller (SEAL)
Notary Public

My Commission Expires: 6-1-2008

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
Bruce D. McLean
Senior Vice President

STATE OF MARYLAND, ~~XXX~~/COUNTY OF Anne Arundel, to wit:

I HEREBY CERTIFY, that on this 23rd day of May, 2007, 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.

_____ (SEAL)
Notary Public

My Commission Expires:_____

Michele J. Johnson
NOTARY PUBLIC
Anne Arundel County
State of Maryland
My Commission Expires
February 1, 2010

When Recorded, Return To:

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

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
18020136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

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EXHIBIT 14

"Trust Agreement"

Trust Agreement For Initial Entrance Deposits At Ashby Ponds

Capmark - CD#28 - Control ID#1181

TRUST AGREEMENT FOR INITIAL ENTRANCE DEPOSITS AT ASHBY PONDS

THIS TRUST AGREEMENT FOR INITIAL ENTRANCE DEPOSITS AT ASHBY PONDS (this "**Agreement**") is made as of the 31st day of May, 2007 by ASHBY PONDS, INC., a Maryland nonstock corporation (the "**Tenant**") and ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Borrower**") for the benefit and in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, as collateral and administrative agent (the "**Bank Agent**") pursuant to the terms of a Construction Loan Agreement dated as of May 31, 2007 by and between the Borrower, the Bank Agent and the other "**Lenders**" identified therein (the "**Loan Agreement**").

RECITALS

A. Pursuant to the terms of the Loan Agreement, the Lenders have made available to the Borrower a revolving construction loan and letter of credit facility in the maximum principal amount of $125,000,000.00 (the "**Loan**") to be used for the following purposes: (a) for advances to the Borrower for the construction of a continuing care retirement community containing approximately 1,585 independent living units, 96 assisted living units and 132 skilled nursing units (each, a "**Unit**") and located in Ashburn, Virginia, such community to be known as "**Ashby Ponds**"; (b) for the issuance of letters of credit in connection with the development of Ashby Ponds; (c) for advances to the Borrower, the proceeds of which are to be reloaned to the Tenant to meet the Tenant's general working capital needs pursuant to that certain Working Capital Loan Agreement by and between Borrower and Tenant dated as of approximately even date herewith, as evidenced by a Working Capital Promissory Note (collectively, the "**Working Capital Loan Documents**"); (d) for payment of interest due with respect to the Loan; and (e) for payment of certain development distributions on the terms provided for in the Loan Agreement. The Loan Agreement and every other document executed in connection with the Loan are collectively referred to herein as the "**Loan Documents.**"

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

C. The Tenant will receive entrance deposits from the residents of Ashby Ponds (the "**Residents**") under the terms of the Residence and Care Agreements ("**RCAs**") executed by and between the Tenant and such Residents. As used herein, the terms "**Entrance Deposits**" and "**Initial Entrance Deposits**" shall have the meanings ascribed to those terms in the Loan Agreement (and as set forth on Exhibit A attached hereto).

D. The Tenant has agreed to lend the Initial Entrance Deposits to the Borrower pursuant to the terms of a Community Loan Agreement between the Tenant and the Borrower dated as of approximately even date herewith (the "**Community Loan Agreement**").

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E. The Bank Agent has requested that the Tenant and the Borrower enter into this Agreement setting forth the terms on which Initial Entrance Deposits will be held in trust by the Tenant for the benefit of the Bank Agent, acting as agent for the Lenders. The Tenant and the Borrower each understands that (a) without the proceeds of the Loan, the Borrower cannot build Ashby Ponds and cannot provide working capital funds to the Tenant to operate Ashby Ponds, (b) the Initial Entrance Deposits are the intended source of repayment of the Loan, and (c) the Lenders are not obligated to advance the Loan proceeds unless the Tenant and the Borrower enter into this Agreement. For these reasons, and in consideration of certain provisions which the Bank Agent is including, at Tenant's request, in the Tenant Subordination Agreement by and between the Bank Agent and the Tenant dated as of approximately even date herewith, the Tenant and the Borrower desire to enter into this Agreement.

F. All capitalized terms not defined herein are intended to have the meanings ascribed to those terms in the Loan Documents.

NOW, THEREFORE, for and 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 Tenant and the Borrower each hereby agrees that all of its right, title and interest arising at any time or from time to time in and to any and all Initial Entrance Deposits of Residents of Ashby Ponds, and all interest thereon and additions thereto, in whatever form delivered and including checks, P-Notes (hereinafter defined) or other assets delivered in lieu of cash (collectively, the "**Trust Funds**") are, and the same are hereby declared to be, subject to the terms of this Agreement, and all such Trust Funds shall at all times be held by the Tenant or any agent of the Tenant and the Borrower or any agent of the Borrower IN TRUST, for the benefit of the Bank Agent.

2. The Trust Funds (excluding P-Notes (as defined below) shall be delivered by the Tenant to the Trust Account identified on Exhibit B attached hereto (the "**Trust Account**") at least once per week, and on any date on which the amount of all cash, checks, drafts, wires, deposits or other forms of payment of the Trust Funds equals or exceeds Two Million Dollars ($2,000,000), exclusive of Resident promissory notes ("**P-Notes**"). P-Notes shall be held by the Tenant in a secure location until paid by Residents, at which time the amounts paid in respect of such P-Notes shall be subject to the foregoing provisions. At the request of the Bank Agent, all P-Notes shall be delivered to the Bank Agent for safe keeping until paid by Residents. The parties agree that the provisions of this paragraph 2 shall apply to Trust Funds held in the Escrow Account only when such funds are available for release from such Escrow Account in accordance with all applicable laws, rules and regulations as well as the provisions of the Escrow Agreement governing the Escrow Account. The Tenant shall not deposit any Trust Funds to any account other than the Escrow Account, as and when required by the terms of the Escrow Agreement and this Agreement. All Trust Funds held by Tenant in any form shall be held IN TRUST until delivered to the Trust Account, and shall be kept separate and apart from any and all other assets of the Tenant. Notwithstanding anything set forth hereinabove, the Bank Agent shall have the right at any time, in its sole discretion, to require that the Trust Account and the Trust Funds held in such Trust Account be transferred, at Bank Agent's choice, to a new trust account (i) on the books of the Bank Agent, or (ii) at a bank or

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lending institution with reasonably comparable terms and conditions of the then current Trust Account.

3. All Trust Funds deposited in the Trust Account shall be deemed to constitute loan advances by the Tenant to the Borrower under the terms of the Community Loan Agreement. However, the treatment of the Trust Funds by and between the Tenant and the Borrower shall not limit or impair the obligations of the Tenant to hold the Trust Funds IN TRUST for the benefit of the Bank Agent or the obligation to deliver the Trust Funds to the Trust Account in accordance with the terms of this Agreement.

4. The Tenant and the Borrower each acknowledges and agrees that the ability of the Bank Agent (acting on behalf of the Lenders) to rely on the delivery of the Trust Funds to the Trust Account by the Tenant in accordance with the terms of this Agreement is a necessary condition to the willingness of the Bank Agent to lend the proceeds of the Loan to the Borrower for the development of Ashby Ponds. The Tenant and the Borrower each will benefit directly from the development of Ashby Ponds, and is willing to give the assurances necessary in order to induce the Bank Agent to lend the proceeds of the Loan to the Borrower. Accordingly, the Tenant and the Borrower each hereby waives any right it may now or hereafter have to assert any claim or defense in any bankruptcy proceeding which might limit or impair the obligations of the Tenant to hold the Trust Funds in trust pursuant to the terms of this Agreement and to deliver them to the Trust Account at the times and in the manner specified in this Agreement.

5. The Borrower acknowledges and agrees that it shall not have any right to receive any of the Trust Funds except as specified in paragraph 6 below, but that any Trust Funds which it may for any reason receive at any time, except as specified in paragraph 6 below, shall be held IN TRUST for the Bank Agent and shall be immediately delivered to the Tenant to be handled in accordance with the terms of this Agreement.

6. Any Trust Funds held in the Trust Account on any date on which there are no amounts outstanding in connection with the Loan Agreement shall be delivered by the Bank Agent to the Borrower, which act the Tenant hereby authorizes, as the proceeds of an advance under the Community Loan Agreement. Upon delivery of any such Trust Funds to the Borrower under this paragraph 6, such Trust Funds shall no longer be subject to the terms of this Agreement.

7. This Agreement shall expire only upon the irrevocable payment to Bank Agent of all amounts owing in connection with the Loan Agreement and other Loan Documents, and the termination of all obligations of the Bank Agent and the Lenders to make additional advances in connection with the Loan Agreement and other Loan Documents.

8. The Tenant and the Borrower each hereby grants to the Bank Agent a security interest in and to all of its right, title and/or interest in and to the Trust Funds and any and all proceeds thereof, should it be determined by a court of competent jurisdiction or otherwise that the Tenant or Borrower has any such right, title and/or interest in and or to the Trust Funds. The granting of this security interest is not intended to and does not create or acknowledge in any manner the existence of any such right, title and/or interest by the Tenant or Borrower in the Trust Funds and the Tenant and the Borrower each hereby acknowledges that

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the Trust Funds are, in fact, held in trust under the terms of this Agreement. The security interest granted herein shall secure all of the obligations of the Tenant and the Borrower under this Agreement and under the Loan Documents. Tenant and Borrower will execute any and all documents reasonably requested by the Bank Agent to evidence and/or perfect such security interest.

9. No amendment or waiver of any provision of this Agreement, or consent to any departure by Tenant herefrom, shall in any event be effective unless the same shall be in writing and signed by Tenant, Borrower and Bank Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

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

If to the Bank Agent:
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 1800
Baltimore, Maryland 21202

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

with a copy to:
General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

If to Tenant:
Ashby Ponds, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: President

with a copy to:
Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1500
Baltimore, Maryland 21202-1626

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

11. No failure or delay on the part of Bank Agent 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.

12. 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.

13. **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.

14. **ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST TENANT AND/OR BORROWER ARISING OUT OF 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 TENANT AND BORROWER EACH 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.** Tenant designates and appoints Herman B. Rosenthal, Esquire, at the address set forth above, and such other persons as may hereafter be selected by Tenant 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 Tenant to be effective and binding service in every respect. A copy of any such process so served shall be mailed by registered mail to Tenant 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

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Tenant refuses to accept service, Tenant hereby agrees that service of process sufficient for personal jurisdiction in any action against Tenant in the State of Maryland may be made by registered or certified mail, return receipt requested, to Tenant as provided in this Agreement, and Tenant hereby acknowledges that such service shall be effective and binding in every respect. Borrower designates and appoints Gerald F. Doherty, Esquire, at the address set forth above for the Borrower, and such other persons as may hereafter be selected by Borrower 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 Borrower to be effective and binding service in every respect. A copy of any such process so served shall be mailed by registered mail to Borrower 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 Borrower refuses to accept service, Borrower hereby agrees that service of process sufficient for personal jurisdiction in any action against Borrower in the State of Maryland may be made by registered or certified mail, return receipt requested, to Borrower as provided in this Agreement, and Borrower 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 Bank Agent to bring proceedings against Tenant or Borrower in the courts of any other jurisdiction.

15. **TENANT AND BORROWER AND BANK AGENT EACH 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 PARTIES, 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 PARTIES FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.**

16. 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.

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IN WITNESS WHEREOF, and intending to be legally bound hereby, the Tenant and the Borrower have executed this Agreement as of the day and year first above written.

WITNESS:

Cathy A. Walker

ASHBY PONDS, INC.

By: Ronald E. Walker (SEAL)
Name: Ronald E. Walker
Title: President

ASHBURN CAMPUS, LLC

_____

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

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IN WITNESS WHEREOF, and intending to be legally bound hereby, the Tenant and the Borrower have executed this Agreement as of the day and year first above written.

WITNESS:

_____

Cathy H. Hanson

ASHBY PONDS, INC.

By: _____ (SEAL)
Name: Ronald E. Walker
Title: President

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Sole Member

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

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EXHIBIT A

DEFINED TERMS

(a) Entrance Deposits: The "Entrance Deposits" defined in and payable under the RCAs, including the Priority List Deposit, the Reservation Deposits, the Signing Deposit and the Final Deposit and all other deposits described on the Deposit Schedule.

(b) Deposit Schedule: The Deposit Schedule and Move-in Check List attached hereto as Exhibit A-I.

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

(d) Developer: Erickson Retirement Communities, LLC, a Maryland limited liability company.

(e) Entrance Deposits: The "Entrance Deposits" defined in and payable under the RCAs, including the Priority List Deposit, the Reservation Deposits, the Signing Deposit and the Final Deposit and all other deposits described on the Deposit Schedule.

(f) Escrow Account: The "Escrow Account" as the term is defined in the Escrow Agreement.

(g) Escrow Agent: The Escrow Agent named as such in, and acting pursuant to, the Escrow Agreement.

(h) Escrow Agreement: The Ashby Ponds, Inc. Escrow Agreement to be entered into by and among the Tenant, Erickson Retirement Communities, LLC and the Escrow Agent, as the same may be further amended from time to time with approval of the Bank Agent.

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

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

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

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

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

(n) Signing Deposits: That portion of the Entrance Deposit due at the time of signing of the RCAs by each Resident, equal to ten percent (10%) of the Entrance Deposit for a Unit.

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EXHIBIT A-1

Deposit Schedule and Move-in Check List

- ☐ **Priority List:** $1,000.00 fully refundable deposit to hold your priority date $150 per person, one-time refundable processing fee
- ☐ **Reservation:** Choose your apartment and lock in the current entrance deposit. This step initiates the following process (no additional deposit at this time)
- ☐ **90 Day Deposit:** $2,000.00 fully refundable deposit, 3 months after apartment reservation, to continue holding your apartment.
- ☐ **180 Day Deposit:** $2,000 fully refundable deposit, 6 months after apartment reservation, to continue holding your apartment.

Between Reservation and Move:

- ☐ If applicable, prepare house for sale and contact Real Estate Brokers for estimates.
- ☐ Meet with Move-in Coordinator to discuss the selections available at our Design Center

Approval Process:
Approval process occurs within six months of your move

- ☐ **Health Interview** determines if independent living is complimentary to your current lifestyle or if another type of living would be more suitable.
  - This is not a physical examination, it is a verbal process
  - Please remember to bring your health form (to be provided) and health insurance cards.
- ☐ **Financial Interview** determines your financial eligibility for Ashby Ponds.
  - 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 Ashby Ponds.
- ☐ 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 Ashby Ponds

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EXHIBIT B

TRUST ACCOUNT

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EXHIBIT 13

"Bank Branch Agreement"

Agreement Regarding Bank Branch

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AGREEMENT REGARDING BANK BRANCH

For Value Received, Ashby Ponds, Inc., a Maryland non-stock corporation ("**AP**") agrees that Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation (the "**Lender**") and its affiliates, correspondents and/or participants shall have the exclusive right to operate any bank branch at Ashby Ponds (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 accepted by AP pursuant to the lease between AP and Ashburn Campus, LLC, a Maryland limited liability company ("**AC**") and is available for occupancy, or on such earlier date as the Lender notifies AP or AC in writing that the Lender has decided not to operate such branch. The rights of the Lender (and its affiliates, correspondents and/or participants or co-lenders) with respect to any particular Bank Branch space shall terminate if (a) one of the Lender, its affiliates, correspondents and/or participants or co-lenders, fails to enter into a lease for such Bank Branch Space (for a term to begin upon such date the Bank Branch Space becomes available for occupancy) within thirty (30) days after written notice from AP or AC, 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 AP and AC and will be available for occupancy, at a rate and on terms acceptable to AP, and (b) AP 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 AP than the rates and terms last offered by AP to the Lender, its affiliates, correspondents and/or participants or co-lenders.

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 Virginia, this Agreement shall be governed by the laws of Virginia; it being understood that, to the fullest extent permitted by the laws of Virginia, the laws of the State of Maryland shall govern the validity and enforceability of this Agreement in all instances where the law of Virginia is not specifically made the law applicable to this Agreement.

[SIGNATURE APPEARS ON FOLLOWING PAGE]

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WITNESS

Cathy A. Walker

ASHBY PONDS, INC.

By: Ronald E. Walker (SEAL)
Ronald E. Walker
President

Date: May 31, 2007

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EXHIBIT 12

"Ashby Consent"

Consent Of Ashby Ponds, Inc.

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CONSENT OF ASHBY PONDS, INC.

FOR VALUE RECEIVED, ASHBY PONDS, INC., a Maryland non-stock corporation ("**AP**") hereby consents to any and all grants of security interests by ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Borrower**") to Mercantile-Safe Deposit and Trust Company, a Maryland banking institution (the "**Administrative Agent**"), 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 AP. This Consent is specifically intended to include all rights granted to the Administrative Agent 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 AP 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 approximately even date herewith. AP waives the provisions of any agreement which would prevent or condition the granting of security interests by the Borrower to the Administrative Agent with respect to any obligations, or collateral for obligations, owing by AP to the Borrower.

Except as provided to the contrary below, this Consent of Ashby Ponds, 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 Virginia, this Consent shall be governed by the laws of Virginia, it being understood that, to the fullest extent permitted by the laws of Virginia, the laws of the State of Maryland shall govern the validity and enforceability of this Consent in all instances where the law of Virginia, is not specifically made the law applicable to this Consent.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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WITNESS:

Cathy A. Walker

ASHBY PONDS, INC.

BY: Ronald E. Walker (SEAL)
Ronald E. Walker
President

DATE: May 31, 2007

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EXHIBIT 11

"Tenant Security Documents"

1. **"Tenant Security Agreement"**

   Security Agreement, Pledge And Collateral Assignment Of Licenses And Residence And Care Agreements (From Ashby Ponds, Inc. To Ashburn Campus, LLC)

2. UCC-1 Financing Statement Filed With The Maryland State Department Of Assessments And Taxation
   (Debtor: Ashby Ponds, Inc.; Secured Party: Ashburn Campus, LLC)

3. UCC-3 Financing Statement Amendment To Above Filing Filed With The Maryland State Department Of Assessments And Taxation
   (Assignment To Administrative Agent)

4. UCC-1 Financing Statement Filed Among The Land Records Of Loudoun County, Virginia
   (Debtor: Ashby Ponds, Inc.; Secured Party: Ashburn Campus, LLC)

5. UCC-3 Financing Statement Amendment To Above Filing Filed With The Maryland State Department Of Assessments And Taxation
   (Assignment To Administrative Agent)

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SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS

(From Ashby Ponds, Inc. to Ashburn Campus, LLC)

THIS SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS (this "**Security Agreement**") is made as of the 31st day of May, 2007 in favor of Ashburn Campus, LLC, a Maryland limited liability company ("**AC**") (AC is sometimes referred to hereinafter as the "**Secured Party**") by Ashby Ponds, Inc., a Maryland non-stock corporation ("**AP**") (AP 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 AC, including, without limitation, such indebtedness, liabilities and obligations of the Grantor to AC, 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 AC and AP dated approximately even date herewith (the "**Lease**"), (ii) the Community Loan Agreement by and between AC and AP dated approximately even date herewith (the "**Community Loan Agreement**"), pursuant to which AP agreed to make certain loans to AC from the proceeds of the Entrance Deposits received by AP in connection with the operation of Ashby Ponds (the "**Retirement Community**") on the property described in the Lease, and (iii) the Working Capital Loan Agreement dated approximately even date herewith, by and between AC and AP (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 by the Grantor 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 and all funds at any

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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 AC in an amount not to exceed $650,939,631 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

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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" and the AP Operating Account described in the Construction Loan Agreement of even date herewith (the "**Loan Agreement**") between AC, the Lenders (as hereinafter defined) and Mercantile-Safe Deposit and Trust Company (the "**Administrative Agent**"), in its capacity as Collateral and Administrative Agent for the lenders (collectively, the "**Lenders**") who are a party from time to time to the Loan Agreement. The Grantor agrees that the said Bank Accounts and AP Operating Account shall at all times be established and operated in accordance with the description of the said Bank Accounts and AP Operating Account contained in the Loan Agreement and other Loan Documents referred to therein. The Administrative Agent, 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 Administrative Agent, shall revert to the Secured Party once the Administrative Agent'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.

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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 Administrative Agent (the "**Related Security Agreement**") constitute all material Licenses required as of the date hereof 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 issued to date 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 AP;

(vii) the Licenses are free and clear of all liens, security interests and other encumbrances except liens in favor of Secured Party and all Lenders, and liens (subordinate to all liens in favor of the Administrative Agent) in favor of the mezzanine lender in connection with the Mezzanine Loan (as defined in the Loan Agreement);

(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

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(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 to 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 the Escrow Agent under the Ashby Ponds Escrow Agreement, by and between the Grantor and the said Escrow Agent, unless and until such funds are released from such Escrow Agreement in accordance with the terms thereof.

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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

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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 Administrative Agent) 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.

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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. Borrower Collateral Account. The Grantor will deposit or cause to be deposited to the Borrower Collateral Account described in the Loan Agreement (the "**Borrower Collateral 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 Borrower Collateral 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 agrees 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 or cause them to be held separate and apart. The Administrative Agent will apply the collected funds credited to the Borrower Collateral Account in accordance with the provisions of the Loan Documents. When the Administrative Agent's rights under its Loan Documents expire, the rights of the Secured Party under this Agreement, which have been assigned to the Administrative Agent 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

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obligation owing to the Grantor by the Secured Party 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 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,

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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 Administrative Agent and the Secured Party, those liens (subordinate to all liens in favor of Administrative Agent) in connection with the Mezzanine Loan (as defined in the Loan Agreement) and other subordinate liens permitted by, and assigned to, the Administrative Agent.

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 a 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.

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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

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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 governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and

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performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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 "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 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 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 Secured Party:

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

and

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

(2) If to the Grantor:

Ashby Ponds, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: President

and

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

and

Herman P. Rosenthal
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1500
Baltimore, Maryland 21202

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

[SIGNATURES BEGIN ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the signature and seal of the Grantor is subscribed to this Security Agreement the day and year written above.

WITNESS:

Cathy O Walker

ASHBY PONDS, INC.

By: Ronald E. Walker (SEAL)
Ronald E. Walker
President

SCHEDULE I

Information Regarding Ashby Ponds, 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: 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia

6. EIN, if not a natural person: 20-5609803.

7. SSN, if a natural person: N/A

8. Organization ID# (if any exists): D11512365.

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: 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia

11. Name and address of landlord or owner if location is not owned:

    Ashburn Campus, LLC
    c/o Erickson Retirement Communities, LLC
    701 Maiden Choice Lane
    Baltimore, Maryland 21228

12. Other names or tradenames now or formerly used: N/A

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EXHIBIT A

LIST OF LICENSES

1. Certificate of Registration Statement Issued by Commonwealth of Virginia [Insurance State Corporation Commission].

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:11 PM
AMT. PAID:$675.00

[redacted]

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509
B. SEND ACKNOWLEDGMENT TO: (Name and Address)

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

RECEIVED
2007 MAY 11
ASSESSMENTS &
REAL PROPERTY

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

OR 1a. ORGANIZATION'S NAME: Ashby Ponds, Inc.

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
		corporation	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

OR 2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID#: SSN OR EIN	ADD'L INFO RE ORGANIZATION 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)

OR 3a. ORGANIZATION'S NAME: Ashburn Campus, LLC

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	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: Maryland State Department of Assessments and Taxation Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9779176 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: 5-11-07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

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



RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747214
ORIGINAL FILE NUMBER: 0000000181306272
LIBER: U00515 FOLIO: 1986 PAGES: 0002

_____ Other Change(s)

_____

_____

_____

Code _____

Attention: _____

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

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:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Christopher J. Fritz, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 18130627 2

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:

OR	6a. ORGANIZATION'S NAME: Ashburn Campus, LLC			
	6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

OR	7a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent			
	7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS: Two Hopkins Plaza, 21st Floor	CITY: Baltimore	STATE: MD	POSTAL CODE: 21201	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.

OR	9a. ORGANIZATION'S NAME: Ashburn Campus, LLC			
	9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA
File with: Maryland State Department of Assessments and Taxation Debtor: Ashby Ponds, Inc. Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

DMEAST-#9779200-v1-UCC3_-_Assignment_-_Ashburn_to_Merc_-_MDSDAT.DOC

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: 5-11-07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

515-198E

Capmark - CD#28 - Control ID#1181

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):

1000361994747297

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747297
ORIGINAL FILE NUMBER: 0000000181306272
LIBER: U00515 FOLIO: 1988 PAGES: 0002

____ Other Change(s)

Code _____

Attention: _____

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

Stamp Work Order and Customer Number HERE

CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

Capmark - CD#28 - Control ID#1181

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, ND 21202

20070514-0036456
Loudoun County, VA Pgs: 6
05/14/2007 2:16:32PM
Gary M. Clemens , Clerk

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: Ashby Ponds, Inc.

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. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		corporation	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. SEE INSTRUCTIONS	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: Ashburn Campus, LLC

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
701 Maiden Choice Lane	Baltimore	MD	21228	USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor, including all fixtures located on the land described in Exhibit A attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☑ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) | 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) [ADDITIONAL FEE] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Loudoun County VA Land Records — Matter No. 031678

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Capmark - CD#28 - Control ID#1181

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR **Ashby Ponds, Inc.**

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. SEE INSTRUCTIONS	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:

See Exhibit "A" attached hereto and made a part hereof.

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):

Ashburn Campus, LLC, a Maryland limited liability company
701 Maiden Choice Lane
Baltimore, MD 21228

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 — UCC FINANCING STATEMENT ADDENDUM (FORM UCC1Ad) (REV. 05/22/02)

Capmark - CD#28 - Control ID#1181

EXHIBIT "A"

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No.20061214-0104156 and being described by metes and bounds as follows:

SEE EXHIBIT "A-1" ATTACHED HERETO AND MADE A PART HEREOF

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

Capmark - CD#28 - Control ID#1181

EXHIBIT "A-1"
METES AND BOUNDS DESCRIPTION
OF
PARCEL B1 – ASHBURN PARCEL
BEING THE LANDS OF
ASHBURN CAMPUS, LLC
INSTRUMENT
PIN
BROAD RUN ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21'26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Capmark - CD#28 - Control ID#1181

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

Capmark - CD#28 - Control ID#1181

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

Capmark - CD#28 - Control ID#1181

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, MD 21202

20070514-0036460
Loudoun County, VA Pgs: 1
05/14/2007 2:19:10PM
Gary M. Clemens , Clerk

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 20070514-0036456

1b. [x] 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. [x] 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: Please refer to the detailed instructions in regards to changing the name/address of a party. [ ] 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 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME: Ashburn Campus, LLC

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, in its capacity as Collateral and Administrative Agent

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

7d. SEE INSTRUCTIONS	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 [x] assigned.

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

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: Ashburn Campus, LLC

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

10. OPTIONAL FILER REFERENCE DATA

File with: Loudoun County VA Land Records Debtor: Ashby Ponds, Inc. Matter No. 031678

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

Capmark - CD#28 - Control ID#1181

EXHIBIT 10

"Completion Agreements"

1. General Contractor's Agreement To Complete
2. Architect's Agreement To Complete
3. Engineer's Agreement To Complete
4. Landscape Architect's Agreement To Complete

Capmark - CD#28 - Control ID#1181

GENERAL CONTRACTOR'S AGREEMENT TO COMPLETE

THIS GENERAL CONTRACTOR'S AGREEMENT TO COMPLETE (this "**Agreement**") is made this 31st day of May, 2007 by ERICKSON CONSTRUCTION, LLC, a Maryland limited liability company (the "**Contractor**") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to that certain Construction Loan Agreement dated May 31, 2007 by and among the Owner, the Administrative Agent and the Lenders, in connection with the loan in the aggregate maximum face amount of up to $125,000,000.00 (the "**Loan**"), made by the Lenders to ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Owner**"). The Contractor warrants, represents and covenants with the Administrative Agent and the Lenders as follows:

1. The Contractor has entered into the agreements described in Exhibit A attached hereto (each a "**Contract**" and collectively, the "**Contracts**") with the Owner. The Contracts provide for construction, site work engineering and development services in connection with certain retirement facilities in Ashburn, Virginia (the "**Project**"). The Contracts have not been modified or amended except as set forth on Exhibit A and are in full force and effect.

2. The Contractor will not amend any of the Contracts or process any change order for any single construction phase approved by the Administrative Agent which either (i) results in a change which is structural and material in nature or (ii) increases any 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 Administrative Agent) without the Administrative Agent's prior written consent. The Contractor will give the Administrative Agent notice of any default by the Owner under any of the Contracts and agrees that the Administrative Agent, 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 Administrative Agent elects to request the Contractor in writing to proceed to complete its services in connection with the Project under the aforesaid Contracts, the Contractor will do so without requiring payment by the Administrative Agent of any sums due the Contractor from the Owner or any other person or entity for work and materials furnished prior to the Administrative Agent's written request to proceed and for which disbursements have already been made by Administrative Agent on behalf of the Lenders, reserving, however, all claims that the Contractor may have against Owner for unpaid sums due Contractor by Owner.

4. The Contractor agrees to make available for inspection by all of the Administrative Agent's duly authorized officers, agents, and designees during reasonable business hours at the Contractor's office all plans, studies, drawings, specifications, blueprints, documents and

Capmark - CD#28 - Control ID#1181

correspondence in the Contractor's possession, relating in any way to the design or development of the Project. The Contractor 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 Contractor consents to the assignment to the Administrative Agent for the benefit of the Lenders by the Owner of its interest in the Contracts for the Project.

6. This Agreement is binding upon the Contractor's successors and assigns and shall inure to the benefit of the Administrative Agent's and the Lenders' successors and assigns.

7. If the Lenders disburse any proceeds of the Loan directly to the Contractor, the Contractor 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 Contractor is a limited liability company duly organized and validly existing in good standing under the laws of the State of Maryland.

9. The Contractor agrees that, in addition to any legal rights that the Administrative Agent may have hereunder, the Administrative Agent may, in the event of a default by Contractor under this Agreement, specifically enforce this Agreement.

10. The Contractor hereby represents that it has all licenses required by the Commonwealth of Virginia to perform its work in connection with the Contracts.

11. This Agreement shall be construed in accordance with the laws of the State of Maryland.

[SIGNATURE APPEARS ON THE FOLLOWING PAGE]

Capmark - CD#28 - Control ID#1181

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

CONTRACTOR

WITNESS:

ERICKSON CONSTRUCTION, LLC

Cathy M. Thompson

By: _____(SEAL)

Name: Gerald F. Doherty

Title: Secretary

Capmark - CD#28 - Control ID#1181

GENERAL CONTRACTOR'S AGREEMENT TO COMPLETE

EXHIBIT A

1. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Temporary Construction Trailer.

2. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Community Building 1.0-Phase 1.

3. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Residential Building 1.1.

4. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Early Grading and Site Grading.

Capmark - CD#28 - Control ID#1181

ARCHITECT'S AGREEMENT TO COMPLETE

THIS ARCHITECT'S AGREEMENT TO COMPLETE (this "**Agreement**") is made this 29 of May, 2007 by MARKS-THOMAS ARCHITECTS (the "**Architect**") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the Lenders (collectively, the "**Lenders**") who are party from time to time to that certain Construction Loan Agreement dated of even date herewith by and among the Owner, the Administrative Agent and the Lenders, in connection with the loan in the aggregate maximum face amount of up to $125,000,000.00 (the "**Loan**"), made by the Lenders to ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Owner**"). The Architect represents and covenants with the Administrative Agent and the Lenders 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 Ashburn, Virginia (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 under any contract for any single construction phase approved by the Administrative Agent which either (i) results in a change which is structural and material in nature or (ii) increases the 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 Administrative Agent) without the Administrative Agent's prior written consent. The Architect will give the Administrative Agent notice of any default by the Owner under the Contract and agrees that the Administrative Agent, 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 Administrative Agent 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 Administrative Agent of any sums due the Architect from the Owner or any other person or entity for work and materials furnished prior to the Administrative Agent's written request to proceed and for which disbursements have already been made by Administrative Agent on behalf of the Lenders, reserving, however, all claims that the Architect may have against Owner.

4. The Architect agrees to make available for inspection by all of the Administrative Agent'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 the time spent by Architect's employees in facilitating such an inspection and reproducing copies.

5. The Architect consents to the assignment to the Administrative Agent for the benefit of the Lenders 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 the Administrative Agent's and the Lenders' successors and assigns.

7. If the Lenders disburse 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 service corporation duly organized and validly existing in good standing under the laws of the State of Maryland.

9. The Architect agrees that, in addition to any legal rights that the Administrative Agent may have hereunder, the Administrative Agent 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 Commonwealth of Virginia 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.

(Signature Page Attached)

Capmark - CD#28 - Control ID#1181

IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

ARCHITECT

WITNESS:

MARKS-THOMAS ARCHITECTS

By: _____ (SEAL)
Name: Magda C Westerhout
Title: Principal

Capmark - CD#28 - Control ID#1181

ARCHITECT'S AGREEMENT TO COMPLETE

EXHIBIT A

1. Standard Form of Agreement between Owner and Architect (AIA Document B163-1993), dated September 18,2006, with respect to Ashby Ponds.

Capmark - CD#28 - Control ID#1181

ENGINEER'S AGREEMENT TO COMPLETE

THIS ENGINEER'S AGREEMENT TO COMPLETE (this "**Agreement**") is made this 4 day of June, 2007 by DEWBERRY & DAVIS LLC (the "**Engineer**") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the Lenders (collectively, the "**Lenders**") who are party from time to time to that certain Construction Loan Agreement of even date herewith by and among the Owner, the Administrative Agent and the Lenders, in connection with the loan in the aggregate maximum face amount of up to $125,000,000.00 (the "**Loan**"), made by the Lenders to ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Owner**"). The Engineer warrants, represents and covenants with the Administrative Agent and the Lenders as follows:

1. The Engineer has entered into the agreement described in Exhibit A attached hereto (the "**Contract**") with the Owner. The Contract provides for engineering services in connection with the design and construction administration of certain retirement facilities in Ashburn, Virginia (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 Engineer will not amend the Contract or process any change order under any contract for any single construction phase approved by the Administrative Agent which increases the Contract price or the cost of the Project in excess of $100,000 per change order or $300,000 in the aggregate (excluding from the aggregate, however changes previously approved by the Administrative Agent) without the Administrative Agent's prior written consent. The Engineer will give the Administrative Agent notice of any default under the Contract and agrees that the Administrative Agent, 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 Administrative Agent elects to request the Engineer in writing to proceed to complete its services in connection with the Project under the aforesaid Contract, the Engineer will do so without requiring payment by the Administrative Agent of any sums due the Engineer from the Owner or any other person or entity for work and materials furnished prior to the Administrative Agent's written request to proceed and for which disbursements have already been made by Administrative Agent on behalf of the Lenders, reserving, however, all claims that Engineer may have against Owner for unpaid sums due Engineer by Owner.

4. The Engineer agrees to make available for inspection by all of the Administrative Agent's duly authorized officers, agents, and designees during reasonable business hours at the Engineer's office all plans, studies, drawings, specifications, blueprints, documents and correspondence in the Engineer's possession, relating in any way to the design or development of the Project. The Engineer further agrees to provide said officers, agents, and designees upon request, copies of any of the foregoing at the cost of reproducing copies thereof.

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5. The Engineer consents to the assignment to the Administrative Agent for the benefit of the Lenders by the Owner of its interest in the Contract for the Project.

6. This Agreement is binding upon the Engineer's successors and assigns and shall inure to the benefit of Administrative Agent's and the Lenders' successors and assigns.

7. If the Lenders disburse any proceeds of the Loan directly to the Engineer, the Engineer 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 Engineer is a limited liability company duly organized and validly existing in good standing under the laws of the Commonwealth of Virginia.

9. The Engineer agrees that, in addition to any legal rights that the Administrative Agent may have hereunder, the Administrative Agent may, in the event of a default by Engineer, specifically enforce this Agreement.

10. The Engineer hereby represents that it has all licenses required by the Commonwealth of Virginia 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.

(Signature Page Attached)

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IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

ENGINEER

WITNESS:

DEWBERRY & DAVIS LLC

By: _____ (SEAL)
Name: William Fissel
Title: Sen. V.P.

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ENGINEER'S 'S AGREEMENT TO COMPLETE

EXHIBIT A

1. The following Professional Services Contracts between Engineer and Owner, with respect to the Campus at Ashburn, Virginia.

10029130 dated 4/27/06

10024690 dated 3/13/06

50004463R dated 3/29/07

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LANDSCAPE ARCHITECT'S AGREEMENT TO COMPLETE

THIS LANDSCAPE ARCHITECT'S AGREEMENT TO COMPLETE (this "**Agreement**") is made this 28th day of May, 2007 by LEWIS, SCULLY, GIONET (the "**Architect**") for the benefit of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation, in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the Lenders (collectively, the "**Lenders**") who are party from time to time to that certain Construction Loan Agreement dated of even date herewith by and among the Owner, the Administrative Agent and the Lenders, in connection with the loan in the aggregate maximum face amount of up to $125,000,000.00 (the "**Loan**"), made by the Lenders to ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Owner**"). The Architect represents and covenants with the Administrative Agent and the Lenders 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 landscape architectural services in connection with the design and construction administration of certain retirement facilities in Ashburn, Virginia (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 under any contract for any single construction phase approved by the Administrative Agent which either (i) results in a change which is structural and material in nature or (ii) increases the Contract price or the cost of the Project in excess of $100,000 per change order or $300,000 in the aggregate (excluding from the aggregate, however, changes previously approved by the Administrative Agent) without the Administrative Agent's prior written consent. The Architect will give the Administrative Agent notice of any default by the Owner under the Contract and agrees that the Administrative Agent, 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 Administrative Agent 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 Administrative Agent of any sums due the Architect from the Owner or any other person or entity for work and materials furnished prior to the Administrative Agent's written request to proceed and for which disbursements have already been made by Administrative Agent on behalf of the Lenders, reserving, however, all claims that the Architect may have against Owner.

4. The Architect agrees to make available for inspection by all of the Administrative Agent's duly authorized officers, agents, and designees 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.

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5. The Architect consents to the assignment to the Administrative Agent for the benefit of the Lenders 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 the Administrative Agent's and the Lenders' successors and assigns.

7. If the Lenders disburse 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 Commonwealth of Virginia.

9. The Architect agrees that, in addition to any legal rights that the Administrative Agent may have hereunder, the Administrative Agent 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 Commonwealth of Virginia 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.

(Signature Page Attached)

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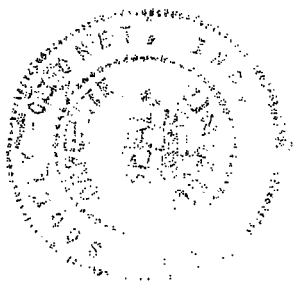
IN WITNESS WHEREOF, this Agreement is executed and delivered as of the day and year first above written.

WITNESS:

ARCHITECT

LEWIS, SCULLY, GIONET

By: _____ (SEAL)
Name: Mark C. Gionet
Title: President



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ARCHITECT'S AGREEMENT TO COMPLETE

EXHIBIT A

1. Professional Services Contract between Architect and Owner, dated July 20, 2006, with respect to the Campus at Ashburn, Virginia.

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EXHIBIT 9

"Assignment Of Project Documents"

Collateral Assignment Of Project Documents

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COLLATERAL ASSIGNMENT OF PROJECT DOCUMENTS

THIS COLLATERAL ASSIGNMENT OF PROJECT DOCUMENTS (this "**Assignment**"), is made as of May 31, 2007, by ASHBURN 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 in its capacity as Collateral and Administrative Agent (the "**Assignee**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (hereinafter defined).

RECITALS

Borrower is indebted to the Lenders for a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**") to be advanced pursuant to a Construction Loan Agreement between the Borrower, the Lenders and the Assignee dated of even date herewith (together with all amendments thereto, the "**Loan Agreement**"), as evidenced by an Amended and Restated Revolving Loan Note of the Borrower dated of even date herewith (together with all amendments, replacements or substitutions 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 "Ashby Ponds" (the "**Retirement Community**") on certain land located at 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia (the "**Land**"). All obligations of the Borrower in connection with the Loan have been guaranteed by Erickson.

As a condition of the Lenders making the Loan, the Lenders have 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. All capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Loan Agreement.

AGREEMENTS

NOW, THEREFORE, FOR AND IN CONSIDERATION of the Lenders' agreement to make the Loan available to the Borrower and to induce the Lenders 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 Agreement and other Loan Documents (as 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 Assignor's obligations and burdens under) the following (collectively, the "**Project Documents**"): (a) all architectural, engineering and similar plans, specifications, drawings and

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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 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.

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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, subject to that certain Subordination and Standstill Tri-Party Agreement executed in connection with the Mezzanine Loan (the "**Tri-Party Agreement**").

Section 6. Representations. The Assignor hereby represents and warrants to the Assignee and the Lenders 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 the liens and security interests of the mezzanine lender (which are subordinate to all liens in favor of the Administrative Agent pursuant to the Tri-Party Agreement) in connection with the Mezzanine Loan); 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.

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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 and the rights and obligations of the parties hereunder shall be governed, 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 creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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 Assignment 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 1800
Baltimore, Maryland 21202

(2) If to Assignor:
Ashburn Campus, LLC
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer

with a copy to:
General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

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

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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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:

Cathy M. Thompson

Cathy M. Thompson

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

ERICKSON RETIREMENT COMMUNITIES, LLC

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

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EXHIBIT 8

1. **"Security Agreement"** - Security Agreement, Pledge And Collateral Assignment Of Licenses And Residence And Care Agreements

2. **"Financing Statements"**

   Debtor: Ashburn Campus, LLC; Secured Party: Administrative Agent

   a. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation

   b. UCC-3 Financing Statement Amendment To The Above Filing Recorded With The Maryland State Department Of Assessments And Taxation: Assignment To Administrative Agent

   c. UCC-1 Financing Statement Recorded With The Maryland State Department Of Assessments And Taxation

   d. UCC-1 Financing Statement Recorded Among The Land Records Of Loudoun County, Virginia

   e. UCC-3 Financing Statement Amendment To The Above Filing Recorded Among The Land Records Of Loudoun County, Virginia: Assignment To Administrative Agent

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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 31st day of May, 2007, in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking institution, in its capacity as Collateral and Administrative Agent for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (as hereinafter defined) and in such capacity serving as the Secured Party (the "**Administrative Agent**" or when acting in its individual capacity, referred to as "**Mercantile**") by ASHBURN CAMPUS, LLC, a Maryland limited liability company, and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland liability company ("**Erickson**") (individually, a "**Grantor**" and collectively, the "**Grantors**").

The Administrative Agent, each Lender and Ashburn 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 Administrative Agent an Amended and Restated Revolving Loan Note dated of even date herewith from the Borrower to Mercantile (which Amended and Restated 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 (the "**Loan**") will be used for construction of the Retirement Community described in the Loan Documents (the "**Retirement Community**").

In order to induce the Administrative Agent and the Lenders to enter into the Loan Agreement, Erickson has 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 from Erickson for the benefit of the Administrative Agent, as the same may from time to time hereafter be amended, restated, supplemented or otherwise modified (the "**Guaranty Agreement**").

Each Grantor agrees with the Administrative Agent and the Lenders 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 Administrative Agent and the Lenders, including, without limitation, such indebtedness, liabilities and obligations of the Grantors to the Administrative Agent and the Lenders, 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.

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1. Collateral. Each Grantor hereby pledges and assigns to the Administrative Agent for the benefit of the Lenders, and grants to the Administrative Agent for the benefit of the Lenders 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, AP) 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

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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 Administrative Agent and any consent of the Lenders required under the terms of the Loan Agreement (including any Required Consent or Unanimous Consent, as applicable).

(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 Administrative Agent 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 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 Administrative Agent or any of the Lenders any of the obligations or liabilities of any Grantor under the Licenses, and provided further that the Administrative Agent and the Lenders 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 Ashby Ponds (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

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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 Administrative Agent or by any other person or institution (collectively, "**Funds**"). All such Funds shall be deemed to be held for the benefit of the Administrative Agent, or, if held by another party, by such party as agent for the Administrative Agent for the purpose of perfecting the Administrative Agent'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 Administrative Agent and the Lenders 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

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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 solely to, or arise solely 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, to the Administrative Agent and the Lenders, 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 Administrative Agent and those previously disclosed in writing to the Administrative Agent and permitted by the Loan Agreement. Upon request of the Administrative Agent, each Grantor shall deliver to the Administrative Agent all certificates of title, certificates of origin or other evidence of the Grantor's ownership of the Collateral as may be required by the Administrative Agent.

(b) Each Grantor represents and warrants to the Administrative Agent and the Lenders 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 as of the date hereof to construct, develop and operate the Retirement Community (except for building permits required in connection with the construction of 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 issued to date have been issued in the names of one or more of the Grantor(s), or in the name of AP, 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,

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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) except for any assignment of the Licenses in connection with the Mezzanine Loan, this Security Agreement 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 the Administrative Agent or liens (subordinate to all liens in favor of the Administrative Agent) granted to the mezzanine lender in connection with the Mezzanine Loan;

(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 Security Agreement 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 Administrative Agent, promptly (a) furnish such further assurances of title as may reasonably be required by the Administrative Agent; 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 Administrative Agent, any financing, continuation, amendment, termination or security interest filing statement, security agreement or other document as the Administrative Agent may request in order to perfect, preserve, maintain or continue the perfection of the Administrative Agent'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 Administrative Agent and the Lenders 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 Administrative Agents or the Lenders 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

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Administrative Agent may require in order that the Administrative Agent 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 Administrative Agent, 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 Administrative Agent and as may be necessary to evidence and/or perfect the security interest of the Administrative Agent in those proceeds. The Grantor hereby irrevocably appoints the Administrative Agent as the Grantor's attorney-in-fact, with power of substitution, in the name of the Administrative Agent or in the name of the Grantor or otherwise, for the use and benefit of the Administrative Agent, 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 Administrative Agent may require pursuant to 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 Administrative Agent may file, without the Grantor's signature, one or more financing statements or other notices disclosing the Administrative Agent's liens and other security interests. All financing statements and notices may describe the Administrative Agent's collateral (with respect to Borrower only) as all assets or all personal property of Borrower. Notwithstanding, the filing of such "all assets" financing statements, the scope of the Administrative Agent's liens and security interests with respect to the Collateral shall be governed by the granting language of the Loan Documents. 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 Administrative Agent, 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 Administrative Agent or those permitted by the Administrative Agent 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

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(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 Administrative Agent promptly upon request and in the form and content and at the intervals specified by the Administrative Agent such financial statements, reports, schedules and other information with respect to its operation, business, affairs and financial condition as the Administrative Agent may from time to time reasonably require; (c) at all reasonable times and without hindrance and delay, permit the Administrative Agent, any Lender or any person designated by the Administrative Agent or any 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 Administrative Agent promptly upon request and in the form and content specified by the Administrative Agent 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 Administrative Agent may from time to time specify; and (e) mark its books and records in a manner satisfactory to the Administrative Agent so that the Administrative Agent'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 to the Administrative Agent and the Lenders 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 Administrative Agent, 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 Administrative Agent 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. Neither the Administrative Agent nor the Lenders shall have any duty to, and each Grantor hereby releases the Administrative Agent and each of the Lenders from all claims for loss or

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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 Administrative Agent against such casualties and risks in such form and amount as may from time to time be required by the Administrative Agent. All insurance proceeds shall be payable to the Administrative Agent and all policies or certificates of insurance shall be furnished to the Administrative Agent. Each Grantor will pay all premiums due or to become due for such insurance and hereby assigns to the Administrative Agent any returned or unearned premiums which may be due upon cancellation of insurance coverage. The Administrative Agent is hereby irrevocably (a) appointed as each Grantor's attorney-in-fact to endorse in the name of any Grantor and/or the Administrative Agent 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 Administrative Agent, 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 Administrative Agent a written waiver by the record owner of such real estate of all interest in such equipment and a written subordination to the Administrative Agent'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 Administrative Agent's security interest hereunder.

13. Specific Security Agreements or Assignments. Promptly, upon request by the Administrative Agent, each Grantor will execute and deliver to the Administrative Agent written security agreements, assignments, endorsements and/or schedules, in form and content satisfactory to the Administrative Agent, 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 Administrative Agent 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 Administrative Agent or the Lenders (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 Administrative Agent, deliver, assign and endorse to the Administrative Agent all Chattel Paper and all other documents held by such Grantor in

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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 Administrative Agent thereof in writing and execute any instruments or take any steps required by the Administrative Agent in order that all moneys due or to become due under such contract or contracts shall be assigned to the Administrative Agent 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 Administrative Agent and from which the Administrative Agent 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 that are not delivered to the Trust Account (as defined in the Loan Agreement), (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 Administrative Agent 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 Administrative Agent, the order and method of such application to be in the sole discretion of the Administrative Agent.

17. Rights of Administrative Agent 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 Administrative Agent may, upon the occurrence of an Event of Default, at any time and from time to time, and each Grantor hereby irrevocably appoints the Administrative Agent as its attorney-in-fact, with power of substitution, in the name of the Administrative Agent or in the name of such Grantor or otherwise, for the use and benefit of the Administrative Agent, 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 AP, with respect to the Working Capital Loan) to make payments thereon directly to the Administrative Agent, 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 Administrative Agent 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

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Collateral or without cost or expense to the Administrative Agent or the Lenders, 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 Administrative Agent 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 Administrative Agent; and (ii) on demand, make available in form acceptable to the Administrative Agent 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 Administrative Agent 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

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Administrative Agent 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 Administrative Agent 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 Administrative Agent, (ii) a subordinate lien in favor of one or more of the Grantors, all of which have been assigned to the Administrative Agent, (iii) and a lien (subordinate to all liens in favor of the Administrative Agent) in favor of the mezzanine lender in connection with the Mezzanine Loan.

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 Administrative Agent, 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 Administrative Agent 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 Administrative Agent, the Grantors shall provide to the Administrative Agent copies of executed Residence and Care Agreements, schedules regarding the same in form and substance acceptable to the Administrative Agent, and such other information regarding the Residence and Care Agreements and (subject to applicable laws regarding privacy) the Residents as the Administrative Agent may reasonably require, including any information the Administrative Agent 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 Administrative Agent, and grants to the Administrative Agent for the benefit of the Lenders 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 Administrative Agent shall be entitled to exercise its remedies as a secured party under the applicable Uniform Commercial Code, and all other rights and

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remedies available to the Administrative Agent, 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 Administrative Agent. If any Grantor fails to perform, observe, or comply with any of the conditions, terms or covenants contained in this Security Agreement, the Administrative Agent, 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 Administrative Agent may consider necessary or appropriate for such purpose. All sums paid or advanced by the Administrative Agent or any 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 Administrative Agent 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 Administrative Agent; (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 Administrative Agent may, at its option, declare the unpaid balance of all or any part of the Obligations to be immediately due and payable, and the Administrative Agent shall have all of the rights and remedies of a Secured Party under the applicable Uniform Commercial Code and other applicable laws. The Grantors, upon demand by the Administrative Agent, shall assemble the Collateral and make it available to the Administrative Agent at a place designated by the Administrative Agent which is mutually convenient to both parties. The Administrative Agent 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.

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Additionally, upon the occurrence of an Event of Default hereunder, the Administrative Agent may, by written notice to the Grantors and to AP, 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 AP directly to the Administrative Agent. Each Grantor hereby authorizes AP to make all further payments on account of the Working Capital Note and the other Working Capital Loan Documents directly to the Administrative Agent following receipt by AP of notice from the Administrative Agent 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 Administrative Agent. In order to effectuate the provisions of this paragraph, and in addition to all rights the Administrative Agent has hereunder, below, the Borrower has executed and delivered to the Administrative Agent a letter, dated in blank, pursuant to which the Borrower directs AP 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 Administrative Agent. Administrative Agent shall be entitled to date such letter and to deliver it to AP following the occurrence of an Event of Default hereunder. AP shall be entitled to rely on such letter, as dated and delivered by the Administrative Agent, and to act in accordance with the instructions contained therein, without regard to, and without any duty to investigate, the facts supporting the Administrative Agent'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 Administrative Agent 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 Administrative Agent deems proper to protect the security hereof. Each Grantor agrees to take all actions necessary to enable the Administrative Agent to fully exercise its rights hereunder, including, but not limited to assisting the Administrative Agent 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 Administrative Agent 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 Administrative Agent to facilitate the issuance of new licenses or provider agreements in the name of the Administrative Agent or its designee or assignee. The Administrative Agent shall have the right, and each Grantor hereby irrevocably designates and appoints the Administrative Agent and its designees as the attorney-in-fact of the Administrative Agent, with power of substitution and with power and authority in such Grantor's name, the Administrative Agent's name or otherwise and for the use and benefit of the Administrative Agent to take control of, change the terms of, release, exchange, substitute, extend, renew or otherwise deal with, the

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Licenses in any manner as the Administrative Agent 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 Administrative Agent 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 Administrative Agent'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 Administrative Agent or any 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 Administrative Agent 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 Administrative Agent to the payment of Enforcement Costs and Expense Payments, and any balance of such proceeds (if any) will be applied by the Administrative Agent 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 Administrative Agent may from time to time in its sole discretion determine.

In addition to, and without limitation of, any rights of the Administrative Agent under applicable laws, if any Grantor becomes insolvent, however evidenced, or any Event of Default occurs, the Administrative Agent 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 Administrative Agent 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 Administrative Agent.

23. Remedies Cumulative. Each right, power and remedy of the Administrative Agent 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 Administrative Agent of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Administrative Agent of any or all such other rights, powers or remedies.

24. Waiver. No failure or delay by the Administrative Agent or any 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

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agreement or of any such breach, or preclude the Administrative Agent 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 Administrative Agent 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 Administrative Agent and the Grantors shall be effective to amend, modify or change any provision of this Security Agreement or the other Loan Documents, and the Administrative Agent 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 Administrative Agent or any 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 Administrative Agent unless in writing signed by the Administrative Agent, 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 governed, 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 creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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 Administrative Agent 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 Administrative Agent hereunder, provided that the Administrative Agent 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 Administrative Agent. 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

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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 the limited extent the Administrative Agent 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 Administrative Agent and the Lenders for, arising under, or in connection with, any and all future loans, credit facilities and financial accommodations by the Lenders 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 Administrative Agent:
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 1800
Baltimore, Maryland 21202

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

with a copy to:
General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228

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

[SIGNATURES ON FOLLOWING PAGES]

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IN WITNESS WHEREOF, the signature and seal of each Grantor are subscribed to this Security Agreement the day and year written above.

WITNESS/ATTEST:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

STATE OF MARYLAND :
County : SS:
~~CITY~~ OF BALTIMORE :

On the 24th day of May, 2007 before me personally came Gerald F. Doherty, 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 an Executive Vice President of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Ashburn Campus, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of Ashburn Campus, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of Ashburn Campus, LLC

CATHY M. THOMPSON NOTARY PUBLIC QUEEN ANNE'S COUNTY, MD.

NOTARY PUBLIC

My Commission Expires:_____

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

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ERICKSON RETIREMENT COMMUNITIES, LLC

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

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

On the 4th day of May, 2007 before me personally came Gerald F. Doherty, 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 an Executive Vice President of Erickson Retirement Communities, LLC, a Maryland limited liability company; and that he executed the foregoing instrument in the name of Erickson Retirement Communities, LLC, and that he had authority to sign the same, and acknowledged that he executed the same as the act and deed of Erickson Retirement Communities, LLC.

CATHY M. THOMPSON NOTARY PUBLIC QUEEN ANNE'S COUNTY, MD.

_____
NOTARY PUBLIC

My Commission Expires:_____

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

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SCHEDULE I

A. Information Regarding Ashburn 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: 55-0876975.

6. SSN, if a natural person: N/A

7. Organization ID# (if any exists): W10088078.

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) 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia; (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

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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 21228; Route 322, Concord Township, Delaware County, Pennsylvania; 13800 Metcalf Avenue, Overland Park, Kansas 66223.

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"

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EXHIBIT A

LIST OF LICENSES

1. Certificate of Registration Issued by Commonwealth of Virginia Insurance Department.

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001896951
WORK ORDER:0001339989
DATE:01-04-2007 12:03 PM
AMT. PAID:$25.00

[redacted]

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509
B. SEND ACKOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street – 18th 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: Ashburn 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	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION: LLC	1f. JURISDICTION OF ORGANIZATION: Maryland	1g. ORGANIZATIONAL ID#, if any: MD W10747368 ☐ NOI	

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 ☐ NOI	

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, 21st Floor	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: Maryland State Department of Assessments and Taxation

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9650671 v2

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: 2-27-09.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

493-562

Capmark - CD#28 - Control ID#1181

UCC APPROVAL SHEET
** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
✓	UO - Original Financing Statement	$25.00
___	UOA - Original Financing Statement With Assignment	$25.00
___	UOTU - Original 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

1000361994130957

RECORDED ON 12/27/2006 AT 12:54 PM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001339989 ACK # 1000361994130957
ORIGINAL FILE NUMBER: 0000000181292166
LIBER: U00493 FOLIO: 0562 PAGES: 0002

___ Other Change(s)

Code ___

Attention: ___

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
CHRISTOPHER J. FRITZ, ESQUIRE
18TH FLOOR
300 EAST LOMBARD ST.
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:0001896951
WORK ORDER:0001339989
DATE:01-04-2007 12:03 PM
AMT. PAID:$25.00

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:11 PM
AMT. PAID:$675.00

2

[redacted]

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Christopher J. Fritz, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
181292166

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:
OR 6a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company
6b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:
OR 7a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent
7b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	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.

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 with: Maryland State Department of Assessments and Taxation Debtor: Ashburn Campus, LLC Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/29/98)

DMEAST-#9779107-v1-UCC3_-_Amendment_-_MD_SDAT_-_Asburn_Campus.DOC

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: 5-11-07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

515-197

Capmark - CD#28 - Control ID#1181

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):

1000361994747123

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747123
ORIGINAL FILE NUMBER: 00000001812921666
LIBER: U00515 FOLIO: 1975 PAGES: 0002

____ Other Change(s)

Code _____

Attention: _____

Mail to Address:
BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

Stamp Work Order and Customer Number HERE

CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:11 PM
AMT. PAID:$675.00

2

[redacted]

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street – 18th 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

OR 1a. ORGANIZATION'S NAME: Ashburn Campus, LLC

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 DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID#, if any
		LLC	Maryland	MD W10747368 ☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

OR 2a. ORGANIZATION'S NAME:

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID#: SSN OR EIN	ADD'L INFO RE ORG 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)

OR 3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	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: Maryland State Department of Assessments and Taxation

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9650671 v2

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: 5-11-07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

515 -1977

Capmark - CD#28 - Control ID#1181

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):

1000361994747149

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747149
ORIGINAL FILE NUMBER: 0000000181306270
LIBER: U00515 FOLIO: 1977 PAGES: 0002

____ Other Change(s)

Code ____

Attention: ____

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

Stamp Work Order and Customer Number HERE

CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$575.00

Capmark - CD#28 - Control ID#1181

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKOWLEDGMENT TO: (Name and Address)

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

20061227-0106968
Loudoun County, VA Pgs: 7
12/27/2006 11:66:43AM
Gary M. Clemens , Clerk

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: Ashburn Campus, 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
		LLC	Maryland	MD W10747368 ☐ 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, 21st Floor	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor, including all fixtures located on the land described in Exhibit A attached hereto.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional] [ADDITIONAL FEE] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
File with: Loudoun County, VA Land Records

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9650666 v1

80

Date/Time: 9/18/2009 4:00:21 PM Instr. No: 200612270106968 Page No: 1 of 7 Customer Name: man in demand

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR

Ashburn Campus, LLC

9b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one name (11a or 11b) – do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID#. SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ None

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME – insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

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:

See Exhibit A attached hereto and incorporated by reference herein.

15. Name and address of a RECORD Owner of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description.

17. Check only if applicable and check only one box.
Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction – effective 30 years

☐ Filed in connection with a Public-Finance Transaction – effective 30 years.

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM UCC1AD) (rev. 07/29/98)

DMEAST #9650666 v1

L

Capmark - CD#28 - Control ID#1181

EXHIBIT A

Date/Time: 9/18/2009 4:00:21 PM Instr. No: 200612270106968 Page No: 3 of 7 Customer Name: man in demand

Capmark - CD#28 - Control ID#1181

EXHIBIT "A"

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No.20061214-0104156 and being described by metes and bounds as follows:

SEE EXHIBIT "A-1" ATTACHED HERETO AND MADE A PART HEREOF

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

Date/Time: 9/18/2009 4:00:21 PM Instr. No: 200612270106968 Page No: 4 of 7 Customer Name: man in demand

Capmark - CD#28 - Control ID#1181

EXHIBIT "A-1"
METES AND BOUNDS DESCRIPTION
OF
PARCEL B1 – ASHBURN PARCEL
BEING THE LANDS OF
ASHBURN CAMPUS, LLC
INSTRUMENT
PIN
BROAD RUN ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21'26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Date/Time: 9/18/2009 4:00:21 PM Instr No: 200612270106968 Page No: 5 of 7 Customer Name: man in demand

Capmark - CD#28 - Control ID#1181

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

Date/Time: 9/18/2009 4:00:21 PM Instr. No: 200612270106968 Page No: 6 of 7 Customer Name: man in demand

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

Capmark - CD#28 - Control ID#1181

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKOWLEDGMENT TO: (Name and Address)

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

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OR 1a. ORGANIZATION'S NAME: Ashburn Campus, LLC

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
		LLC	Maryland	MD W10747368 ☐ NONE

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OR 2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

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3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

OR 3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor, including all fixtures located on the land described in Exhibit A attached hereto.

5. ALTERNATIVE DESIGNATION [if applicable]: ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☒ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA
File with: Loudoun County, VA Land Records

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

20070514-0036395
Loudoun County, VA Pgs: 6
05/14/2007 1:15:23PM
Gary M. Clemens , Clerk

DMEAST #9650666 v1

Capmark - CD#28 - Control ID#1181

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR

Ashburn Campus, LLC

9b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

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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:

See Exhibit A attached hereto and incorporated by reference herein.

15. Name and address of a RECORD Owner of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description.

17. Check only if applicable and check only one box.
Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

☐ Debtor is a TRANSMITTING UTILITY

☐ Filed in connection with a Manufactured-Home Transaction – effective 30 years

☐ Filed in connection with a Public-Finance Transaction – effective 30 years.

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT ADDENDUM (FORM UCC1AD) (rev. 07/29/98)

DMEAST #9650666 v1

V

Capmark - CD#28 - Control ID#1181

EXHIBIT "A"

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No.20061214-0104156 and being described by metes and bounds as follows:

SEE EXHIBIT "A-1" ATTACHED HERETO AND MADE A PART HEREOF

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80-((32))-B1

Capmark - CD#28 - Control ID#1181

EXHIBIT "A-1"
METES AND BOUNDS DESCRIPTION
OF
PARCEL B1 – ASHBURN PARCEL
BEING THE LANDS OF
ASHBURN CAMPUS, LLC
INSTRUMENT
PIN
BROAD RUN ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21'26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

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Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

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(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

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EXHIBIT 7

"Mortgage Security Documents"

A. Amended And Restated Credit Line Deed Of Trust, Assignment Of Rents And Leases, Security Agreement, And Fixture Filing

B. Assignment Of Rents And Leases

C. Environmental Compliance Certificate And Agreement

D. Financing Statements (See Exhibit 8)

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(1)

20070612-0044111
Loudoun County, VA Pgs: 35
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

County Tax Map
Parcel Identification
Number 060-49-8809

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270137

THIS IS AN AMENDED AND RESTATED CREDIT LINE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

ASHBURN CAMPUS, LLC,
a Maryland limited liability company
(Grantor)

to

ALEXANDER TITLE AGENCY INCORPORATED,
a Virginia corporation
(Trustee)

for the benefit of

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY,
a Maryland corporation
in its capacity as Collateral and Administrative Agent
(Beneficiary)

May 31, 2007

DRAFTED BY AND WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

This instrument prepared outside the Commonwealth of Virginia

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AMENDED AND RESTATED CREDIT LINE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

THIS AMENDED AND RESTATED CREDIT LINE DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "**Deed of Trust**") is made as of the 31st day of May, 2007, by ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Grantor**"), to ALEXANDER TITLE AGENCY INCORPORATED, a Virginia corporation with its principal office located at 5875 Trinity Parkway, Suite 210, Centreville, Virginia 20120 (the "**Trustee**"), in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland corporation located at Two Hopkins Plaza, Baltimore, Maryland 21201, as Noteholder (the "**Administrative Agent**" and sometimes herein referred to as the "**Beneficiary**") in its capacity as Collateral and Administrative Agent for the current holders, and on behalf of any successor holders of the Note secured hereby and hereafter defined.

SECTION 1. RECITALS

1.1 The Original Deed of Trust. The Borrower issued to Beneficiary a $23,000,000.00 Promissory Note dated December 21, 2006 (the "**Original Note**"). The Original Note is secured by that certain Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing by the Borrower to Trustee, for the benefit of Beneficiary dated December 21, 2006 and recorded among the land records of Loudoun County, Virginia, as Instrument Number 20061227-0106967 (the "**Original Deed of Trust**").

1.2 The Credit Facility. The Grantor and Beneficiary desire to amend and restate the Original Deed of Trust and the Original Note to provide for an increased revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**") to be advanced pursuant to a Construction Loan Agreement among the Grantor and the Administrative Agent of even date herewith (together with all amendments thereto, the "**Loan Agreement**"), as evidenced by a Revolving Loan Note from the Grantor to Administrative Agent of even date herewith, bearing interest at the variable rate described therein (together with all amendments, substitutions or replacements thereto, the "**Note**"). The Grantor intends to use the proceeds of the Loan to finance the construction of a retirement community (the "**Retirement Community**") on the Land (hereinafter defined). The Retirement Community has been leased to and will be operated by Ashby Ponds, Inc., a Maryland nonstock corporation ("**AP**").

1.3 Obligations Secured. This Deed of Trust secures (a) the payment of all sums due to the Lenders (as defined in the Loan Agreement) and the Administrative Agent by the Grantor according to the terms of any of the Loan Documents (hereinafter defined), (b) the Grantor's obligations with respect to future advances, which may be made by the Administrative Agent on behalf of the Lenders for any reason and (c) the performance of, and compliance with, all of the obligations of the Grantor (express or implied) contained in the Loan Documents.

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SECTION 2. DEFINITIONS. Whenever capitalized in this Deed of Trust, the following terms shall have the meaning given in this Section 2, unless the context clearly indicates a contrary intent. All capitalized terms used in this Deed of Trust without definition shall have the meanings ascribed to such terms in the Loan Agreement.

2.1 Beneficiary: Mercantile-Safe Deposit and Trust Company, its successors and assigns, as Administrative Agent for the Lenders, and any subsequent holders of the Note.

2.2 Deed of Trust: This instrument, including all current and future supplements, amendments and attachments thereto.

2.3 Encumbrances: All liens, mortgages, deed of trusts, 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.

2.4 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.

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

2.6 Grantor: Ashburn Campus, LLC, its successors and assigns.

2.7 Insurance and Condemnation Proceeds: All of the items described in Section 3.04.

2.8 Land: The land consisting of approximately 142 acres located at 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia, which is more particularly described in Exhibit A attached to this Deed of Trust and incorporated by reference herein.

2.9 Note: The Amended and Restated Revolving Loan Note of even date herewith payable to the Beneficiary by the Grantor evidencing the Loan in the face amount of One Hundred Twenty-Five Million Dollars ($125,000,000.00), including all current and future replacements, supplements, amendments and attachments thereto.

2.10 Permitted Encumbrances: Liens and security interests securing the Mezzanine Loan (subordinate to all liens in favor of the Administrative Agent), and those exceptions, if any, which appear in the title policy insuring the interest of the Administrative Agent hereunder, including a subordinate mortgage/deed of trust for the benefit of AP, as accepted and approved by the Administrative Agent, or any encumbrance hereinafter approved in writing by the Administrative Agent.

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2.11 Property: All of the property described in Sections 3.1, 3.2, 3.3 and 3.4.

2.12 Personal Property: All of the personal property and fixtures described in Section 3.2.

2.13 Real Property: All of the real property described in Section 3.1.

2.14 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 3.3.

SECTION 3. GRANT

3.1 Real Property. The Grantor, in consideration of the Lenders making the Loan to the Grantor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby grants, bargains, sells, conveys, mortgages, warrants and assigns to the Trustee, in trust, with power of sale for the benefit of the Administrative Agent all of its right, title and interest in and to the Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, (b) all rights, rights of way, air rights, riparian rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by the Grantor (hereinafter collectively referred to as the "**Real Property**"), subject to the Permitted Encumbrances.

3.2 Personal Property and Fixtures. The Grantor further grants and assigns to the Trustee for the benefit of the Administrative Agent a security interest in, all of the Grantor'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 Grantor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Deed of Trust (hereinafter collectively referred to as the "**Personal Property**").

3.3 Rents and Other Rights. The Grantor further grants and assigns to the Trustee for the benefit of the Administrative Agent all of the Grantor'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 Grantor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of the Grantor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or

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released to the Grantor, or constructed, assembled or placed by or for the Grantor 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 Grantor further grants and assigns to the Trustee for the benefit of the Administrative Agent 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.

3.05.1 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 Deed of Trust. The remainder of the Property shall be subject to the Virginia Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "**Uniform Commercial Code**") and this Deed of Trust shall constitute a Security Agreement with respect thereto. The Grantor hereby grants to the Administrative Agent for the benefit of the Lenders a security interest in that portion of the Property not deemed a part of the Real Property for the purpose of securing performance of all of the Grantor's obligations under the Loan Documents. With respect to such security interest (a) the Administrative Agent may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code and (b) upon the occurrence of an Event of Default the Administrative Agent shall have a right of possession superior to any right of possession of the Grantor or any person claiming through or on behalf of the Grantor. The Grantor shall execute and file such financing statements and other security agreements as the Administrative Agent shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by the Grantor to do so, the Administrative Agent may execute, record and file all such financing statements and other security agreements for and in the name of the Grantor and the Grantor hereby irrevocably appoints the Administrative Agent the agent and attorney-in-fact of the Grantor to do so. The Grantor agrees to pay any and all filing and recording fees or other charges with respect to such documents. Further, to the extent permitted by applicable laws, the Administrative Agent may file, without any Grantor's signature, one or more financing statements or other notices disclosing the Administrative Agent's liens and other security interests. All financing statements and notices may describe the Administrative Agent's collateral as all assets or all personal property of Grantor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Administrative Agent's liens and security interests with respect to the collateral shall be governed by the granting language of the Loan Documents.

3.05.2 This Deed of Trust constitutes a financing statement filed as a fixture filing under Sections 8.9A-313 and 8.9A-402 of the Uniform Commercial Code covering any of the Property which now is or later may become fixtures attached to the Real Property. The following addresses are the mailing addresses of Grantor, as debtor under the Uniform Commercial Code, and Beneficiary, as secured party under the Uniform Commercial Code, respectively:

Grantor: Ashburn Campus, LLC

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

Beneficiary: Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean, Senior Vice President

SECTION 4. HABENDUM CLAUSE AND DEFEASANCES.

The Trustee shall have and hold the Property in fee simple in trust to secure to the Administrative Agent and to the Trustee for the benefit of Administrative Agent the obligations described in Section 1.2 of this Deed of Trust, upon the terms and trust herein set forth.

To HAVE AND TO HOLD the Property unto the Trustee, and its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property unto the Trustee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. All right, title and interest of the Grantor 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 Grantor or constructed, assembled or placed by the Grantor 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 Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Grantor and specifically described herein. Notwithstanding the foregoing, the Grantor 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 Trustee shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto the Trustee of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Grantor 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 Deed of Trust. In addition, the Grantor hereby agrees that this Deed of Trust is a security agreement under the Uniform Commercial Code and creates in the Trustee a security interest thereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Deed of Trust shall be effective as a financing statement pursuant to the Uniform Commercial Code. The Grantor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents the Trustee of the Administrative Agent may require from time to time to perfect and maintain in favor of the Administrative Agent a security interest under the Uniform Commercial Code in such Personal Property, Insurance and Condemnation Proceeds and Rents. Without limiting the generality of any of the foregoing, the Grantor hereby irrevocably appoints the Trustee and the Administrative

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Agent attorney-in-fact, coupled with an interest, for the Grantor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of the Grantor.

Provided always, and these presents are upon this express condition, that if the Grantor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto the Administrative Agent and the Lenders, their successors or assigns, the obligations secured by this Deed of Trust, and otherwise perform the Grantor's respective obligations under the Loan Documents to which the Grantor is a party, then this Deed of Trust, and the estate hereby granted, shall cease, determine and be void, and the Property shall be released to the Grantor, at the cost of Grantor.

This Deed of Trust secures, inter alia, present and future advances made by the Administrative Agent on behalf of the Lenders pursuant to the Loan Documents, including, without limitation, advances made to enable completion of the Improvements, plus accrued and unpaid interest. The priority of such future advances shall relate back to the date of this Deed of Trust, or to such later date as required by applicable law. This Deed of Trust also secures advances made by the Administrative Agent on behalf of the Lenders with respect to the Property for the payment of taxes, assessments, maintenance charges, and insurance premiums, costs incurred by the Administrative Agent and the Lenders for the protection of the Property or the lien of this Deed of Trust, including attorneys' fees, and expenses incurred by the Administrative Agent and the Lenders by reason of the occurrence of an Event of Default hereunder, including attorneys' fees, and the priority of such advances, costs and expenses shall also relate back to the date of this Deed of Trust, or to such later date as required by applicable law. The maximum principal amount that may be secured by this Deed of Trust is $125,000,000.00; provided that in no event shall Administrative Agent or the Lenders be obligated to advance to or for the benefit of Grantor in excess of the stated principal amount of the Note.

The Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Deed of Trust secures all funds advanced pursuant to the Loan Agreement (which advances shall constitute part of the indebtedness evidenced by the Note, whether more or less than the principal amount stated in the Note) and the punctual performance, observance and payment by the Grantor of all of the requirements of the Loan Agreement and the Note to be performed, observed or paid by the Grantor. In the event of express and direct contradiction between any of the provisions of the Loan Agreement and any of the provisions contained herein, then the provisions contained in the Loan Agreement shall control. Any warranties, representations and agreements made in the Loan Agreement by the Grantor shall survive the execution and recording of this Deed of Trust and shall not merge herein.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances. The Grantor warrants that the Grantor 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

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further assurances as may be requested. The Grantor 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 GRANTOR GENERALLY

6.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Loan Documents. The Grantor covenants that it will punctually (a) pay or cause to be paid to the Administrative Agent all amounts due under the Loan Documents executed by the Grantor, 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 Grantor; (b) perform and satisfy all other obligations of the Grantor under the Loan Documents; (c) use all commercially reasonable efforts in satisfying the conditions to advances of the Loan which conditions are specified in Article III, Article IV and Article V of the Loan Agreement; and (d) construct the Improvements (as defined in the Loan Agreement) in accordance with the terms of the Loan Documents.

6.2 Escrow Account. At the Administrative Agent's option, the Grantor agrees that:

6.02.1 The Grantor will pay to the Administrative Agent monthly installments, each of which shall be equal to one-twelfth (1/12th) of the sum of (a) the estimated annual premiums for all insurance policies required by Sections 8.1 and 8.2, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by the Administrative Agent in an escrow account established with the Administrative Agent (the "**Escrow Account**") and disbursed by the Administrative Agent to pay insurance premiums as they become due and taxes, assessments and governmental charges before any penalty or interest shall accrue thereon. Estimates are to be made solely by the Administrative Agent in its reasonable determination and payments shall be made on the day of the month designated by the Administrative Agent. No interest shall be payable by the Administrative Agent or the Lenders on the Escrow Account unless, and then only to the extent that, applicable law shall otherwise require. All overpayments to the Escrow Account shall be applied to reduce future payments to the Escrow Account, if any, or shall be returned to the Grantor, at the sole discretion of the Administrative Agent.

6.02.2 Upon the request of the Administrative Agent, the Grantor shall pay such additional sums into the Escrow Account as the Administrative Agent determines are necessary, so that one month prior to the date the Administrative Agent is required to make payments of insurance premiums, or taxes, assessments or governmental charges, as the case may be, payments can be made therefor out of the Escrow Account.

6.02.3 The Grantor hereby grants the Administrative Agent for the benefit of the Lenders a security interest in the sums on deposit in the Escrow Account to secure the obligations secured hereby, and upon the occurrence of an Event of Default, the Administrative Agent and the Lenders may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy the Grantor's obligations under the Loan Documents, as the Administrative Agent may elect.

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6.3 Compliance With Laws. The Grantor shall comply with all laws a breach of which would adversely affect (a) the financial condition of the Grantor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Property, or (d) the value or status of the Administrative Agent's interest in the Property.

6.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any law now in force governing the taxation of deed of trusts, debts secured by deed of trusts, 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 Grantor will promptly pay any such tax. If the Grantor fails to make prompt payment, or if any law either prohibits the Grantor from making the payment or would penalize the Administrative Agent or the Lenders if the Grantor makes the payment, then the failure, prohibition, or penalty, shall entitle the Administrative Agent, in accordance with the terms of the Loan Agreement, to declare the entire unpaid principal balance of the Loan, together with all accrued interest and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, the Grantor 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 Grantor fails to make payment in full within thirty (30) days, then the Administrative Agent shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

6.5 Certifications, Licenses, Permits, Etc.: The Grantor 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 Grantor 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 Grantor, or management or in the manner in which its business is conducted.

6.7 Distributions, Etc: The Grantor 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 Grantor shall maintain its primary banking relationship with Mercantile.

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6.9 Further Assurances and Continuation Statements. The Grantor from time to time will execute, acknowledge, deliver and record, at the Grantor's sole cost and expense, all further instruments, deeds, conveyances, supplemental mortgages, assignments, financing statements, transfers and assurances as in the reasonable opinion of the Administrative Agent's counsel may be necessary (a) to preserve, continue and protect the interest of the Administrative Agent in the Property, or (b) to secure the rights and remedies of the Administrative Agent under this Deed of Trust and the other Loan Documents. The Grantor, at the request of the Administrative Agent, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Property subject to the Uniform Commercial Code.

6.10 Expenses. The Grantor shall reimburse the Trustee, the Administrative Agent and the Lenders for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding to sustain the lien, security interest, priority, or validity of any Loan Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination or title insurance policy relating to the title to the Property, or (d) for any other purpose contemplated by the Loan Documents. The Grantor 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 Administrative Agent and the Lenders shall be secured by this Deed of Trust. In any action or proceeding to foreclose this Deed of Trust 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 Grantor represents and warrants to the Administrative Agent and the Lenders that except for the matters disclosed in the Environmental Reports (as defined in the Loan Agreement), copies of which have previously been provided to Mercantile, there are no hazardous substances on the Real Property, that the Grantor 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 Grantor 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 Grantor, 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 Grantor further covenants and agrees to give written notice to the Administrative Agent immediately upon acquiring knowledge of the existence of any condition relating to the Property which constitutes a material threat to the health, safety or property of the Grantor or others.

The Grantor 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 Grantor 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

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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 Grantor shall fail to take such action, the Administrative Agent and the Lenders may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys' fees, fines, or other penalty payments, shall be at once repayable by the Grantor and shall bear interest at the Default Interest Rate defined in the Note or at the maximum interest rate which the Grantor 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 Grantor further covenants and agrees that the Grantor 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 Grantor shall defend, indemnify and hold harmless the Trustee, the Administrative Agent and the Lenders against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys' fees) incurred by the Administrative Agent or the Lenders resulting from the presence on the Property at any time of any Environmental Materials. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of any third parties and shall survive: (i) repayment of the Loan and the full release of the lien of this Deed of Trust; (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 Grantor. Until the happening of an Event of Default, the Grantor 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 Grantor shall provide competent and responsible management to maintain and operate the Property.

7.3 Financial Statements; Books and Records. The Grantor shall furnish to each of the Lenders annual financial and operating statements as described herein. Such statements shall show all items of income and expense for the operation of the Property, shall be certified by the Chief Financial Officer of the Grantor's member and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Grantor'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 Grantor's fiscal year audited by a firm of independent certified public accountants acceptable to the Administrative Agent. The Grantor shall also provide each of the Lenders with copies of all federal, state and local tax returns and

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filings within ten (10) days of the date the same are filed. The Grantor shall deliver, and shall cause Lessee to deliver, to each of the Lenders monthly financial statements on a consolidated and consolidating basis within thirty days after each calendar month, certified by the Chief Financial Officer of the Grantor's member as to the accuracy thereof. The Grantor agrees to make its books and records relating to the operation of the Property available for inspection by each of the Lenders, upon request at any reasonable time, at the Grantor's principal place of business or at such other location in the State of Maryland as the Administrative Agent may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Loan Documents.

7.4 Restriction of Assignment of Rents. The Grantor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of the Administrative Agent, except as permitted by the Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

7.5 Alterations and Improvements. The Grantor shall not make any structural alterations or improvements on the Property except in accordance with approved plans and specifications submitted to and approved by the Administrative Agent, as provided in the Loan Agreement. All alterations or improvements shall be erected (a) in a good and workmanlike manner strictly in accordance with all applicable law, (b) entirely on the Land (c) without encroaching upon any easement, right of way, or land of others, (d) so as not to violate any applicable use, height, set-back or other applicable restriction, and (e) without permitting any mechanic's lien to attach to the Property which is not being contested as permitted in Section 7.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Deed of Trust.

7.6 Restrictions on Sale and Transfer of the Property. The Grantor 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 Deed of Trust or the Loan Agreement, without the prior written consent of the Administrative Agent and any consent of the Lenders required under the Loan Agreement (including any Required Consent or Unanimous Consent, as applicable). Any transferee of the Property or any part or portion thereof in fee simple, by virtue of its acceptance of the transfer, shall (without in any way affecting the Grantor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary liability for the performance of the Grantor's obligations under the Loan Documents. The sale, assignment, transfer or conveyance of any member interest in the Grantor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale, assignment, transfer or conveyance of member or other interest of any kind in any of the members of the Grantor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph. This section shall not apply to any condemnation, any disposition permitted by Section 7.9 or any disposition by the Administrative Agent by foreclosure hereunder or as otherwise permitted by the Loan Documents.

7.7 Restriction on Encumbrances. The Grantor shall not allow any Encumbrances on the Property except the Permitted Encumbrances. The Grantor shall give the Trustee and the

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Administrative Agent prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. The Grantor shall comply with its obligations under all Permitted Encumbrances. The Trustee and the Administrative Agent may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and the Grantor shall, on demand, reimburse the Trustee and the Administrative Agent and the Lenders 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 Grantor shall: (a) keep and maintain the Property in good order, condition, and repair and make, in a prompt manner, all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired; (b) not commit or suffer any waste of the Property; (c) promptly protect and conserve any portion of the Property remaining after any damage to, or partial destruction of, the Property; (d) promptly repair, restore, replace or rebuild any portion of the Property which is damaged or destroyed; (e) promptly restore the balance of the Property remaining after any condemnation; (f) permit the Administrative Agent, any Lender or their designees to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with 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 Administrative Agent. The Grantor may, without consent and free from the lien and security interest of this Deed of Trust, 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 Deed of Trust, and shall automatically be subject to the granting clauses hereof. Upon the sale of any removed fixtures and equipment which are not replaced, the proceeds shall, at the election of the Administrative Agent, be applied as a prepayment of amounts guaranteed by the Grantor 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 Grantor 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 Grantor shall not be required to pay any taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of the Administrative Agent, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan. Upon payment thereof, the Grantor shall promptly supply the Administrative Agent with receipts showing the payment of the taxes or claim.

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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 Grantor without the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld.

7.12 Preservation of Appurtenances. The Grantor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

SECTION 8. INSURANCE AND CONDEMNATION

8.1 Builder's Risk and Casualty Insurance. At all times that any amounts are guaranteed or owing by the Grantor under the Loan Documents, the Grantor shall keep the Property insured for the benefit of the Grantor, the Administrative Agent and the other Lenders against loss or damage by either standard builder's risk insurance or all-risk peril insurance, as the Administrative Agent may require from time to time. Such insurance shall be written in amounts equal to the greater of the total amount due and owing by the Grantor to the Lenders under the Loan Documents, one hundred percent (100%) of the replacement value of the Property (excluding land), or such other amount as may be approved by the Administrative Agent. Such insurance shall be written in forms and by companies satisfactory to the Administrative Agent, and the losses thereunder shall be payable to the Administrative Agent (for the benefit of the Lenders) alone and not to the Grantor and the Administrative Agent, jointly. The policy or policies of such insurance shall, if requested by the Administrative Agent, be delivered to and retained by the Administrative Agent, and shall contain a standard New York Mortgagee Clause showing the loss, if any, as payable to the Administrative Agent and shall require the insurer to give the Administrative Agent at least thirty (30) days' prior notice of its cancellation or nonrenewal of the policy or policies. The Grantor shall provide the Administrative Agent with receipt evidencing the payment of all premiums due on such policies. The Grantor shall give the Administrative Agent prompt notice of any loss covered by such insurance, and the Administrative Agent shall have the right (subject to the approval of the Grantor, so long as no Event of Default has occurred) to adjust any loss covered by an insurance policy. Unless otherwise approved in writing in advance by the Administrative Agent, all monies in excess of $100,000 in the aggregate received as payment for any one or more losses covered by an insurance policy ("**Insurance Proceeds**") shall be paid over to the Administrative Agent to be applied, at the option of the Administrative Agent, either to the prepayment of the indebtedness secured by the Deed of Trust or to the payment of other charges or expenses actually incurred by the Grantor in the restoration, reconstruction, repair, renovation or replacement of the Property.

8.2 Liability Insurance. The Grantor 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.

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8.3 Contractors' Insurance. During the construction of the Improvements, the Grantor will cause all contractors and subcontractors (including the Grantor if applicable) to obtain and keep in effect (or secure coverage itself) a contractors' liability insurance policy or policies in builders' all risk form, with loss payable endorsements acceptable to the Administrative Agent, insuring the 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 Commonwealth of Virginia. Upon request, the Grantor shall provide the Administrative Agent with evidence satisfactory to the Administrative Agent that all such insurance is in effect.

8.4 Other Insurance. The Grantor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the above paragraph unless the Administrative Agent is included thereon as a named insured with losses payable to the Administrative Agent as above provided. The Grantor shall immediately notify the Administrative Agent whenever any such separate insurance is taken out and shall promptly deliver to the Administrative Agent the policy or policies of such insurance.

If any of the Improvements on the Property are located in an area which has been identified as a non-minimal flood hazard area, the Grantor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Deed of Trust or the maximum limit of coverage available for the Property.

Unless a written waiver from the Administrative Agent is obtained, the Grantor 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 Grantor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify the Administrative Agent of such proceedings. The Administrative Agent may participate in any such proceedings, and the Grantor will, from time to time, deliver to the Administrative Agent all instruments requested by them to permit such participation. Any award or payment made as a result of any taking shall be paid to the Administrative Agent, to be applied (a) if funds sufficient to restore the remainder of the Property are available from such award or payment (together with other funds supplied or caused to be supplied by the Grantor) and no Event of Default is then outstanding, to the restoration of the remainder of the Property, or (b) if sufficient funds are not available to restore the remainder of the Property, and neither Grantor nor Guarantor has provided sufficient funds within sixty (60) days following such award or payment, or if an Event of Default is then outstanding, to prepayment of amounts guaranteed by the Grantor under the Loan Documents, whether then due or not. All moneys not utilized for the repair or restoration of the remainder of the Property shall be applied as a prepayment of amounts owing by the Grantor 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

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the Administrative Agent. In the event any payment or award is used to restore the Property, as aforesaid, the Administrative Agent and the Lenders shall not be obligated to see to the proper allocation thereof, nor shall any amount so used be deemed a payment of any indebtedness secured by this Deed of Trust. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by the Administrative Agent and disbursed under such terms and conditions, to such persons, and at such times, as the Administrative Agent may determine.

8.6 Endorsement and Execution of Loan Documents. Upon the written request of the Administrative Agent, the Trustee shall, without liability or notice to the Grantor, execute, consent to, or join in any instrument or agreement in connection with or necessary to effectuate the purposes of the Loan Documents. The Grantor hereby irrevocably designates the Trustee as its attorney-in-fact to execute, acknowledge, and deliver, on the Grantor's behalf and in the Grantor's name, all instruments or agreements necessary to implement the provisions of Section 3.5, contemplated by Section 6.9, or necessary to further perfect the lien created by this Deed of Trust on the Property. This power of attorney shall be deemed to be coupled with an interest and shall survive any disability of the Grantor.

8.7 Substitution of Trustees. The Administrative Agent may, by filing a deed of appointment in the office where this instrument is recorded, appoint additional or replacement trustees and may remove the Trustee, from time to time, without notice to the Grantor or the Trustee and without specifying any reason.

8.8 Multiple Trustees. Any Trustee, individually, may exercise all powers granted to the Trustees collectively, without the necessity of the joinder of the other Trustees.

8.9 Terms of Trustees' Acceptance. The Trustee accepts the trust created by this Deed of Trust upon the following terms and conditions:

8.09.1 The Trustee may exercise any of its powers through appointment of attorneys-in-fact or agents.

8.09.2 The Trustee shall not be liable for any matter or cause arising under this Deed of Trust or in connection herewith except by reason of its own willful misconduct or gross negligence.

8.09.3 The Trustee may select and employ legal counsel in connection with this Deed of Trust at the expense of Grantor except that Grantor shall not pay the expenses of Trustee's legal counsel when Trustee is liable pursuant to Section 8.09.2 above.

8.09.4 The Trustee shall be under no obligation to take any action upon any Event of Default unless it is furnished security or indemnity, in form satisfactory to the Trustee, against costs, expenses and liabilities which may be incurred by the Trustee.

8.09.5 A Trustee may resign upon five (5) days written notice to the Administrative Agent, and the Lenders.

8.10 Trustees' Reimbursement. The Grantor shall reimburse the Trustee for all reasonable disbursements and expenses incurred by reason of this Deed of Trust.

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8.11 Save Harmless Clause. The Grantor shall indemnify and save harmless the Administrative Agent, any of the Lenders, and the Trustee, singularly and jointly, from all costs and expenses, including reasonable attorneys' fees, incurred by them or any of them by reason of this Deed of Trust, including any legal action to which the Administrative Agent, any of the Lenders or the Trustees shall become a party, other than that arising from the gross negligence or willful misconduct of the Administrative Agent, any of the Lenders, or the Trustee. Any money so paid or expended by the Administrative Agent, any of the Lenders, or the Trustee shall be due and payable upon demand together with interest at the Default Interest Rate stated in the Note from the date incurred and shall be secured by this Deed of Trust.

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 Deed of Trust.

9.01.2 Insurance Provisions. The failure of the Grantor to perform its obligations set forth in Section 8 to keep the Property adequately and continually insured.

9.01.3 Receiver; Bankruptcy. If the Grantor (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 Grantor 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 Grantor a bankrupt or insolvent, or appointing a receiver, trustee, or liquidator for the Grantor of all or substantially all of its assets, or (c) an order of relief is entered against the Grantor 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 Grantor of the whole or any part of the Rents in contravention of Section 7.4.

9.01.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 7.5, 7.6, 7.7 or 7.9.

9.01.7 Loss of License. The loss of any material license or permit necessary for the improvement, operation, occupancy, or use of the Property (whether such license or permit is

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issued to the Grantor or to another entity responsible for the operation of the Retirement Community).

9.01.8 Defaults under Subordinate Liens. Any default by the Grantor under any documents executed in connection with any subordinate liens (including any such liens in favor of the Administrative Agent) against the Property, which default is not cured within any applicable grace or cure period.

9.01.9 Environmental Requirements. Failure of the Grantor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from the Administrative Agent.

9.01.10 Other Defaults. The failure of the Grantor to perform or observe any of its obligations or covenants under this Deed of Trust not previously specifically referred to in this Article 9, which failure continues for a period of thirty (30) days after written notice to the Grantor; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Grantor in the event that the default cannot be cured within the time set forth in this Deed of Trust and the Grantor is diligently pursuing cure of the default.

9.01.11 Environmental Liens. If the Environmental Protection Agency of the United States ("**EPA**"), or any other state or federal agency or any other person or entity (a) asserts or creates a lien upon any or all of the Property by reason of the failure of the Grantor to comply with all Environmental Requirements or (b) commences an action or proceeding based on any claims against the Grantor, the Property, the Administrative Agent or any Lender for damages or cleanup costs related to the Grantor's failure to comply with all Environmental Requirements, and in the case of such an action or proceeding Grantor is unsuccessful in obtaining a dismissal of such action or proceeding within thirty (30) days but in any event prior to the date any lien attaches to the Property.

9.01.12 Future Advances. If Grantor without the prior written approval of the Administrative Agent, sends written notice to the Administrative Agent which purports to limit the indebtedness secured by this Deed of Trust and to release the obligation of Administrative Agent on behalf of the Lenders to make any additional advances to Grantor.

9.2 Payment or Performance by the Administrative Agent and the Lenders. Upon the occurrence of any Event of Default, the Administrative Agent may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Property. The Grantor shall, upon demand, reimburse the Administrative Agent and the Lenders for all sums so advanced or expenses incurred by the Administrative Agent or the Lenders, together with interest at the Default Interest Rate stated in the Note from the date of advance or payment of the same, which sums shall be secured by this Deed of Trust. The Administrative Agent and the Lenders may enter upon the Property without prior notice to the Grantor or judicial process and may take any action to enforce their rights under this Section 9.2 without liability to the Grantor.

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9.3 Completion of Improvements: Upon the occurrence of an Event of Default, the Grantor agrees that the Administrative Agent may, in addition to any other remedies available to it and in its sole discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and Specifications with such changes therein as the Administrative Agent may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by any other contracts made by the Grantor 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 Grantor, (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 Grantor shall be liable to the Administrative Agent and the Lenders for all sums paid or incurred by them to construct and equip the Property whether the same shall be paid or incurred pursuant to the provisions of this Section 9.3 or otherwise (such liabilities to be part of the Grantor's obligations), and all payments made or liabilities incurred by the Administrative Agent or the Lenders hereunder of any kind whatsoever shall be paid by the Grantor to the Administrative Agent 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 Grantor hereby irrevocably constitutes and appoints the Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Grantor.

9.4 Possession by Trustee and Administrative Agent. Upon the occurrence of an Event of Default, the Trustee or the Administrative Agent may enter upon and take possession of the Property with notice to the Grantor, but without judicial process or the appointment of a receiver. The Trustee and the Administrative Agent may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. The Trustee and the Administrative Agent shall have the right as agent for the Grantor to operate the Property and carry on the business of the Grantor, either in the name of the Grantor or otherwise. Neither the Trustee, the Administrative Agent nor the Lenders shall be liable to the Grantor for taking possession of the Property, as aforesaid, nor shall the Administrative Agent or the Lenders be required to make repairs or replacements, and the Administrative Agent shall be liable to account only for Rents actually received by the Administrative Agent. All Rents collected by the Trustee or the Administrative Agent shall be applied (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property and/or to comply with the terms of the Loan Documents, including actual attorney's fees, (c) third, to pay all sums secured by the Loan Documents in the order of priority selected by the Administrative Agent, and (d) fourth, with the balance, if any, to the Grantor or such other person as may be entitled thereto.

FOR THE PURPOSE OF OBTAINING POSSESSION OF THE PROPERTY IF AN EVENT OF DEFAULT HEREUNDER OR UNDER THE NOTE OR OTHER LOAN DOCUMENTS HAS OCCURRED AND IS CONTINUING, GRANTOR HEREBY AUTHORIZES AND EMPOWERS ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF VIRGINIA OR ELSEWHERE, AS ATTORNEY FOR GRANTOR AND ALL PERSONS CLAIMING UNDER OR THROUGH GRANTOR, TO APPEAR FOR AND CONFESS JUDGMENT IN

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EJECTMENT AGAINST GRANTOR FOR POSSESSION OF THE PROPERTY AND TO APPEAR FOR AND CONFESS JUDGMENT AGAINST GRANTOR, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH GRANTOR, IN FAVOR OF ADMINISTRATIVE AGENT, FOR RECOVERY BY ADMINISTRATIVE AGENT OF POSSESSION THEREOF, FOR WHICH THIS DEED OF TRUST, OR A COPY THEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE PROPERTY, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED IT SHALL BE DISCONTINUED, OR POSSESSION OF THE PROPERTY SHALL REMAIN IN OR BE RESTORED TO GRANTOR, ADMINISTRATIVE AGENT SHALL HAVE THE RIGHT FOR THE SAME DEFAULT OR ANY SUBSEQUENT DEFAULT TO BRING ONE OR MORE FURTHER ACTIONS AS ABOVE PROVIDED TO RECOVER POSSESSION OF THE PROPERTY. ADMINISTRATIVE AGENT MAY CONFESS JUDGMENT IN EJECTMENT THEREIN BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO FORECLOSE THIS DEED OF TRUST OR TO ENFORCE THE NOTE OR OTHER LOAN DOCUMENTS, OR AFTER ENTRY OF JUDGMENT ON THE DEED OF TRUST OR ON THE NOTE, OR AFTER A SHERIFF'S SALE OF THE PROPERTY IN WHICH ADMINISTRATIVE AGENT IS THE SUCCESSFUL BIDDER. THE AUTHORIZATION TO PURSUE SUCH PROCEEDINGS FOR OBTAINING POSSESSION IS AN ESSENTIAL PART OF THE ENFORCEMENT OF THE DEED OF TRUST AND THE NOTE AND THE OTHER LOAN DOCUMENTS, AND SHALL SURVIVE ANY EXECUTION SALE TO ADMINISTRATIVE AGENT.

9.5 Collection of Rents. Grantor has not collected or accepted payment of, and will not collect, or accept payment of, rent under any of the Leases for more than one (1) month in advance. Upon the occurrence of an Event of Default and upon written demand by the Administrative Agent to the Tenant, all Rents shall be payable directly to the Administrative Agent.

9.6 Acceleration; Judgment; Foreclosure. At any time during the existence of an Event of Default, the Administrative Agent, at the Administrative Agent's option, may declare the Loan to be immediately due and payable without further demand, and may recover judgment against the Grantor for all amounts owing in connection with the Loan (but neither the recovery of judgment nor the levy of execution on the Property shall affect the Administrative Agent's rights hereunder or the lien hereof), may institute an action for the foreclosure of this Deed of Trust and the sale of the Property pursuant to the judgment or decree of a court of competent jurisdiction, sell the Property to the highest bidder or bidders at public auction at a sale or sales held at such place or places and time or times and upon such notice and otherwise in such manner as may be required by law, or in the absence of any such requirement, as Administrative Agent may deem appropriate, and from time to time adjourn such sale announcement at the time and place specified for such sale or for such adjourned sale or sales without further notice except such as may be required by law, and may invoke any other remedies permitted by Virginia law or provided in this Deed of Trust or in any other Loan Document, including, without limitation, the sale of the Property, in such a foreclosure proceeding or by public sale, or through a sheriff's sale, in one or several parcels, at the Administrative Agent's option and without obligation to

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have the Property marshalled. The Administrative Agent shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees permitted under applicable law, costs of documentary evidence, abstracts and title reports.

9.7 Application and Proceeds of Sale. Upon a sale under Section 9.6, the purchaser shall receive that portion of or interest in the Property purchased by it free from any claims of the Grantor 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 Virginia 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 Grantor under the Loan Documents, whether then due or not, in the order of priority determined by the Administrative Agent, and (d) fourth, the balance, if any, to the Grantor or to other persons entitled thereto.

9.8 Trustee's Commission. Except as the following may be expressly limited by Virginia law, upon a sale by the Trustee of any portion of or interest in the Property, the Trustee shall be entitled to a commission equal to the commission allowed trustees for making sales of property under decrees of the court having equity jurisdiction. In the event any portion of the Property is advertised for foreclosure sale and not sold, the Trustee shall be entitled to a commission equal to one-half (1/2) of the commission provided in case of foreclosure sale. The person making the sale shall not be required to accept payment of the amounts secured hereby unless accompanied by all expenses of the proceedings and one-half (1/2) of the commission.

9.9 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 9.6 prior to receipt of a condemnation award or payment, the Administrative Agent shall receive and apply the proceeds of the award or payment toward the satisfaction of any deficiency resulting from the sale, whether or not a deficiency judgment is sought, recovered, or denied.

9.10 Right of the Administrative Agent and Lenders to Bid. The Administrative Agent, any Lender and/or the Trustee may bid and become the purchaser at a foreclosure sale under this Deed of Trust.

9.11 Trustee's Bond. The Grantor waives any right to require the person authorized to make the sale hereunder to post a bond.

9.12 Appointment of a Receiver.

(a) Upon the occurrence of an Event of Default, the Administrative Agent shall be entitled to and Grantor hereby consents to, the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Loan Documents. Upon obtaining possession of the Property or upon the appointment of a receiver, the Administrative Agent or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection

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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 Grantor (the cost of completing the Improvements shall be expenses secured by this Deed of Trust and accrue interest as set forth herein). In so doing, the Trustee, the Administrative Agent or such receiver shall have the right to manage the Property and to carry on the business of the Grantor and may exercise all of the rights and powers of the Grantor, either in the name of the Grantor, 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 Grantor with respect to the Property. The Trustee, the Administrative Agent or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. The Grantor shall pay on demand to the Administrative Agent, the receiver, or the Trustee (as the case may be) the amount of any deficiency between (a) the Rents received by the Administrative Agent, the receiver, or the Trustee 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 Administrative Agent shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

(b) The failure of the Grantor 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 Deed of Trust or the other Loan Documents, shall constitute waste. The Grantor hereby consents to the appointment of a receiver, should the Administrative Agent elect to seek such relief. The Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor or hearing thereon. Payment by the Administrative Agent for or on behalf of the Grantor of any such delinquent payment shall not cure the default nor shall it impair the Administrative Agent's right to the appointment of a receiver.

9.13 Remedies Cumulative. All rights, powers, and remedies of the Administrative Agent or the Trustee provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by law or contract. Exercise of any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by the Administrative Agent or the Trustee.

9.14 Consent to Jurisdiction and Venue. The Grantor consents to be sued in any jurisdiction where any of the Property is located.

9.15 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, the Grantor shall assemble and make available to the Administrative Agent and the Trustee those portions of the Property which consist of personal property at a place to be designated by the Trustee and the Administrative Agent, and the Trustee may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by the Administrative Agent or the Trustee to the

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Grantor. 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.

9.16 WAIVER OF JURY TRIAL. **THE GRANTOR 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 DEED OF TRUST, OR ANY OF THE OTHER LOAN DOCUMENTS TO WHICH THE GRANTOR 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 DEED OF TRUST. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE GRANTOR WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS DEED OF TRUST 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 GRANTOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTANDS THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.**

SECTION 10. MISCELLANEOUS

10.1 Financing Sign on Property. Publicity: The Grantor authorizes the Administrative Agent, at the expense of the Lenders, to place signs on the Land at any locations selected by the Administrative Agent and approved by the Grantor until completion of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by the Administrative Agent advertising the fact that financial assistance for the Project has been obtained from the Lenders.

10.2 Waivers. No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by the Administrative Agent or any Lender to insist upon the Grantor's strict performance of any of the terms of the Loan Documents to which the Grantor is a party shall be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to a Default or an Event of Default shall not bar the Administrative Agent or any Lender from exercising any rights under the Loan Documents, or at law or in equity.

10.3 Consents.

10.03.1 The Administrative Agent and any Lender may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and/or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Deed of Trust or the priority of such lien over any subordinate lien.

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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 Trustee, the Administrative Agent, any Lender, or any other person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or stipulation between any subsequent owners of the Property and the Administrative Agent or any Lender extending the time of payment or modifying the terms of any Loan Document.

10.4 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Deed of Trust.

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

(a) If to the Administrative Agent:
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, 18th Floor
Baltimore, Maryland 21202

(b) If to Grantor:
Ashburn Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Chief Financial Officer

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

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

(c) If to Trustee:
Alexander Title Agency, Inc.
c/o Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attn: Bruce D. McLean, Senior Vice President

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

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

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 Deed of Trust may not be modified except in writing signed by (a) the Administrative Agent, (b) the Trustee, and (c) the Grantor.

10.8 Severability. In the event any provision of this Deed of Trust 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 Grantor shall be promptly transmitted to the Administrative Agent and the Trustee.

10.10 Applicable Law. Except as provided to the contrary below, this Deed of Trust 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 Virginia, this Deed of Trust shall be governed by the laws of Virginia; it being understood that, to the fullest extent permitted by the laws of Virginia, the laws of the State of Maryland shall govern the validity and enforceability of this Deed of Trust in all instances where the law of Virginia is not specifically made the law applicable to this Deed of Trust.

10.11 Time of the Essence. Time is of the essence with respect to the Loan Documents.

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10.12 Effect of Payments. Any payment or other performance made in accordance with the Loan Documents by any person other than the Grantor shall not entitle such person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by the Administrative Agent.

10.13 Word Forms. The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

10.14 Assignment of Rents. The Grantor, 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 Administrative Agent all of the rents, profits, income and other moneys, whether due or to become due, under all oral or written leases, licenses or other agreements for the use or occupancy of the Property, or any part thereof, in existence or coming into existence during the period this Deed of Trust is in effect. This assignment of rents shall run with the land and be good and valid as against the Grantor herein, or those claiming by, through or under the Grantor, from the date of the recording of this Deed of Trust in Virginia, provided, however, that the Grantor may collect and retain such rents, profits and income so long as the Grantor is not in default hereunder. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Deed of Trust. 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 Grantor under this Deed of Trust, the Note or the Loan Documents, the Grantor shall, upon demand therefor made by the Administrative Agent, deliver and surrender possession of the Property to the Administrative Agent, who shall thereafter collect the rents, profits and income therefrom, rent or lease said Property or any portion thereof upon such terms and for such time as it may deem best, terminate any tenancy and maintain proceedings to recover rents or possession of the Property from any tenant or trespasser, and apply the proceeds of such rent, profits and income actually collected, less all reasonable costs incurred in making such collection or in renting, leasing, operating or maintaining the Property, in such order of priority, proportion and upon such item or items as it may determine.

If the Grantor fails, refuses or neglects to deliver or surrender such possession, the Administrative Agent shall be entitled to the appointment of a receiver of the Property and of the earnings, issues, rents, profits and income with such power as the Court making such appointment may confer. The collection by the Administrative Agent of rents or other income from the Property shall in no way waive the right of the Administrative Agent to foreclose this Deed of Trust in the event of default, and the Administrative Agent shall be entitled to all of the rights and remedies accorded to a beneficiary by the statutes of the Commonwealth of Virginia in effect from time to time.

10.15 Future Advances. If Grantor sends a written notice to Administrative Agent which purports to limit the indebtedness secured by this Deed of Trust and to release the obligation of Administrative Agent to make any additional advances to Grantor, such a notice

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shall be ineffective as to any future advances made: (i) to enable completion of the Improvements on the Property for which the loan secured hereby was originally made; (ii) to pay taxes, assessments, maintenance charges and insurance premiums; (iii) for costs incurred for the protection of the Property or the lien of this Deed of Trust; (iv) for expenses incurred by Administrative Agent by reason of a default of Grantor hereunder or under the Note or Loan Agreement; and (v) for any other costs incurred by Administrative Agent to protect and preserve the Property. It is the intention of the parties hereto that any such advance made by Administrative Agent after any such notice by Grantor shall be secured by the lien of this Deed of Trust on the Property.

10.16 [Intentionally Omitted.]

10.17 Release. If the indebtedness evidenced by this Deed of Trust is paid in full in accordance with the terms of this Deed of Trust, the Note, the Loan Agreement or any of the other Loan Documents, then this conveyance shall become null and void and be released at Grantor's request and expense, and the Lenders shall have no further obligation to make advances under and pursuant to the provisions hereof or in the Loan Agreement or any of the other Loan Documents.

10.18 ENTIRE AGREEMENT; AMENDMENT. THE PARTIES AGREE THAT THIS ENTIRE AGREEMENT IS NONSTANDARD AND CONTAINS SUFFICIENT SPACE FOR THE PLACEMENT OF NONSTANDARD TERMS. THIS AGREEMENT CONTAINS ALL OF THE AGREEMENTS AND IS INTENDED TO BE THE FINAL EXPRESSION OF THE CREDIT AGREEMENT OF GRANTOR AND BENEFICIARY, RELATING TO THE SUBJECT MATTER HEREOF, AND SUPERSEDES ANY AND ALL PRIOR DISCUSSION AND/OR AGREEMENTS RELATIVE THERETO. THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL CREDIT AGREEMENT OR OF A CONTEMPORANEOUS ORAL CREDIT AGREEMENT BETWEEN GRANTOR AND BENEFICIARY. GRANTOR AND BENEFICIARY HEREBY INITIAL THIS PROVISION AS AN AFFIRMATION THAT NO UNWRITTEN, ORAL CREDIT AGREEMENTS BETWEEN THE PARTIES EXIST.

GRANTOR'S INITIALS: _____
BENEFICIARY'S INITIALS: _____

The provisions hereof and any of the other Loan Documents may be amended or waived only by an instrument in writing signed by Grantor and the Beneficiary, subject to the provisions of the other Loan Documents.

10.19 Waiver of Statutory and Other Rights. To the extent permitted by law, Grantor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisement, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would prevent or hinder the enforcement or foreclosure of this Deed of Trust. Grantor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and

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shall be ineffective as to any future advances made: (i) to enable completion of the Improvements on the Property for which the loan secured hereby was originally made; (ii) to pay taxes, assessments, maintenance charges and insurance premiums; (iii) for costs incurred for the protection of the Property or the lien of this Deed of Trust; (iv) for expenses incurred by Administrative Agent by reason of a default of Grantor hereunder or under the Note or Loan Agreement; and (v) for any other costs incurred by Administrative Agent to protect and preserve the Property. It is the intention of the parties hereto that any such advance made by Administrative Agent after any such notice by Grantor shall be secured by the lien of this Deed of Trust on the Property.

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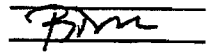
GRANTOR'S INITIALS:
BENEFICIARY'S INITIALS: 

The provisions hereof and any of the other Loan Documents may be amended or waived only by an instrument in writing signed by Grantor and the Beneficiary, subject to the provisions of the other Loan Documents.

10.19 Waiver of Statutory and Other Rights. To the extent permitted by law, Grantor shall not, and will not, apply for or avail itself of and hereby expressly waives for itself and its successors and assigns any appraisement, valuation, stay, homestead exemption, extension or exemption laws, any so-called "Moratorium Laws", all rights to redeem, periods of redemption and equity of redemption now existing or hereafter enacted, and any other law which would prevent or hinder the enforcement or foreclosure of this Deed of Trust. Grantor, for itself and all who may claim through or under it, expressly waives any and all right to have the property and

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estates comprising the Property marshaled upon any foreclosure of the lien hereof and agree that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety.

10.20. Virginia Statutory Provisions. This Deed of Trust is made under and pursuant to the provisions of Sections 55-59 to 55-60 of the Code of Virginia (1950), as amended, and shall be construed to impose and confer upon the parties hereto and Beneficiary all the rights, duties and obligations prescribed by such provisions, except as herein otherwise restricted, expanded, or changed, including without limitation the following rights, duties, and obligations described in short form:

(a) Exemptions waived.

(b) Subject to call on default.

(c) Renewal, extension or reinstatement permitted.

(d) Substitution of trustees collectively or of any reason whatsoever, and any number of times without exhaustion of the right to do so permitted.

(e) Any Trustee may act.

(Signature Page Attached)

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IN WITNESS WHEREOF the Grantor, by its duly authorized member, has executed and delivered this Deed of Trust as of the date and year first written above.

WITNESSES:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

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

Cathy M. Thompson
Cathy M. Thompson
Print Name:

The undersigned hereby certifies that the address of Beneficiary is:
Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201

_____

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IN WITNESS WHEREOF the Grantor, by its duly authorized member, has executed and delivered this Deed of Trust as of the date and year first written above.

WITNESSES:

ASHBURN CAMPUS, LLC,
a Maryland limited liability company

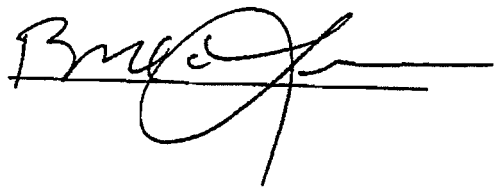
By: Erickson Retirement Communities, LLC,
Sole Member

_____

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

_____
Print Name:

The undersigned hereby certifies that the address of Beneficiary is:
Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201



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STATE OF MARYLAND)

COUNTY OF Anne Arundel : to-wit:
)

The foregoing instrument was subscribed, sworn to and acknowledged before me the undersigned notary public, on this 24th day of May, 2007, in the jurisdiction aforesaid, by Gerald F. Doherty, Executive Vice President, General Counsel and Secretary of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Ashburn Campus, LLC.

Dawn E. Hughes (SEAL)
NOTARY PUBLIC

My Commission Expires: DAWN E. HUGHES
NOTARY PUBLIC STATE OF MARYLAND
My Commission Expires February 23, 2009

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036

180270136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

DMEAST #9804263 v1

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(2)

County Tax Map
Parcel Identification
Number 060-49-8809

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

ASSIGNMENT OF RENTS AND LEASES

20070612-0044112
Loudoun County, VA Pgs: 13
06/12/2007 3:45:46PM
Gary M. Clemens , Clerk

ASHBURN CAMPUS, LLC,
a Maryland limited liability company
(Assignor)

to

MERCANTILE-SAFE DEPOSIT AND TRUST CORPORATION
a Maryland corporation in its capacity as Collateral and Administrative Agent
(Assignee)

Dated May 31, 2007

DRAFTED BY AND
WHEN RECORDED, RETURN TO:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
300 East Lombard Street, 18th Floor
Baltimore, Maryland 21202-3268
Attention: Christopher J. Fritz, Esquire

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ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (this "**Assignment**") given as of the 31st day of May, 2007, by **ASHBURN CAMPUS, LLC**, a Maryland limited liability company (hereinafter referred to as "**Assignor**"), to **MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY**, a Maryland banking corporation in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**" or the "**Assignee**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Construction Loan Agreement of even date herewith by and among Assignor, the Lenders and the Administrative Agent (together with all amendments thereto, the "**Loan Agreement**") (as hereinafter defined).

1. ASSIGNMENT

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby transfer for and assign unto the Administrative Agent for the benefit of the Lenders, their 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 at 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia, 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

2.1 Payment of Indebtedness. This Assignment is made for the purpose of securing the payment and performance of all of Assignor's obligations under the Amended and Restated Revolving Loan Note of even date herewith (as amended, restated, replaced, or otherwise modified, the "**Note**"), executed by the Assignor in connection with a certain loan (the "**Loan**") extended to Assignor by the Lenders in the principal stated amount of One Hundred Twenty-Five Million Dollars ($125,000,000.00).

2.2 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 Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement

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and Fixture Filing of even date herewith (the "**Deed of Trust**"), and any obligation, existing or hereinafter created, owed by the Assignor to the Administrative Agent or the Lenders.

2.3 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 Deed of Trust or any document executed in connection therewith (the "**Loan Documents**").

3. COVENANTS AND WARRANTIES OF ASSIGNOR

3.1 Priority. Except for the assignments, if any, in favor of or approved in writing by the Administrative Agent, 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 the Administrative Agent from fully exercising the Administrative Agent's rights under any of the terms, covenants and conditions of this Assignment.

3.2 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 the Administrative Agent.

3.3 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 the Administrative Agent. (The Administrative Agent shall promptly notify Assignor of approval, which shall not be unreasonably withheld, or disapproval of any particular Lease.) Following approval by the Administrative Agent, 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 the Administrative Agent.

3.4 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 the Administrative Agent 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,

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any of the Leases or the obligations, rights, or liabilities of Assignor or any of the Lessees thereunder.

3.5 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.

3.6 Further Assurances. Assignor will execute and deliver to the Administrative Agent at the request of the Administrative Agent all such further assurances and assignments as the Administrative Agent shall from time to time require or deem necessary.

3.7 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.

3.8 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

4.1 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.

4.2 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

5.1 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 Deed of Trust or any other documents executed in connection therewith.

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5.2 Remedies. If a default (which is not cured within any applicable grace or cure period) or an Event of Default occurs, the Administrative Agent may at the Administrative Agent's option, without notice to Assignor, do any one or more of the following:

(i) declare all amounts owed by the Assignor to the Lenders or the Administrative Agent immediately due and payable, 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 Deed of Trust or in any non-disturbance agreement executed by the Administrative Agent or any Lender;

(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. 3 hereof; and

(viii) do all other acts which the Administrative Agent may deem necessary or proper to protect the Lenders' security.

5.3 Power of Attorney. Assignor hereby appoints the Administrative Agent the true and lawful attorney-in-fact of Assignor, with full power of substitution, in Assignor's name and/or in the Administrative Agent's name, after an Event of Default hereunder, to sue for or make such settlement of claims, as the Administrative Agent 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

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indebtedness or charge secured hereby or by the Deed of Trust. 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 4.2 hereof.

5.4 Payment by Lessees to the Administrative Agent. The Lessees are authorized and directed upon written demand by the Administrative Agent to pay any and all amounts due to Assignor under or pursuant to the Leases to the Administrative Agent, or to such nominee as the Administrative Agent 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.

5.5 The Administrative Agent and the Lenders Not Liable for Performance Under Leases. Neither the Administrative Agent nor the Lenders shall be under any obligation to exercise or prosecute any of the rights or claims assigned to the Administrative Agent hereunder, or to perform or carry out any of the obligations of Assignor under any of the Leases, and neither the Administrative Agent nor the Lenders assume any liabilities in connection with or arising or growing out of 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 the Administrative Agent or any of the Lenders, nor shall it operate to make the Administrative Agent or any of the Lenders 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.

5.6 Indemnity. Assignor hereby agrees to indemnify and hold the Administrative Agent and the Lenders harmless from any and all liability, loss, damage, cost or expense, including actual attorney's fees, which may be incurred by any of them 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, the Administrative Agent or any of the Lenders, by reason of any alleged obligations or undertakings on the Administrative Agent's or any Lenders' 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 the Administrative Agent or any Lender.

5.7 No Merger. The Assignor, without the prior written consent of the Administrative Agent, will not cause or permit the leasehold estate under any Lease to merge with the Assignor's reversionary interest.

5.8 Rents in Virginia. All earnings, revenues, rents, issues, profits and income of the Premises or any part thereof are hereby assigned to the Administrative Agent on behalf of the Lenders and, in the case of the happening and continuation of an Event of Default hereunder or as defined in the Deed of Trust, the Administrative Agent 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 the Administrative Agent shall in no way waive the right of

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the Administrative Agent to foreclose the Deed of Trust in the event of such an Event of Default. Assignor agrees to consent to a receiver if requested by the Administrative Agent to enforce its rights hereunder.

6. MISCELLANEOUS PROVISIONS

6.1 No Waiver. The entry upon and taking possession of the Premises by the Administrative Agent or any of the Lenders, the collection of rents and the application thereof, or the exercise of any other right or remedy by the Administrative Agent or any of the Lenders herein provided, shall not operate to cure or waive any default or Event of Default under any instrument made or given by Assignor to the Administrative Agent or any of the Lenders, or prohibit the taking of any other action by the Administrative Agent or any Lender 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.

6.2 Releases, etc. The Administrative Agent and the Lenders 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 the Administrative Agent or any Lender to the satisfaction of such obligations, without prejudice to any of the Administrative Agent's or Lenders' rights hereunder.

6.3 Performance by the Administrative Agent. Should Assignor fail to perform or observe any covenant or to comply with any condition contained in any of the Leases, then the Administrative Agent (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 the Administrative Agent or any Lender 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.

6.4 Waiver by the Administrative Agent or any Lender. Neither acquiescence by the Administrative Agent or any Lender, nor failure of the Administrative Agent or any Lender 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 the Administrative Agent from therefor declaring such default to be an Event of Default as herein provided. Any waiver by Administrative Agent or any Lender of any condition, obligation, warranty or agreement herein contained shall be effective only if evidenced in a written instrument signed by the Administrative Agent and delivered to Assignor.

6.5 Rights Cumulative. The rights and remedies of the Administrative Agent under this Assignment are cumulative and are not in lieu of, but are in addition to all other rights or remedies which the Administrative Agent and the Lenders 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.

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6.6 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.

6.7 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 Deed of Trust executed in connection herewith.

6.8 Word Meanings. The terms "Assignor", the "Administrative Agent" and the "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.

6.9 Intentionally Blank.

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 Virginia, this Assignment shall be governed by the laws of Virginia; it being understood that, to the fullest extent permitted by the laws of Virginia, the laws of the State of Maryland shall govern the validity and enforceability of this Assignment in all instances where the law of Virginia is not specifically made the law applicable to this Assignment.

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6.13 ENTIRE AGREEMENT; AMENDMENT. THIS ASSIGNMENT OF RENTS AND LEASES AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO. The provisions hereof and the Loan Agreement or any of the other Loan Documents may be amended or waived only by an instrument in writing signed by Assignor and Assignee, subject to the provisions of the Loan Agreement.

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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:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

STATE OF MARYLAND)
: to-wit:
COUNTY OF Baltimore)

The foregoing instrument was subscribed, sworn to and acknowledged before me the undersigned notary public, on this 24th day of May, 2007, in the jurisdiction aforesaid, by Gerald F. Doherty, Executive Vice President, General Counsel and Secretary of Erickson Retirement Communities, LLC, a Maryland limited liability company, which is the sole member of Ashburn Campus, LLC.

_____ (SEAL)
NOTARY PUBLIC

My Commission Expires: _____

CATHY M. THOMPSON
Notary Public
Queen Anne's County, Maryland
My Commission Expires December 1, 2007

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

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(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

AFTER RECORDING RETURN TO:
CHICAGO TITLE INSURANCE COMPANY
1129 20th STREET NW
SUITE 300
WASHINGTON DC 20036
180270136

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

DMEAST #9804263 v1

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ENVIRONMENTAL COMPLIANCE CERTIFICATE AND AGREEMENT

Ashburn Campus, LLC, a Maryland limited liability company (the "**Borrower**"), hereby certifies, jointly and severally with Erickson Retirement Communities, LLC, a Maryland limited liability company (the "**Guarantor**"), to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, together with its successors and assigns (the "**Administrative Agent**"), in its capacity as Collateral and Administrative Agent for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (hereinafter defined) relating to a revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**"), which Loan is secured with a lien on certain property owned by the Borrower and hereinafter more particularly described (the "**Property**"), 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 Report, Campus at Ashburn, Loudoun County Parkway, Ashburn, Virginia 20166, AEC Project No. 06-197, dated January 10, 2007, prepared for the Guarantor by Advantage Environmental Consultants, LLC (collectively, the "**Assessment**"), 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, except as disclosed in the Assessment, 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 Administrative Agent 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 Required Action 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 Administrative Agent, in connection with such a discovery within the time frame set forth above.

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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 Administrative Agent 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 Administrative Agent has not approved the consultant advising the Borrower and the Guarantor), by an independent, professional environmental consultant appointed by the Administrative Agent.

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.

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

Time is of the essence of this Agreement.

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EXECUTED as of the 31 day of May, 2007.

WITNESS:

Cally M. Thompson

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

Cally M. Thompson

GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

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

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Exhibit A

Description of Property

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EXHIBIT "A"

Situate in the County of Loudoun, Commonwealth of Virginia:

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43' 16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43"W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

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of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21 '48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

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(18) S 15°52'57' E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44"E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

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Exhibit B

List of Required Actions

[None]

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EXHIBIT 6

"Pledge Agreement"

1. Member Interest Pledge Agreement

"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 Loudoun County, Virginia

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MEMBER INTEREST PLEDGE AGREEMENT

This MEMBER INTEREST PLEDGE AGREEMENT (this "**Agreement**"), is dated as of May 31, 2007 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 in its capacity as Collateral and Administrative Agent for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (hereinafter defined) and in such capacity serving as the Secured Party (the "**Administrative Agent**" and sometimes referred to as the "**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 Ashburn Campus, LLC, a Maryland limited liability company (the "**Company**").

B. Secured Party and the Lenders have entered into a Construction Loan Agreement dated of even date herewith (as such Construction Loan Agreement may hereafter be amended, supplemented or otherwise modified from time to time, being the "**Loan Agreement**") with the Company, pursuant to which the Lenders have 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 One Hundred Twenty-Five Million Dollars ($125,000,000.00) (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 the Lenders 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 the Lenders 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 the Administrative Agent as follows:

Section 1. **Pledge of Security**. Pledgor hereby pledges to the Administrative Agent, and hereby grants to the Administrative Agent 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;

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(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, the Administrative Agent or any Lender 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 the Administrative Agent or any Lender 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 the Administrative Agent 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 the Administrative Agent. The Administrative Agent 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 the Administrative Agent 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, the Administrative Agent 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, and any Lien (which is subordinate to all Liens in favor of Administrative Agent) created by any documents executed in connection with the Mezzanine Loan.

(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 Administrative Agent 's lien.

Section 5. Transfers and Other Liens; Additional Pledged Collateral; Etc.

(a) Except for the Permitted Encumbrances, 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

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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 the Administrative Agent 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 the Administrative Agent 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 the Administrative Agent may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Administrative Agent 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 the Administrative Agent may request, in order to perfect and preserve the security interests granted or purported to be granted hereby and (ii) at the Administrative Agent 's request, appear in and defend any action or proceeding that may affect Pledgor's title to or the Administrative Agent '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 Administrative Agent may require and which may be necessary in order that the Administrative Agent 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 Administrative Agent may file, without the Pledgor's signature, one or more financing statements or other notices disclosing the Administrative Agent's liens and other security interests. The terms "sign," "signed" and signatures" shall have their ordinary meanings except that, to the limited extent the Administrative Agent 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 the Administrative Agent a Pledge Amendment, duly executed by Pledgor, in substantially the form of Schedule II

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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 the Administrative Agent to attach each Pledge Amendment to this Agreement and agrees that all Pledged Interests listed on any Pledge Amendment delivered to the Administrative Agent 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 the Administrative Agent therein or otherwise adversely affect the rights and remedies of the Administrative Agent or the Lenders 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 the Administrative Agent 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 the Administrative Agent 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 the Administrative Agent 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 the Administrative Agent, shall be segregated from other funds of Pledgor and shall forthwith be paid over to the Administrative Agent as Pledged Collateral in the same form as so received (with any necessary endorsements).

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(c) In order to permit the Administrative Agent 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 the Administrative Agent all such proxies, dividend or distribution payment orders and other instruments as the Administrative Agent may from time to time reasonably request.

Section 8. The Administrative Agent Appointed Attorney-in-Fact. Pledgor hereby irrevocably appoints the Administrative Agent as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor, the Administrative Agent may, from time to time in the Administrative Agent 's discretion, take any action and execute any instrument that the Administrative Agent 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 the Administrative Agent may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of the Administrative Agent and the Lenders with respect to any of the Pledged Collateral.

The Administrative Agent 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. The Administrative Agent May Perform. If Pledgor fails to perform any agreement contained herein, the Administrative Agent may itself perform, or cause performance of, such agreement, and the expenses of the Administrative Agent and the Lenders incurred in connection therewith shall be payable by Pledgor under Section 13(b).

Section 10. Standard of Care. The powers conferred on the Administrative Agent hereunder are solely to protect the Lenders' interest in the Pledged Collateral and shall not impose any duty upon it or the Lenders 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 them hereunder, the Administrative Agent and the Lenders shall have no duty as to any Pledged Collateral, it being understood that the Administrative Agent and the Lenders 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,

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whether or not the Administrative Agent or any of the Lenders have or are 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 Administrative Agent and each of the Lenders 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 the Administrative Agent and the Lenders accords their own property consisting of similar securities.

Section 11. Remedies.

(a) If any Event of Default shall have occurred and be continuing, the Administrative Agent may exercise in respect of the Pledged Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it and the Lenders, 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 the Administrative Agent 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 the Administrative Agent's or Lenders' 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 the Administrative Agent may deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Pledged Collateral. The Administrative Agent or any Lender may be the purchaser of any or all of the Pledged Collateral at any such sale and the Administrative Agent 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 the Administrative Agent 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. The Administrative Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Administrative Agent 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 the Administrative Agent or any Lender 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 the Administrative Agent 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 the Administrative Agent and the Lenders 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, the Administrative Agent 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 the Administrative Agent 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 the Administrative Agent 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 the Administrative Agent all such information as the Administrative Agent may request in order to determine the number of shares, interest and other instruments included in the Pledged Collateral which may be sold by the Administrative Agent 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 the Administrative Agent in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Administrative Agent, be held by the Administrative Agent as Pledged Collateral for, and/or then, or at any time thereafter, applied in full or in part by the Administrative Agent 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 the Administrative Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Administrative Agent or the Lenders in connection therewith, and all amounts for which the Administrative Agent and the Lenders are entitled to indemnification hereunder and all advances made by the Administrative Agent and the Lenders hereunder for the account of the Pledgor, and to the payment of all costs and expenses paid or incurred by the Administrative Agent and the Lenders in connection with the exercise of any right or remedy hereunder, all in accordance with Section 13;

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SECOND: To the payment of all other Secured Obligations in such order as the Administrative Agent 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 the Administrative Agent and the Lenders 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) the Administrative Agent and the Lenders 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 the Administrative Agent or the Lenders in respect of the Underlying Debt and direct the order or manner of sale thereof, or exercise any other right or remedy that the Administrative Agent or the Lenders may have against any such security, as the Administrative Agent 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 the Administrative Agent or the Lenders 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

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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 the Administrative Agent 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 the Company may allege or assert against the Administrative Agent or the Lenders 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 the Administrative Agent and the Lenders: (i) any right to require the Administrative Agent or any Lender, 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 the Administrative Agent or any Lender in favor of the Company or any other Person, or (D) pursue any other remedy in the power of the Administrative Agent or any Lender 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 the Administrative Agent's and Lenders' 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 the Administrative Agent or any Lender 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

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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 the Administrative Agent. 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 the Administrative Agent or any Lender may have against the Company, to all right, title and interest the Administrative Agent or any Lender may have against the Company, to all right, title and interest the Administrative Agent or any Lender may have in any such other collateral or security, and to any right the Administrative Agent or any Lender may have against such guarantor.

(d) Neither the Administrative Agent nor any Lender shall have any 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 the Administrative Agent or any Lender to disclose any matter, fact or thing relating to the business, operations or condition of the Company now known or hereafter known by the Administrative Agent or any Lender.

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 the Administrative Agent hereunder, to the benefit of the Administrative Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Lenders may assign or otherwise transfer the Notes to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Administrative Agent 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 the Administrative Agent 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 the Administrative Agent or any Lender, 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

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unless the same shall be in writing and signed by the Administrative Agent, 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 Administrative Agent or Lenders:

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
18th Floor
Baltimore, Maryland 21202

If to Pledgor:

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer

with a copy to:

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

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 the Administrative Agent or any Lender 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.

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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 CREATION, GRANTING, PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS IN PERSONAL PROPERTY COLLATERAL AND LIENS ON REAL PROPERTY COLLATERAL, THE LAW OF THE JURISDICTION IN WHICH THE REAL PROPERTY OR PERSONAL PROPERTY COLLATERAL IS LOCATED (OR WHICH OTHERWISE APPLIES TO SECURITY INTERESTS IN PERSONAL PROPERTY 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 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 the Administrative Agent 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]

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IN WITNESS WHEREOF, the Pledgor and the Administrative Agent 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)
Gerald F. Doherty,
Executive Vice President

"**ADMINISTRATIVE AGENT**"

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

_____

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

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IN WITNESS WHEREOF, the Pledgor and the Administrative Agent 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)
Gerald F. Doherty,
Executive Vice President

"ADMINISTRATIVE AGENT"

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

Robt C. Bailey

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

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SCHEDULE I

(Pledgor holds all issued/outstanding member interests)

Company: Ashburn Campus, LLC

Member	Class of Interest	Percentage Interest
Erickson Retirement Communities, LLC	Member	100%

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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 May 31, 2007, between Erickson Retirement Communities, LLC, as Pledgor, and Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, as in its capacity as Collateral and Administrative Agent for the Lenders and in such capacity serving as the 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	Percentage of Interests

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MEMBERSHIP INTEREST TRANSFER POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, the entire membership interest in Ashburn 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 May 31 2007, attorney to transfer the said membership interest with full power of substitution in the premises.

Dated:_____

WITNESS

ERICKSON RETIREMENT COMMUNITIES, LLC

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

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STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:11 PM
AMT. PAID:$675.00

[redacted]

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528-5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

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

2007 MAY 11 A 8:55 ASSESSMENTS AND TAXATION

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

OR 1a. ORGANIZATION'S NAME: Erickson Retirement Communities, LLC

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
		limited liability company	Maryland	MD W04550497 ☐ NONE

OR 2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID#: SSN OR EIN	ADD'L INFO RE ORGANIZATION 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)

OR 3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

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: Maryland State Department of Assessments and Taxation Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9779124 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: 5-11-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

515-1979

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EXHIBIT A

TO UCC-1 FINANCING STATEMENT

DEBTOR: ERICKSON RETIREMENT COMMUNITIES, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, in its capacity as Collateral and Administrative Agent

This Financing Statement covers the following collateral:

All Assets Related to the Retirement Community. All of the assets of Debtor of every kind whatsoever, including but not limited to each item of property of such Debtor, which are located at, or are used solely in connection with, or relate solely to, or arise solely from the Retirement Community, also known as Ashby Ponds, in Ashburn, Loudoun County, Virginia, and/or its development, financing and operation, 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.

Membership Interests. All of Debtor's right, title and interest in and to the following (collectively, the "Pledged Collateral"): (a) all of Debtor's membership interest in Ashburn Campus, LLC, a Maryland limited liability company, (the "Pledged Interests") and any certificates representing the Pledged Interests and any interest of Debtor 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 Debtor 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 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 Collateral. 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 Debtor or Secured Party from time to time with respect to any of the Pledged Collateral.

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EXHIBIT "A"

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No.20061214-0104156 and being described by metes and bounds as follows:

SEE EXHIBIT "A-1" ATTACHED HERETO AND MADE A PART HEREOF

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

Capmark - CD#28 - Control ID#1181

EXHIBIT "A-1"
METES AND BOUNDS DESCRIPTION
OF
PARCEL B1 – ASHBURN PARCEL
BEING THE LANDS OF
ASHBURN CAMPUS, LLC
INSTRUMENT
PIN
BROAD RUN ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09", a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21'26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

Capmark - CD#28 - Control ID#1181

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

Capmark - CD#28 - Control ID#1181

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

Capmark - CD#28 - Control ID#1181

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

1000361994747172

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001405159 ACK # 1000361994747172
ORIGINAL FILE NUMBER: 00000001813062 71
LIBER: U00515 FOLIO: 1979 PAGES: 0007

___ Other Change(s)

Code _____

Attention: _____

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

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:0001953121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

Capmark - CD#28 - Control ID#1181

[redacted]

20070514-0036447
Loudoun County, VA Pgs: 7
05/14/2007 2:00:52PM
Gary M. Clemens , Clerk

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Jamie N. Miller

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th Floor
Baltimore, MD 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. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION	1g. ORGANIZATIONAL ID #, if any
		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. SEE INSTRUCTIONS	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, in its capacity as Collateral and Administrative Agent

OR 3b. INDIVIDUAL'S LAST NAME | FIRST NAME | MIDDLE NAME | SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

4. This FINANCING STATEMENT covers the following collateral:

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: Loudoun County VA Land Records Matter No. 031678

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

Date/Time: 1/22/2010 12:53:31 PM Instr. No: 200705140036447 Page No: 1 of 7 Customer Name: s

Capmark - CD#28 - Control ID#1181

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME

OR

Erickson Retirement Communities, LLC

9b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one name (11a or 11b) – do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11d. TAX ID#. SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ None

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME – insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME

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:

Description of the real estate covered by this original financing statement is attached hereto as "EXHIBIT A" and incorporated by reference as though fully set forth.

15. Name and address of a RECORD Owner of above-described real estate (if Debtor does not have a record interest):

Ashburn Campus, LLC,
a Maryland limited liability company
701 Maiden Choice Lane
Baltimore, Maryland 21228

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)

V.

Capmark - CD#28 - Control ID#1181

EXHIBIT A

TO UCC-1 FINANCING STATEMENT

DEBTOR: ERICKSON RETIREMENT COMMUNITIES, LLC

SECURED PARTY: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, in its capacity as Collateral and Administrative Agent

This Financing Statement covers the following collateral:

All Assets Related to the Retirement Community. All of the assets of Debtor of every kind whatsoever, including but not limited to each item of property of such Debtor, which are located at, or are used solely in connection with, or relate solely to, or arise solely from the Retirement Community, also known as Ashby Ponds, in Ashburn, Loudoun County, Virginia, and/or its development, financing and operation, 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.

Membership Interests. All of Debtor's right, title and interest in and to the following (collectively, the "Pledged Collateral"): (a) all of Debtor's membership interest in Ashburn Campus, LLC, a Maryland limited liability company, (the "Pledged Interests") and any certificates representing the Pledged Interests and any interest of Debtor 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 Debtor 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 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 Collateral. 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 Debtor or Secured Party from time to time with respect to any of the Pledged Collateral.

3

Date/Time: 1/22/2010 12:53:31 PM Instr. No: 200705140036447 Page No: 3 of 7 Customer Name: s

Capmark - CD#28 - Control ID#1181

EXHIBIT "A"

All of that certain lot or parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

PARCEL B-1 as shown on that certain plat entitled "SUBDIVISION WAIVER PLAT of the lands of EDWARD ST. JOHN, LLC and BEAUMEADE INVESTORS, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No.20061214-0104156 and being described by metes and bounds as follows:

SEE EXHIBIT "A-1" ATTACHED HERETO AND MADE A PART HEREOF

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC, a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument 20061215-0104677.

TOGETHER WITH the Water Line Easement and the Temporary Business Center Easement created by that certain Easement Agreement dated as of December 15, 2006 and recorded among the land records of Loudoun County, Virginia on December 15, 2006 as Instrument No.20061215-0104679.

FOR INFORMATION:

Loudoun Pin:	060-49-8809
Loudoun Tax Map Parcel:	80- ((32))-B1

30

4

Capmark - CD#28 - Control ID#1181

EXHIBIT "A-1"
METES AND BOUNDS DESCRIPTION
OF
PARCEL B1 – ASHBURN PARCEL
BEING THE LANDS OF
ASHBURN CAMPUS, LLC
INSTRUMENT
PIN
BROAD RUN ELECTION DISTRICT
LOUDOUN COUNTY, VIRGINIA

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906, said point of intersection being the Point of Beginning;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

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S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21'26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

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(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

6

Capmark - CD#28 - Control ID#1181

Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

Date/Time. 1/22/2010 12:53:31 PM Instr. No: 200705140036447 Page No: 6 of 7 Customer Name: s

Capmark - CD#28 - Control ID#1181

(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

133

A COPY-TESTE
Gary M. Clemens, Clerk
By _____
Deputy Clerk

Capmark - CD#28 - Control ID#1181

EXHIBIT 5

"Erickson Group Subordination Documents"

1. **"Erickson Group Subordination":** Subordination Agreement
   Creditors: John C. Erickson, Nancy A. Erickson, and
   Erickson Group, LLC

2. UCC-1 Maryland State Department Of Assessments And Taxation:
   John C. and Nancy A. Erickson

3. UCC-1 Florida State Secured Transactions Registry:
   John C. and Nancy A. Erickson

4. UCC-1 Maryland State Department Of Assessments And Taxation:
   Erickson Group, LLC

Capmark - CD#28 - Control ID#1181

SUBORDINATION AGREEMENT
(John and Nancy Erickson)
(Erickson Group, LLC)

THIS SUBORDINATION AGREEMENT (the "**Agreement**") is made as of the 31st day of May, 2007 in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (as hereinafter defined), by ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Borrower**"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company (the "**Guarantor**"), ERICKSON GROUP, LLC, a Maryland limited liability company ("**EG**"), JOHN C. ERICKSON and NANCY A. ERICKSON, residents of West Palm Beach, Florida (the "**Ericksons**"; EG and the Ericksons being hereinafter collectively referred to as the "**Creditors**").

RECITALS

A. The Borrower has requested loans up to $125,000,000 (collectively, the "**Loan**") from the Lenders, pursuant to the terms of a Construction Loan Agreement between the Lenders, the Administrative Agent, and the Borrower dated of even date herewith (the "**Loan Agreement**"). The Loan is evidenced by an Amended and Restated Revolving Loan Note from the Borrower dated of even date herewith (as further amended, replaced or substituted, the "**Note**"), is guaranteed by the Guarantor pursuant to a Guaranty Agreement of even date herewith (the "**Guaranty**") and is secured by, among other things, an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "**Deed of Trust**") upon property located in Loudoun County, Virginia, (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 Ashby Ponds, Inc., a Maryland non-stock corporation ("**AP**") by the Borrower, and AP has entered into an agreement with the Guarantor for management of the Retirement Community. Construction services with respect to the Retirement Community will be provided by Erickson Construction, LLC, a Maryland limited liability company, pursuant to an agreement with the Guarantor. 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 the Guarantor to the Administrative Agent and the Lenders 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 Deed of Trust. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditors, the Borrower and the Guarantor 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,

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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 the Guarantor 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 Lenders have 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, receipt of which is 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 the Guarantor under the Subordinated Documents, including but not limited to any amounts or claims of the type described in Section 8.10 of the Loan Agreement, shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to the Administrative Agent and the Lenders under the Loan Documents, and the Creditors agree that all claims of the Administrative Agent and the Lenders 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 or the Guarantor may make payments when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been approved by the Administrative Agent and any others as may be reviewed and approved by the Administrative Agent 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 Guarantor agree not to pay to any of the Creditors, any such claim or claims. All sums received by the Creditors from the Borrower or Guarantor following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantor 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 Administrative Agent to be held by the Administrative Agent, 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 Lenders' Obligations; provided that if any sums are delivered to the Administrative Agent prior to the cure of a curable Default under the Loan Documents, the Administrative Agent 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.

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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 Administrative Agent on behalf of the Lenders.

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 Administrative Agent on behalf of the Lenders a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of the Administrative Agent, the Creditors shall endorse, assign, and deliver to the Administrative Agent in a manner acceptable to the Administrative Agent 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 Administrative Agent, or any of its officers or employees on behalf of the Administrative Agent and the Lenders, 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 Administrative Agent's and Lenders' Claims 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 the Guarantor under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Administrative Agent's and the Lenders' claims against the assets of the Borrower and the Guarantor shall be paid in full before any payment is made by or on behalf of the Borrower or the Guarantor to any of the Creditors. The Creditors, the Borrower and the Guarantor agree that the Administrative Agent 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 Administrative Agent to facilitate such direct collection by the Administrative Agent.

5. Collection of Claims of the Creditors. The Creditors agree to pay over to the Administrative Agent on account of the claim or claims of the Administrative Agent and the Lenders against the Borrower and the Guarantor any funds that may be received by any of the Creditors from the Borrower and/or the Guarantor, or for or on behalf of the Borrower and/or the Guarantor, 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 Administrative Agent, 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 Guarantor's 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 Guarantor and the rights and privileges of the Administrative Agent and the Lenders hereunder shall continue until payment in full of all amounts due under the Loan Documents.

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7. Waiver. The Administrative Agent and the Lenders 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 Guarantor to the Administrative Agent and the Lenders 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 Administrative Agent or the Lenders 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 Administrative Agent.

9. Notice. The Creditors agree to notify the Administrative Agent 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 the Guarantor 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 Administrative Agent for the benefit of the Lenders of any funds or property payable to the Creditors from the Borrower's and/or the Guarantor's assets not previously assigned to the Administrative Agent for the benefit of the Lenders.

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 governed, 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 creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

13. Counterparts. This document may be executed in Counterparts.

(Signature Pages Attached)

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IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Amended and Restated Subordination Agreement as of the date set forth above.

WITNESS:

ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS ADMINISTRATIVE AGENT

By: _____ (SEAL)
Bruce D. McLean
Senior Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

Capmark - CD#28 - Control ID#1181

BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC, Sole Member

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

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

CREDITORS:

By: _____(SEAL)
John C. Erickson

By: _____(SEAL)
Nancy A. Erickson

ERICKSON GROUP, LLC

By: _____(SEAL)
Gerald F. Doherty
Secretary

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EXHIBIT A

"Subordinated Documents which have been approved by the Administrative Agent"

1. Compensation to be paid to John Erickson in an amount that is, in the judgment of the Administrative Agent, reasonable and customary for Chief Executive Officers of comparable sized companies in similar industries.

2. Erickson Retirement Communities, LLC Fourth Amended and Restated Operating Agreement dated February 1, 2004.

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$65.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th 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

OR 1a. ORGANIZATION'S NAME

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
				☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

OR 2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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
				☒ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

OR 3a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	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 Ashburn Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Guarantor") to either of the Debtors, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof, and all rights and interests of Debtors 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, the Guarantor 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) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9776869 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: 5-11-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

515-1992

Capmark - CD#28 - Control ID#1181

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):

1000361994747354

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747354
ORIGINAL FILE NUMBER: 0000000181306274
LIBER: U00515 FOLIO: 1992 PAGES: 0002

___ Other Change(s)

Code ___

Attention: ___

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

Stamp Work Order and Customer Number HERE

CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

Capmark - CD#28 - Control ID#1181

FLORIDA SECURED TRANSACTION REGISTRY

*****The attached is certified as a true and correct copy of Uniform Commercial Code file number 20070553554X of the records of this office **********

DOCUMENT(s)
20070553554X

21st September 2009
FLORIDAUCC, INC.
Designated Filing Office
Florida Secured Transaction Registry

By _____
Custodian of the Records

Capmark - CD#28 - Control ID#1181

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

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

FLORIDA SECURED TRANSACTION REGISTRY

FILED
2007 May 14 AM 12:00
****** 20070553554X ******

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
2258 Bay Village Court	Palm Beach Gardens	FL	33410	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
				☒ 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
2258 Bay Village Court	Palm Beach Gardens	FL	33410	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
				☒ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – insert only one secured party name (3a or 3b)

OR

3a. ORGANIZATION'S NAME
Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	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 Ashburn Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Guarantor") to either of the Debtors, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof, and all rights and interests of Debtors 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, the Guarantor or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

FLORIDA DOCUMENTARY STAMP TAX IS NOT REQUIRED

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: Florida Secretary of State

Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9784653 v1

Capmark - CD#28 - Control ID#1181

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street
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	Erickson Group, LLC				
	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
		limited liability company	Maryland	MD - W04912523 ☐ 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				
OR	Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent				
	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME		SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	Baltimore	MD	21201	USA

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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: Maryland State Department of Assessments and Taxation Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9776872 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: 5-11-07.

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

515-1994

Capmark - CD#28 - Control ID#1181

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

1000361994747362

RECORDED ON 05/11/2007 AT 10:56 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747362
ORIGINAL FILE NUMBER: 0000000181306275
LIBER: U00515 FOLIO: 1994 PAGES: 0002

___ Other Change(s)

Code _____

Attention: _____

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

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:0001953121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$575.00

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EXHIBIT 4

"Erickson Construction Subordination Documents"

A. **"Erickson Construction Subordination":**
Subordination Agreement - Creditor: Erickson Construction, LLC

B. UCC-1 Financing Statement Recorded At Maryland State Department Of Assessments And Taxation - Debtor: Erickson Construction, LLC

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SUBORDINATION AGREEMENT

(General Contractor)

THIS SUBORDINATION AGREEMENT (the "**Agreement**") is made as of the 31st day of May, 2007 in favor of MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation in its capacity as Collateral and Administrative Agent (the "**Administrative Agent**") for the lenders (collectively, the "**Lenders**") who are party from time to time to the Loan Agreement (hereinafter defined), by ASHBURN CAMPUS, LLC, a Maryland limited liability company (the "**Borrower**"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company (the "**Guarantor**"), and ERICKSON CONSTRUCTION, LLC, a Maryland limited liability company (the "**Creditor**").

RECITALS

A. The Borrower has requested loans up to $125,000,000.00 (collectively, the "**Loan**") from the Lenders, pursuant to the terms of a Construction Loan Agreement among the Lenders, the Administrative Agent and the Borrower dated of even date herewith (the "**Loan Agreement**"). The Loan is evidenced by an Amended and Restated Revolving Loan Note from the Borrower dated of even date herewith (as amended, restated, replaced, or otherwise modified, the "**Note**"), is guaranteed by the Guarantor pursuant to a Guaranty Agreement of even date herewith (the "**Guaranty**") and is secured by, among other things, an Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "**Deed of Trust**") upon property located in the Loudoun County, Virginia (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 Ashby Ponds, Inc., a Maryland non-stock corporation ("**AP**") by the Borrower, and AP has entered into an agreement with Erickson for management of the Retirement Community. General contracting services and construction management services, both 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 the Guarantor 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 Deed of Trust. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditor, the Borrower and the Guarantor 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) (A) by the

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Borrower to the Creditor whether as a member or otherwise, or (B) by the Guarantor to the Creditor solely in connection with the Retirement Community, 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 Lenders have 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 (or otherwise to be made) to the Creditor by the Borrower and/or the Guarantor 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 Administrative Agent and the Lenders under the Loan Documents, and the Creditor agrees that all claims of the Administrative Agent and the Lenders 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 Administrative Agent and any others as may be reviewed and approved by the Administrative Agent 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 Administrative Agent, 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 Guarantor agree not to pay to the Creditor, any such claim or claims. All sums received by the Creditor from Borrower or the Guarantor following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantor 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 Administrative Agent to be held by the Administrative Agent, 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 Lenders' Obligations; provided that if any sums are delivered to the Administrative Agent prior to the cure of a curable Default under the Loan Documents, the Administrative Agent shall return such funds to the party entitled thereto after

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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 Administrative Agent on behalf of the Lenders.

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 Administrative Agent on behalf of the Lenders a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of the Administrative Agent, the Creditor shall endorse, assign, and deliver to the Administrative Agent in a manner acceptable to the Administrative Agent 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 Administrative Agent, or any of its officers or employees on behalf of the Administrative Agent and the Lenders, 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 Administrative Agent's and Lenders' Claims 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 the Guarantor under any bankruptcy or insolvency law or other laws relating the relief of debtors, the Administrative Agent's and the Lenders' claims against the assets of the Borrower and the Guarantor shall be paid in full before any payment is made by or on behalf of the Borrower or the Guarantor to the Creditor. The Creditor, the Borrower and the Guarantor agree that the Administrative Agent 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 Administrative Agent to facilitate such direct collection by the Administrative Agent.

5. Collection of Claims of the Creditor. The Creditor agrees to pay over to the Administrative Agent on account of the claim or claims of the Administrative Agent and the Lenders against the Borrower and the Guarantor any funds that may be received by the Creditor from the Borrower and/or the Guarantor, or for or on behalf of the Borrower and/or the Guarantor, 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 Administrative Agent, 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 Guarantor's 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 Guarantor and the rights and privileges of the

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Administrative Agent and the Lenders hereunder shall continue until payment in full of all amounts due under the Loan Documents.

7. Waiver. The Administrative Agent and the Lenders 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 Guarantor to the Administrative Agent and the Lenders 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 Administrative Agent or the Lenders 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 Administrative Agent.

9. Notice. The Creditor agrees to notify the Administrative Agent 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 the Guarantor 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 Administrative Agent for the benefit of the Lenders of any funds or property payable to the Creditor from the Borrower's and/or the Guarantor's assets not previously assigned to the Administrative Agent on behalf of the Lenders.

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 governed, 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 creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

13. Counterparts. This document may be executed in Counterparts.

[Remainder of Page intentionally left blank]

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IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

WITNESS:

ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS ADMINISTRATIVE AGENT

By: _____ (SEAL)
Bruce D. McLean
Senior Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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BORROWER:

ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Sole Member

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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CREDITOR:

ERICKSON CONSTRUCTION, LLC

By: Erickson Retirement Communities, LLC, Member

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

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EXHIBIT A

"Subordinated Documents which have been approved by the Administrative Agent"

1. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Welcome Center.

2. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Community Building 1.0-Phase 1.

3. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Residential Building 1.1.

4. Standard Form of Agreement between Owner and Contractor (AIA Document A111-1997), with respect to Ashby Ponds, Early Grading and Site Grading.

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STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001963121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

[redacted]

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Jamie N. Miller (410) 528 5509

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Christopher J. Fritz, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
300 East Lombard Street, 18th 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

OR 1a. ORGANIZATION'S NAME: Erickson Construction, LLC

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
		limited liability co	Maryland	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

OR 2a. ORGANIZATION'S NAME:

2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2d. TAX ID#: SSN OR EIN	ADD'L INFO RE ORGANIZATION 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)

OR 3a. ORGANIZATION'S NAME: Mercantile-Safe Deposit and Trust Company, in its capacity as Collateral and Administrative Agent

3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
Two Hopkins Plaza, 21st Floor	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 Ashburn Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Guarantor") to the Debtor, whether as a member or otherwise (collectively, the "Subordinated Indebtedness") and all proceeds thereof, and all rights and interests of Debtor 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, the Guarantor 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) [ADDITIONAL FEE] [optional] ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation Matter No. 031678

FILING OFFICE COPY – NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

DMEAST #9776914 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: 5-11-07

STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

BY: _____, Custodian

This stamp replaces our previous certification system. Effective: 6/95

915-199

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UCC APPROVAL SHEET

** EXPEDITED SERVICE ** ** KEEP WITH DOCUMENT **

TRANSACTION TYPE		FEES REMITTED
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___	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

1000361994747370

RECORDED ON 05/11/2007 AT 10:57 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001406159 ACK # 1000361994747370
ORIGINAL FILE NUMBER: 0000000181306276
LIBER: U00515 FOLIO: 1996 PAGES: 0002

___ Other Change(s)

Code ___

Attention: ___

Mail to Address:

BALLARD SPAHR ANDREWS & INGERSOLL, LLP
18TH FLOOR
300 EAST LOMBARD ST.
BALTIMORE MD 21202-3268

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:0001953121
WORK ORDER:0001406159
DATE:05-11-2007 12:12 PM
AMT. PAID:$675.00

Capmark - CD#28 - Control ID#1181

EXHIBIT 3

"Guaranty"

Guaranty Agreement

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GUARANTY AGREEMENT

This Guaranty Agreement (this "**Guaranty**") is made as of the 31st day of May, 2007, by and among ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("**Guarantor**"), and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, in its capacity as Collateral and Administrative Agent for the lenders (collectively, the "**Lenders**") who are a party from time to time to the Loan Agreement (hereinafter defined) (the "**Administrative Agent**", or when acting in its individual capacity, "**Mercantile**").

RECITALS

The Lenders have agreed to make a loan to Ashburn Campus, LLC, a Maryland limited liability company (the "**Borrower**") in the aggregate principal amount at any time outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**"), which Loan shall be evidenced by an Amended and Restated Revolving Loan Note from the Borrower to Mercantile in the aggregate principal amount outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (together with all amendments, substitutions or replacements thereto, the "**Note**"). The Loan shall be advanced by the Lenders pursuant to the terms and conditions of the Construction Loan Agreement of even date herewith by and among the Borrower, the Administrative Agent and the Lenders (together with all amendments thereto, the "**Loan Agreement**") to be used for the construction of a retirement community to be known as "Ashby Ponds" (hereinafter referred to as "**Ashby Ponds**" or the "**Retirement Community**") on certain land located at 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia (the "**Land**").

The Land has been leased by the Borrower to Ashby Ponds, Inc., a Maryland nonstock corporation ("**AP**") pursuant to a Master Lease and Use Agreement dated approximately even date herewith. AP has entered into a Management and Marketing Agreement with Guarantor dated approximately even date herewith, to provide management services for Ashby Ponds.

The Lenders are willing to make the Loan available to the Borrower on the terms and conditions set forth in the Loan Agreement and other Loan Documents referred to therein, including the Note (collectively, the "**Loan Documents**"), but only if the Guarantor guarantees repayment of the Loan and performance of all of the Borrower's obligations under the Loan Documents in accordance with the terms and conditions of this Guaranty Agreement.

The Guarantor is an affiliate of the Borrower and will benefit from the availability of the Loan to the Borrower and is willing to give the guaranty requested so as to induce the Lenders to make the Loan available to the Borrower.

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AGREEMENTS

NOW THEREFORE, in consideration of these premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor gives the following guaranty of payment and of performance to the Lenders:

Section 1. Defined Terms. All capitalized terms used in this Guaranty without definition shall have the meanings ascribed to such terms in the Loan Agreement.

Section 2. Representations and Warranties of the Guarantor. The Guarantor represents and warrants that:

(a) It has reviewed all documents referred to herein or otherwise relating to the Loan Documents, and this Guaranty is its binding obligation and is fully enforceable against it in accordance with its terms;

(b) There are (i) no provisions of any existing mortgage, indenture, contract or agreement binding on the Guarantor or affecting its property (other than any such agreements with the Lenders), and (ii) to the Guarantor's knowledge no provision of law or order of court or of any administrative officer or administrative agency, binding upon the Guarantor or its property, which would conflict with or in any way prevent the execution, delivery or performance of the terms of this Guaranty or which would be in default or breached or violated (as applicable) as a result of such execution, delivery or performance;

(c) The financial information heretofore delivered to Mercantile or the other Lenders regarding the Guarantor is true and correct as of the date thereof; there has been no material adverse change in the financial position of the Guarantor since the date of such financial information and no such material adverse change is pending or threatened;

(d) There are no proceedings pending, or so far as the Guarantor knows, threatened, before any court or administrative agency or officer which will adversely affect the financial position of the Guarantor;

(e) The Guarantor is a limited liability company duly formed and validly existing in good standing under the laws of the State of Maryland;

(f) The Guarantor (i) has the necessary power, authority and legal right to own its property and carry on the business now being conducted by it and to enter into the transactions contemplated by this Guaranty and the other Loan Documents, (ii) has duly authorized the execution and delivery of this Guaranty and the other Loan Documents and the performance and observations of the terms, covenants, agreements and provisions hereof and thereof, and (iii) will at all times perform all acts necessary to maintain its legal existence and continue its authority to act in accordance with the representations in this paragraph; and

(g) All of the representations of the Guarantor and, to the best of the Guarantor's knowledge and belief, the representations of the Borrower, made in the course of obtaining the Loan from the Lenders and contained in the Loan Documents are true and correct

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and are not knowingly misleading and the Guarantor agrees to indemnify the Administrative Agent and the Lenders from any loss or expense as a result of a breach of the foregoing warranty.

Section 3. Guaranty. Subject to the terms of this Guaranty, the Guarantor hereby fully, absolutely, unconditionally and irrevocably guarantees to the Administrative Agent and the Lenders all of the following obligations (collectively referred to as the "**Guaranteed Obligations**"):

(a) The full and prompt payment when due (not merely the collection) of all amounts due with respect to the 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 Administrative Agent or the Lenders 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 Administrative Agent and the Lenders in realizing upon any of the obligations guaranteed above or in enforcing any of the Loan Documents; and

(d) The performance of all obligations of the Borrower under the Loan Agreement and Loan Documents including, but not limited to, the indemnification obligations set out in the Loan Agreement.

Section 4. Nature of the Guaranty. The guaranty of the Guarantor hereunder shall be direct, immediate, and primary.

Section 5. The Administrative Agent and the Lenders Need Not Pursue Against Borrower, Any Guarantor, or Collateral. The Administrative Agent and the Lenders shall be under no obligation to pursue their rights against the Borrower or any other guarantor or pledgor, or against any collateral pledged by the Borrower or any other guarantor or pledgor, or under any mortgage, deed of trust, pledge agreement or any other instrument securing the Loan before pursuing the Lenders' rights against the Guarantor.

Section 6. Rights of the Administrative Agent and the Lenders to Deal with Borrower, Guarantor, and Collateral. The Administrative Agent and the Lenders may without compromising, impairing, or in any way releasing the Guarantor from its obligations hereunder and without obtaining the prior approval of the Guarantor at any time or from time to time (a) waive or excuse a default or defaults by the Borrower, the Guarantor or any other guarantor or pledgor; (b) grant extensions of time for payment or performance by the Borrower, the Guarantor or any other guarantor or pledgor; (c) release, substitute, or add collateral of the Borrower, the Guarantor or any other guarantor or pledgor; (d) release the Borrower, the

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Guarantor or any other guarantor or pledgor; or (e) modify, change or amend in any respect the Administrative Agent's or the Lenders' agreement with the Borrower, the Guarantor or any other guarantor or pledgor.

The Guarantor further agrees to all provisions of the Loan Agreement and Loan Documents which refer or relate to the Guarantor or which require its consent or joinder, as fully as if such provisions were set forth herein. Said provisions include, but are not limited to, Sections 8.3, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15 and 8.18 of the Loan Agreement.

Section 7. Waivers by the Guarantor. The Guarantor waives (a) presentment and demand for performance of any obligations relating to the Project to be performed by the Borrower, the Guarantor or any other guarantor or pledgor and (b) notice of default by the Borrower, the Guarantor or any other guarantor or pledgor. **In addition, Guarantor hereby waives all rights Guarantor may have under Sections 49-25 and 49-26 of the Code of Virginia (1950), as amended.**

Section 8. Liability of Guarantor Unaffected by Third Party Bankruptcy and Insolvency Proceeding. To the extent permitted by law, no modification, limitation or discharge of liability of the Borrower, the Guarantor or any other guarantor or pledgor under any of the Loan Documents arising out of, or by virtue of, any bankruptcy, arrangement, reorganization or similar proceedings for release of debtors under federal or state law shall affect the liability of the Guarantor hereunder in any manner whatsoever, and the Guarantor hereby waives all rights and benefits which might accrue to it by reason of any such proceedings.

Section 9. Covenants. The Guarantor hereby covenants and agrees:

(a) To comply with the terms of each and every provision of the Loan Documents which refers or relates to the Guarantor, including the obligation of the Guarantor, in conjunction with the Borrower, to provide to each of the Lenders the financial information described in Section 8.3 of the Loan Agreement, and to provide certain notices and information under Section 8.13 of the Loan Agreement prior to start-up of new retirement communities;

(b) Upon obtaining knowledge thereof, promptly to give notice in writing to the Administrative Agent of any litigation, pending or threatened, and of any proceeding before any governmental or regulatory agency or officer which might have a material, adverse effect on the financial position of the Guarantor (any suit or suits in which the amount in controversy is less than $100,000 in the aggregate being hereby deemed not to be material);

(c) To pay and discharge, or cause to be paid or discharged, all taxes, assessments and governmental charges or levies imposed upon any of the properties of the Guarantor, all claims for labor, supplies, rent and any other obligations, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any such properties; provided, however, that the Guarantor shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim so long as the Administrative Agent has been given notice of the intention of the Guarantor to institute any

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contest thereof and so long as, in the opinion of the Administrative Agent, (i) the payment is being diligently contested in good faith by appropriate proceedings, (ii) the security for the Guaranteed Obligations is not impaired and (iii) the Guarantor (as appropriate) has effectively stayed or prevented the sale of its properties;

(d) Except as permitted in the Loan Agreement, not to sell or otherwise dispose, or cause or allow any other person or entity to sell or otherwise dispose, without prior written consent of the Administrative Agent, and any consent of the Lenders required under the terms of the Loan Agreement (including any Required Consent or Unanimous Consent, as applicable), of any property or properties of the Guarantor except for sales or leases for a consideration approximately equal to fair market value or fair market rental or other fair and appropriate consideration; provided, however, that the Lenders shall not unreasonably withhold consent to any disposition that would not have a material adverse effect on the financial position of the Guarantor;

(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 Mercantile 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, the Administrative Agent may, in addition to any other remedies available to it and in its sole discretion, subject to the terms of the Loan Agreement, and the Guarantor hereby grants to the Administrative Agent and the Lenders the right to (i) enter upon the Land and complete the 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 the Administrative Agent may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project (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 the Guarantor 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 the Guarantor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Guarantor shall be liable to the Administrative Agent and the Lenders for all sums paid or incurred by it to construct and equip the Improvements whether the same shall be paid or incurred pursuant to the provisions of this Section 10 or otherwise, and all payments made or liabilities incurred by the Administrative Agent and the Lenders hereunder of any kind whatsoever shall be paid by the Guarantor to the Administrative Agent upon demand with interest at the rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Guarantor hereby irrevocably constitutes and appoints the

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Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Guarantor.

Section 11. Default. An Event of Default shall be deemed to have occurred under this Agreement upon the occurrence of any one or more of the following events: (a) the failure of the Guarantor to promptly pay or perform all or any part of the Guaranteed Obligations as specified in Section 3 of this Guaranty, (b) the entry of one or more judgments in excess of $250,000 in the aggregate against the Guarantor and the failure to satisfy such judgment within thirty (30) days (either by payment or by the filing of a supersedeas bond) unless such judgments have been appealed in good faith and the legal effect of such appeals is to stay the obligation to satisfy such judgments until resolution of the appeals; (c) the Guarantor defaults in the performance or observance of the provisions of Section 9(d), 9(e) or 9(f) of this Agreement; (d) the Guarantor defaults in the performance or observance of any other agreement, covenant, or condition set forth in this Agreement, which default is not cured in full within a reasonable time (but in no event to exceed thirty (30) days) after the Administrative Agent gives the Guarantor written notice thereof; provided, however, that the Administrative Agent may, in its sole discretion, extend the cure period for any default upon the reasonable request of the Guarantor, in the event that the default cannot be cured within the time set forth in this Agreement and the Guarantor is diligently pursuing cure of the default; or (e) the occurrence of any default or Default under any of the Loan Documents, and the expiration of any applicable grace or cure period with respect thereto, or the occurrence of any Event of Default under any of the other Loan Documents.

Section 12. Confession of Judgment; Jurisdiction and Venue. At any time following an Event of Default hereunder, the Guarantor authorizes any attorney admitted to practice before any court of record in the United States or any clerk of any court of record to appear for it and confess judgment on behalf of the Guarantor against the Guarantor in favor of the Lenders, in the full amount of the outstanding Loan, plus attorneys' fees of ten percent (10%) of such amount up to a maximum for attorneys' fees of Three Hundred Thousand Dollars ($300,000) (but this provision shall not limit the obligation of the Guarantor to pay all attorneys' fees incurred by the Administrative Agent and the Lenders).

The Administrative Agent and the Lenders agree that in attempting to satisfy or enforce any judgment by confession obtained against the Guarantor in connection with this Guaranty, the Administrative Agent and the Lenders shall not seek or demand, solely with respect to attorneys' fees incurred by them in connection with this Guaranty, any amounts in excess of the actual amount of reasonable attorneys' fees charged to the Administrative Agent and the Lenders. The Lenders agree not to sell or assign any judgment obtained pursuant to this Section 12 unless the assignee agrees to be bound by the provisions of the immediately preceding sentence. The Guarantor agrees that venue shall be proper in any County of the State of 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. The Guarantor waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Guarantor may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as

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well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Guarantor any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided however, that the foregoing waiver does not extend to the Guarantor's rights 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 Guarantor does not waive. The authority and power to appear for and enter judgment against the Guarantor shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as the Administrative Agent on behalf of the Lenders shall deem necessary or desirable.

Section 13. Other Remedies. At any time following an Event of Default, the Administrative Agent shall also be authorized to bring an action against the for all amounts owing in connection with the Loan, and to pursue any other rights and remedies provided in the Loan Documents upon the occurrence of any Default or Event of Default, or otherwise available under applicable laws.

Section 14. **WAIVER OF JURY TRIAL. THE GUARANTOR, AND THE ADMINISTRATIVE AGENT AND THE LENDERS BY THE ACCEPTANCE OF THIS AGREEMENT BY THE GUARANTOR, HEREBY WAIVES ALL RIGHTS TO A JURY IN ANY ACTION, COUNTERCLAIM, OR PROCEEDING BASED UPON, OR RELATED TO, THIS AGREEMENT OR ANY OF THE LOAN DOCUMENTS. THIS WAIVER APPLIES TO ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS AND PROCEEDINGS, INCLUDING PARTIES WHO ARE NOT PARTIES TO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE GUARANTOR, WHO ACKNOWLEDGES THAT IT HAS BEEN REPRESENTED IN THE EXECUTION OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. THE GUARANTOR FURTHER ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD THE MEANING AND RAMIFICATIONS OF THIS WAIVER PROVISION.**

Section 15. Expenses of Collection. Should this Guaranty or any claim hereunder be referred to an attorney for enforcement, whether or not suit is filed, the Guarantor shall pay all of the Administrative Agent's and Lenders' actual costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

Section 16. Binding Nature. This Guaranty shall inure to the benefit of and be enforceable by the Administrative Agent and the Lenders and their respective successors and assigns, and shall be binding upon and enforceable against the Guarantor and the Guarantor's successors and assigns.

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Section 17. Assignment; Termination of Guaranty. This Guaranty may not be assigned by the Lenders except in accordance with the terms of the Loan Agreement. This Guaranty shall terminate upon the performance by the Borrower and the Guarantor of all obligations to the Administrative Agent and the Lenders under the Loan Documents and the indefeasible repayment in full of all sums due the Administrative Agent and the Lenders, whether principal, interest, fees, charges, assessments, or otherwise.

Section 18. Restrictions on Becoming a Creditor of the Borrower. The Guarantor hereby waives any claim, as that term is defined in the United States Bankruptcy Code, which the Guarantor might now have or might hereafter acquire against the Borrower, including, but not limited to, claims arising by way of subrogation, reimbursement, indemnity, exoneration, contribution, extensions of credit or equity contributions, it being the intent of the parties that the Guarantor shall not be a creditor of the Borrower under the United States Bankruptcy Code.

Section 19. Notices. All notices required or permitted hereunder shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the following addresses:

If to the Guarantor:

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

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

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

If to the Administrative Agent:

c/o Mercantile-Safe Deposit & Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Bruce D. McLean,
Senior Vice President

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

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

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

Section 20. Waiver. No waiver of any power, privilege, right or remedy (hereinafter collectively referred to as "**Rights**") hereunder shall be effective unless in writing. No delay on the part of the Administrative Agent or any Lender in exercising any Rights hereunder, or under any other instrument executed by the Borrower or any other person in connection with the transaction (including the Loan Documents) shall operate as a waiver thereof, and no single or partial exercise of any such Rights shall preclude other or further exercise thereof, or the exercise of any other Rights. Waiver by the Administrative Agent or any Lender of any default by the Borrower, the Guarantor or any other person shall not constitute a waiver of any subsequent defaults, but shall be restricted to the default so waived. If any provision or part of any provision of this Guaranty shall be contrary to any law which the Administrative Agent or any Lender might seek to apply or enforce, or should otherwise be defective, the other provisions, or parts of such provisions, of this Guaranty shall not be affected thereby, but shall continue in full force and effect. All Rights of the Administrative Agent and the Lenders hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all Rights given hereunder or in or by any other instruments or any laws now existing or hereafter enacted.

Section 21. Choice of Law. This Guaranty and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property 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.

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Section 23. Terms of Documents. The Guarantor has read the Loan Agreement and other Loan Documents and fully understands the terms thereof and the extent of its obligations in guaranteeing the payment of the Loan and the completion of the Project free and clear of all liens as described in Section 3 of this Guaranty.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, and intending to be legally bound hereby, the Guarantor has hereunto set its hand and seal as of the day and year first above written.

WITNESS:

GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

Cathy M Thompson

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

EXHIBIT 2

"Construction Loan Agreement"

A. Construction Loan Agreement
B. First Comprehensive Amendment To Loan Documents
C. Assignment And Acceptance with respect to each of the following Lenders:

1. Capmark Bank
2. Chevy Chase Bank, a Division of Capital One, N.A.
3. Citizens Bank Of Pennsylvania
4. Manufacturers And Traders Trust Company
5. Manufacturers And Traders Trust Company, Successor By Merger To Provident Bank Of Maryland
6. PNC Bank, National Association, Successor To Mercantile-Safe Deposit And Trust Company
7. Sandy Spring Bank
8. TD Bank, National Association, Successor To Commerce Bank
9. The Bank Of Glen Burnie
10. Wachovia Bank, National Association
11. Wells Fargo Bank, National Association
12. Wilmington Trust FSB

D. Second Comprehensive Amendment To Loan Documents
E. Waiver Agreement
F. Standstill Agreement
G. Forbearance Agreement
H. Funding Addendum To Forbearance Agreement
I. Second Forbearance Agreement

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CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "**Agreement**") is made and entered into as of the 31st day of May, 2007, by and between (i) ASHBURN CAMPUS, LLC, a Maryland limited liability company qualified to do business in Virginia (the "**Borrower**"); (ii) the financial institutions that are or may from time to time become parties hereto and are described on Schedule X (together with Mercantile (as hereinafter defined) and their respective successors and assigns, collectively, the "**Lenders**", and each individually a "**Lender**"); and (iii) MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Collateral and Administrative Agent for the Lenders ("**Administrative Agent**") and in its individual capacity ("**Mercantile**").

RECITALS

A. The Borrower issued to Mercantile a $23,000,000 Promissory Note dated December 21, 2006 (the "**Original Note**"). The Original Note is secured by that certain Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing by the Borrower to the trustee for the benefit of Mercantile, dated December 21, 2006 and recorded among the land records of Loudoun County, Virginia as Instrument Number 20061227-0106967 (the "**Original Deed of Trust**").

B. Borrower and Lender now desire to amend and restate the Original Note and the Original Deed of Trust to provide for an increased revolving loan and letter of credit facility in the aggregate principal amount at any one time outstanding not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**") to be used on a revolving basis for the following purposes: (a) for advances to the Borrower for the construction of a continuing care retirement community containing approximately 1,585 independent living units, 96 assisted living units and 132 skilled nursing units on the Land (hereinafter defined), such community to be known as "**Ashby Ponds**"; (c) for the issuance of letters of credit in connection with the development of Ashby Ponds; (d) for advances to the Borrower, the proceeds of which are to be reloaned to the lessee of Ashby Ponds to meet such lessee's general working capital needs; (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.

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

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

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AGREEMENTS

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

ARTICLE I

TERMS AND DEFINITIONS

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

1.1. Administrative Agent: Mercantile-Safe Deposit and Trust Company in its capacity as Administrative Agent for the Lenders hereunder, including but not limited to Mercantile, itself, and any successor administrative agent arising under Section 11.10.

1.2. Administrative Agent-Related Persons: Mercantile-Safe Deposit and Trust Company and any successor administrative agent arising under Section 11.10, together with their respective Affiliates, and the officers, directors, employees, agents, and attorneys-in-fact of Mercantile-Safe Deposit and Trust Company, its Affiliates, and any successor administrative agent.

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

1.4. AP Operating Account: The "Operating Account" as that term is defined in the Lockbox Account Agreement.

1.5. Applicants: Those persons who have applied to become Residents of Ashby Ponds by submitting Applications.

1.6. Applications: The applications signed by persons who wish to become Residents of Ashby Ponds.

1.7. Architect's Agreement: Collectively, any and all agreements between the Borrower and Marks, Thomas Architects and/or any other architect or architectural services firm (individually and collectively the "**Architect**") providing for architectural services in connection with the Project.

1.8. Ashby Ponds: The continuing care retirement community to be constructed on the Land by the Borrower, and to be leased to the Tenant and managed by the Manager, containing approximately one thousand five hundred eighty-five (1,585) independent living units, ninety-six (96) assisted living units and one hundred thirty-two (132) skilled nursing units.

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

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

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

1.12. Borrower's Organizational Documents: The Articles of Organization filed with the Maryland State Department of Assessments and Taxation on July 2, 2004, and the Operating Agreement of the Borrower executed as of July 2, 2004, as amended by the First Amendment to Operating Agreement dated as of June 26, 2006, and including only those amendments, assignments, extensions, restatements, additions, supplements, and substitutions therefor which are hereafter approved by Administrative Agent in writing.

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

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

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

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

1.17. Committed Amount: Each Lender's several funding commitment as set forth on Schedule X attached hereto.

1.18. Community Documents: Any and all documents and agreements by and between or among any of the Borrower, the Guarantor, the Tenant, the Manager and the Residents relating to the construction, leasing, occupancy and/or operation of Ashby Ponds, 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.

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

1.20. Completion Agreements: All agreements to complete executed by the Architect, the Engineer, the Contractor, any other contractor or subcontractor, architect, engineer or other

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professional or service organization agreeing to complete work on the Project for the account of the Lenders as and when requested by the Lender.

1.21. Completion Date: The date by which Substantial Completion of a particular Construction Phase of the Project (including submission of all documents described in Section 5.1 of this Agreement) must occur, which shall be ninety (90) days after the date shown on Schedule I for each of Construction Phases CB1.0, RB1.1, RB1.2, RB1.3, RB1.4, RB1.5, RB1.6, RB2.1, of the Project, and six (6) months after the date shown on Schedule I for each of the remaining Construction Phases of the Project, unless the Administrative Agent consents in writing to an extension of any such date.

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

1.23. Construction Inspector: A registered engineer and/or architect retained by the Administrative Agent, in its discretion, as agent for the Lenders and at the expense of the Borrower, to perform the duties set forth herein.

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

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

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

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

1.28. Deed of Trust: That certain Amended and Restated Credit Line Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith executed by the Borrower to trustee for the benefit of Administrative Agent on behalf of the Lenders covering the Property and recorded among the land records of Loudoun County, Virginia.

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

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

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

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

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

1.34. Engineer's Agreement: Collectively, any and all agreements between the Borrower, as owner, Dewberry & Davis, LLC, as engineer for the Project, and Lewis Scully Gionet, Inc., 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.

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

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

1.37. 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 Deed of Trust.

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

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

1.40. Escrow Agent: The Escrow Agent named as such in, and acting pursuant to, the Escrow Agreement.

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

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

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1.43. Face Amount of Loan: One Hundred Twenty-Five Million Dollars ($125,000,000.00).

1.44. Federal Funds Rate: For any day of determination, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published for such day (or, if such day is not a Business Day, by the Federal Reserve Bank for the next preceding Business Day) by the Federal Reserve Bank of Richmond or, if such rate is not so published for any day that is a Business Day, the average of quotations for such day on such transactions received by the Administrative Agent from three (3) federal funds brokers of recognized standing selected by the Administrative Agent.

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

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

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

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

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

1.50. Guaranty: The Guaranty Agreement of even date herewith pursuant to which Erickson Retirement Communities, LLC, a Maryland limited liability company, has guaranteed payment of the Loan and performance of the Borrower's obligations in connection with the Loan.

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

1.52. 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.

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

1.54. 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.

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

1.56. Land: The real property on which Ashby Ponds is to be located, consisting of approximately 142 acres of land at 25051 Loudoun County Parkway, Ashburn, Loudoun County, Virginia, as more particularly described in the Deed of Trust.

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

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

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

1.60. Loan: The revolving loan and letter of credit facility from the Lenders to the Borrower in the maximum amount of One Hundred Twenty-Five Million Dollars ($125,000,000.00).

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

1.62. 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 Ashby Ponds.

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

1.64. Management Agreement: The Management and Marketing Agreement dated of approximately even date herewith between the Tenant and the Manager, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutes therefor which are hereafter approved by the Administrative Agent in writing.

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

1.66. Maturity Date: May 1, 2014, or such later date as the Lenders and the Administrative Agent designate in their sole discretion, in writing, in accordance with the terms of Section 10.8 of this Agreement, as the maturity date of the Loan, subject, however, to acceleration of the Loan or demand for mandatory prepayment of the Loan on the terms provided in the Note and in Article XII hereof.

1.67. Mezzanine Financing. Those certain financings from (i) Strategic Ashby Ponds Lender LLC to the Borrower in the maximum amount of Fifty Million Dollars ($50,000,000.00), evidenced by that certain Promissory Note of even date herewith and that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith, and (ii) Strategic Concord Landholder, LP to Concord Campus, L.P., pursuant to in the maximum amount of Twenty-Five Million Dollars ($25,000,000.00), evidenced by that certain Ground Lease Agreement dated October 11, 2005.

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

1.69. Note: Collectively, that certain Amended and Restated Revolving Loan Note of even date herewith from the Borrower to Mercantile evidencing the Loan, the aggregate principal amount of which at any time outstanding is not to exceed $125,000,000.00, and any revolving loan note or notes which are split from, given in exchange for but not in payment of, and constitute substitutions or replacements of, the Note.

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

1.71. Notice of Interest Payment from Other Proceeds. An irrevocable written notice from the Borrower to the Administrative Agent, issued from time to time, in which the Borrower designates to the Administrative Agent that the Borrower will pay all interest due on an Interest Payment Date with funds other than Loan proceeds.

1.72. Permitted Encumbrances: The term "Permitted Encumbrances" shall have the meaning set forth in the Deed of Trust.

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

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

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

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

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

1.78. 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.

1.79. Property: The term "Property" shall have the meaning set forth in the Deed of Trust.

1.80. Pro Rata Share: At any time and as to any Lender, the percentage derived by dividing the unpaid principal amount of the Loan owing to that Lender by the aggregate unpaid principal amount of the Loan in its entirety then outstanding, or if there is no aggregate Loan amount then outstanding, based on the total amount of each Lender's Committed Amount to the face amount of the Loan.

1.81. Required Consent. The prior written consent of Mercantile and of the other Lenders holding Pro Rata Shares of the Loan, which when aggregated with Mercantile's Pro Rata Share of the Loan, exceed 50% of the total percentage interests in the Loan other than percentage interests of any Delinquent Lender, as defined in Section 11.12 of this Agreement, still held by a Delinquent Lender (such total percentage interests in the Loan minus the interests of any Delinquent Lender still being held by a Delinquent Lender being referred to as "**Non-Defaulting Percentage Interests**") provided, however, if Mercantile's Pro Rata Share of the Loan exceeds 50% of the Non-Defaulting Percentage Interests and there is at least one Lender that is not a Delinquent Lender, then Required Consent shall mean the prior written consent of Mercantile and at least one other Lender that is not a Delinquent Lender, and provided further that if Mercantile's Pro Rata Share of the Loan exceeds 50% of the Non-Defaulting Percentage Interests, but there are no other Lenders which are not Delinquent Lenders, then Required Consent shall mean the prior written consent of Mercantile only.

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

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

1.84. Resident: A resident of Ashby Ponds pursuant to the terms of a Residence and Care Agreement.

1.85. Residential Construction Phase: Those Construction Phases of the Project shown on Schedule I attached hereto and designated as Construction Phases RB1.1, RB1.2, RB1.3, RB1.4, RB1.5, RB1.6, RB2.1, RB2.2, RB2.3, RB2.4, RB2.5, RB 2.6, RB3.1, RB3.2, RB3.3, RB3.4, and RB3.5, each of which is a residential building.

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

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

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

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

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

1.91. 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.

1.92. Tenant: Ashby Ponds, Inc., a Maryland nonstock corporation, as well as any successor tenant of the Property.

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1.93. Tenant Futures List: The list of prospective Residents of Ashby Ponds 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.

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

1.95. Tenant Standby List: The list of prospective Residents of Ashby Ponds 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.

1.96. Title Company: Chicago Title Insurance Company.

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

1.98. Trust Agreement: The Trust Agreement for Initial Entrance Deposits at Ashby Ponds of even date herewith among Tenant, Borrower and Mercantile.

1.99. Unanimous Consent: The prior written consent of Mercantile and of each of the other Lenders which is not a Delinquent Lender.

1.100. Unit: A Continuing Care Unit.

1.101. 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.

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

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 Lenders collectively, but severally, agree 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) for all of the Lenders not to exceed One Hundred Twenty-Five Million Dollars ($125,000,000.00), and for each respective Lender, not to exceed its Committed Amount. Neither the Administrative Agent nor any of the Lenders shall be responsible for the Committed Amount of any other Lender. The Lenders acknowledge that the Loan is a revolving credit facility and the Borrower has the right to repay any or all Loan advances made under the

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Loan Documents, and subject to the terms and conditions of the Loan Documents, to borrow against previously repaid amounts. Loan proceeds shall be advanced (or reserved) for the following purposes:

(i) to reimburse Borrower for costs associated with the 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 Administrative Agent in its sole discretion;

(v) for payment of interest due to the Lenders 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 Lenders be required to make any advance of the Loan which would increase the amount of all outstanding Working Capital Advances above Thirty-Four Million and 00/100 Dollars ($34,000,000.00) or the amount of all issued and outstanding Letters of Credit above Twenty-Five Million and 00/100 Dollars ($25,000,000.00);

(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 Administrative Agent, in its sole discretion;

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

(5) no Loan advances shall be made for any costs associated with any development of Ashby Ponds not included in the Construction Phases described on Schedule I attached hereto, including without limitation Neighborhood 4 as shown on the site plan approved by the Administrative Agent in connection with the closing of the Loan, without the Administrative Agent's prior written consent; and

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

(b) Borrowing Procedure. The Borrower shall give the Administrative Agent a Notice of Borrowing at least seven (7) Business Days' prior to a requested Loan advance, setting forth the amount of any proposed borrowing hereunder, except for draws to pay interest on the Loan, which shall be advanced automatically by the Lenders unless the Borrower gives the Administrative Agent a Notice of Interest Payment from Other Proceeds at least two (2) Business Days' prior to an Interest Payment Date and actually makes each such payment on the identified Interest Payment Date. If the Administrative Agent determines that the Notice of Borrowing is in sufficient detail and properly documented in accordance with the terms of the Loan Documents, including all required inspection reports, project status reports and completion budgets, and that the Borrower is entitled to a Loan advance, the Administrative Agent will promptly notify each Lender, and in any event providing at least three (3) Business Days notice prior to the date the draw request is to be disbursed, of the receipt of a Notice of Borrowing with (i) a summary of the Notice of Borrowing (showing percentage of completion for each phase), (ii) a copy of any report issued by the Construction Inspector in connection with such Loan advance, (iii) the total amount of the proposed borrowing, and (iv) of the amount of each Lender's Pro Rata Share of that particular draw request. Each Lender will make the amount of its Pro Rata Share of each Loan advance available to the Administrative Agent for the account of the Borrower by 12:00 p.m. (Baltimore time) on the date the draw request is to be disbursed to the Borrower pursuant to and in accordance with the Notice of Borrowing, in funds immediately available to the Administrative Agent. The Administrative Agent will also promptly notify each Lender of the receipt of a Notice of Interest Payment from Other Proceeds.

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

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

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

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(f) Unless the Administrative Agent receives notice from a Lender at least one Business Day prior to the date of a funding to be made to the Borrower pursuant to a Notice of Borrowing and Section 2.1(b) above, that such Lender will not make available as and when required hereunder to the Administrative Agent for the account of the Borrower the amount of that Lender's Pro Rata Share of the amount to be funded, the Administrative Agent may assume that each Lender has made such amount available to the Administrative Agent in immediately available funds on the date of the funding and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent any Lender shall not have made its full amount available to the Administrative Agent in immediately available funds and the Administrative Agent in such circumstances had made available to the Borrower such amount, that Lender shall on the Business Day following the date of the funding make such amount available to the Administrative Agent, together with interest at the Federal Funds Rate for each day during the period in which such Lender has not made its full amount available. A notice of the Administrative Agent submitted to any Lender with respect to amounts owing under this subsection (f) shall be conclusive, absent manifest error. If such amount is so made available, such payment to the Administrative Agent shall constitute such Lender's Pro Rata Share of such payment for all purposes of this Agreement. If such amount is not made available to the Administrative Agent on the third (3rd) Business Day following the disbursement date, the Administrative Agent will notify the Borrower of such failure to fund and, upon demand by the Administrative Agent, the Borrower shall pay such amount to the Administrative Agent for the Administrative Agent's account, together with interest thereon for each day elapsed since the date of that particular funding, at a rate per annum equal to the Interest Rate.

(g) The failure of any Lender to contribute its Pro Rata Share of any amount to be funded to the Borrower pursuant to a Notice of Borrowing and Section 2.1(b) above shall not relieve any other Lender of any obligation hereunder to contribute its Pro Rata Share, but no Lender shall be responsible for the failure of any other Lender to contribute its Pro Rata Share to be made by such other Lender. If a Lender shall, at any time, fail or refuse to make any payment to the Administrative Agent required hereunder, the provisions of Section 11.12 shall govern.

(h) If any Lender shall obtain on account of the Loan any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) in excess of its ratable share, such Lender shall immediately (a) notify the Administrative Agent of such fact, and (b) deliver such excess amounts received to the Administrative Agent for distribution to the other Lenders of their respective ratable shares.

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:

(a) All payments (including prepayments) of principal of, or interest on, the Loan, shall be made in U.S. Dollars and in immediately available funds at the principal office of the Administrative Agent in Baltimore, Maryland, on the dates set forth in the Note, and shall be

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accompanied by a complete accounting and reconciliation with respect to all Entrance Deposits received, Units settled and other information the Administrative Agent may request, all in form and content acceptable to the Administrative Agent. All such payments shall be made without any setoff or counterclaim, and free and clear of any restrictions or conditions, and free and clear of and without deduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any nature now or hereafter imposed by any governmental or other authority. If the Borrower, the Administrative Agent or any Lender is compelled by law to make any such deductions or withholdings, the Borrower will pay such additional amounts as may be necessary in order that the net amounts received by the Administrative Agent and the Lenders after such deductions or withholdings shall equal the amount the Administrative Agent and the Lenders would have received had no such deductions or withholdings been required to be made, and the Borrower will provide the Administrative Agent with evidence satisfactory to the Administrative Agent that it has paid such deductions or withholdings.

(b) The Administrative Agent will within one (1) Business Day following receipt of funds actually and unconditionally received and cleared distribute to each Lender that is not a Delinquent Lender its Pro Rata Share of such payment in like funds as received. Unless the Administrative Agent receives notice from the Borrower prior to the date on which any payment is due to the Lenders that the Borrower will not make such payment in full as and when required, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date in immediately available funds and the Administrative Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. In such event, the Administrative Agent will also provide each Lender a notice to the effect such funds have been distributed on the assumption the Borrower has made the payment in full. If and to the extent the Borrower has not made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent on demand such amount distributed to such Lender, together with interest thereon at the Federal Funds Rate, for each day from the date such amount is distributed to such Lender until the date repaid. Furthermore, if the amount paid by the Administrative Agent to the Lenders hereunder is thereafter rescinded or required to be restored or turned over by the Administrative Agent upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon or as a result of the appointment of a receiver, intervenor, trustee, conservator or some similar officer for the Borrower, the Administrative Agent shall promptly notify each of the Lenders and shall demand payment from each of them of their Pro Rata Share of such amount to be remitted to the Borrower.

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

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

2.6. Fees: On the Closing Date, the Borrower shall pay an origination fee (the "**Origination Fee**") in an amount equal to one-half of one percent (½ %) of the Face Amount of

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Loan. On the Closing Date, and on each anniversary thereafter, the Borrower shall pay (a) an administration fee (an "**Administration Fee**") in an amount equal to one-quarter of one percent (¼ %) of the Face Amount of Loan and (b) a facility fee (a "**Facility Fee**") in an amount equal to one-quarter of one percent (¼ %) of the Face Amount of the Loan. The fees so calculated equal, for the first year, in the aggregate, One Million Two Hundred Fifty Thousand Dollars ($1,250,000.00). Upon execution of this Agreement by all parties, each Lender will be entitled to its Pro Rata Share of the Origination Fee, and the Facility Fee paid to date. Thereafter, upon payment by the Borrower, each Lender will be entitled to its Pro Rata Share of the annual Facility Fee. The Administrative Fee paid on the Closing Date and the Administrative Fees to be subsequently paid by the Borrower will be retained by the Administrative Agent and shall not be shared by the other Lenders.

2.7. Letters of Credit:

(a) Application. Provided no Event of Default has occurred hereunder, the Borrower may apply to Mercantile 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 Mercantile, in accordance with its then existing current practices relating to the issuance of letters of credit, may require (together with the respective Letters of Credit, the "**Letters of Credit Documents**"). Each Letter of Credit shall expire no later than thirty (30) days prior to the Maturity Date of the Loan. Under no circumstance shall the face amount of all issued and outstanding Letters of Credit at any point in time exceed Twenty-Five Million and 00/100 Dollars ($25,000,000.00) without the prior written consent of the Administrative Agent.

(b) Letter of Credit Obligations. (i) The Borrower promises to pay to the Administrative Agent and the Lenders the following amounts which are herein called the "**Letter of Credit Obligations**": (A) the amount of each draft drawn under or purporting to be drawn under a Letter of Credit on the Maturity Date of the Loan, (B) the amount of any and all charges, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which the Administrative Agent and the Lenders may charge, pay or incur for drawings under a Letter of Credit, transfers of a Letter of Credit, amendments to and extensions of a Letter of Credit and for the prosecution or defense of any action arising out of or in connection with any Letter of Credit, including, without limitation, any action to enjoin full or partial payment of any draw which is drawn under or purports to be drawn under any Letter of Credit, within fifteen (15) days following invoice by the Administrative Agent to the Borrower therefor, and (C) interest payable monthly on all amounts payable under subsections (A) and (B) above 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 Administrative Agent may maintain on its books a letter of credit account (the "**Letter of Credit Account**") with respect to the Letter of Credit Obligations paid and payable from time to time hereunder. All statements of the Letter of Credit Account rendered by the Administrative Agent to the Borrower shall be presumed to be correct and accurate and shall constitute an account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Administrative Agent shall

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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 Mercantile, the Administrative Agent or any other Lenders, (iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue provided that payment by the Lenders under such Letter of Credit against presentation of such draft shall not have constituted gross negligence or willful misconduct by the Administrative Agent or Lenders, and (iv) any other events or circumstances whatsoever, whether or not similar to any of the foregoing, provided that such other events or circumstances shall not have constituted gross negligence or willful misconduct of the Administrative Agent or the Lenders.

(d) Authority to Make Advances Under Loan. The Lenders, in the exercise of their sole discretion from time to time, shall be entitled, without notice or demand to the Borrower at any time and without the need for further approval of the Borrower, to make advances under the Loan to cover and/or secure all or any part of the Letter of Credit Obligations, and unless otherwise agreed by the Administrative Agent in writing, each draw under a Letter of Credit shall be and constitute an advance under the Loan, and shall be evidenced by and shall bear interest in accordance with the provisions of the 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 Mercantile of issuing, renewing, amending and/or maintaining Letters of Credit or honoring or denying any drafts and/or acceptances drawn or purported to be drawn thereunder, or the cost to any of the other Lenders of funding any obligation under or in connection with any Letter of Credit then (i) upon demand of the Administrative Agent, the Borrower shall pay to the Administrative Agent all amounts which are necessary to compensate the Administrative Agent, Mercantile and the other Lenders for such increased costs incurred by them, and (ii) Mercantile may elect, in its sole discretion, as the issuing Lender, not to issue any additional Letters of Credit hereunder. All statements setting forth such increased costs shall be presumed to be correct and accurate and shall constitute an account statement binding on the Borrower unless, within thirty (30) days after receipt thereof by the Borrower, the Borrower shall deliver to the Administrative Agent written objection thereto specifying the error or errors, if any, contained in any such statement; provided, however, that the Administrative Agent shall have the right at any time to correct any such statement and deliver such corrected statement to the Borrower.

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

(g) Fees for Letters of Credit. Each Letter of Credit shall require payment of a fee in the amount of one and one-half of one 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 fees 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. The Letters of Credit fees shall be paid to the Administrative Agent solely for the benefit of Mercantile; the other Lenders shall not be entitled to any share in the Letter of Credit fees.

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

(i) If Mercantile makes one or more payments on any Letters of Credit and Borrower does not immediately repay or cause to be repaid the amount of such payment, such payments shall be treated as draws under the Loan and each Lender, other than Mercantile, shall, within one (1) Business Day of notice from Administrative Agent, pay to the Administrative Agent, solely, for the account of Mercantile, in immediately available funds, the amount of such Lender's Pro Rata Share of the draw. The occurrence of an Event of Default under the Loan Documents or a draw under a Letter of Credit issued by Mercantile shall not relieve any other Lender of its obligations to advance to the Administrative Agent (for reimbursement to Mercantile) such Lender's Pro Rata Share of any draw under a Letter of Credit. If a Lender does not pay the Administrative Agent, solely its Pro Rata Share of the amount of such payment within three (3) Business Days of notice from Administrative Agent, such Lender agrees to pay to the Administrative Agent, solely for the account of Mercantile, forthwith on demand such amount together with a late charge of $2,500.00. Once such amount is so made available, such payment to the Administrative Agent shall constitute such Lender's Pro Rata Share of such payment for all purposes of this Agreement, but interest on such amount shall be payable to such Lender only from the date on which it funds such amount to the Administrative Agent. Interest paid by the Borrower for any days between the date of funding by Mercantile and the date on which such Lender funds its Pro Rata Share of such draw shall belong to Mercantile. The failure of any Lender to make available to the Administrative Agent, solely for the benefit of Mercantile, such Lender's Pro Rata Share of any Letter of Credit draws pursuant to this subsection shall not relieve any other Lender of its obligations hereunder to make available to the Administrative Agent, solely for the benefit of Mercantile, its respective Pro Rata Share of the draws but no Lender shall be responsible for the failure of any other Lender to make available to the Administrative Agent, solely for the benefit of Mercantile, its Pro Rata Share of the Letter of Credit draw on the date such payment is to be made.

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

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

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

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any action under any of the Letters of Credit or Letters of Credit Documents without having first received written instructions from the Lenders whose aggregate Pro Rata Share of the Loans could provide any Required Consent to take such action. Mercantile, and to the extent required, the Administrative Agent, will use the same degree of care and skill in administering all matters concerning any Letters of Credit as it exercises in the administration of similar letters of credit issued by it. Mercantile shall be solely responsible for examining the Letters of Credit Documents presented with any draw under any Letters of Credit in accordance with standards it applies to other letters of credit issued by it.

2.8. Collateral for Loan. The collateral for the Loan will consist of all assets of the Borrower, including all lien rights of the Borrower in and to assets of the Tenant and/or the Manager. The collateral for the Loan will also include direct liens in favor of the Administrative Agent as agent for Lenders, on all of the assets of the Manager related to Ashby Ponds. The security interests and liens of each Lender in such assets shall rank equally in priority with the interest of each other Lender.

ARTICLE III

CONDITIONS AND REQUIREMENTS FOR INITIAL LOAN ADVANCE FOR PROJECT

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

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

(a) A mortgagee's title insurance policy issued by the Title Company for an aggregate amount not less than $125,000,000.00 on the Property, containing such endorsements as the Administrative Agent required in its sole discretion, without exception as to survey except for "shortages in area," guaranteeing to the mortgagee a first lien on the good and marketable title thereto in fee simple, subject to no other liens and with only such other title exceptions as the Administrative Agent may have approved in writing;

(b) A survey of the Land, with a metes and bounds description, certified to the Administrative Agent in a form acceptable to the Administrative Agent;

(c) Evidence that Ashby Ponds 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;

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(e) Evidence as to the availability of adequate sewer, water, electric, gas and other utilities to Ashby Ponds;

(f) Two sets of the final Plans and Specifications for the First Construction Phase of the Project as approved by the Administrative Agent and all appropriate governmental authorities, including evidence acceptable to the Administrative Agent that all Units to be used for assisted living purposes meet the physical plant standards for licensure of homes for the aged under Virginia law (whether or not such Units are so licensed);

(g) A list of mechanics, laborers, subcontractors and materialmen performing work or supplying goods or materials in connection with the First Construction Phase of the Project in detail acceptable to the Administrative Agent, together with a copy of the Construction Contract relating to such Construction Phase and the Architect's Agreement, Engineer's Agreement, Contractor's Agreement and copies of all subcontracts requested by the Administrative Agent;

(h) Cost breakdown of all costs for the First Construction Phase of the Project setting forth in such categories as reasonably required by the Administrative Agent, the utilization of all proceeds of the Loan, and any additional funds available or necessary for completion of such First Construction Phase;

(i) All governmental approvals and certifications required under any of the Loan Documents;

(j) If requested by the Administrative Agent, 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 Administrative Agent was 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 Administrative Agent;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

REQUIREMENTS AND CONDITIONS FOR ALL LOAN ADVANCES

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

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

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

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

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

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

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

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

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

4.4. Residence and Care Agreements:

(a) With respect to advances for each Residential Construction Phase, the Borrower shall have delivered to the Administrative Agent evidence acceptable to the Administrative Agent that the Tenant has received and accepted Applications from Applicants to either the Tenant Reserve List or the Tenant Standby List (not including Applicants to the Tenant Futures List), together with payment of Priority List Deposits by all such Applicants and payment of Reservation Deposits by those Applicants on the Tenant Reserve List, equal in number to (i) seventy percent (70%) of the Continuing Care Units (as defined in the Residence and Care Agreements) to be constructed as part of such Residential Construction Phase, which Applications specify either (A) by number, a specific Continuing Care Unit in a specific building to be constructed as part of such Residential Construction Phase or (B) that the Applicant will accept the next available unit of the type designated by the Applicant on the Application (e.g. Efficiency, Studio, One Bedroom, Two Bedroom, etc.), and (ii) except in the case of the First Residential Construction Phase, eighty-five percent (85%) of the Continuing Care Units in each prior Residential Construction Phase, specifying the same matters set forth in subparts (A) and (B) of subsection (i) above. The Tenant Standby List may be a complete list for the entire Project and need not be restricted to a single Phase. Notwithstanding the foregoing, the Administrative Agent reserves the right to exclude from consideration towards the seventy percent (70%) and/or eighty-five percent (85%) requirements, Applications which the Administrative Agent, in the Administrative Agent's reasonable judgment, believes cannot be accommodated by the Residential Construction Phase at issue. (Applications may be excluded, by way of example and not of limitation, in the event a large number of Applications specify a particular type of Continuing Care Unit which cannot be accommodated in a particular Residential Construction Phase.) The Applications shall be bona fide arm's length contracts with Applicants of Ashby Ponds, such contracts to be reasonably acceptable to the Administrative Agent in form and substance. The Administrative Agent shall have the right to audit existing Applications at any time, including (subject to applicable laws regarding privacy) contacting

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Applicants, to verify the status of such Applications. At the time of each request for an advance of the Loan, the Borrower shall provide to the Administrative Agent the information necessary to demonstrate satisfaction of the requirements of this paragraph, certified to the best of the knowledge, belief and information of an officer of the Borrower and also of either the Manager or the Tenant, which details the Applications received and accepted by the Tenant up to the date of the certification, and contains the following information for each Applicant: (a) the name, address and phone number of such Applicant; (b) the Building number and Unit number or type for which such Applicant has applied; and (c) the amount of the Applicant's Priority List Deposit and Reservation Deposits (as applicable), together with the Full Entrance Deposit expected to be paid by such Applicant. The Borrower shall also have delivered to the Administrative Agent evidence acceptable to the Administrative Agent that all monies held in escrow pursuant to the Residence and Care Agreements have been deposited in one or more escrow accounts acceptable to the Administrative Agent.

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

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

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4.6. Inspections: Approval by the Administrative Agent 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.

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

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

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

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

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

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

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

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

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

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

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

(k) The Administrative Agent shall have received evidence that the Borrower has invested in the Project Twenty-Five Million Dollars ($25,000,000.00) of its own funds or subordinate debt acceptable to Administrative Agent in its sole discretion. The amount of Borrower's equity requirement which may consist of Pre-Development Soft Costs shall be determined by the Administrative Agent in its sole discretion; and

(l) The Borrower shall have provided to Administrative Agent copies of paid real estate tax receipts for all property covered by the Deed of Trust for each tax payment date occurring prior to the date of such disbursement.

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

ARTICLE V

REQUIREMENTS AND CONDITIONS FOR FINAL ADVANCE FOR EACH CONSTRUCTION PHASE

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

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

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

(b) If required by the Administrative Agent, certificates of completion, in form and substance satisfactory to the Administrative Agent, from the Borrower and the

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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, (i) a Registration statement issued by the Commonwealth of Virginia State Corporation Commission to operate a continuing care retirement community; and (ii) any other permits/licenses required.

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

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

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

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

ARTICLE VI

GENERAL PROVISIONS REGARDING DISBURSEMENTS

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

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6.2. Authorized Disbursements: Notwithstanding any other provision of this Agreement, the Borrower hereby irrevocably authorizes the Lenders, at the option of the Administrative Agent, after the occurrence of any Default to make disbursements of Loan proceeds (i) directly to the Title Company or any public authority for fees, assessments or taxes owed with respect to the Project, any insurer of the Project to whom premiums are owed for the maintenance of insurance required by the Loan Documents, or to any contractor, subcontractor, laborer, mechanic, supplier or materialmen furnishing labor, services or materials in connection with the Project for any amounts due them in connection therewith, or (ii) directly to the Administrative Agent and the Lenders for interest, fees, expenses and any other amounts advanced by the Lenders or required to be paid to the Administrative Agent or the Lenders under the Note or the other Loan Documents. No further authorization from the Borrower shall be necessary for the Lenders to make such direct disbursements, and all such disbursements shall satisfy pro tanto the obligation of the Lenders hereunder and shall be secured by the Deed of Trust.

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

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

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

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

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

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

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result in any material adverse change in the business, financial condition or operations of the Borrower, of the Guarantor, or of the Tenant.

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

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

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

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

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

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ARTICLE VIII

COVENANTS

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

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

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

8.3. Financial Statements, Books and Records:

(a) The Borrower shall provide, or cause to be provided, to each of the Lenders within fifteen (15) days after the end of each calendar month, or at such other times as required under the Loan Documents, a statement or schedule reconciling the date and amount of all Entrance Deposits received by the Tenant to the payments due under the terms of the 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 Guarantor shall deliver to each of the Lenders within thirty (30) days after the close of each calendar month of each calendar year, beginning with the calendar month during which this Agreement was executed, a balance sheet, statements of income and expense and retained earnings and a statement of cash flows, on both a

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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 (the Guarantor, 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 the Guarantor shall deliver to each of the Lenders within ninety (90) days after the close of each fiscal year beginning with the fiscal year ending December 31, 2007, a draft balance sheet for itself and for the Tenant and, if requested by the Administrative Agent in its sole discretion, the Contractor, as of the close of such fiscal year and draft statements of income and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), by a firm of independent certified public accountants acceptable to the Administrative Agent. The Borrower and the Guarantor shall deliver to each of the Lenders within one hundred twenty (120) days after the close of each fiscal year beginning with the fiscal year ending December 31, 2007, 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 Administrative Agent.

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

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

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

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

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

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

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

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

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

8.7. Payment of Obligations: The Borrower will pay and discharge (or cause to be paid and discharged) at or before maturity all of their material obligations and liabilities, including (without limitation) tax liabilities, 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.

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8.8. Further Assurances: Upon request by the Administrative Agent, the Borrower shall do (or cause to be done) any act or execute (or cause to be executed) any additional documents (including, but not limited to, security agreements and financing statements on any personalty included or to be included in the Property) as may be reasonably required by the Administrative Agent to confirm the lien and security interest of the Deed of Trust or any other Loan Documents.

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

8.10. Distributions, Etc:

(a) Except for transactions exclusively between the Borrower and the Guarantor and as otherwise permitted in this Agreement, neither the Borrower nor the Guarantor will, without Administrative Agent's prior written consent, pay any income, bonuses, profits, dividends, salaries or fees to, or make any Distribution of cash or property to, any members of the Borrower or the Guarantor or Affiliates thereof (including other entities in which the Borrower or the Guarantor own an interest); provided, however, that so long as no Default shall have occurred and be continuing or would be created by any such Distribution, and provided the Borrower sends Administrative Agent a separate written notice (i.e., separate from financial statements or other reporting requirements under the Loan Documents) (each a "**Pre-distribution Notice**") and supplies the Administrative Agent with all information reasonably

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

(b) Notwithstanding anything set forth herein to the contrary, (i) the Borrower and Guarantor covenant and agree that annual Distributions under the Growth Participation Plan and Distributions to Common B Members under Group's operating agreement may only be made, to the extent allowed under section 8.10(a) above, in the ordinary course of business between March 15 and August 15, and (ii) Distributions to Group, Mr. John C. Erickson, Nancy Erickson, Related Entities or family members of Mr. Erickson (collectively, "**Group Distributions**") shall not exceed, in any calendar year, in the aggregate, the sum of the amount required to make Tax Distributions plus $500,000. The foregoing restriction under subpart (ii) will not apply if (A) no Event of Default under this Agreement has occurred or is continuing, and (B) after giving effect to such Distribution, the Guarantor would have cash and cash equivalents in excess of (x) an amount needed to satisfy the highest level of liquidity required under any liquidity covenant contained in documentation relating to the Senior Indebtedness, plus (y) 50% of the outstanding principal balance of Parity Debt. For the purposes of this paragraph, loans made to Michael J. Erickson pursuant to an agreement existing and as in effect on June 15, 2003 of an amount equal to up to fifty percent (50%) of his interest in the Growth Participation Plan, shall not be counted as a Group Distribution. The definitions for the terms used in Sections

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8.10(b), (c) and (d) hereof not previously defined in Article I hereof are set forth in Schedule XII attached hereto.

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

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

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

8.12. Guaranties: Except for (a) transactions exclusively between the Borrower and the Guarantor, (b) the endorsing of checks or other instruments for deposit or collection in the ordinary course of business by the Borrower and the Guarantor, and (c) the guaranteeing of loans in favor of the Lenders as approved by the Administrative Agent and loans permitted under Section 8.11, neither the Borrower nor the Guarantor shall endorse, guarantee or become surety for the obligation of any person or entity without first giving the Administrative Agent prior written notice thereof and answering any reasonable inquiries made by the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(o) of this Agreement.

8.13. Acquisitions: Neither the Borrower nor the Guarantor shall acquire any new business or any interest in any new business or any real estate (including entering into any leases or other arrangements for new or additional locations) or make any investment of any kind in any other entity, including, but not limited to, asset or stock acquisition, or undertake any other construction project, (including any new retirement community, but excluding normal repairs and maintenance to existing structures), without giving the Administrative Agent written notice thereof within ninety (90) days of such activity and answering any reasonable inquiries made by

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the Administrative Agent with respect to the details of such activity in order to permit the Administrative Agent to determine, among other matters, whether the Administrative Agent would consider such activity an Event of Default under Section 9.1(o) of this Agreement.

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

8.15. Primary Banking Relationship: The Borrower shall maintain its primary banking relationship with Mercantile and shall cause the Guarantor to maintain its primary banking relationships with Mercantile.

8.16. Bank Branch: The Borrower shall cause the Tenant to agree in writing that Mercantile 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 Ashby Ponds through the fifth (5th) anniversary of the date on which any space within Ashby Ponds in which Mercantile may operate a branch ("**Bank Branch Space**") is available for occupancy, or through such earlier date as Mercantile notifies the Tenant or the Borrower in writing that Mercantile has decided to surrender such exclusive right. The rights of Mercantile (and its Affiliates, correspondents and/or participants or co-lenders) under this Section 8.16 shall terminate if (a) Mercantile, its Affiliates, correspondents and/or participants or co-lenders fails to enter into a lease for such Bank Branch Space (for a term to begin upon the date such Bank Branch Space becomes available for occupancy) within thirty (30) days after written notice from the Tenant or the Borrower, issued not sooner than one hundred eighty (180) days prior to the date on which the Bank Branch Space will be subjected to the lease between the Tenant and the Borrower and will be available for occupancy, at a rate and on terms acceptable to the Tenant and (b) the Tenant enters into a lease for such Bank Branch Space (for a term to begin upon the date Bank Branch Space becomes available for occupancy) at a rate and on terms as favorable or more favorable to the Tenant than the rate and terms last offered by the Tenant to Mercantile, its Affiliates, correspondents and/or participants or co-lenders.

8.17. Fees of Construction Inspector: The Borrower will pay all fees of any Construction Inspector retained by the Administrative Agent in connection with the Loan.

8.18. Liquidity Covenant: The Borrower will cause the Guarantor to, maintain at all times combined, unrestricted Liquid Assets equal in value to at least Twenty-Four Million Dollars ($24,000,000), or such greater amount as the Guarantor is obligated by other lenders to maintain under any agreements with such other lenders (excluding the liquidity covenant established in connection with Ziegler Securities [hereinafter defined]). In addition, (a) if the Ziegler Securities are no longer in full force and effect, or there is an Event of Default under the Ziegler Securities, the Borrower shall notify Administrative Agent, and the Guarantor shall be required to demonstrate to Administrative Agent additional liquidity commensurate with that required by the Ziegler Securities within thirty (30) days after the termination of the Ziegler Securities, and (b) if the Guarantor is involved in any continuing care retirement community or

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similar project (an "**Other Project**") which is being financed in whole or in part by bank construction financing or its equivalent (excluding financing by a project tenant which is or has applied for status as a non-profit entity, and which financing is structured in a manner similar to the financing structure in place with respect to either (i) the New Jersey Economic Development Authority Retirement Community Refunding Revenue Bonds (Seabrook Village, Inc. Facility), Series 2006, or (ii) the Montgomery County, Maryland Variable Rate Demand Bonds (Riderwood Village Project), Series 2004) (whether taxable or tax exempt), the Borrower will, and will cause the Guarantor to, maintain Liquid Assets equal in value to at least Seven Million Five Hundred Thousand Dollars ($7,500,000) for each Other Project in excess of the first four (4) such Other Projects (which are covered by the $24,000,000 requirement above), provided, that sites that are acquired after the date hereof and are not under construction by the Guarantor shall not be deemed to be Other Projects until the earlier of (A) the closing of the construction financing with respect to such site, or (B) the commencement of construction of any residential building or community building in connection with such site. The liquidity covenant subsequent to the closing of the Loan is expected to be Sixty-Nine Million Dollars ($69,000,000), based on the following projects: Fox Run, Linden Ponds, Sedgebrook, Eagle's Trace, Monarch Landing, Highland Springs, Maris Grove, Windcrest, Tallgrass Creek and Ashby Ponds. An additional $7,500,000 shall be added to the liquidity covenant for each new project, including the Westminster, Colorado project, upon the earlier of (i) the closing of the construction financing with respect to each project, or (ii) the commencement of construction of any residential building or community building in connection with such project. Substantially all of the Liquid Assets of the Borrower and the Guarantor shall at all times during the term of the Loan be deposited with and/or held by Mercantile. For the purposes of this Section 8.18, the term "**Ziegler Securities**" means the $5,000,000 Minimum, $75,000,000 Maximum Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Mezzanine Put Securities^{SM} (STAMPS^{SM}) Series 2005 and The Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Interest Rate Securities^{SM} (STAIRS^{SM}) Series 2003A).

8.19. Entrance Deposits: All Entrance Deposits shall at all times be received, held and disbursed by the Manager, the Escrow Agent, the Tenant and the Borrower in compliance with the provisions of this Section 8.19. All Initial Entrance Deposits (including each and every portion thereof) paid or delivered to the Tenant or the Manager shall, to the extent the same are required to be delivered to the Escrow Agent pursuant to the Escrow Agreement or under applicable law, be delivered by them to the Escrow Agent within two (2) Business Days of delivery of any check, money order or other medium of payment by a Resident to either the Manager or the Tenant. The Escrow Agent shall hold each Resident's Entrance Deposit in accordance with the terms of the Residence and Care Agreements, the Escrow Agreement, and applicable laws. All Initial Entrance Deposits not so required to be delivered to the Escrow Agreement, and all Initial Entrance Deposits which are released by the Escrow Agent, shall be delivered to the Trust Account and otherwise handled in accordance with the terms of the Trust Agreement. All amounts deposited in the Trust Account, in accordance with the terms of the Trust Agreement, shall, on the fifteenth (15th) and the later of the twenty-eighth (28th), the twenty-ninth (29th) or the thirtieth (30th) days of each calendar month, be applied by the Administrative Agent and the Lenders to repayment of the Loan. Notwithstanding the foregoing, (a) the Administrative Agent and Lenders may at any time following the occurrence of any Event of Default, apply any and all funds in the Trust Account and/or the Borrower Collateral Account to payment of the Loan; (b) consistent with the terms of the Trust Agreement, the Borrower may

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accept an assignment from the Tenant of promissory notes from Residents in lieu of cash advances under the Community Loan Documents, and the Lenders will in turn accept an assignment of such promissory notes and the payments made thereunder in lieu of payments which would otherwise be required under the Note for Units paid for in cash, provided that (i) no such note may have an initial maturity longer than one (1) year, or be extended beyond the date which is one year after the date of its original execution, (ii) at no time shall the aggregate amount of such notes having initial maturities in excess of thirty (30) days or having been extended to a date which is more than thirty (30) days after the dates of their original execution, exceed the sum of One Million Five Hundred Thousand Dollars ($1,500,000), (iii) all such notes shall be delivered to the Tenant at the time specified in the Residence and Care Agreements, and shall promptly, upon receipt by the Tenant, be delivered to the Borrower, and if requested by the Administrative Agent, the Borrower shall deliver such notes to the Administrative Agent, with any necessary endorsements in favor of the Borrower and/or Administrative Agent, as applicable, to be held by the Borrower and/or Administrative Agent as collateral on the same terms described herein, and (iv) when such notes are repaid, the proceeds thereof shall be subject to the prior provisions of this Section 8.19.

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

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

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

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

8.24. Bank Accounts: All of the Bank Accounts shall at all times be maintained with and on the books of the Administrative Agent. No party other than the Administrative Agent shall have any right of access to any of the Bank Accounts, all of which shall be and remain at all times under the exclusive dominion and control of the Administrative Agent, and no withdrawals may be made from any of the Bank Accounts except with prior written consent of the Administrative Agent; provided, however, that the Administrative Agent's rights with respect to any of the Bank Accounts belonging to the Tenant shall be limited to the rights of the Borrower with respect thereto (all of which rights shall be reassigned by the Borrower to the Administrative Agent), except where a grant of rights to the Borrower expressly states that reassignment of such rights to the Borrower's lender is not subject to such a limitation. All of

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the Bank Accounts and the Borrower's interests in the AP Operating Account shall be pledged to the Administrative Agent as collateral for the Loan. The Lenders hereby agree that prior to the occurrence of a Default under the Loan Documents, the Administrative Agent will disburse from the Lockbox Account monthly within forty-eight (48) hours of receipt by the Administrative Agent of a certification by the Borrower as to the proper amounts thereof, all amounts which would, in the absence of the Loan Documents, be disbursed to the Borrower Operating Account and the AP Operating Account under the terms of the Lockbox Account Agreement, but if the Administrative Agent fails to do so the parties to the Lockbox Account Agreement shall nevertheless still not have any access to the Lockbox Account. Notwithstanding the foregoing provisions of this Section 8.24, the Lenders hereby (i) grant to the Borrower a revocable license to withdraw funds from the Borrower Operating Account prior to the occurrence of a Default under the Loan Documents for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by the Administrative Agent, which license shall terminate automatically upon the occurrence of a Default by Tenant under the Loan Documents, after which the Administrative Agent shall once again have sole right of access to the Borrower Operating Account, and (ii) grant to the Borrower, who shall re-grant to the Tenant, a revocable license to withdraw funds from the AP Operating Account prior to the occurrence of a Default by Tenant under any of the Working Capital Loan Documents, the Community Loan Documents or the Lease for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by the Administrative Agent. Such license shall terminate automatically upon the occurrence of a Default by Tenant under any of the Working Capital Loan Documents, the Community Loan Documents or the Lease, after which the Administrative Agent shall once again have sole right of access to the AP Operating Account. Each of the Bank Accounts shall be titled in the name of the Administrative Agent as trustee for itself and the other parties in interest to such Bank Accounts. The provisions of this Section 8.24 shall supersede and control over any other contrary or conflicting provisions of the Loan Documents with respect to the Bank Accounts. The Borrower shall cause all parties to the Bank Accounts to agree to the provisions of the Loan Documents with respect thereto, including the provisions of Sections 8.19 and 8.20 of this Agreement. Notwithstanding the foregoing, if any collateral for the Loan consists of Deposit Accounts (as defined by the Maryland Uniform Commercial Code - Secured Transactions) of the Borrower (which are not Bank Accounts) or of another party which have been pledged in favor of Borrower, Borrower shall advise the Administrative Agent in writing of the creation of such accounts within 30 days and shall obtain and/or deliver to the Administrative Agent a control agreement, in form reasonably satisfactory to the Administrative Agent.

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

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

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

8.28. Taxes. The Borrower shall not, without the Administrative Agent's prior written consent, which may be withheld in Administrative Agent's sole and absolute discretion, request or consent to any changes in connection with any taxes or assessments of any kind affecting the Property.

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

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

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

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

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

(a) Not merge into or consolidate with any individual, partnership, limited partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature (each, a "**Person**") or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets (except as permitted in the Loan Documents) or change its legal structure, without in each case the Administrative Agent's consent;

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

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

(d) Not pledge its assets with or for any Person except in connection with (i) the Borrower's purposes, and (ii) the obligations owing by Concord Campus, L.P. to Strategic Concord Landholder, LP as referenced in Section 1.67(ii) hereinabove;

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(e) Not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the obligations owing by Concord Campus, L.P. to Strategic Concord Landholder, LP as referenced in Section 1.67(ii) hereinabove, construction loans, purchase money debt, payment and performance bonds, loans of initial entrance deposits used to pay construction loans, letter of credit or bonds in favor of governmental or quasi-governmental entities and unsecured trade payables incurred in the ordinary course of business, all of which shall be related to the ownership, development, construction, management and operation of the Property;

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

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

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

(i) Not guaranty or become obligated for the debts of Guarantor or any Person nor hold itself out to be responsible for the debts of another Person or pay another Person's liabilities out of its own funds, except for the obligations owing by Concord Campus, L.P. to Strategic Concord Landholder, LP as referenced in Section 1.67(ii) hereinabove;

(j) Not make any loans or advances to any third party, including any of its members or Affiliates, or the Affiliates of any of its members nor permit any Affiliate to guaranty or pay its obligations, except for (A) working capital loans to tenants, (B) loans or guaranties by Guarantor to construction lenders, contractors, or suppliers for the Property, and (C) the guaranty by Concord Campus, L.P. of the Borrower's obligations to Strategic Ashby Ponds Lender LLC;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) The Borrower, the Guarantor, or the Tenant petitions or applies to any court or tribunal for, or consents to, the appointment of, or taking possession of itself or of any substantial part of its assets by, a trustee, receiver, custodian, liquidator or similar official (all

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such actions being hereinafter referred to as "**Receivership Actions**"), or any such person or entity commences any proceedings under United States or State bankruptcy laws (including reorganization, arrangement, and other debtor relief proceedings) now or hereafter in effect (collectively, "**Bankruptcy Laws**");

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

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

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

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

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

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

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

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

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

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

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

9.2. Remedies: The Borrower acknowledges and agrees that the failure of one or more but less than all of the Lenders to comply with their several funding obligations under this Agreement shall not limit or impair the rights of any of the Lenders who are in compliance with their several funding obligations in declaring any Event of Default or in pursuing any remedies provided for herein or under any of the other Loan Documents as a result of such Event of Default. The Borrower further acknowledges and agrees that the Borrower may, therefore, be required to contribute additional funds to the Project as a result of a failure of one or more but less than all of the Lenders to comply with their several funding obligations under this Agreement, in order to avoid the declaration of an Event of Default and/or the exercise of remedies by the complying Lenders. Upon the occurrence of any curable Default, the obligation of the Lenders to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall be suspended pending cure of such Default. Upon the occurrence of any Event of Default, the obligation of the Lenders to make any further disbursements under the Loan, including the obligation to issue additional Letters of Credit, shall terminate. The Administrative Agent may, upon the occurrence of an Event of Default, at the option of the Administrative Agent but subject to the Required Consent of the Lenders, 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 Lenders through the Administrative Agent may proceed to exercise any and all remedies available to them under this Agreement, the other Loan Documents, or under applicable law, all of which rights and remedies shall be cumulative and may be exercised concurrently by the Lenders through the Administrative Agent.

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

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

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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 Administrative Agent shall deem necessary or desirable.

9.5. Financing Defaults. The Borrower shall be liable to the Administrative Agent for all sums paid or incurred by the Administrative Agent to cure any default in connection with all payments made or liabilities incurred by the Administrative Agent hereunder of any kind whatsoever shall be paid by the Borrower to the Administrative Agent upon demand with interest at the rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Borrower hereby irrevocably constitutes and appoints the Administrative Agent its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of Borrower which Lender may deem necessary or appropriate to effectuate such a cure or redemption.

ARTICLE X

MISCELLANEOUS

10.1. Expenses: The Borrower agrees, whether or not the transactions herein contemplated shall be consummated, to pay and save the Administrative Agent and the Lenders harmless against liability for the payment of all reasonable expenses arising in connection with such transactions, including all stamp and other taxes (including tangible personal property taxes) which may be payable in respect of the execution and delivery of any of the Loan Documents, or the execution, delivery, filing or recording of the Deed of Trust and financing statements relating thereto, and any and all supplements and/or modifications thereto, and all reasonable fees and expenses of counsel for the Administrative Agent and the Lenders in connection herewith (including reasonable legal fees and any other fees incurred by the Administrative Agent and the Lenders subsequent to Closing in connection with the disbursement, renewal or collection of the Loan). The Borrower's obligation under this Section 10.1 shall survive the transfer of the Loan by the Lenders and the payment of all indebtedness hereunder.

10.2. Nonassignability by Borrower/Lender Assignability:

(a) The Loan may not be assigned by the Borrower without the Required Consent of the Lenders. 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

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claiming under or through the Borrower. For the purposes of this Agreement, the Loan shall remain in the custody of the Lenders 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 Lenders and the Borrower.

(b) (i) Any Lender may, with the written consent of the Administrative Agent (which consent shall not be unreasonably withheld, conditioned, or delayed) and without prior notice to or the consent of the Borrower or the Guarantor, at any time assign and delegate to one or more commercial lenders or other persons not Affiliates of the Borrower (provided that no written consent of the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an assignee that is an Affiliate of such Lender) (each an "**Assignee**") all, or any ratable part of all of its Pro Rata Share of the Loan and the other rights and obligations of such Lender hereunder, in a minimum amount of $5,000,000.00; provided, however, that the Borrower and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent an Assignment and Acceptance in a form acceptable to the Administrative Agent ("Assignment and Acceptance") together with any Note subject to such assignment and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of $2,500.

(ii) From and after the date that the Administrative Agent notifies the assignor Lender that it has received (and provided its consent with respect to) an executed Assignment and Acceptance and payment of the above-referenced processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assignor Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it in their entirety pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under the Loan Documents.

(iii) Within five Business Days after its receipt of notice by the Administrative Agent that it has received an executed Assignment and Acceptance in the form attached hereto as Exhibit A, and payment of the processing fee, (and provided that the Administrative Agent consents to such assignment in accordance with Section 10.2b(i)) and the originally executed Note subject to such assignment, the Borrower shall execute and deliver to the Administrative Agent, a new Note evidencing such Assignee's assigned Pro Rata Share of the Loan and, if the assignor Lender has retained a portion of the Loan, a replacement Note in the principal amount of the Pro Rata Share of the Loan retained by the assignor Lender (such Note to be in exchange for, but not in payment of, the Note held by such Lender). Immediately upon each Assignee's making its processing fee payment under the Assignment and Acceptance, this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to

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reflect the addition of the Assignee and the resulting adjustment of the commitments arising therefrom. The commitment allocated to each Assignee shall correspondingly reduce the Committed Amount of the assigning Lender.

(iv) Any Lender may at any time without consent of or notice to Borrower or the Guarantor sell to one or more commercial lenders or other persons not Affiliates of the Borrower (a "**Participant**") participating interests in the Loan, the commitment of that Lender and the other interests of that Lender (the "**Originating Lender**") hereunder and under the other Loan Documents; provided, however, that (i) the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) the Borrower and the Administrative Agent shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, and (iv) no Lender shall transfer or grant any participating interest under which the Participant has rights to approve any amendment to, or any consent or waiver with respect to, this Agreement or any of the other Loan Documents, except to the extent such amendment, consent or waiver would require Unanimous Consent of the Lenders as described in this Agreement. In the case of any such participation, the Participant shall not have any rights under this Agreement, or any of the other Loan Documents, and all amounts payable by the Borrower hereunder shall be determined as if such Originating Lender had not sold such participation.

10.3. Liability of Lenders: All conditions of the obligations of the Lenders hereunder, including any obligation to make disbursements under the Loan, are imposed solely and exclusively for the benefit of the Lenders and their 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 Lenders 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 Lenders at any time if in their discretion they deem it desirable to do so. Without limiting the generality of the foregoing, the Lenders make no representations and assume no obligations as to third parties concerning the quality of the Improvements or the absence therefrom of any defects. Borrower agrees to indemnify the Administrative Agent and the Lenders 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 Administrative Agent and the Lenders as a result of the performance of their activities and obligations under this Agreement, except that no such indemnification shall be required of an individual Lender (or the Administrative Agent, as the case may be) in connection with any acts or omissions of such Lender (or the Administrative Agent, as the case may be) 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 Lenders (and the Administrative Agent) from any such liability, and no claim shall be made by the Borrower against any individual Lender, for or on account of any matter or thing in excess of the balance of such Lender's Pro Rata Share of the Loan remaining in such Lender's hands and undisposed of in accordance with the terms of this Agreement.

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

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

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

(1)	If to Lenders:	c/o 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, 18th Floor Baltimore, Maryland 21202-3268
(2)	If to Borrower:	Ashburn Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228 Attention: Chief Financial Officer
	with a copy to:	General Counsel Erickson Retirement Communities, LLC 701 Maiden Choice Lane Baltimore, Maryland 21228
(3)	If to Administrative Agent:	Mercantile-Safe Deposit and Trust Company Two Hopkins Plaza Baltimore, Maryland 21201 Attention: Bruce D. McLean, Senior Vice President

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

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

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

10.8. Lender Consent Rights; No Implied Waiver:

(a) Without limiting the generality of any of the provisions of this Agreement and except as otherwise provided in Article XII of this Agreement, no material amendment or waiver of any material provision of this Agreement or any other Loan Document, any of the Community Loan Documents, the Working Capital Loan Documents, or the Management Agreement, and no consent with respect to any departure by the Borrower or the Guarantor therefrom, shall be effective unless the same shall be in writing and signed by the Lenders whose aggregate Pro Rata Share of the Loans constitute the Required Consent and the Borrower, and acknowledged by the Administrative Agent, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In addition, except as otherwise provided in Article XII of this Agreement, no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders (constituting Unanimous Consent) and the Borrower, and acknowledged by the Administrative Agent, do any of the following:

(i) increase, extend or reinstate after termination, the obligations of the Lenders to make advances to the Borrower under this Agreement;

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

(iii) reduce the principal of the Loan, or change the index upon which the Interest Rate is calculated, or change the spread over such index, or any fees or other amounts payable hereunder or under any other Loan Documents;

(iv) change the Pro Rata Share of any Lender other than pursuant to the terms of Section 2.1(g) or Section 11.12 hereof or in connection with an assignment or sale of an additional participation under Section 10.2 hereof;

(v) release the Guarantor or any collateral for the Loan except as provided for in the Loan Documents;

(vi) release all or any material portion of the Property subject to the Deed of Trust and to the Security Agreement; and

(vii) amend this Section 10.8 or any provision herein providing for Unanimous Consent or Required Consent.

No amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders giving Unanimous Consent or Required Consent, as the case may be, affect the rights or duties of the Administrative Agent under this Agreement or any of the Loan Documents. Fees and charges owing exclusively to the Administrative Agent (as set forth in this Agreement) and not to any of the other Lenders may be amended, increased or waived in the sole discretion of the Administrative Agent.

(b) The Lenders, 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 Lenders are unable to agree upon 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, then the Administrative Agent 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 Lenders against the Borrower, the Guarantor and the Loan collateral, without impairing the rights of the Lenders under this Section 10.8(b), until the Lenders 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 Lender on the day which is ten (10) Business Days after the Administrative Agent has given notice to such Lender of the Administrative Agent's request for such consent, unless within such ten (10) Business Day period such Lender shall provide written notice to the Administrative Agent of such Lender's refusal to consent, which notice shall include the reasons for such refusal.

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(c) The Administrative Agent shall endeavor to give prior written notice to the Lenders of any non-material amendment to or waiver of any of the provisions of this Agreement or the Loan Documents (as to which the consent of the Lenders is not required hereunder), but the failure of the Administrative Agent to give any such notice shall not alter the rights of the parties under the Loan Documents. No failure of the Lenders 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 Lenders.

10.10. Entire Agreement; Successors and Assigns; Time of the Essence: This Agreement and the other Loan Documents contain the entire terms of the agreement with respect to the Loan, and no representations, inducements, promises or agreements between the Borrower and the Lenders not set forth herein or in the other Loan Documents shall be of any force or effect. This Agreement shall be binding upon and shall inure to the benefit of the Borrower, the Administrative Agent and each of the Lenders and their respective successors and assigns (provided, with respect to the Borrower, that such successors and assigns are permitted hereunder), whether so expressed or not. Time is of the essence under this Agreement.

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

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

10.13. Governing Law: This Agreement and the rights and obligations of the parties hereunder shall be governed, construed and interpreted in accordance with the laws of the State of Maryland (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the creation, granting, perfection and enforcement of security interests in personal property collateral and liens on real property collateral, the law of the jurisdiction in which the real property or personal property collateral is located (or which otherwise applies to security interests in personal property collateral) shall govern.

10.14. Discretion of the Lender: Anything in the Loan Documents to the contrary notwithstanding, any approval or consent of the Lenders or the Administrative Agent required to be obtained under the Loan Documents, and any other matter required to be acceptable to the Lenders or the Administrative Agent or determined to be to the Lenders' or Administrative

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

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

10.16. Approval of Community Documents. No approval by the Administrative Agent or Lenders, either express or implied, of the Community Documents or any amendments thereto shall have the effect of making any provision thereof binding upon the Administrative Agent or Lenders unless the Administrative Agent or Lenders shall have joined as a party therein with the expressed intention of becoming bound thereby.

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

ARTICLE XI

THE ADMINISTRATIVE AGENT

11.1. Appointment and Authorization.

(a) Each Lender hereby irrevocably (subject to Section 11.10) appoints, designates and authorizes and each holder of any Note by the acceptance of such Note shall be deemed irrevocably to authorize, the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each of the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any of the other Loan Documents, together with such powers as are reasonably incidental thereto. Notwithstanding any provisions to the contrary contained elsewhere in this Agreement or in any of the other Loan Documents, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender, or trust relationship in respect of any Lender, and no implied covenants, functions, responsibilities,

duties, obligations or liabilities shall be read into this Agreement or any of the other Loan Documents or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term "agent" in this Agreement with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent will use the same degree of care and skill in administering this Agreement and each of the other Loan Documents as it exercises in the administration of similar credit transactions in which there are no co-lenders. The provisions of this Article XI are solely for the benefit of the Administrative Agent and the Lenders and neither the Borrower nor any other person shall have any rights as a third party beneficiary of any of the provisions hereof.

(b) In addition to and not in limitation of any of the provisions of this Agreement, the Administrative Agent is hereby expressly and irrevocably authorized by each of the Lenders, as agent on behalf of itself and the other Lenders:

(i) to receive on behalf of each of the Lenders any payment or collection on account of the Loan and to distribute to each Lender its Pro Rata Share of all such payments and collections so received as provided in this Agreement;

(ii) to receive all documents and items to be furnished to the Lenders under the Loan Documents (nothing contained herein shall relieve the Borrower of any obligation to deliver any item directly to the Lenders to the extent expressly required by the provisions of this Agreement);

(iii) to act or refrain from acting in this Agreement and the other Loan Documents with respect to those matters so designated for the Administrative Agent, as contemplated by the Loan Documents;

(iv) to act as nominee for and on behalf of Lenders in and under this Agreement and the Loan Documents;

(v) to arrange for the means whereby the funds of the Lenders are to be made available to the Borrower;

(vi) to distribute promptly to the Lenders, as required by the terms of this Agreement, all written information, requests, notices, payments, prepayments, documents and other items received from the Borrower or any other person;

(vii) to amend, modify or waive any provisions of this Agreement or the Loan Documents on behalf of the Lenders subject to the requirement that certain of the Lenders' consent be obtained in certain instances as provided in Section 10.8;

(viii) to deliver to the Borrowers and all other persons, all requests, demands, approvals, notices and consents received from any of the Lenders;

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(ix) to exercise on behalf of each Lender (subject to and in accordance with the terms herein) all rights and remedies of the Lenders upon the occurrence of any Event of Default and/or Default specified in this Agreement and/or any of the other Loan Documents or applicable law;

(x) to execute any of the Loan Documents or any other documents on behalf of the Lenders as to the secured party for the benefit of the Administrative Agent and Lenders;

(xi) to elect on behalf of the Lenders, where and to the extent the Loan Documents provide that the Administrative Agent may elect how and in what order funds received from or on behalf of the Borrower are to be applied to the Borrower's obligations;

(xii) to collect, sue for, settle on, compromise, and receive, in accordance with and subject to the terms and conditions of the Loan Documents, the net proceeds, after fees, expenses and costs of collection, of any condemnation and/or insurance awards and payments which may become and be payable under any and all policies of insurance for the benefit of the Lenders, as mortgagee; and

(xiii) to take such other actions as may be requested with the Required Consent of the Lenders.

11.2. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement or any of the other Loan Documents by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agent or attorney-in-fact that it selects with reasonable care.

11.3. Liability of Administrative Agent.

(a) None of the Administrative Agent-Related Persons shall (i) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any of the other Loan Documents or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by the Borrower, the Guarantor, or any officers thereof, contained in this Agreement or in any of the other Loan Documents, or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any of the other Loan Documents, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any of the other Loan Documents, or for any failure of the Borrower or any other party to any of the Loan Documents to perform its obligations hereunder or thereunder. No Administrative Agent-Related Person shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the other Loan Documents, or to inspect the properties, books or records of the Borrower or the Guarantor.

(b) No claim may be made by any of the Borrower, the Guarantor, any Lender, the Administrative Agent, or any of their respective subsidiaries against the

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Administrative Agent, any Lender or any of their respective directors, officers, employees, agents, attorneys or Affiliates, or any of them, for any special, indirect or consequential damages or, to the fullest extent permitted by Law, for any punitive damages in respect of any claim or cause of action (whether based on contract, tort, statutory liability, or any other ground) based on, arising out of or related to any Loan Document or the transactions contemplated hereby or any act, omission or event occurring in connection therewith, including the negotiation, documentation, administration or collection of the Loans, and each of the Borrower, the Guarantor, the Administrative Agent and each Lender hereby waives, releases and agrees never to sue upon any claim for any such damages, whether such claim now exists or hereafter arises and whether or not it is now known or suspected to exist in its favor. Each Lender hereby agrees that, except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent and each of its directors, officers, employees, agents, attorneys or Affiliates shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Borrower and the Guarantor which may come into the possession of the Administrative Agent or any of its directors, officers, employees, agents, attorneys or Affiliates.

11.4. Reliance by Administrative Agent.

(a) The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person, and upon advice and statements of legal counsel (including counsel to the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any of the other Loan Documents unless it shall first receive the Required Consent of the Lenders, and, if it so requests, it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any of the other Loan Documents in accordance with a request or consent of the Lenders whose aggregate Pro Rata Share of the Loans would provide the Required Consent, and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders. If the Administrative Agent seeks the consent or approval of any of the Lenders to the taking or refraining from taking any action hereunder, then the Administrative Agent shall send notice thereof to each Lender. The Administrative Agent shall promptly notify each Lender any time the applicable percentage of Lenders has instructed the Administrative Agent to act or refrain from action.

(b) For purposes of determining Borrower's compliance with the conditions specified in Section 3, Section 4, and Section 5 to date, each Lender that has executed this Agreement shall be deemed to have consented to, approved, accepted and be satisfied with, each document or other matter provided to Mercantile, as Administrative Agent or otherwise, and accepted by Mercantile.

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11.5. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest and fees required to be paid to the Administrative Agent for the account of the Lenders, unless the Administrative Agent shall have received written notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". The Administrative Agent will notify the Lenders of its receipt of any such notice. The Administrative Agent shall take such action with respect to such Default or Event of Default as may be requested by Lenders whose aggregate Pro Rata Shares of the Loans could provide any Required Consent in accordance with the provisions of this Agreement, provided, however, that unless and until the Administrative Agent has received any such request, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable or in the best interest of the Lenders.

11.6. Collateral. All collateral required to be provided under any of the Loan Documents shall be held, and all such collateral shall be administered, enforced and otherwise dealt with by the Administrative Agent on behalf of the Lenders. Each Lender hereby appoints the Administrative Agent and each other Lender as agent for the purpose of perfecting the Lenders' liens in any collateral for the Loan which, in accordance with Article 9 of the Uniform Commercial Code can be perfected only by possession. Should any Lender, other than the Administrative Agent, obtain possession of any such collateral, such Lender shall notify the Administrative Agent thereof, and promptly upon the Administrative Agent's request shall deliver such collateral to the Administrative Agent in accordance with the Administrative Agent's instructions. Additionally, each Lender agrees that it will not have any right individually to enforce or seek to enforce this Agreement or any of the Loan Documents or to realize upon any collateral security for the Loan, it being understood and agreed that such rights and remedies may be exercised only by the Administrative Agent.

11.7. Credit Decision. Each Lender acknowledges that none of the Administrative Agent-Related Persons has made any representation or warranty to it, and that no act by the Administrative Agent hereinafter taken, including any review of the affairs of the Borrower and the Guarantor, shall be deemed to constitute any representation or warranty by an Administrative Agent-Related Person to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon any Administrative Agent-Related Person and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower and the Guarantor, and all applicable Lender regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to the Borrower. Each Lender also represents that it will, independently and without reliance upon any Administrative Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and each of the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of the Borrower. Except for notices, reports and other documents expressly herein required to be furnished to the Lenders by the Administrative Agent, the

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Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of the Borrower which may come into the possession of any of the Administrative Agent-Related Persons.

11.8. Indemnification of Administrative Agent. Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand the Administrative Agent-Related Persons (to the extent not reimbursed by or on behalf of the Borrower and without limiting the obligation of the Borrower to do so), pro rata, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, advances, expenses or disbursements, including attorneys' fees and disbursements (including the allocated costs of staff counsel), and costs of appraisers and environmental consultants, of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent-Related Persons, in its capacity as such, in any way relating to or arising out of this Agreement or any other Loan Documents or any action taken or omitted by the Administrative Agent-Related Persons hereunder or thereunder or arising out of or in any way in connection with its service as or on behalf of the Administrative Agent; provided, however, that no Lender shall be liable for the payment to the Administrative Agent-Related Persons or to the Administrative Agent of any portion of such liabilities resulting form the gross negligence or willful misconduct of the Administrative Agent or any Administrative Agent–Related Persons. Without limitation of the foregoing, each Lender shall reimburse the Administrative Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including legal costs) incurred by the Administrative Agent in connection with the preparation, development, execution, printing, syndication, performance, delivery, administration, modification, amendment, waivers of consent, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any of the other Loan Documents, or any document contemplated by or referred to herein, to the extent that the Administrative Agent is not reimbursed for such expenses by or on behalf of the Borrower. Furthermore, in lieu of demand on the Lenders, the Administrative Agent may make proportionate deductions for such out-of-pocket expenses (including legal costs) incurred by the Administrative Agent and actually paid by the Administrative Agent. The undertaking in this Section shall survive the payment of the Loan and all other obligations of the Borrower and Guarantor hereunder and the resignation or replacement of the Administrative Agent. The Administrative Agent shall from time to time provide the Lenders with copies of all documents and keep the Lenders fully informed as to all legal proceedings or other enforcement actions taken by the Administrative Agent on behalf of the Lenders.

11.9. Administrative Agent in Individual Capacity. Mercantile and its Affiliates and subsidiaries may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Borrower and its subsidiaries and Affiliates, as though Mercantile were not the Administrative Agent hereunder and without notice to or consent of the Lenders. The Lenders acknowledge that, pursuant to such activities, Mercantile or its Affiliates and subsidiaries may receive information regarding the Borrower or its Affiliates and subsidiaries, including but not limited to the Guarantor (including information that may be subject to confidentiality obligations in favor of the Borrower or such other parties) and acknowledge that the Administrative Agent shall be under no obligation to provide such

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information to them. With respect to the Loan, Mercantile shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" include Mercantile in its individual capacity. Each of the Lenders acknowledges and agrees that (a) Mercantile holds notes, guaranties and other agreements from the Guarantor for loans and obligations other than the Loan and the obligations arising under the Loan Documents, and (b) Mercantile's duties and obligations as Administrative Agent hereunder do not include any duty or obligation to apply payments received from the Guarantor in any specified manner as between the Loan and such other notes, guaranties and agreements. Notwithstanding the above, the Administrative Agent agrees that if the Guarantor makes a payment to the Administrative Agent, and the Guarantor specifies that the payment (or a specified portion thereof) shall be applicable to the Loan and/or the Loan Documents such payments (or specified portion thereof) shall only be applied to this Loan.

11.10. Successor Administrative Agent. The Administrative Agent may resign as the Administrative Agent upon 30 days' notice to the Lenders. If the Administrative Agent resigns under this Agreement, the remaining Lenders shall appoint from among the Lenders a successor agent for the Lenders which successor agent shall be reasonably accepted and approved by the Borrower. If no successor agent is appointed prior to the effective date of the resignation of the Administrative Agent, the Administrative Agent may appoint, after consulting with the Lender and the Borrower, a successor agent from among the Lenders. Upon the acceptance of its appointment as successor agent hereunder, such successor agent shall succeed to all the rights, powers and duties of the retiring Administrative Agent and the term "Administrative Agent" shall mean such successor agent and the retiring Administrative Agent's appointment, powers and duties as Administrative Agent shall be terminated. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 11 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement. If no successor agent has accepted appointment as Administrative Agent by the date which is 30 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent's resignation shall, nevertheless, thereupon become effective and the Lenders shall perform all of the duties of the Administrative Agent hereunder until such time, if any, as the remaining Lenders appoint a successor agent as provided for above.

11.11. Withholding Tax.

(a) Foreign Lenders. If any Lender is a "foreign corporation, partnership or trust" within the meaning of the Internal Revenue Service Code (the "**Code**") and such Lender claims exemption from, or a reduction of, U.S. withholding tax under Sections 1441 or 1442 of the Code, such Lender agrees with and in favor of the Administrative Agent, to deliver to the Administrative Agent:

(i) if such Lender claims an exemption from, or a reduction of, withholding tax under a United States tax treaty, two properly completed and executed copies of IRS Form 1001 before the payment of any interest in the first calendar year and before the payment of any interest in each succeeding calendar year during which interest may be paid under this Agreement.

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(ii) if such Lender claims that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, two properly completed and executed copies of IRS Form 4224 before the payment of any interest in the first taxable year of such Lender and in each succeeding taxable year of such Lender during which interest may be paid under this Agreement; and

(iii) such other form or forms as may be required under the Code or other laws of the United States as a condition to exemption from, or reduction of, United States withholding tax.

Such Lender agrees to promptly notify the Administrative Agent of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(b) Exemption Claimed. If any Lender claims exemption from, or reduction of, withholding tax under a United States tax treaty by providing IRS Form 1001 and such Lender sells, assigns, grants a participation in, or otherwise transfers all or part of its interest in the Loan, such Lender agrees to notify the Administrative Agent of the percentage amount of the Loan in which it is no longer the beneficial owner. To the extent of such percentage amount, the Administrative Agent will treat such Lender's IRS Form 1001 as no longer valid.

(c) Lender Obligated to Comply. If any Lender claiming exemption from United States withholding tax by filing IRS Form 4224 with the Administrative Agent sells, assigns, grants a participation in, or otherwise transfers all or part of the Loan, to another Lender, such Lender agrees to undertake sole responsibility for complying with the withholding tax requirements imposed by Section 1441 and 1442 of the Code.

(d) Reduction in Tax. If any Lender is entitled to a reduction in the applicable withholding tax, the Administrative Agent may withhold from any interest payment to such Lender an amount equivalent to the applicable withholding tax after taking into account such reduction. However, if the forms or other documentation required by subsection (a) of this Section are not delivered to the Administrative Agent, then the Administrative Agent may withhold from any interest payment to such Lender not providing such forms or other documentation an amount equivalent to the applicable withholding tax imposed by Sections 1441 and 1442 of the Code, without reduction.

(e) IRS Claim. If the IRS or any other governmental authority of the United Sates or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to the Administrative Agent under this Section, together with all costs and expenses (including legal costs). The obligation of the Lenders under this

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subsection shall survive the payment of all Obligations and the resignation or replacement of the Administrative Agent.

11.12. Delinquent Lender. If for any reason any Lender shall fail or refuse to abide by its obligations under this Agreement, including without limitation its obligation to make available to the Administrative Agent all or any portion of its Pro Rata Share of the Loan, expenses or setoff (a "**Delinquent Lender**") and such failure is not cured within five (5) days of receipt from the Administrative Agent of written notice thereof, then, in addition to the rights and remedies that may be available to the Administrative Agent, the other Lenders, the Borrower or any other party at law or in equity, and not in limitation thereof, (i) such Delinquent Lender's right to participate in the administration of, or decision-making rights related to, the Loan, this Agreement or any of the other Loan Documents shall be suspended during the pendency of such failure or refusal, and (ii) a Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower in connection with the Loan, to the remaining non-delinquent Lenders for application to, and reduction of, their proportionate shares of the non-delinquent outstanding Loan until, as a result of application of such assigned payments, the Lenders are made whole from any claims, losses, damages, costs or expenses incurred by them as a result of the Delinquent Lender's delinquency. The Delinquent Lender's decision-making and participation rights and rights to payments as set forth in clauses (i) and (ii) hereinabove shall be restored only upon the payment by the Delinquent Lender of all of its delinquent obligations, together with interest thereon at a rate equal to the Interest Rate from the date when originally due until the date upon which any such amounts are actually paid.

The non-delinquent Lenders shall also have the right, but not the obligation, in their respective, sole and absolute discretion, to acquire for no cash consideration, (pro rata, based on the respective Lenders' Committed Amounts of those Lenders electing to exercise such right) the Delinquent Lender's Pro Rata Share of any remaining commitment to fund future Loan amounts (the "**Future Commitment**"). Upon any such purchase of any Delinquent Lender's Future Commitment, the Delinquent Lender's share in any Loan disbursements pursuant to the Future Commitment and its rights under the Loan Documents with respect thereto shall terminate on the date of purchase, and the Delinquent Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest, including, if so requested, an Assignment and Acceptance. In addition, the Administrative Agent shall have the right, but not the obligation, in its sole and absolute discretion, to acquire or cause to be acquired at par value, the Delinquent Lender's Pro Rata Share of the Loan previously disbursed by the Delinquent Lender and rights under the Loan Documents with respect thereto. Each Delinquent Lender shall indemnify the Administrative Agent and each non-delinquent Lender from and against any and all loss, damage or expenses, including but not limited to reasonable attorneys' fees and funds advanced by the Administrative Agent or by any non-delinquent Lender, on account of a Delinquent Lender's failure to timely fund its Pro Rata Share of the Loan or to otherwise perform its obligations under the Loan Documents. If the Future Commitment is not acquired pursuant to the terms of this Section 11.12, the Delinquent Lender shall, nevertheless, remain liable for the funding the Future Commitment.

11.13. Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other

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obligations required or imposed under or pursuant to the USA Patriot Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any of the Borrower, the Guarantor, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (1) any identity verification procedures, (2) any recordkeeping, (3) comparisons with government lists, (4) customer notices or (5) other procedures required under the CIP Regulations or such other Laws.

ARTICLE XII

CALL RIGHTS

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

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

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

WITNESS:

Cathy H. Thompson

BORROWER:

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Sole Member

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

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LENDERS:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____(SEAL)
Bruce D. McLean
Senior Vice President

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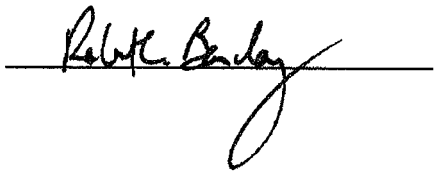
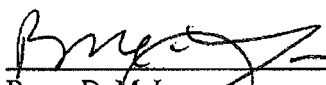
ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND
TRUST COMPANY



By:  (SEAL)
Bruce D. McLean
Senior Vice President

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LIST OF SCHEDULES
ATTACHED TO CONSTRUCTION LOAN AGREEMENT (THE "AGREEMENT")
DATED MAY 31, 2007 BY AND BETWEEN
ASHBURN CAMPUS, LLC, THE FINANCIAL INSTITUTIONS FROM TIME TO TIME PARTIES TO THE AGREEMENT (COLLECTIVELY, THE "LENDERS") AND MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, AS COLLATERAL AND ADMINISTRATIVE AGENT FOR THE LENDERS

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 Lenders Providing For Payments To Erickson
Schedule VIII	-	Flow of Initial Entrance Deposits
Schedule IX	-	Flow of Monthly Fees
Schedule X	-	Several Funding Commitments of Lenders
Schedule XI	-	Lender Wire Instructions
Schedule XII	-	Definitions for Terms Set Forth in Sections 8.10(b), (c) and (d)
Schedule XIII	-	Request for Disbursement Form
Exhibit A	-	Form of Assignment and Acceptance

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SCHEDULE I

SCHEDULE OF CONSTRUCTION PHASES

See Next Page

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ASHBURN CAMPUS, LLC
SCHEDULE OF ESTIMATED COMPLETION DATES
PREPARED: MARCH 15, 2007

	Project	Constr. Start	Substantially Completed	Ind. Units	RG Units
1	Community Building 1.0	May-07	May-08		
2	Transitional Spaces	Sep-09	Sep-10		
3	Residential Building 1.1	May-07	May-08	77	
4	Residential Building 1.2	Jun-07	Jun-08	77	
5	Residential Building 1.3	Aug-07	Aug-08	145	
6	Residential Building 1.4	Apr-08	Apr-09	78	
7	Residential Building 1.5	May-08	May-09	79	
8	Residential Building 1.6	Apr-09	Apr-10	80	
9	Community Building 2.0	Sep-09	Sep-10	0	
10	Residential Building 2.1	Sep-09	Sep-10	118	
11	Residential Building 2.2	Jul-10	Jul-11	65	
12	Residential Building 2.3	Dec-10	Dec-11	99	
13	Residential Building 2.4	Aug-11	Aug-12	102	
14	Residential Building 2.5	Mar-12	Mar-13	77	
15	Residential Building 2.6	Apr-12	Apr-13	76	
16	Community Building 3.0	Apr-13	Apr-14	0	
17	Residential Building 3.1	Apr-13	Apr-14	91	
18	Residential Building 3.2	Dec-13	Dec-14	126	
19	Residential Building 3.3	Aug-14	Aug-15	111	
20	Residential Building 3.4	May-15	May-16	112	
21	Residential Building 3.5	Jan-16	Jan-17	72	
22	Sitework 1.0	Feb-07	Jun-10	0	
23	Sitework 2.0	Aug-09	Apr-13	0	
24	Sitework 3.0	Apr-13	Jan-16	0	
25	Bridge 1(CB1.0 to RB1.3)	Oct-07	Aug-08	0	
26	Bridge 2 (RB1.4 to CB1.0)	Jun-08	Apr-09	0	
27	Bridge 30 (RB1.3 to RB2.1)	Nov-09	Sep-10	0	
28	Bridge 31(CB3.0 to RB3.1)	Jun-13	Apr-14	0	
29	Bridge 32 (RB3.2 to RB2.6)	Feb-14	Dec-14	0	
30	Bridge 33 (RB3.3 to RB3.2)	Apr-13	Aug-15	0	
31	Bridge 34 (RB3.4 to RG2.0)	Nov-09	May-16	0	
32	Bridge 40 (RB2.1 to CB2.0)	Nov-09	Sep-10	0	
33	Bridge 50 (RB2.3 to RB2.2)	Feb-11	Dec-11	0	
34	Bridge 60 (RB2.3 to CB2.0)	Feb-11	Dec-11	0	
35	Bridge 70 (RB2.4 to CB2.0)	Oct-11	Aug-12	0	
36	Bridge 80 (RB2.5 to RB2.4)	May-12	Mar-13	0	
37	Bridge 90 (RB3.1 to RB2.1)	Jun-13	Apr-14	0	
38	Chapel 1	Apr-13	Apr-14	0	
39	Gate House 1	May-07	May-08	0	
40	Maintenance Building 1	Apr-13	Apr-14	0	
41	Marketing Center 1	Feb-07	May-07	0	
42	Extended Care 1.0	Sep-10	Dec-11		132
43	Extended Care 2.0	Dec-15	Jan-17		96
			TOTAL UNITS	**1,585**	**228**
					1,813

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SCHEDULE II

DEPOSIT SCHEDULE

See Next Page

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ASHBY PONDS

Schedule II

Deposit Schedule and Move-in Check List

- ☐ **Priority List:** $1,000.00 fully refundable deposit to hold your priority date $150 per person, one-time refundable processing fee
- ☐ **Reservation:** Choose your apartment and lock in the current entrance deposit. This step initiates the following process (no additional deposit at this time)
- ☐ **90 Day Deposit:** $2,000.00 fully refundable deposit, 3 months after apartment reservation, to continue holding your apartment.
- ☐ **180 Day Deposit:** $2,000 fully refundable deposit, 6 months after apartment reservation, to continue holding your apartment.

Between Reservation and Move:

- ☐ If applicable, prepare house for sale and contact Real Estate Brokers for estimates.
- ☐ Meet with Move-in Coordinator to discuss the selections available at our Design Center

Approval Process:

Approval process occurs within six months of your move

- ☐ **Health Interview** determines if independent living is complimentary to your current lifestyle or if another type of living would be more suitable.
  - This is not a physical examination, it is a verbal process
  - Please remember to bring your health form (to be provided) and health insurance cards.
- ☐ **Financial Interview** determines your financial eligibility for Ashby Ponds.
  - 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 Ashby Ponds.
- ☐ 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 Ashby Ponds

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SCHEDULE III

LIST OF ENVIRONMENTAL REPORTS

Phase I Environmental Site Assessment Report, Campus at Ashburn, Loudoun County Parkway, Ashburn, Virginia 20166, AEC Project No. 06-197, dated January 10, 2007, prepared for the Guarantor by Advantage Environmental Consultants, LLC

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SCHEDULE IV

LETTERS OF CREDIT ISSUED AT CLOSING DATE

NONE

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SCHEDULE V

CONSTRUCTION PHASE COMMENCEMENT APPROVAL FORM

[Date]

Mercantile-Safe Deposit and Trust Company,
Collateral and Administrative Agent
Two Hopkins Plaza
Baltimore, MD 21201
Attn: Bruce D. McLean

RE: Ashby Ponds Phase Budget for Construction Phase ___

Ladies and Gentlemen:

Ashburn Campus, LLC hereby submits for your review the following proposed Phase Budget for Construction Phase ___ at Ashby Ponds.

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

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

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

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

Very truly yours,

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Sole Member

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

Approved by Mercantile-Safe Deposit and Trust Company, as Administrative Agent

By:_____
Date:_____

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SCHEDULE VI

COVENANT COMPLIANCE LETTER

[Date]

Mercantile-Safe Deposit and Trust Company,
Collateral and Administrative Agent
Two Hopkins Plaza
Baltimore, MD 21201
Attn: Bruce D. McLean,
Senior Vice President

RE: Ashburn Campus, LLC

Ladies and Gentlemen:

This letter is submitted in connection with quarterly financial statements required to be provided under Section 8.3 of the Construction Loan Agreement (the "Loan Agreement") dated _____ (the "Loan Agreement") relating to Ashby Ponds. 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)

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SCHEDULE VII

LIST OF AGREEMENTS APPROVED BY LENDERS PROVIDING FOR PAYMENTS TO ERICKSON

1. Erickson Retirement Communities, LLC Fourth Amended and Restated Operating Agreement dated February 1, 2004;

2. Compensation to be paid to John Erickson in an amount that is, in the judgment of the Administrative Agent, reasonable and customary for Chief Executive Officers of comparable sized companies in similar industries.

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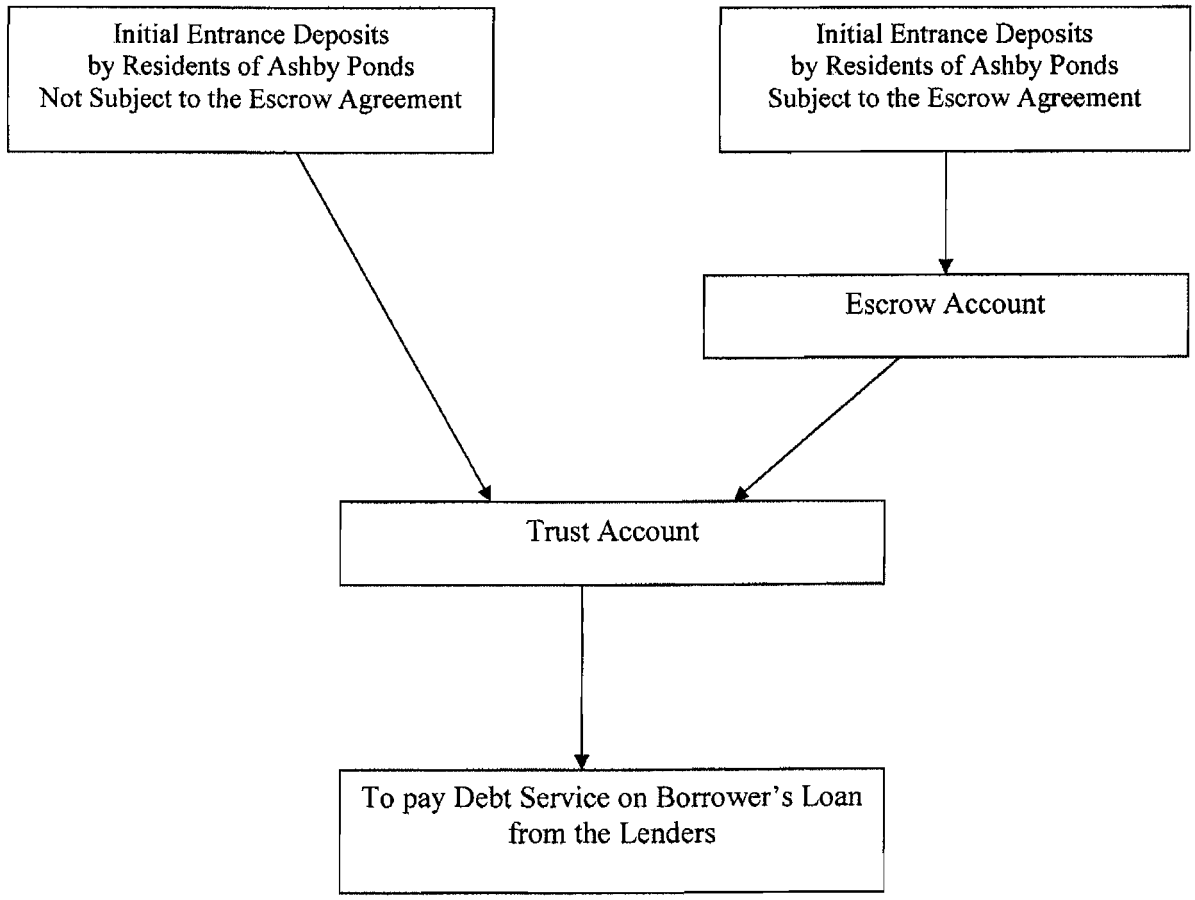
SCHEDULE VIII

FLOW OF INITIAL ENTRANCE DEPOSITS



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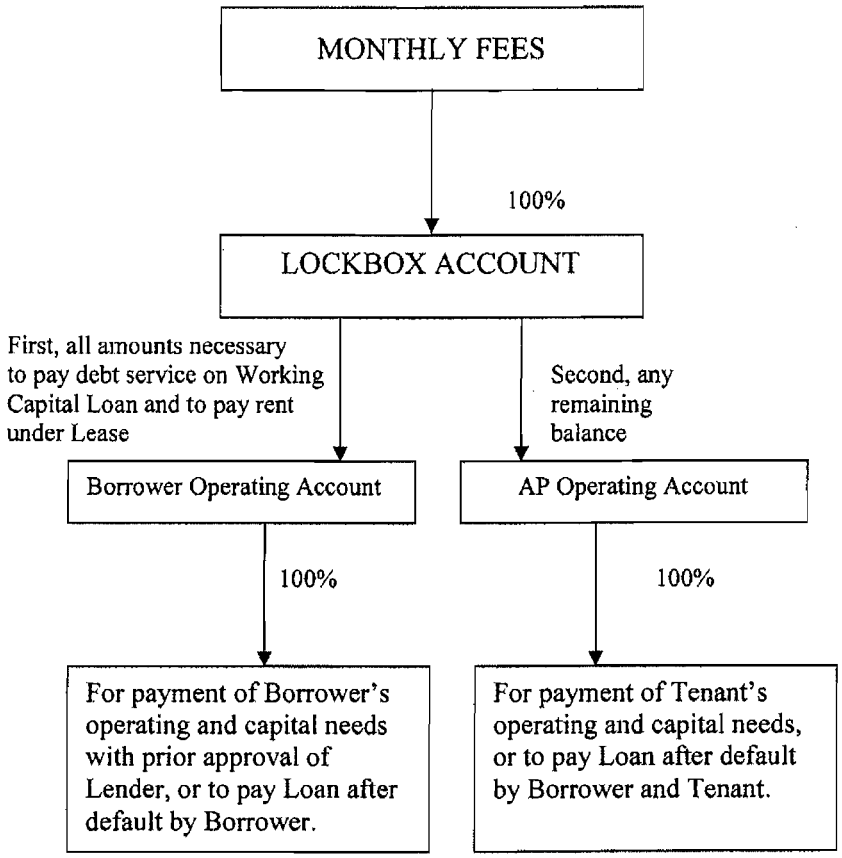
SCHEDULE IX

FLOW OF MONTHLY FEES



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SCHEDULE X

SCHEDULE OF SEVERAL FUNDING COMMITMENTS OF LENDERS

Lender	Amount	Percentage of total Loan Amount
Mercantile-Safe Deposit and Trust Company	$125,000,000.00	100%

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SCHEDULE XI

LENDER WIRE INSTRUCTIONS

Mercantile-Safe Deposit and Trust Company – Baltimore
Two Hopkins Plaza
Baltimore, Maryland 21201
ABA#: 052-000-618
Agented Loan Interest for Ashburn Campus, LLC
Loan Number: 20589809001
Attention: Please advise Ora Stokes at (410) 237-5101 upon receipt

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SCHEDULE XII

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

1. Additional Securities: Securities issued on a parity with the Series 2003A Securities and the Series 2005 Securities and that rank equally and ratably with the Series 2003A Securities and the Series 2005 Securities as general unsecured Indebtedness of the Guarantor and which are and shall be subordinated to the Senior Indebtedness as provided herein.

2. Annual Distribution Certificate: A certificate or report, in form and substance satisfactory to the Administrative Agent, executed on an annual basis: (a) in the case of an Annual Distribution Certificate of the Guarantor, executed by an Authorized Company Representative; and (b) in the case of an Annual Distribution Certificate of any other person, by such person, if an individual, and otherwise by an officer, partner or other authorized representative of such person; provided that in no event shall any individual be permitted to execute any Annual Distribution Certificate in more than one capacity.

3. Authorized Company Representative: Any director of the Guarantor or any other person or persons at the time designated to act on behalf of the Guarantor by a written Annual Distribution Certificate, signed on behalf of the Guarantor by any one of its managing directors and furnished to the Administrative Agent, containing the specimen signature of each such person.

4. Common B Members: Certain members of the Guarantor's senior management who have received non-control equity interests in Group pursuant to Group's operating agreement.

5. Continuing Care Project: A continuing care retirement community project developed, constructed, operated and/or managed by the Guarantor or any of the Related Entities.

6. Controlling Entity: Any firm, trust, corporation, partnership, limited partnership, limited liability company or other form of legal entity (excluding natural persons) which (1) controls the Guarantor or any other entity described in this definition or (2) is a stockholder, partner, member, joint venturer, trustee, guardian or fiduciary of the Guarantor or of any entity described in this definition.

7. Deferred Compensation Plan: The deferred compensation plan of the Guarantor effective as of March 1, 1998 whereby certain members of the Guarantor's senior management and other highly compensated employees may defer annual compensation for tax-planning purposes.

8. Distribution: The payment of any dividends, equity distributions, return on capital, investment earnings, or any sum of money on account of a member's interest in the Guarantor, to any Person, including a Related Entity. For the purposes of this Agreement, the term "Distribution" or "Distributions" include (i) any payment or

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

9. Group Distributions: The Distributions specified in Section 8.10(b).

10. Group: Erickson Group, LLC, the sole member of the Guarantor.

11. Growth Participation Plan: The Growth Participation Plan of Group effective as of September 1, 1998, as it may be amended or supplemented.

12. Indebtedness: Any (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property, (iii) the amount of any other obligations (including obligations under financing leases) which would (except for the amount thereof being immaterial) be shown as a liability on a balance sheet prepared in accordance with generally accepted accounting principles, and (iv) guarantees of any such obligation of a third party, but excluding trade debt incurred in the ordinary course of business.

13. Landowner: A Related Entity which either (i) owns the land on which a Continuing Care Project is located, or (ii) ground leases the land on which a Continuing Care Project is located.

14. Operator: Any entity that either leases a Continuing Care Project from a Landowner or has acquired a Continuing Care Project and initially hires the Guarantor to manage such Continuing Care Project.

15. Parity Debt: Collectively, the Securities and any other Indebtedness issued and outstanding which states by its terms that it is on a pari passu basis in right of payment and security except as to funds created hereunder for any Series of Securities to the Securities; and for which, in the case of Indebtedness other than the Securities, the Administrative Agent shall have received from the Guarantor and the lender thereof a notice of the incurrence or issuance of such Indebtedness certifying the status of such Indebtedness as Parity Debt, in order for such Indebtedness to qualify as Parity Debt hereunder. Such notice shall identify the principal amount of the Indebtedness.

16. Related Entity: Any firm, trust, corporation, partnership, limited partnership, limited liability company, limited liability partnership or other form of legal entity (excluding

natural persons) which (1) controls, is controlled by or is under common control with, the Guarantor or any other entity described in this definition, or (2) is a stockholder, partner, member, joint venturer, trustee, guardian or fiduciary of or with the Guarantor or of or with any entity described in this definition. Anything to the contrary in this definition notwithstanding, the term "Related Entity" includes Landowners but excludes (i) Operators (provided the Company does not have an ownership interest therein), (ii) The Equitable Life Assurance Society of the United States, a New York corporation, or any other institutional investor, in its capacity as an investor in one or more Landowners or Projects, (iii) The Erickson Foundation, Inc., a Maryland non-profit corporation, (iv) The John and Nancy Erickson Charitable Remainder Unitrust and The John and Nancy Erickson Charitable Remainder Unitrust II, each a trust created under the laws of the State of Maryland, and (v) J & N Entities (as defined in Section 3.78 herein).

17. Sale Distribution: The meaning specified in Section 8.10(c).

18. Securities: The Series 2003A Securities, The Series 2005 Securities, and any Additional Securities.

19. Senior Indebtedness: Any obligation of the Guarantor for the payment of money (other than Distributions) whether now or hereafter incurred, other than the Securities, Parity Debt and Mezzanine Financing, including all deferrals, renewals, extensions or refinancings of or amendments, modifications or supplements to, obligations of the kind described in this definition. Senior Indebtedness does not include, and shall not include, any obligation to pay money to Mr. John C. Erickson, Nancy Erickson, any Controlling Entity or any family member of Mr. John C. Erickson.

20. Series 2003A Securities: The Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Interest Rate Securities^{SM} (STAIRS^{SM}) Series 2003A.

21. Series 2005 Securities: The Erickson Retirement Communities, LLC Subordinated Taxable Adjustable Mezzanine Put Securities^{SM} (STAMPS^{SM}) Series 2005.

22. Subordinated Debt: Indebtedness (a) with respect to which no payment shall be made if there is an Event of Default under this Agreement or under Senior Indebtedness, (b) which states by its terms that it shall be unsecured and in all respects subordinated to the Securities and Parity Debt, and (c) with respect to which the lender of such Subordinated Debt and the Guarantor delivers to the Administrative Agent a written acknowledgment of, and consent to, the provisions of Section 8.11 herein.

23. Tax Distributions: Distributions to be made by the Guarantor or Borrower to its respective members, in each calendar year, in an amount equal to the income tax liability attributable to its members for federal, state or local taxes on account of attribution under the United States Internal Revenue Code of income of the Guarantor or Borrower, respectively, if any, to such members.

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Schedule XIII

REQUEST FOR DISBURSEMENT

Request No.	
Date	
Amount Requested	$

TO: Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Bruce D. McLean, Senior Vice President

and

PNC Bank, National Association
Real Estate Administration
Firstside Center
500 First Avenue
Mail Stop: P7-PFSC-04-V
Attention: [Loan Administrator]

RE: Construction Loan Agreement (the "**Agreement**"), dated as of May __, 2007, between Mercantile-Safe Deposit and Trust Company (the "**Administrative Agent**") and Ashburn Campus, LLC (the "**Borrower**").

Project known as: Ashby Ponds located at 25051 Loudoun County Parkway
Loudoun County, Virginia

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

The undersigned hereby certify that:

i. The labor, services, and/or materials covered hereby have been performed upon or furnished in connection with the Improvements;

ii. All construction of the Improvements to date has been performed in accordance with the Plans and Specifications and there have been no changes in the Plans and Specifications except as have been approved by Administrative Agent in accordance with the terms of the Agreement;

iii. To its knowledge, no default and no event or condition which, with the passage of time or the giving of notice or both, would constitute a default under the Construction Contract, has occurred or exists as of the date hereof;

iv. There have been no changes in the scope or time of performance of the work of construction, nor any extra work, labor, or materials ordered or contracted for, except as have been approved by Administrative Agent in accordance with the terms of the Agreement;

v. The Loan proceeds hereby requested for construction costs will pay all sums payable to-date for any labor, materials, and services furnished in connection with construction of the Improvements;

vi. All amounts previously disbursed by you for all hard and soft costs as set forth in the Budget spreadsheet pursuant to previous Requests for Disbursement have been paid to the parties entitled thereto, with the proper designation of contract and account for which payment was made;

vii. No change is required in the Budget or any category thereof, except as have been approved by Administrative Agent in accordance with the terms of the Agreement;

viii. All amounts previously recognized as Loan proceeds have been paid to the parties entitled there to as approved by Administrative Agent;

ix. All conditions of the Agreement for the disbursement of the Loan proceeds hereby requested have been fulfilled, and no Event of Default and no event or condition which, with the passage of time or the giving of notice or both, would constitute an Event of Default under the Agreement, has occurred or exists as of the date hereof.

x. The undersigned confirms that he/she/they is/are authorized to make this request on behalf of Borrower; and

xi. The undersigned hereby requests that Loan proceeds advanced under this request be disbursed as follows:

AMOUNT: $_____ Credit : _____

In Name of: _____

OR

AMOUNT: $_____ Wired to: _____
ABA Routing No.: _____
Credit: _____
Account Name: _____
Reference: _____
Phone Advise: _____

OR

AMOUNT: $_____ Credit: _____

(Signature Page Attached)

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WITNESS/ATTEST

BORROWER:

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Sole Member

_____

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

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EXHIBIT A

Form of Assignment and Acceptance

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative

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Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

[_____]

By: _____
Name:
Title:

ASSIGNEE:

[_____]

By: _____
Name:
Title:

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name:
Title:

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: [_____]
NAME OF ASSIGNEE: [_____]
EFFECTIVE DATE OF ASSIGNMENT: [_____, 200__]

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
[$_____]	[____%]

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FIRST COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS

This FIRST COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS (this "Amendment") is executed as of August 14, 2007, by and between Ashburn Campus, LLC, a Maryland limited liability company (the "Borrower") and Mercantile-Safe Deposit and Trust Company (the "Lender).

RECITALS

R-1. The Parties are parties to that certain Amended and Restated Construction Loan Agreement dated as of May 31, 2007 (the "**Loan Agreement**") and other Loan Documents referred to therein (together with the Loan Agreement, the "**Loan Documents**") providing for a loan in the maximum principal amount of One Hundred Twenty-Five Million Dollars ($125,000,000.00) (the "**Loan**") from the lenders (collectively "the **Lenders**") who are party from time to time to the Loan Agreement to Ashburn Campus, LLC, a Maryland limited liability company (the "**Borrower**") relating to the development of a retirement community to be known as "**Ashby Ponds**" located in Loudon County, Virginia. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Loan Agreement.

R-3. Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation, is acting as the Collateral and Administrative Agent (the "Administrative Agent" or when acting in its own capacity, "Mercantile") pursuant to the terms and conditions of the Loan Agreement.

R-4 The Lenders are permitted to assign Pro Rata Shares of the Loan to other commercial lenders in minimum amounts of not less than $4,900,000 in accordance with the terms and conditions of the Loan Agreement.

R-5. Mercantile, as the only lender currently a party to the Loan Agreement, desires to assign Pro Rata Shares to other lenders in minimum amounts of less than $4,900,000 on or about the date hereof.

R-6. The Borrower, the Administrative Agent and Mercantile now desire to amend the Loan Agreement, as more fully 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 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) Subsection 10.2 (b)(i) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

"Any Lender may, with the written consent of the Administrative Agent (which consent shall not be unreasonably withheld, conditioned, or delayed) and without prior notice to or the consent of the Borrower or any Guarantor, at any time assign and delegate to one or more commercial lenders or other persons not affiliates of the Borrower (provided that no written consent of the Administrative Agent shall be required in connection with any assignment and delegation by a Lender to an assignee that is an affiliate of such Lender) (each an "**Assignee**") all, or any ratable part of all of its Pro Rata Share of the Loan and the other rights and obligations of such Lender hereunder, in a minimum amount of $4,900,000; provided, however, that the Borrower and the Administrative Agent may continue to deal solely and directly with such Lender in connection with the interest so assigned to an Assignee until (i) written notice of such assignment, together with payment instructions, addresses and related information with respect to the Assignee, shall have been given to the Borrower and the Administrative Agent by such Lender and the Assignee; (ii) such Lender and its Assignee shall have delivered to the Borrower and the Administrative Agent an Assignment and Acceptance in a form acceptable to the Administrative Agent ("Assignment and Acceptance") together with any Note subject to such assignment and (iii) the Assignee has paid to the Administrative Agent a processing fee in the amount of $2,500."

(b) Schedule X of the Loan Agreement shall be deleted in its entirety and replaced with the following:

SCHEDULE X

SCHEDULE OF SEVERAL FUNDING COMMITMENTS OF LENDERS

LENDER	ALLOCATION	PERCENTAGE
Mercantile-Safe Deposit and Trust Company	$10,000,000.00	8.00000%
The Bank of Glen Burnie	$4,900,000.00	3.92000%
Capmark Bank	$20,100,000.00	16.08000%
Chevy Chase Bank FSB	$10,000,000.00	8.00000%
Citizens Bank of Pennsylvania	$10,000,000.00	8.00000%
Commerce Bank, N. A.	$10,000,000.00	8.00000%
Manufacturers and Traders Trust Company	$10,000,000.00	8.00000%
Provident Bank	$10,000,000.00	8.00000%
Sandy Spring Bank	$10,000,000.00	8.00000%
Wachovia Bank, National Association	$10,000,00.00	8.00000%

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Wells Fargo, N.A.	$10,000,000.00	8.00000%
Wilmington Trust FSB	$10,000,000.00	8.00000%

3. Reaffirmation by Parties. The parties acknowledge the provisions of this Amendment, and hereby reaffirm their obligations in connection with the Loan from and after the date of execution hereof on the terms provided in the Loan Documents, as amended by this Amendment.

4. Amendment and Modification Only. This Amendment is only an agreement amending and modifying certain provisions of the Loan Agreement. All of the provisions of the Loan Agreement 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 Agreement 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 the Borrower under the provisions of the Loan Agreement, or any assignment or pledge to the Administrative Agent on behalf of the Lenders of, or any security interest or lien granted to the Administrative Agent on behalf of the Lenders in or on, any collateral and security for such obligations, indebtedness and liabilities.

5. Applicable Law, Etc. 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.

6. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

7. No Waiver of Defaults. The execution, delivery and acceptance of this Amendment do not constitute and shall not be interpreted as a waiver of any default, Default or Event of Default by the Administrative Agent with respect to the Loan Documents. The Administrative Agent reserves all of its rights with respect to all other matters.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, the parties have caused this Amendment to be properly executed as of the date first above written.

WITNESS:

BORROWER:

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Sole Member

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

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties have caused this Amendment to be executed as of the day first above written.

LENDER:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

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

Assignment and Acceptance
(CAPMARK BANK)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

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Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

CAPMARK BANK

By: _____
Name: DENISE KOPROWSKI
Title: VICE PRESIDENT

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: CAPMARK BANK
EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$20,100,000.00	**16.08000%**

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Assignment and Acceptance
(Chevy Chase Bank FSB)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

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Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

CHEVY CHASE BANK FSB

By: _____
Name: Joseph Chirico
Title: Group Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: CHEVY CHASE BANK FSB
EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

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Assignment and Acceptance
(CITIZENS BANK OF PENNSYLVANIA)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

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Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

CITIZENS BANK OF PENNSYLVANIA

By: _____
Name: Pamela Hansen
Title: Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: CITIZENS BANK OF PENNSYLVANIA
EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	ASSIGNEE'S PRO RATA SHARE IN LOAN
$10,000,000.00	**8.00000%**

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Assignment and Acceptance
(MANUFACTURERS AND TRADERS TRUST COMPANY)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its

behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

MANUFACTURERS AND TRADERS TRUST COMPANY

By: _____
Name: Kevin Giusti
Title: Assistant Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: MANUFACTURERS AND TRADERS TRUST COMPANY

EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

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Assignment and Acceptance
(PROVIDENT BANK)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its

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behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

PROVIDENT BANK

By: _____
Name: John S. Goldthwait
Title: Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: PROVIDENT BANK

EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

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Assignment and Acceptance
(MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: _____
Title: _____

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

Capmark - CD#28 - Control ID#1181

Assignment and Acceptance
(SANDY SPRING BANK)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its

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behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

Capmark - CD#28 - Control ID#1181

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

SANDY SPRING BANK

By: _____
Name: Roy S. Lewis
Title: Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

Capmark - CD#28 - Control ID#1181

SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: SANDY SPRING BANK

EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

Capmark - CD#28 - Control ID#1181

Assignment and Acceptance
(COMMERCE BANK, N.A.)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its

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behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

COMMERCE BANK, N.A.

By: _____
Name: William J. Olsen
Title: Regional Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: COMMERCE BANK, N.A.

EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

Capmark - CD#28 - Control ID#1181

Assignment and Acceptance
(THE BANK OF GLEN BURNIE)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

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Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

BANK OF GLEN BURNIE

By: _____
Name: Barbara J. Elswick
Title: Senior Vice-President/CLO

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

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SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: THE BANK OF GLEN BURNIE
EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$4,900,000.00	**3.92000%**

Capmark - CD#28 - Control ID#1181

Assignment and Acceptance
(WACHOVIA BANK, NATIONAL ASSOCIATION)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its

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behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

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IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____
Name: ~~Timothy Knabe~~ LUCY C. CAMPBELL
Title: Senior Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

Capmark - CD#28 - Control ID#1181

SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: WACHOVIA BANK, NATIONAL ASSOCIATION

EFFECTIVE DATE OF ASSIGNMENT: ~~July~~ August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00%**

Capmark - CD#28 - Control ID#1181

Assignment and Acceptance
(WELLS FARGO BANK, N. A.)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date). Assignor represents and warrants that (i) Assignor has delivered, or caused to be delivered, to Assignee copies of all material Loan Documents, (ii) such copies are true, correct and complete in all material respects, and (iii) such Loan Documents have not been amended or otherwise modified except as otherwise disclosed by or on behalf of Assignor.

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and

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without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

Capmark - CD#28 - Control ID#1181

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

WELLS FARGO BANK, N.A.
By: _____
Name: Wendy Lord
Title: Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

Capmark - CD#28 - Control ID#1181

SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: WELLS FARGO BANK, N.A.

EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

Capmark - CD#28 - Control ID#1181

Assignment and Acceptance
(WILMINGTON TRUST FSB)

Reference is made to the Construction Loan Agreement dated as of May 31, 2007 (as the same may be amended, modified or supplemented from time to time in accordance with its terms, the "Loan Agreement") among (i) Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in Virginia (the "Borrower"), (ii) the financial institutions from time to time parties to the Loan Agreement (collectively, the "Lenders") and (iii) Mercantile-Safe Deposit and Trust Company, as Collateral and Administrative Agent for the Lenders (in such capacity the "Administrative Agent"). Terms defined in the Loan Agreement are used herein with the same meaning. This Assignment and Acceptance, between the Assignor (as identified on Schedule 1 hereto) and the Assignee (as identified on Schedule 1 hereto), is dated as of the Effective Date (as specified on Schedule 1 hereto, the "Effective Date").

The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor, without recourse to the Assignor, as of the Effective Date, the interest (the "Assigned Interest") in and to the Assignor's rights and obligations under the Loan Agreement with respect to the credit facility contained in the Loan Agreement (the "Assigned Facility"), in a principal amount and percentage of the credit facility as set forth in Schedule 1.

The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Agreement, any other Loan Document (as defined in the Loan Agreement) or any other instrument or document furnished pursuant thereto, other than that it has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Borrower or the performance or observance by Borrower of any of its obligations under the Loan Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto; and (c) attaches the Note held by it evidencing the Assigned Facility and requests that Administrative Agent exchange such Note for a new Note payable to the Assignor (if the Assignor has retained any interest in the Assigned Facility) and a new Note payable to the Assignee in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Effective Date).

The Assignee (a) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (b) confirms that it has received a copy of the Loan Documents, together with copies of the financial statements delivered pursuant thereto and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, Administrative Agent or any other person which has become a Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan

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Agreement; (d) appoints and authorizes Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Loan Agreement as are delegated to Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (c) agrees that it will be bound by the provisions of the Loan Agreement and will perform in accordance with its terms all the obligations which by the terms of the Loan Agreement are required to be performed by it as a Lender.

This Assignment and Acceptance is conditioned upon the acceptance of Administrative Agent pursuant to the Loan Agreement. The execution of this Assignment and Acceptance by Administrative Agent is evidence of this consent. Following the execution of this Assignment and Acceptance, it will be delivered to Administrative Agent for acceptance by it and recording by Administrative Agent pursuant to the Loan Agreement, effective as of the Effective Date.

Upon such acceptance and recording, from and after the Effective Date, Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrue subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by Administrative Agent for periods prior to the Effective Date or with respect to the making of this Assignment directly between themselves.

From and after the Effective Date (a) the Assignee shall be a party to the Loan Agreement and, with respect to the Assigned Interest, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof, and (b) the Assignor shall, with respect to the Assigned Interest, relinquish its rights and be released from its obligations under the Loan Agreement.

This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of Maryland.

Capmark - CD#28 - Control ID#1181

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective duly authorized officers, and have attached Schedule 1 hereto.

ASSIGNOR:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

ASSIGNEE:

WILMINGTON TRUST FSB

By: _____
Name: Nicholas C. Richardson
Title: Vice President

ACCEPTED BY ADMINISTRATIVE AGENT:

MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, as Administrative Agent

By: _____
Name: Bruce D. McLean
Title: Senior Vice President

Capmark - CD#28 - Control ID#1181

SCHEDULE 1

TO ASSIGNMENT AND ACCEPTANCE

NAME OF ASSIGNOR: MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY
NAME OF ASSIGNEE: WILMINGTON TRUST FSB

EFFECTIVE DATE OF ASSIGNMENT: August 14, 2007

PRINCIPAL AMOUNT AS SIGNED (ASSIGNEE'S COMMITMENT):	**ASSIGNEE'S PRO RATA SHARE IN LOAN**
$10,000,000.00	**8.00000%**

Capmark - CD#28 - Control ID#1181

SECOND COMPREHENSIVE AMENDMENT TO LOAN DOCUMENTS

THIS SECOND 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 as of May 31, 2007, as amended by a First Comprehensive Amendment to Loan Documents (the "**First Amendment**") dated August 14, 2007 (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 One Hundred Twenty-Five Million Dollars ($125,000,000) from PNC Bank, National Association (as successor in interest to Mercantile-Safe Deposit and Trust Company, a Maryland banking corporation) (the "**Lender**") to Ashburn Campus, LLC, a Maryland limited liability company qualified to do business in the Commonwealth of Virginia (the "**Borrower**") for the development of a retirement community known as "**Ashby Ponds**" or the "**Project**" on approximately one hundred forty-two (142) acres of land located at 25051 Loudon County Parkway, Loudon County, Commonwealth of Virginia 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 Ashby Ponds, 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 Ashby Ponds on the terms set forth in this Amendment.

3. Amended Definition of Entrance Deposits. Section 1.35 of the Loan Agreement is hereby deleted in its entirety and the following Section 1.35 is hereby inserted in lieu thereof:

> "1.35 Entrance Deposits: The 'Entrance Deposits' defined in and payable under the Residence and Care Agreements approved by the Lender for use at Ashby Ponds Retirement Community, including the 'Application Deposit,' the 'Signing Deposit,' the 'Final Deposit,' and all other deposits described in the Deposit Schedule and Move-In Checklist attached hereto as Schedule II, and also including the 'Flexible Entrance Deposits' and

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'Monthly Differentials,' as those terms are defined in Schedule XIV 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:

"1.103 Flexible Payment Program; Program. The Flexible Payment Program or "Program" as defined in the Flexible Payment Program Addendum attached hereto as Schedule XIV.

1.104 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 Deposit 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."

5. Flexible Payment Program Addendum. There is hereby added to the Loan Agreement a new Schedule XIV, which shall be the same as the Schedule XIV attached to this Amendment.

6. Program Covenants. There is hereby added to the Loan Agreement a new Section 8.34, to read as follows:

"8.34 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 Ashby Ponds 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 Ashby Ponds under the Flexible Payment Program; and provided further that the total number of Residents admitted to Ashby Ponds 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.

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(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 8.22 (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 4.4 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(r) 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 Deposit, 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 Deposit, 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 (r) 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 (w) of Section 9.1 of the Loan Agreement is hereby deleted. The period at the end of subsection (x) 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 (y) of Section 9.1 of the Loan Agreement, to read as follows:

"(y) Any violation of the provisions of subsection (a) of Section 8.34 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 Ashby Ponds 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 (y) shall be exercisable only twice during the term of the Loan, after which any Default under subsection (a) of Section 8.34 of the Loan Agreement shall, at Lender's option, constitute an immediate Event of Default under this Loan Agreement."

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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.

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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]

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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:

ASHBURN CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, Sole Member

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

GUARANTOR:

ERICKSON RETIREMENT COMMUNITIES, LLC

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

CONTRACTOR:

ERICKSON CONSTRUCTION, LLC

By: Erickson Retirement Communities, LLC, Member

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

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

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WITNESS:

CREDITORS:

By: _____ (SEAL)
John C. Erickson

By: _____ (SEAL)
Nancy A. Erickson

ERICKSON GROUP, LLC

By: _____ (SEAL)
Gerald F. Doherty,
Secretary

ADMINISTRATIVE AGENT:

PNC BANK, NATIONAL ASSOCIATION, as successor in interest to MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY

By: _____ (SEAL)
D. Seward Woelper,
Vice President

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SCHEDULE XIV

FLEXIBLE PAYMENT PROGRAM ADDENDUM

[see attached]

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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 Ashby Ponds, Inc. ("Ashby Ponds") as of the Effective Date.

Recitals

R.1. Ashby Ponds normally requires the payment of a full Entrance Deposit for a living unit as a condition to residency;

R.2. Ashby Ponds 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 Ashby Ponds 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. Ashby Ponds 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. Ashby Ponds 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 Ashby Ponds and Resident. However, during the term of this Addendum, Ashby Ponds 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

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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. Ashby Ponds 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 Ashby Ponds with reasonable documentation evidencing continued compliance with these conditions.

(i) Resident is otherwise is compliance with the terms and conditions of the Care Agreement;

(ii) Resident's property located at _____ (the "Property") is vacated by Resident and remains completely unoccupied and available for sale;

(iii) The Property is listed for sale with a licensed real estate broker acceptable to Ashby Ponds for fair market value of the Property;

(iv) 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

(v) 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 Ashby Ponds the sum of $_____, representing 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 settlement on the Property, Ashby Ponds 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, Ashby Ponds 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 Ashby Ponds may terminate Resident's residency for cause per Section 12 of the Care Agreement.

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7. Resident may, at any time, voluntarily opt out of the Flexible Payment Program prior to settlement on the Property by notifying Ashby Ponds 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, Ashby Ponds 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, Ashby Ponds 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. Ashby Ponds 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 Ashby Ponds, or for the death of Resident, the refund of the Entrance Deposit payable by Ashby Ponds 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]

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IN WITNESS WHEREOF, the parties have executed this Flexible Payment Program Addendum.

Witness _____ Resident Signature _____ Date _____

Printed Name _____

Witness _____ Resident Signature _____ Date _____

Printed Name _____

Ashby Ponds

Witness _____ By: _____ Date _____

Printed Name _____

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Execution Version

WAIVER AGREEMENT
(Ashburn Campus, LLC)

THIS WAIVER 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, acting in its capacity as the collateral and administrative agent ("Agent") for the "Lenders" that are parties to the "Loan Agreement" (hereafter defined); the undersigned LENDERS (collectively, the "Executing Lenders"); ASHBURN CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC (the "Guarantor"). Hereafter, the Borrower and the Guarantor are collectively referred to as the "Obligors"; and the Agent, the undersigned Lenders and the Obligors are collectively referred to as the "Parties". The terms defined in the Loan Agreement shall have the same meanings in this Agreement.

RECITALS

The Agent, the Lenders and the Borrower are parties to a Construction Loan Agreement dated as of May 31, 2007, as modified by a First Comprehensive Amendment to Loan Documents dated August 14, 2007, and a Second Comprehensive Amendment to Loan Documents dated June 20, 2008 ("Loan Agreement"). By Guaranty Agreement dated May 31, 2007, the Guarantor guaranteed to the Agent and the Lenders inter alia the payment and performance by Borrower of all of its obligations under the Loan Agreement.

The Obligors have advised the Agent that the Obligors will not deliver to the Lenders 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 (the "Reporting Violation").

The Obligors have requested that the Agent and the Lenders agree to not exercise, through and including May 29, 2009, their enforcement rights arising as a result of the Reporting Violation. The Agent and the Executing Lenders are willing to agree to the request of the Obligors in accordance with the terms and conditions set forth herein. The Executing Lenders hold in the aggregate Pro Rata Shares of the Loan sufficient in amount to provide a Required Consent.

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; and (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.

Section 3. Limited Standstill of Enforcement Rights. In reliance upon the representations, warranties and covenants of the Obligors contained in this Agreement, the Executing Lenders hereby collectively provide a Required Consent and agree not to exercise, through and including May 29, 2009, any rights or remedies which arise as a result of the Reporting Violation. The Obligors acknowledge and agree that: (a) the execution and delivery of this Agreement by the Agent and the Executing Lenders has not established and is not intended to establish any course of dealing among the Parties or create any obligation or

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agreement of the Agent or the Executing Lenders (or any other Lenders) with respect to any future restructuring, modification, amendment, waiver or forbearance with respect to the Loan or any of the Loan Documents; (b) the Agent and the Executing Lenders have not agreed to waive their rights to exercise any enforcement rights and remedies arising from the Reporting Violation after May 29, 2009; and (c) the Required Consent of the Executing Lenders to this Section 3 is limited solely to the Reporting Violation and not to any other violations of the Loan Documents.

Section 4. Amendment of Section 8.18 of the Loan Agreement. Section 8.18 of the Loan Agreement is amended by the Parties by deleting the last sentence thereof and by inserting in its place:

> "For the purposes of this Section 8.18, the term "Ziegler Securities" means the $50,000,000 subordinated Taxable Adjustable Mezzanine Put Securities ("STAMPS") Series 2007."

Section 5. Disbursements; Title Insurance Endorsements. The Parties agree that all advances of proceeds of the Loan shall be made by the Administrative Agent directly to the Title Company with instructions to the Title Company that the advance of such proceeds by the Title Company to the Borrower or the Borrower's designee shall be conditioned upon the Administrative Agent receiving from the Title Company a down-date endorsement to the title insurance policy insuring the lien of the Deed of Trust covering the Property through the date of such advance in a policy amount of not less than the aggregate amount of proceeds of the Loan that have been disbursed as of such date.

Section 6. Consultants' Report. In addition to the reporting obligations required by the terms of the Loan Agreement 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 status report by Houlihan Lokey containing its preliminary recommendations regarding the restructuring of the indebtedness of the Guarantor and its Subsidiaries.

Section 7. 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 Ashby Ponds, 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 8. Violations of this Agreement. The Parties agree that the failure of either Obligor to comply with any term, condition or covenant set forth in this Agreement which remains uncured for two (2) Business Days after the Borrower's receipt of notice thereof from the Agent shall automatically and without further notice constitute an Event of Default under the Loan Agreement.

Section 9. Reimbursement Of Expenses. The Obligors shall reimburse the Agent and the Lenders on or before the Effective Date for the unreimbursed reasonable fees and expenses of their respective counsel and of Marotta Gund Budd & Dzera, LLC and for any other unreimbursed expenses incurred by the Agent and the Lenders in connection with the Loan.

Section 10. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lenders 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.

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Section 11. Representations and Warranties. Each of the Obligors represents and warrants the following:

Section 11.1. No Defaults or Events of Default. There are no continuing Defaults or Events of Default.

Section 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.

Section 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.

Section 11.4. 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 either of the Obligors is a party or by which either 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 either of the Obligors except in favor of the Agent and the Lenders.

Section 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.

Section 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.

Section 11.7. Judgments. There are no outstanding judgments or tax liens against either 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 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 either of the Obligors, or against any of the collateral securing the Loan.

Section 11.9. Existing Liens. The Agent and the Lenders hold 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.

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.

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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 either of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 14. Further Assurances. Each of the Obligors agrees to execute and deliver to the Agent and the Lenders such other documents as may, from time to time, be reasonably requested by the Agent and the Lenders in order to execute upon or enforce the terms and conditions of this Agreement or any of the other Loan Documents.

Section 15. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 16. 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 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, 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. Time. Time is of the essence to this Agreement.

Section 19. Waivers; Course of Conduct. No failure or delay by the Agent and the Lenders 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 Lenders 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 Lenders and no such waiver (including the waivers provided by this Agreement) shall constitute, unless specifically so expressed by the Agent and the Lenders in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon either Obligor in any instance shall entitle either Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 20. 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 either of the Obligors might have or ever had against the Agent and the Lenders. 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 21. **RELEASE. IN ORDER TO INDUCE THE AGENT AND THE LENDERS TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE AGENT AND ALL OF THE LENDERS AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS OF THE AGENT AND THE LENDERS**

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(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 22. 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 23. 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]

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Signature Page to Waiver Agreement:

IN WITNESS WHEREOF, the undersigned Borrowers and Guarantor have executed this Waiver Agreement to be effective as of the above stated Effective Date.

Borrower:

ASHBURN CAMPUS, LLC
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____
Name: Jeffrey A. Jacobson
Title: Executive Vice President

Guarantor:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Jeffrey A. Jacobson
Title: Executive Vice President

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

IN WITNESS WHEREOF, the undersigned Administrative Agent has executed this Waiver Agreement to be effective as of the above stated Effective Date.

Administrative Agent:

PNC BANK, NATIONAL ASSOCIATION, Acting In Its Capacity As Collateral And Administrative Agent

By: _____
Name: Wendy M Andrus
Title: Vice President

[Signatures Continued on Next Page]

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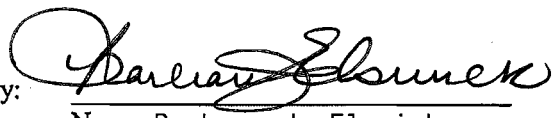
Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

THE BANK OF GLEN BURNIE

By: 

Name: Barbara J. Elswick
Title: Senior Vice President/CLO

[Signatures Continued on Next Page]

Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

CAPMARK BANK

By: _____

Name: DENISE KOPROWSKI

Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

CHEVY CHASE BANK FSB

By: _____
Name: Joseph Chirico
Title: Group Vice President

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

CITIZENS BANK OF PENNSYLVANIA

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

TD BANK, NATIONAL ASSOCIATION,
Successor To Commerce Bank

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

WILMINGTON TRUST FSB

By: Nicholas C. Richardson
Name: NICHOLAS C. RICHARDSON
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: Sharon P O'Brien
Name: SHARON P. O'BRIEN
Title: ADMINISTRATIVE VICE PRESIDENT

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

PROVIDENT BANK OF MARYLAND

By: _____
Name: John J. Goldthwait, Jr.
Title: Vice President

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

SANDY SPRING BANK

By: FMcWilliams
Name: FRIEDA M.A. McWILLIAMS
Title: Vice President

[Signatures Continued on Next Page]

Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

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Signature Page to Waiver Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Waiver Agreement and to the execution and delivery of such Waiver Agreement by the Agent on its behalf.

PNC BANK, NATIONAL ASSOCIATION, Successor To Mercantile-Safe Deposit and Trust Company

By: Wendy M Andrus
Name: Wendy M Andrus
Title: Vice President

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Schedule 11.8

PENDING LITIGATION

As of May 1, 2009, there is no pending litigation against Erickson Retirement Communities, LLC or Ashburn 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.

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Execution Version

STANDSTILL AGREEMENT
(Ashburn Campus, LLC)

THIS 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, acting in its capacity as the collateral and administrative agent ("Agent") for the "Lenders" that are parties to the "Loan Agreement" (hereafter defined); the undersigned LENDERS (collectively, the "Executing Lenders"); ASHBURN CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC (the "Guarantor", and also referred to as "ERC"). Hereafter, the Borrower and the Guarantor are collectively referred to as the "Obligors"; and the Agent, the Lenders and the Obligors are collectively referred to as the "Parties". The terms defined in the Loan Agreement shall have the same meanings in this Agreement.

RECITALS

The Agent, the Lenders and the Borrower are parties to a Construction Loan Agreement dated as of May 31, 2007, as modified by a First Comprehensive Amendment to Loan Documents dated August 14, 2007, a Second Comprehensive Amendment to Loan Documents dated June 20, 2008 ("Loan Agreement") and a Waiver Agreement dated April 30, 2009 ("Waiver Agreement"). By Guaranty Agreement dated May 31, 2007, the Guarantor guaranteed to the Agent and the Lenders inter alia the payment and performance by Borrower of all of its obligations under the Loan Agreement.

The Obligors failed to deliver to the Lenders an audited balance sheet and financial statements and other statements and financial information as required by the terms of Section 8.3(c) of the Loan Agreement within one hundred twenty (120) days after the close of their fiscal year ending December 31, 2008 (the "Reporting Violations"). Pursuant to a Waiver Agreement dated April 30, 2009, the Lenders agreed not to exercise their enforcement rights arising solely as a result of the Reporting Violations for the period ending on May 29, 2009. The Obligors have requested that the Lenders extend such period of time through June 30, 2009.

The Obligors have additionally requested that the Agent and the Lenders agree not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lenders 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, provided and conditioned upon KeyBank and the lending institutions parties to the "Loan Agreement" described in the KeyBank Notice (collectively, the "KeyBank Lenders") and "Windsor" (as defined in the KeyBank Notice) not exercising any enforcement, collection or other rights or remedies which any of such entities might have against the Guarantor 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(t) of the Loan Agreement.

The Obligors have additionally requested that the Lenders agree not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lenders 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

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or other rights or remedies which any of such entities might have against the Guarantor 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(t) of the Loan Agreement.

The Obligors have additionally requested that the Lenders agree not to exercise through and including June 30, 2009 any enforcement rights and remedies of the Lenders 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(t) 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(t) of the Loan Agreement.

The Agent and the Executing Lenders are willing to agree to the requests of the Obligors in accordance with the terms and conditions set forth herein. The Executing Lenders hold in the aggregate Pro Rata Shares of the Loan sufficient in amount to provide a Required Consent.

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; and (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.

Section 3. Limited Standstill of Enforcement Rights. In reliance upon the representations, warranties and covenants of the Obligors contained in this Agreement, the Executing Lenders hereby collectively provide a Required Consent and agree that the Lenders will not exercise, through and including the "Termination Date" (as defined below), any enforcement rights or remedies of the Lenders 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 Reporting 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 Agent and the Executing Lenders has not established and is not intended to establish any course of dealing among the Parties or create any obligation or agreement of the Agent or the Executing Lenders (or any other Lenders) with respect to any future restructuring, modification, amendment, waiver or forbearance with respect to the Loan or any of the Loan Documents; (b) the Agent and the Lenders have not waived any Defaults or Events of Defaults arising out of or related to the Standstill Events; (c) the Agent and the Lenders have 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; and (d) the limited agreement of the Lenders

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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 Guarantor 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 Guarantor 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 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 direct result of any of the Standstill Events).

Section 4. 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 Agent and the Lenders such additional financial information as the Agent or any Lender reasonably requests, which information shall include (and the Agent and the Lenders hereby request) 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 Agent and the Lenders in their sole and absolute discretion:

Section 4.1. 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 4.2. (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 4.3. on or before June 4, 2009, and by the close of business on each Tuesday thereafter, a verbal report to the Agent 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 4.4. 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 Agent and its advisors prior to the Effective Date;

Section 4.5. 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 Agent 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

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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 4.6. 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 4.7. 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 4.8. 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 4.9. 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 Guarantor (as proposed by the Guarantor);

Section 4.10. 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 4.11. 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 4.12. on or before June 15, 2009, a proposed interim restructuring term sheet for the Loan and the Indebtedness owed by the Borrower;

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Section 4.13. (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 Agent 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 Agent 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 Agent and the Lenders; (d) on or before June 30, 2009, the Obligors shall deliver the First Report to the Agent and the Lenders; and (e) on or before July 15, 2009, the Obligors shall deliver the Second Report to the Agent and the Lenders;

Section 4.14. two Business Days prior written notice to the Agent 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 4.15. two Business Days prior written notice to the Agent 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 Agent and its advisors.

Section 5. Initial Entrance Deposits. The Obligors agree to take such actions as are necessary to require that all Initial Entrance Deposits and all "Trust Funds", as defined in the Trust Agreement, shall be deposited in the Trust Account as required by the Loan Agreement and the Trust Agreement, but not less frequently than each business day, and all Trust Funds shall be made available to the Agent for application to the repayment of the Loan as frequently and on such dates as requested by the Agent from time to time.

Section 6. Violations of this Agreement. The Parties agree that the failure of either of the Obligors to comply with any term, condition or covenant set forth in this Agreement which remains uncured for two (2) Business Days after the Borrower's receipt of notice thereof from the Agent shall automatically and without further notice constitute an Event of Default under the Loan Agreement.

Section 7. Reimbursement Of Expenses. The Obligors shall reimburse the Agent and the Lenders on or before the Effective Date for the unreimbursed reasonable fees and expenses of their respective counsel and of Marotta Gund and for any other unreimbursed expenses incurred by the Agent and the Lenders in connection with the Loan.

Section 8. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lenders 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.

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Section 9. Representations and Warranties. Each of the Obligors represents and warrants the following:

Section 9.1. 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 9.2. 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 either of the Obligors is a party or by which either 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 either of the Obligors except in favor of the Agent and the Lenders.

Section 9.3. 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 9.4. 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 9.5. Judgments. There are no outstanding judgments or tax liens against either 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 9.6. Pending Litigation. Except as set forth on Schedule 9.6 attached hereto, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against either of the Obligors, or against any of the collateral securing the Loan.

Section 9.7. Existing Liens. The Agent and the Lenders hold 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.

Section 10. 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 Agent 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 an agreement pursuant to which the Revolving 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 Agent of satisfactory evidence that the holders of other project indebtedness of the Subsidiaries of the Guarantor 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.

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Section 11. 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 12. 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 either of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 13. Further Assurances. Each of the Obligors agrees to execute and deliver to the Agent and the Lenders such other documents as may, from time to time, be reasonably requested by the Agent and the Lenders in order to execute upon or enforce the terms and conditions of this Agreement or any of the other Loan Documents.

Section 14. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 15. 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 16. 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 17. Time. Time is of the essence to this Agreement.

Section 18. Waivers; Course of Conduct. No failure or delay by the Agent and the Lenders 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 Lenders 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 Lenders and no such waiver (including the waivers provided by this Agreement) shall constitute, unless specifically so expressed by the Agent and the Lenders in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon either Obligor in any instance shall entitle either Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 19. 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 either of the Obligors might have or ever had against the Agent and the Lenders. 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.

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Section 20. **RELEASE. IN ORDER TO INDUCE THE AGENT AND THE LENDERS TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE AGENT AND ALL OF THE LENDERS AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, AND AGENTS OF THE AGENT AND THE LENDERS (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 21. 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 22. 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]

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Signature Page to Standstill Agreement:

IN WITNESS WHEREOF, the undersigned Borrowers and Guarantor have executed this Standstill Agreement to be effective as of the above stated Effective Date.

Borrower:

ASHBURN CAMPUS, LLC
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

Guarantor:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

IN WITNESS WHEREOF, the undersigned Administrative Agent has executed this Standstill Agreement to be effective as of the above stated Effective Date.

Administrative Agent:

PNC BANK, NATIONAL ASSOCIATION, Acting In Its Capacity As Collateral And Administrative Agent

By: Wendy M Anderson
Name: Wendy M Anderson
Title: Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

THE BANK OF GLEN BURNIE

By: _____

Name: Barbara J Elswick

Title: SVP | CLO

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

CAPMARK BANK

By: _____

Name: DENISE KOPROWSKI

Title: VICE PRESIDENT

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

CHEVY CHASE BANK FSB

By: _____
Name: Joseph Chirico
Title: Group Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

CITIZENS BANK OF PENNSYLVANIA

By: Stanley Maharam
Name: Stanley Maharam
Title: S.V.P.

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

TD BANK, NATIONAL ASSOCIATION,
Successor To Commerce Bank

By: _____
Name: Andrea Robinson
Title: Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

WILMINGTON TRUST FSB

By: _____

Name: KARL J. VAHLKAMP

Title: VP, SENIOR COMMERCIAL LOAN WORKOUT OFFICER

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: Linda J. Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

M&T Bank, as succesor in interest by merger to
PROVIDENT BANK OF MARYLAND

By: Linda J. Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

SANDY SPRING BANK

By: _____
Name: Roy S Lewis
Title: Senior Vice President

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____
Name:
Title:

[Signatures Continued on Next Page]

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Signature Page to Standstill Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Standstill Agreement and to the execution and delivery of such Standstill Agreement by the Agent on its behalf.

PNC BANK, NATIONAL ASSOCIATION, Successor To Mercantile-Safe Deposit and Trust Company

By: _____
Name: Wendy M Anding
Title: Vice President

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Schedule 9.6
to Standstill Agreement
(Ashburn Campus, LLC)

PENDING LITIGATION

As of May 29, 2009, there is no pending litigation against Erickson Retirement Communities, LLC or Ashburn 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.

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FORBEARANCE AGREEMENT
(Ashburn 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, acting in its capacity as the collateral and administrative agent ("Agent") for the "Lenders" that are parties to the "Loan Agreement" (hereafter defined); the undersigned LENDERS (collectively, the "Executing Lenders"); ASHBURN CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC (the "Guarantor"). Hereafter, the Borrower and the Guarantor are collectively referred to as the "Obligors"; and the Agent, the Executing Lenders and the Obligors are collectively referred to as the "Parties". The terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement and in the "Waiver Agreement" and the "Standstill Agreement" (as such terms are hereafter defined).

RECITALS

The Agent, the Lenders and the Borrower are parties to a Construction Loan Agreement dated as of May 31, 2007 (as amended and modified, the "Loan Agreement"), a Waiver Agreement dated to be effective as of April 30, 2009 ("Waiver Agreement"), and a Standstill Agreement dated to be effective as of June 1, 2009 ("Standstill Agreement"). By Guaranty Agreement dated May 31, 2007, the Guarantor guaranteed to the Agent and the Lenders inter alia the payment and performance by Borrower of all of its obligations under the Loan Agreement.

Pursuant to the terms of the Standstill Agreement, the Lenders agreed inter alia not to exercise their enforcement rights and remedies arising as a result of the "Standstill Events" (as defined in the Standstill Agreement) for the period ending on June 30, 2009.

The Obligors have advised the Agent and the Lenders of the following (collectively, the "Additional Events"): (a) the Borrower may not pay to the Lenders the payment of accrued interest that is due for payment on July 1, 2009 if the Lenders do not fund advances of proceeds of the Loan during the "Forbearance Period" (hereafter defined); 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 certain indebtedness of the Guarantor, including direct indebtedness, and obligations of the Guarantor under certain guaranties (collectively, the "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 Agent and the Lenders 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 Agent and the Lenders 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 Executing Lenders hold in the aggregate Pro Rata Shares of the Loan sufficient in amount to provide a Required Consent. The Executing Lenders have collectively agreed to provide a Required Consent and direct the Agent 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.

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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 Lenders 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 Lenders 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 Executing Lenders hereby collectively provide a Required Consent and agree that the Agent and the Lenders will forbear from exercising the Remedies which the Agent and the Lender are entitled to exercise solely 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 to occur of: (a) July 10, 2009 at 12:00 PM (EST); (b) the date of the acceleration of any Cross Default Indebtedness by any holder thereof and/or 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 Guarantor); (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 Agent and the Lenders are not waiving or excusing the Forbearance Events of Default and that the Forbearance Events of Default and the rights of the Agent and the Lenders 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 Agent and the Lenders 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 Required Lenders; (b) the execution and delivery of this Agreement by the Agent and the Executing Lenders has not established and is not intended to establish any course of dealing among the Parties or create any obligation or agreement of the Agent or the Executing Lenders (or any other Lenders) 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 Agent and the Lenders have 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.

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Section 5. Funding Of Loan Advances; Payments To Guarantor And Guarantor Related Entities. The Obligors acknowledge that any continued funding by the Lenders of disbursements of proceeds of the Loan during the Forbearance Period may be made or withheld in the sole and absolute discretion of the Lenders and the Lenders have no obligation to make any additional fundings of proceeds of the Loan. If the Lenders do not fund disbursements of proceeds of the Loan during the Forbearance Period, the Obligors agree: (a) the Borrower will not pay, and the Guarantor agrees that it will not accept, any payments or distributions from the Borrower to the Guarantor nor permit any such payments to any Subsidiaries or affiliates of the Guarantor without regard as to whether any of such distributions would otherwise be authorized by the terms of Section 8.10 of the Loan Agreement; and (b) the Guarantor will not accept and will cause its Subsidiaries and affiliates to agree to not accept any payments, fees (including "management" and "development" fees), reimbursements, or distributions from the Tenant during the Forbearance Period.

Section 6. Additional Reporting Obligations. In addition to the reporting requirements set forth in the Loan Agreement, the other Loan Documents, the Waiver Agreement, and the Standstill Agreement, the Obligors shall promptly deliver to the Agent and the Lenders such additional financial and other information as the Agent or any Lender reasonably requests, which information shall include (and the Agent and the Lenders hereby request) the following documents and information, each of which shall be promptly 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 Agent and the Lenders in their 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 Guarantor, 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 Agent 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 Agent 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 Agent 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

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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, any Lender;

Section 6.7. two Business Days prior written notice to the Agent 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 Agent 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 Agent 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 Agent, in such detail as requested by the Agent, of the status of the negotiations and discussions between the Guarantor and National Senior Campuses, Inc. ("NSC") and their respective advisors and between the Guarantor 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 Guarantor; 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 Agent and the Lenders 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. Initial Entrance Deposits. The Obligors agree to continue to take such actions as are necessary to insure that all Initial Entrance Deposits and all "Trust Funds", as defined in the Trust Agreement, shall be deposited in the Trust Account as required by the Loan Agreement and the Trust Agreement, but not less frequently than each business day, and all Trust Funds shall be made available to the Agent for application to the repayment of the Loan as frequently and on such dates as requested by the Agent from time to time.

Section 9. Reimbursement Of Expenses. The Obligors shall reimburse the Agent and the Lenders on or before the Effective Date for the unreimbursed reasonable fees and expenses of their respective counsel and of Marotta Gund and for any other unreimbursed expenses incurred by the Agent and the Lenders in connection with the Loan.

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Section 10. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lenders 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:

Section 11.1. 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 11.2. 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 either of the Obligors is a party or by which either 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 either of the Obligors except in favor of the Agent and the Lenders.

Section 11.3. 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 11.4. 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 11.5. Judgments. There are no outstanding judgments or tax liens against either 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 11.6. Pending Litigation. Except as set forth on Schedule 9.6 attached to the Standstill Agreement, there are no actions, suits, investigations or proceedings pending or, to the knowledge of the Obligors, threatened against either of the Obligors, or against any of the collateral securing the Loan.

Section 11.7. Existing Liens. The Agent and the Lenders hold 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.

Section 12. Payment Upon Subordinated Obligations. The Borrower acknowledges that it has ceased making payments upon the "Subordinated Obligations" (as defined in a Subordination And Standstill Tri-Party Agreement dated May 31, 2007 by and between the Borrower, Strategic Ashby Ponds Lender LLC and the Agent, 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.

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Section 13. 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 Agent 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 Required Consent of the Lenders; (b) the receipt by the Agent of satisfactory evidence of an agreement pursuant to which the revolving lenders of the Guarantor 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 Agent 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 Guarantor, 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 Agent and the Lenders in accordance with Section 9 of this Agreement.

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 either of the Obligors to the Lender or of any of the Loan Documents or to be a refinance of the Loan.

Section 16. Further Assurances. Each of the Obligors agrees to execute and deliver to the Agent and the Lenders such other documents as may, from time to time, be reasonably requested by the Agent and the Lenders in order to execute upon or enforce the terms and conditions of this Agreement or any of the other Loan Documents.

Section 17. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

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, 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 19. Time. Time is of the essence to this Agreement.

Section 20. Waivers; Course of Conduct. No failure or delay by the Agent and the Lenders 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 Lenders 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 Lenders and no such waiver (including the waivers provided by this Agreement) shall constitute, unless specifically so

expressed by the Agent and the Lenders in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon either Obligor in any instance shall entitle either 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 either of the Obligors might have or ever had against the Agent and the Lenders. 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 22. **RELEASE. IN ORDER TO INDUCE THE AGENT AND THE LENDERS TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES THE AGENT AND ALL OF THE LENDERS AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, ADVISORS, AND AGENTS OF THE AGENT AND THE LENDERS (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]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

IN WITNESS WHEREOF, the undersigned Borrower and Guarantor have executed this Forbearance Agreement to be effective as of the above stated Effective Date.

Borrower:

ASHBURN CAMPUS, LLC
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

Guarantor:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

IN WITNESS WHEREOF, the undersigned Agent has executed this Forbearance Agreement to be effective as of the above stated Effective Date.

Agent:

PNC BANK, NATIONAL ASSOCIATION, Acting In Its Capacity As Collateral And Administrative Agent

By: _____
Name: Sean Schroeder
Title: AVP

[Signatures Continued on Next Page]

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

THE BANK OF GLEN BURNIE

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

CAPMARK BANK

By: _____
Name: DENISE KOLKOWSKI
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

CHEVY CHASE BANK FSB

By: _____
Name: Joseph Chirico
Title: Group Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

CITIZENS BANK OF PENNSYLVANIA

By: _____
Name: Stanley Maharam
Title: S.V.P.

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

TD BANK, NATIONAL ASSOCIATION,
Successor To Commerce Bank

By: _____
Name: Andrea Robinson
Title: Vice President

[Signatures Continued on Next Page]

JUL-01-2009 11:36 COMMERCE BANK P.002

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

WILMINGTON TRUST FSB

By: Nicholas C. Richardson
Name: NICHOLAS C. RICHARDSON
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: Linda J. Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY
Successor by Merger to Provident Bank of Maryland

By: Linda J. Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

SANDY SPRING BANK

By: _____
Name: Ray S. Lewis
Title: Senior Vice President

[Signatures Continued on Next Page]

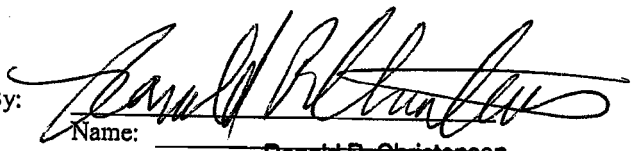
Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: 
Name: Ronald P. Christenson
Title: Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

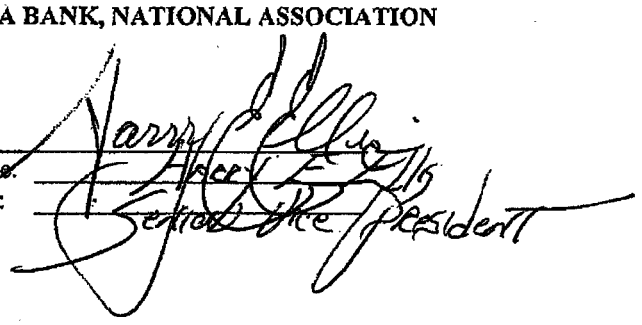
Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____



[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Forbearance Agreement and to the execution and delivery of such Forbearance Agreement by the Agent on its behalf.

PNC BANK, NATIONAL ASSOCIATION, Successor
To Mercantile-Safe Deposit and Trust Company

By: _____
Name: Sean Schroeder
Title: AVP

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Execution Version

FUNDING ADDENDUM TO FORBEARANCE AGREEMENT
(Ashburn Campus, LLC)

THIS FUNDING ADDENDUM TO FORBEARANCE AGREEMENT ("Addendum") 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, acting in its capacity as the collateral and administrative agent ("Agent") for the "Lenders" that are parties to the "Loan Agreement" (hereafter defined); the undersigned LENDERS; ASHBURN CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC (the "Guarantor"). Hereafter, the Borrower and the Guarantor are collectively referred to as the "Obligors"; and the Agent, the Executing Lenders and the Obligors are collectively referred to as the "Parties".

RECITALS

The Agent, the Lenders and the Borrower are parties to a Construction Loan Agreement dated as of May 31, 2007 (as amended and modified, the "Loan Agreement"). By Guaranty Agreement dated May 31, 2007, the Guarantor guaranteed to the Agent and the Lenders inter alia the payment and performance by Borrower of all of its obligations under the Loan Agreement.

The Agent, the Obligors, and the "Executing Lenders" are parties to a Forbearance Agreement of even date herewith (the "Forbearance Agreement"). Hereafter, terms not otherwise defined in this Addendum shall have the meanings ascribed to them in the Loan Agreement, the Waiver Agreement, the Standstill Agreement, or in the Forbearance Agreement.

As acknowledged in the Forbearance Agreement, Events of Default have occurred and are continuing. Section 9.2 of the Loan Agreement provides that upon the occurrence of any Event of Default, the obligation of the Lenders to make further disbursements under the Loan shall terminate. Section 10.8(a)(i) of the Loan Agreement provides that any reinstatement after termination of the obligations of the Lenders to make advances to the Borrower under the Loan Agreement must be in a writing signed by all of the Lenders. Section 4.7(d) of the Loan Agreement provides that the obligations of the Lenders to make disbursements under the Loan Agreement are conditioned upon there being no existing Events of Default.

The Obligors have requested that, notwithstanding the above-referenced provisions of the Loan Agreement, the Lenders consent to the advance of proceeds of the Loan to the Borrower during the Forbearance Period in accordance with the terms and procedures set forth in the Loan Agreement.

The undersigned Lenders, constituting all of the Lenders that are parties to the Loan Agreement, have entered into this Addendum to evidence their unanimous consent and agreement to the continued funding of advances of proceeds of the Loan to the Borrower during the Forbearance Period in accordance with the terms and conditions set forth below in this Addendum.

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 Addendum by reference and is made a part hereof.

Section 2. Consent To Funding During Forbearance Period. Each of the undersigned Lenders: (a) agrees to fund advances of proceeds of the Loan during the Forbearance Period in accordance with the

terms of this Addendum and the Loan Agreement; and (b) consents to the funding by the other Lenders of advances of proceeds of the Loan during the Forbearance Period in accordance with the terms of this Addendum and the Loan Agreement. The agreement and consent of each of the undersigned Lenders to fund advances of proceeds of the Loan shall automatically terminate on the Termination Date. All fundings of advances of proceeds of the Loan during the Forbearance Period shall be solely for the purposes authorized by the Loan Agreement and shall be made in strict accordance with the terms, procedures and requirements of the Loan Agreement.

Section 3. No Modifications Of Loan Documents Or Forbearance Agreement. The Obligors acknowledge that the Parties have not agreed in this Addendum to any amendments or modifications of the Loan Agreement, any of the Loan Documents, or the Forbearance Agreement. For the avoidance of doubt, nothing contained herein is intended to amend or modify Sections 4.7(d), 9.2, or 10.8(a)(i) of the Loan Agreement.

Section 4. Choice Of Law; Consent To Jurisdiction; Agreement As To Venue. This Addendum 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 5. Time. Time is of the essence to this Addendum.

Section 6. 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 Addendum, the Loan (or the administration thereof), any of the other Loan Documents, or the Forbearance Agreement, 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 ADDENDUM EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.**

Section 7. Execution in Counterparts; Delivery. This Addendum may be executed and delivered by the Parties in counterparts. Executed counterparts of this Addendum may be delivered electronically.

[Signatures Begin on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

IN WITNESS WHEREOF, the undersigned Borrower and Guarantor have executed this Funding Addendum To Forbearance Agreement to be effective as of the above stated Effective Date.

Borrower:

ASHBURN CAMPUS, LLC
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

Guarantor:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

IN WITNESS WHEREOF, the undersigned Agent has executed this Funding Addendum To Forbearance Agreement to be effective as of the above stated Effective Date.

Agent:

PNC BANK, NATIONAL ASSOCIATION, Acting In Its Capacity As Collateral And Administrative Agent

By: _____
Name: Sean Schroeder
Title: AVP

[Signatures Continued on Next Page]

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

THE BANK OF GLEN BURNIE

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

CAPMARK BANK

By: _____
Name: DENISE KOPROWSKI
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

CHEVY CHASE BANK FSB

By: _____
Name: Joseph Chirico
Title: Group Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

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Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

CITIZENS BANK OF PENNSYLVANIA

By: Stanley Maharam
Name: Stanley Maharam
Title: S.V.P.

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

TD BANK, NATIONAL ASSOCIATION,
Successor To Commerce Bank

By: _____
Name: Andrea Robinson
Title: Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

WILMINGTON TRUST FSB

By: Nicholas C. Richardson
Name: NICHOLAS C. RICHARDSON
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: Linda J. Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY
Successor by Merger to Provident Bank of Maryland

By: Linda J Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

SANDY SPRING BANK

By: _____
Name: Roy S. Lewis
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____

Name: Ronald P. Christenson

Title: Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

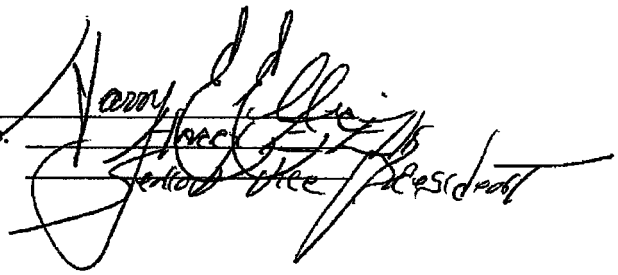
Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____



[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Funding Addendum To Forbearance Agreement:

Consent of Lender

The undersigned Lender consents to the terms and conditions of the above-stated Funding Addendum To Forbearance Agreement and to the execution and delivery of such Funding Addendum To Forbearance Agreement by the Agent on its behalf.

PNC BANK, NATIONAL ASSOCIATION, Successor
To Mercantile-Safe Deposit and Trust Company

By: _____
Name: Sean Schroeder
Title: AVP

Capmark - CD#28 - Control ID#1181

Execution Version

SECOND FORBEARANCE AGREEMENT
(Ashburn 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, acting in its capacity as the collateral and administrative agent ("Agent") for the "Lenders" that are parties to the "Loan Agreement" (hereafter defined); the LENDERS; ASHBURN CAMPUS, LLC (the "Borrower"); and ERICKSON RETIREMENT COMMUNITIES, LLC (the "Guarantor"). Hereafter, the Borrower and the Guarantor are collectively referred to as the "Obligors"; the Agent and the Lenders are collectively referred to as the "Credit Parties"; and the Obligors and the Credit Parties are collectively referred to as the "Parties". The terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

RECITALS

The Agent, the Lenders and the Borrower are parties to a Construction Loan Agreement dated as of May 31, 2007 (as amended and modified, the "Loan Agreement"), a Waiver Agreement dated to be effective as of April 30, 2009 ("Waiver Agreement"), a 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"). (The Waiver Agreement, Standstill Agreement and First Forbearance Agreement are hereafter collectively referred to as the "Additional Agreements".)

By Guaranty Agreement dated May 31, 2007 ("Guaranty"), the Guarantor guaranteed to the Credit Parties inter alia the payment and performance by the Borrower of all of its obligations under the Loan Agreement.

The Credit Parties agreed in accordance with the terms of the First Forbearance Agreement inter alia not to exercise their 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 at 12:00 pm (EST).

The Obligors have requested that the Credit Parties 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 Credit Parties 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 Credit Parties have agreed to forbear from exercising the Remedies against the Obligors during the Forbearance Period if the Obligors execute and deliver this Agreement and comply with the terms and conditions set forth herein. The Credit Parties have not agreed to excuse or modify any payment obligations of the Obligors.

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.

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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 Lenders 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 Agent and Lenders holding Committed Amounts which in the aggregate enables such Lenders to deliver a Required Consent would have the immediate and unconditional right to exercise the Remedies against the Obligors.

Section 3. Forbearance. Subject to the continuing compliance of the Obligors with all of the terms of this Agreement, the Credit Parties agree to forbear during the Forbearance Period from exercising any Remedies which the Credit Parties are otherwise entitled to exercise solely as a result of the occurrence and continuation of the following events and conditions (collectively, the "Second Forbearance Events of Default"):

Section 3.1. 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 either 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 either 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 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 either of the Obligors against either of the Obligors or their assets shall automatically and without further notice cause an immediate termination of the Forbearance Period and the Credit Parties 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 3.2. 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(w).

Section 3.3. Other Specified Defaults. 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 Agent to the Obligors.

Section 4. Forbearance Period. The Parties agree that the "Forbearance Period" shall be that period of time commencing on July 10, 2009 at 12:00 pm (EST) and ending on that date ("Termination Date") which is the earlier of: (a) September 18, 2009 at 12:00 pm (EST), or (b) the date of the occurrence of an Event of Default (other than the Second Forbearance Events of Default).

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Section 5. Advances of Proceeds of Loan; Letter of Credit. The Lenders agree to advance certain proceeds of the Loan to the Borrower during the Forbearance Period subject to the continuing satisfaction of all of the following terms, conditions and procedures (collectively, the "Funding Conditions"): (a) the Unanimous Consent of the Lenders to the terms and conditions of this Agreement shall have been obtained, as evidenced by the signatures of all of the Lenders affixed hereto; (b) there shall be no continuing Defaults or continuing Events of Default (other than the Second Forbearance Events of Default) as of the date upon which any advance of proceeds of the Loan is requested to be funded; (c) the maximum cumulative amount of proceeds of the Loan that may be funded during the Forbearance Period shall not exceed Seven Million Five Hundred Thirty Eight Thousand Dollars ($7,538,000); (d) after giving affect to any requested advance of proceeds of the Loan, the aggregate principal amount outstanding at any one time under the Loan (including Letters of Credit issued and Working Capital Advances) shall not exceed One Hundred Million Dollars ($100,000,000); (e) after giving affect to any requested advance of proceeds of the Loan, the maximum outstanding unpaid balance of Working Capital Advances shall not exceed Thirty-Four Million Dollars ($34,000,000); (f) proceeds of the Loan may not be used for any purpose not authorized by Section 2.1 of the Loan Agreement; (g) notwithstanding any unfunded requests for advances of proceeds of the Loan that may have been previously submitted, advances of proceeds of the Loan during the Forbearance Period shall be used to fund only those line items and amounts expressly set forth in the schedule attached hereto as Exhibit A, and not for any other purposes; and (h) each request for an advance of proceeds of the Loan shall be made in accordance with the procedures set forth in the Loan Agreement and shall be subject to the presentment by the Borrower of the supporting documentation required by the Loan Documents.

Section 6. Initial Entrance Deposits. The Parties agree that all Initial Entrance Deposits received during the Forbearance Period shall be applied to the unpaid balance of the Loan in accordance with the terms of the Loan Agreement and the Notes. The Obligors acknowledge that all amounts contained in the Borrower Collateral Account from time to time shall be available for application to the repayment of the Loan on such dates and with such frequency as required by the Agent.

Section 7. Forbearance Fee. The Obligors agree to pay to the Agent for the ratable benefit of the Lenders a forbearance fee ("Forbearance Fee") in that amount which is equal to 2% of the combined Commitments of the Lenders. The Obligors acknowledge and agree that the Forbearance Fee shall be fully earned by the Lenders upon the execution and delivery by the Credit Parties of this Agreement. Subject to the continued satisfaction of all Funding Conditions, the Lenders may advance proceeds of the Loan during the Forbearance Period to pay the Forbearance Fee. In the absence of such advance, the Forbearance Fee shall be deemed payable on the Maturity 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 8. Reduction in Aggregate Committed Amounts. The Parties agree that the aggregate amount of Committed Amounts is hereby reduced from $125,000,000 to $100,000,000, and each Lender's respective Committed Amount shall be proportionately reduced.

Section 9. Increase In Interest Rate; Payment Of Accrued Interest During Forbearance Period. The Parties agree that commencing on the Effective Date and continuing thereafter, interest shall accrue upon the unpaid principal balance of the Loan at a fluctuating rate of interest equal to the Agent's "prime rate" (as described in the Notes) plus Two Hundred Twenty-Five (225) basis points. Subject to the continued satisfaction of all Funding Conditions, the Lenders shall advance proceeds of the Loan on each Interest Payment Date during the Forbearance Period to pay interest that has accrued upon the Loan.

Section 10. Preservation of Second Forbearance Events of Default. The Obligors acknowledge and agree that the Credit Parties are not waiving or excusing any of the Second Forbearance Events of Default

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and that the Second Forbearance Events of Default and the rights of the Credit Parties 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 Credit Parties may commence the exercise of any or all of the Remedies on the Termination Date; (b) the execution and delivery of this Agreement by the Credit Parties does not establish and is not intended to establish any course of dealing between the Credit Parties and the Obligors or create any obligation or agreement of the Credit Parties 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 Credit Parties have 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.

Section 11. Deliverables. The Obligors shall provide the following deliverables (collectively, the "Deliverables") to the Credit Parties at the following times:

Section 11.1. Construction Certification and Lien Releases. Not later than August 7, 2009 the Borrower shall certify in writing to the Credit Parties 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 Credit Parties with such lien releases and other evidence of payment as may be reasonably required by the Credit Parties.

Section 11.2. Restructuring Information. As soon as possible, and in any event no later than August 21, 2009, the Obligors shall deliver to the Credit Parties 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 11.3. Draft Financial Statement. On or before a date acceptable to the Credit Parties, the Obligors shall deliver a draft annual consolidated and consolidating financial statement for ERC and its subsidiaries for the 2008 fiscal year.

Section 11.4. Updated Plan and Assessments. On or before August 21, 2009, the Obligors shall deliver to the Agent 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 Lenders as a part of any restructuring plan.

Section 11.5. Weekly Information. Commencing immediately, the Borrower will provide to the Credit Parties, on each consecutive Tuesday, (i) an occupancy report for the Project as of the close of business on the immediately preceding Friday, which report shall account for attrition attributable to the loss of

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Residents, in a form acceptable to the Credit Parties and (ii) a detailed marketing and sales report of the Project, in a form acceptable to the Credit Parties.

Section 11.6. 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 11.7. 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 12. No New Construction. The Borrower agrees that it will not commence any new construction of the Project during the Forbearance Period. The Credit Parties acknowledge that the Borrower may request funding and the Lenders may advance such funding in their sole and complete discretion to complete any existing but unfinished construction activities in connection with buildings already occupied or ready for occupancy at the Project, without causing a violation of the Borrower's covenant set forth above in this Section. For the avoidance of doubt, the Lenders will not fund any costs for buildings to be constructed upon existing pad sites.

Section 13. 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 13.1. 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 13.2. Violation of This Agreement. The failure of either of the Obligors to comply timely with any covenant or requirement of this Agreement.

Section 13.3. Enforcement Actions. The exercise by any holder of indebtedness (including holders of guarantys) of either Obligor of any enforcement or collection rights or remedies, including without limitation the exercise of any rights of setoff against either of the Obligors or against any of their respective assets, except for Excluded Actions.

Section 14. Reimbursement Of Professional Fees. The Obligors shall reimburse the Credit Parties 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 Credit Parties in connection with the Loan through and including the Effective Date. Subject to the continued satisfaction of all Funding Conditions, the Lenders shall advance proceeds of the Loan each month to reimburse the Agent for all unreimbursed, reasonable fees and expenses incurred by the Agent (in its capacity as administrative and collateral agent for the Lenders) for legal counsel retained by the Agent and for the reasonable fees and expenses of MGBD. All other Reimburseable Professional Fees, including without limitation the counsel fees of the individual Lenders, shall be accrued but not paid until the Termination Date, at which time, all unreimbursed Reimburseable Professional Fees shall be reimbursed in full to the Credit Parties in immediately available funds by the Obligors.

Section 15. Security. The obligations of the Obligors to pay and perform their respective obligations under the Loan Documents to the Lenders shall continue to be secured by the liens, assignments,

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pledges and security interests described and provided for in the Loan Documents, all of which are hereby ratified and confirmed by the Obligors.

Section 16. Representations and Warranties. Each of the Obligors represents and warrants the following:

Section 16.1. 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 16.2. Authorization. The making and performance of this Agreement by the Obligors will not: (a) violate the respective organizational documents of either of the Obligors; (b) violate any laws or result in a default under any contract, agreement, or instrument to which either of the Obligors is a party or by which either 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 either of the Obligors except in favor of the Credit Parties.

Section 16.3. 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 16.4. 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 16.5. Judgments. There are no outstanding judgments or tax liens against either 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 16.6. Pending Litigation. Except as set forth on Schedule 16.6 attached to the Standstill Agreement and 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 either of the Obligors, or against any of the collateral securing the Loan.

Section 16.7. Existing Liens. The Credit Parties hold 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.

Section 17. Payment Upon Subordinated Obligations. The Borrower acknowledges that it has ceased making payments upon the "Subordinated Obligations" (as defined in a Subordination And Standstill Tri-Party Agreement dated May 31, 2007 by and between the Borrower, Strategic Ashby Ponds Lender LLC and the Agent, 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 18. Notice And Cure Rights. The Obligors hereby waive all notices of default and cure rights relating or pertaining to the Second Forbearance Defaults. The Obligors acknowledge that the Agent and the Lenders shall have no obligation to provide any notice to the Obligors with respect to the Second

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Forbearance Defaults prior to exercising any enforcement rights and remedies and the Obligors shall have no cure rights with respect to the Second Forbearance Defaults. The Obligors further waive during the Forbearance Period all notices of default and any cure rights set forth in the Loan Documents with respect to any other Events of Default.

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 Credit Parties 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 any of the terms of this Agreement or any of the terms of any of the other Project Forbearance Agreements, either to waive or forbear through 12:00 pm September 18, 2009 from exercising their enforcement rights or remedies arising as a result of any existing defaults (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 Lenders.

Section 22. Further Assurances. Each of the Obligors agrees to execute and deliver to the Credit Parties such other documents as may, from time to time, be reasonably requested by the Credit Parties in order to execute upon or enforce the terms and conditions of this Agreement or any of the other Loan Documents.

Section 23. Enforceability. This Agreement shall inure to the benefit of and be enforceable against each of the Parties and their respective successors and assigns.

Section 24. 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 Credit Parties 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 25. Time. Time is of the essence to this Agreement.

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Section 26. Waivers; Course of Conduct. No failure or delay by the Credit Parties 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 Credit Parties 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 or this Agreement, but any such waiver must be specific and in writing to be binding upon the Credit Parties and no such waiver (including the waivers provided by this Agreement) shall constitute, unless specifically so expressed by the Credit Parties in writing, a future waiver of performance or exact performance by the Obligors. No notice to or demand upon either Obligor in any instance shall entitle either Obligor to any other or further notice or demand in the same, similar or other circumstance.

Section 27. 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 either of the Obligors might have or ever had against the Credit Parties. 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 28. **RELEASE. IN ORDER TO INDUCE THE CREDIT PARTIES TO ENTER INTO THIS AGREEMENT, EACH OF THE OBLIGORS FOREVER RELEASES AND DISCHARGES EACH OF THE CREDIT PARTIES AND THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, ATTORNEYS, ADVISORS, AND AGENTS OF EACH OF THE CREDIT PARTIES (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 29. 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 30. 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]

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Signature Page to Second Forbearance Agreement:

IN WITNESS WHEREOF, the undersigned Borrower and Guarantor have executed this Second Forbearance Agreement to be effective as of the above stated Effective Date.

Borrower:

ASHBURN CAMPUS, LLC
a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
Sole Member

By: _____
Name: Adam Kane
Title: Vice President

Guarantor:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Name: Adam Kane
Title: Vice President

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

IN WITNESS WHEREOF, the undersigned Agent has executed this Second Forbearance Agreement to be effective as of the above stated Effective Date.

Agent:

PNC BANK, NATIONAL ASSOCIATION, Acting In Its Capacity As Collateral And Administrative Agent

By: _____
Name: **Wendy M. Andrus**
Title: **Vice President**

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

THE BANK OF GLEN BURNIE

By: _____

Name: Michael G. Livingston

Title: President

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

CAPMARK BANK

By: _____
Name: DENISE KOPROWSKI
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

CHEVY CHASE BANK, A DIVISION OF
CAPITAL ONE, N.A.

By: _____
Name: JERRY SANDERS
Title: SVP

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

CITIZENS BANK OF PENNSYLVANIA

By: Stanley Makaran
Name: Stanley Makaran
Title: S.V.P.

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

TD BANK, NATIONAL ASSOCIATION,
Successor To Commerce Bank

By: _____
Name: Andrea Robnick
Title: Vice President

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

WILMINGTON TRUST FSB

By: _____
Name: KARL J. VAILLANCOURT
Title: VICE PRESIDENT

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY

By: Linda J Weinberg
Name: Linda J Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

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Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

MANUFACTURERS AND TRADERS TRUST COMPANY
Successor by Merger to Provident Bank of Maryland

By: Linda J. Weinberg
Name: Linda J. Weinberg
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

SANDY SPRING BANK

By: _____
Name: Roy S. Lewis
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: Roger Frueauf
Title: Senior Vice President

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

WACHOVIA BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

[Signatures Continued on Next Page]

Capmark - CD#28 - Control ID#1181

Signature Page to Second Forbearance Agreement:

Consent of Lender

The undersigned Lender 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 Agent on its behalf.

PNC BANK, NATIONAL ASSOCIATION, Successor
To Mercantile-Safe Deposit and Trust Company

By: _____
Name: **Wendy M. Andrus**
Title: **Vice President**

Erickson Retirement Communities
Campus: Ashburn Campus/ Ashby Ponds

Exhibit A-1

(In Thousands)	Estimated Week Ended Friday 7/17/2009	Week Ended Friday 7/24/2009	Week Ended Friday 7/31/2009	Week Ended Friday 8/7/2009	Week Ended Friday 8/14/2009	Week Ended Friday 8/21/2009	Week Ended Friday 8/28/2009	Week Ended Friday 9/4/2009	Week Ended Friday 9/11/2009	Week Ended Friday 9/18/2009	Week Ended Friday 9/25/2009	Week Ended Friday 10/2/2009	Week Ended Friday 10/9/2009	Week Ended Friday 10/16/2009	Week Ended Friday 10/23/2009	Total 7/18/09 - 10/23/09
Landowner - Cash Flow																
Total - Settlements	3	3	2	3	4	4	4	4	4	3	2	2	3	2	2	42
Daily Beginning Book Cash Balance	$ 408	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Receipts																
IEDs	$ 2,269	$ -	$ -	$ 1,261	$ -	$ 1,924	$ -	$ 2,199	$ -	$ 2,646	$ -	$ 1,654	$ -	$ 3,106	$ -	12,790
Residents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	2,269	-	-	1,261	-	1,924	-	2,199	-	2,646	-	1,654	-	3,106	-	12,790
Disbursements - Construction Costs																
Direct Costs - Construction	-	2,675	-	-	-	844	-	-	-	-	610	-		-	119	4,248
Professional Fees	-	50	-	-	-	50	-	-	-	-	50	-	-	-	-	150
Indirect - Development Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect - Departmentals (Non-marketing)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Indirect - Departmentals (marketing)	-	256	-	-	-	256	-	-	-	-	256	-	-	-	256	1,024
Net Rent	-	(16)	-	-	-	(16)	-	-	-	-	(16)	-	-	-	(16)	(64)
Other	-	81	-	-	-	81	-	-	-	-	81	-	-	-	81	324
Total Construction Disbursements	-	3,046	-	-	-	1,215	-	-	-	-	981	-	-	-	440	5,682
Net Operating Cash Flow	2,269	(3,046)	-	1,261	-	709	-	2,199	-	2,646	(981)	1,654	-	3,106	(440)	7,107
Disbursements - Financing																
Interest Payments	-	-	-	322	-	-	-	320	-	-	-	307	-	-	-	949
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Disbursements	-	-	-	322	-	-	-	320	-	-	-	307	-	-	-	949
Landowner - Cash Inflow / (Outflow)	2,269	(3,046)	-	939	-	709	-	1,879	-	2,646	(981)	1,347	-	3,106	(440)	6,158
External Funding / (Repayment):																
Banks - Construction Loan	(2,677)	2,725	-	(939)	-	(1,030)	-	(1,879)	-	(2,646)	660	(1,347)	-	(3,106)	119	(7,443)
Erickson	-	321	-	-	-	321	-	-	-	-	321	-	-	-	321	1,284
Total External Funding	(2,677)	3,046	-	(939)	-	(709)	-	(1,879)	-	(2,646)	981	(1,347)	-	(3,106)	440	(6,159)
Daily Ending Cash Balance	$ -	$ (0)	$ -	$ (0)	$ -	$ 0	$ -	$ 0	$ -	$ -	$ (0)	$ (0)	$ -	$ -	$ (0)	$ (1)
Not for Profit - Cash Flow																
Daily Beginning Book Cash Balance	$ 45	$ -	$ 150	$ -	$ -	$ -	$ 508	$ 501	$ 471	$ 180	$ 123	$ 256	$ 141	$ -	$ -	$ -
Receipts																
IEDs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-
Residents	250	350	151	81	81	710	388	311	85	85	510	85	89	89	532	3,548
Total Receipts	250	350	151	81	81	710	388	311	85	85	510	85	89	89	532	3,548
Disbursements - Operating																
Indirect - Purchased Services	169	-	-	169	-	-	-	169	-	-	-	169	-	-	-	508
Direct - Salaries Wages and Benefits	235	-	235	-	235	-	235	-	235	-	235	-	235	-	235	1,645
Indirect - Management Fees	-	-	-	31	-	-	-	31	-	-	-	31	31	-	-	124
Other Expense	200	200	200	209	209	202	159	141	141	141	141	-	142	142	142	2,171
Total Operating Disbursements	604	200	435	409	445	202	395	341	376	141	376	200	408	142	377	4,448
Net Operating Cash Flow	(354)	150	(284)	(329)	(364)	508	(7)	(30)	(292)	(56)	133	(115)	(319)	(53)	155	(903)
Disbursements - Financing																
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Not for Profit - Cash Inflow / (Outflow)	(354)	150	(284)	(329)	(364)	508	(7)	(30)	(292)	(56)	133	(115)	(319)	(53)	155	(903)
External Funding / (Repayment):																
Banks - Construction Loan	310	-	134	329	364	-	-	-	-	-	-	-	178	53	-	1,058
Erickson	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total External Funding	310	-	134	329	364	-	-	-	-	-	-	-	178	53	-	1,058
Ending Book Cash Balance	$ -	$ 150	$ -	$ -	$ -	$ 508	$ 501	$ 471	$ 180	$ 123	$ 256	$ 141	$ -	$ -	$ 155	$ 155

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Ericksen Retirement Communities
Campus: Ashburn Campus/ Ashby Ponds

Exhibit A-2

(In Thousands)	Estimated Week Ended Friday 7/17/2009	Week Ended Friday 7/24/2009	Week Ended Friday 7/31/2009	Week Ended Friday 8/7/2009	Week Ended Friday 8/14/2009	Week Ended Friday 8/21/2009	Week Ended Friday 8/28/2009	Week Ended Friday 9/4/2009	Week Ended Friday 9/11/2009	Week Ended Friday 9/18/2009	Week Ended Friday 9/25/2009	Week Ended Friday 10/2/2009	Week Ended Friday 10/9/2009	Week Ended Friday 10/16/2009	Week Ended Friday 10/23/2009	Total 7/18/09 - 10/23/09
Consolidated Campus - Cash Flow																
Daily Beginning Book Cash Balance	$ 453	$ -	$ 150	$ -	$ -	$ -	$ 508	$ 501	$ 471	$ 180	$ 123	$ 256	$ 141	$ -	$ -	$ -
Receipts																
IEDs	$ 2,269	$ -	$ -	$ 1,267	$ -	$ 1,924	$ -	$ 2,199	$ -	$ 2,848	$ -	$ 1,654	$ -	$ 3,106	$ -	12,780
Residents	250	350	151	81	81	710	388	911	85	85	510	85	89	89	532	3,546
Total Receipts	2,519	350	151	1,341	81	2,635	388	2,811	85	2,731	510	1,738	89	3,195	532	16,325
Disbursements																
Landowner - Construction Outflows	-	3,046	-	-	-	1,215	-	-	-	-	981	-	-	-	440	5,682
NFP - Operating Disbursements	604	200	435	409	445	202	395	341	378	141	376	200	408	142	377	4,448
Total Operating Disbursements	604	3,246	435	409	445	1,417	395	341	378	141	1,358	200	408	142	817	10,130
Net Operating Cash Flow	1,915	(2,896)	(284)	932	(364)	1,217	(7)	2,169	(292)	2,589	(848)	1,538	(319)	3,054	(285)	6,195
Disbursements - Financing																
Interest Expense	-	-	-	322	-	-	-	320	-	-	-	307	-	-	-	949
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Financing Disbursements	-	-	-	322	-	-	-	320	-	-	-	307	-	-	-	949
Net for Profit - Cash Inflow / (Outflow)	1,915	(2,896)	(284)	610	(364)	1,217	(7)	1,849	(292)	2,589	(848)	1,231	(319)	3,054	(285)	5,255
External Funding / (Repayment):																
Banks - Construction Loan	(2,368)	2,725	134	(610)	364	(1,030)	-	(1,879)	-	(2,646)	660	(1,347)	178	(3,054)	119	(6,385)
Erickson	-	321	-	-	-	321	-	-	-	-	321	-	-	-	321	1,284
Total External Funding	(2,368)	3,046	134	(610)	364	(709)	-	(1,879)	-	(2,646)	981	(1,347)	178	(3,054)	440	(5,102)
Ending Book Cash Balance	$ -	$ 150	$ -	$ (0)	$ -	$ 508	$ 501	$ 471	$ 180	$ 123	$ 256	$ 141	$ -	$ -	$ 155	$ 154
Funding																
Bank Funding																
Maximum Loan Amount	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000	$ 125,000
Beginning Loan Balance	69,489	67,121	69,846	69,980	69,370	69,734	68,704	68,704	66,825	66,825	64,179	64,839	63,492	63,670	60,617	67,121
Construction Borrowings - Landowner	-	2,725	-	-	-	-	-	-	-	-	660	-	-	-	119	3,504
Working Capital Borrowings - NFP	310	-	134	329	364	-	-	-	-	-	-	-	178	53	-	1,058
Short Term Funding Recovery	(2,677)	-	-	(939)	-	(1,030)	-	(1,879)	-	(2,646)	-	(1,347)	-	(3,106)	-	(10,947)
Construction Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Borrowings	(2,368)	2,725	134	(610)	364	(1,030)	-	(1,879)	-	(2,646)	660	(1,347)	178	(3,054)	119	(6,385)
Ending Loan Balance	67,121	69,846	69,980	69,370	69,734	68,704	68,704	66,825	66,825	64,179	64,839	63,492	63,670	60,617	60,738	60,736
Erickson Funding																
Erickson Funding Balance, Beginning	$ (982)	$ (982)	$ (661)	$ (661)	$ (661)	$ (661)	$ (340)	$ (340)	$ (340)	$ (340)	$ (340)	$ (19)	$ (19)	$ (19)	$ (19)	$ (982)
Development Costs - Landowner	-	321	-	-	-	321	-	-	-	-	321	-	-	-	321	1,284
Operating Cash - NFP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of Construction Loan Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total ERC Funding / (Repayment)	-	321	-	-	-	321	-	-	-	-	321	-	-	-	321	1,284
Ending Erickson Funding Balance	$ (982)	$ (661)	$ (661)	$ (661)	$ (661)	$ (340)	$ (340)	$ (340)	$ (340)	$ (340)	$ (19)	$ (19)	$ (19)	$ (19)	$ 302	$ 302

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Exhibit A-3

Ashburn Campus ($ in Thousands)	Week Ending 8/14/2009	Week Ending 8/21/2009	Week Ending 9/4/2009	Total
Requested funding from May 2009*	$2,450	-	-	$2,450
Requested funding from June 2009**	2,725	-	-	2,725
Forecasted funding from July 2009	-	844	-	844
Forecasted funding from Aug 2009	-	-	-	-
Interest	322	-	320	642
Professional Fees	-	50	-	50
Approved to be funded during Forbearance Period	**5,497**	**894**	**320**	**6,711**
NFP Funding				
Shortfall 7/31	134	-	-	134
Shortfall 8/7	329	-	-	329
Shortfall 8/14	364	-	-	364
Total Funding	**$6,324**	**$894**	**$320**	**$7,538**

*Funding of 6/26 draw request (May 2009 costs) was delayed until signing of forbearance.
**Funding of 7/24 draw request (June 2009 costs) was delayed until signing of forbearance.

Note: As a result of timing differences between when costs are incurred and funded by draws, some costs incurred prior to the forbearance period will be funded during this period.

Note: There may be timing differences to the funding versus what is shown in the schedule as a results of title issues, however, the dollar amount would not change.

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EXHIBIT 25

"Development Agreement"

Development Agreement

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ASHBY PONDS
DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is effective as of this 31st day of May, 2007 by and between ASHBURN 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 for Owner development services for the certain tract of land, located in Ashburn, Virginia 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 any 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.

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"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 Retirement Community that are under construction as of the date of this Agreement.

"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

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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.

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"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 substantial completion of construction 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 Ashby Ponds, 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), and Care Center 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 the person hired by Developer in accordance with this Agreement to oversee the development of the Project.

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"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.

"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.

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"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.

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;

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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.

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:

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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 2006 Unallocated Annual Expense Forecast, attached hereto as Exhibit E is hereby Approved by Owner as the 2006 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 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

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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.

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).

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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).

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.

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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.

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

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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.

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

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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.

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

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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.

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.

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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 within the Project. 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 desires to replace such Project Manager or Marketing Director, a replacement whose selection is Approved by Owner shall be obtained. In the event that such 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

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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;

(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

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(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 Five Million Dollars ($5,000,000.00) 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

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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:

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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.

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

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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 its 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.

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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, members, 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.

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

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"Development Fee" which shall be an amount equal to five percent (5%) of the Initial Entrance Deposit on each settled Continuing Care Unit.

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.

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.

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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"):

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

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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

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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 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.

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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 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 member 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.

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

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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:	Ashburn 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: Chief Financial Officer
With a copy to:	Erickson Retirement Communities, LLC 701 Maiden Choice Lane 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.

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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

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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.

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

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

WITNESS:

OWNER: ASHBURN CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Sole Member

Cathy M. Thompson

By: _____
Gerald F. Doherty
Executive Vice President

WITNESS:

DEVELOPER: ERICKSON RETIREMENT COMMUNITIES, LLC

Cathy M. Thompson

By: _____
Gerald F. Doherty
Executive Vice President

APPROVED AS TO LEGAL SUFFICIENCY _____

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ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT A
DESCRIPTION OF LAND

Legal descriptions of the parcels constituting the Land are attached hereto.

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Description

All of that certain lot or Parcel of real property, together with all improvements thereon and all rights and benefits thereunto pertaining, situate, lying and being in Loudoun County, Virginia, more particularly described as follows:

Parcel B-1 as shown on that certain plat entitled "Subdivision Waiver Plat of the lands of Edward St. John, LLC and Beaumeade Investors, LLC" recorded among the land records of Loudoun County, Virginia on December 14, 2006 as Instrument No. 20061214-0104156 and being described by metes and bounds as follows:

Commencing at the point of intersection of the northern right of way line of Smith Switch Road ~ Virginia State Route #607 ~ Variable Width Right of Way and the western right of way line of Loudoun County Parkway ~ Variable Width Right of Way ~ Instrument 20040729-0077906;

Thence departing said intersection and with said northern right of way line of Smith Switch Road the following three (3) courses and distance:

Along a curve to the right having a radius of 95.00 feet, an arc length of 22.91 feet, a delta angle of 13°49'09" , a tangent of 11.51 feet, and a chord bearing and distance of S 61°43'16" W 22.86 feet to a point;

Along a curve to the right having a radius of 222.58 feet, an arc length of 66.54 feet, a delta angle of 17°07'40", a tangent of 33.52 feet, and a chord bearing and distance of S 77°11'41" W 66.29 feet to a point;

S 85°45'34" W 834.15 feet to a point, said point being the Point of Beginning;

Thence departing the Point of Beginning and continuing along said northern right of way line of Smith Switch Road the following five (5) courses and distances:

(1) Along a curve to the left having a radius of 2,015.00 feet, an arc length of 98.63 feet, a delta angle of 02°48'16", a tangent of 49.32 feet, and a chord bearing and distance of S 84°21"26" W 98.62 feet to a point;

(2) S 82°56'43" W 285.29 feet to an iron pipe found;

(3) S 81°17'43" W 271.60 feet to a point;

(4) Along a curve to the left having a radius of 2,740.00 feet, an arc length of 301.79 feet, a delta angle of 06°18'39", a tangent of 151.05 feet, and a chord bearing and distance of S 78°08'24" W 301.64 feet to an iron pipe found;

(5) S 74°59'04" W 208.25 feet to a point, said point being on an eastern line of the lands of United States of America ("USA") ~ Deed Book 1157 Page 194;

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Thence departing said northern right of way line of Smith Switch Road and with said lands of "USA" the following four (4) courses and distances:

(6) N 31°22'22" W 1,335.03 feet to a point;

(7) N 58°36'39" E 50.00 feet to an iron pipe found;

(8) N 31°22'22" W 80.00 feet to an iron pipe found;

(9) S 58°37'38" W 80.00 feet to an iron pipe found, said iron pipe found being a corner of the lands of "USA" and on a line of the lands of Ashburn Village Development Corporation ("AVDC") ~ Deed Book 1113 Page 1225 and Deed Book 1115 Page 1 ~ PIN 059-37-2819;

Thence departing said lands of "USA" and with said lands of "AVDC" the following two (2) courses and distances:

(10) N 31°22'21" W 178.95 feet to a stone found;

(11) N 27°30'29" E 2,222.58 feet to a point;

(12) N 11°44'30" W 1,507.50 feet (first with said lands of "AVDC" and then with Parcel A, Section 1, Potomac Green ("Parcel A") ~ Instrument 20050628-0069147) to an iron pipe found, said iron pipe found being a corner of "Parcel A" and the lands of One Loudoun (D.C.) PIP III, LLC ("One") ~ Deed Book 1735 Page 2439 ~ PIN 057-10-2844;

(13) Thence departing said "Parcel A" and with said lands of "One" S 78°43'16" E 1,092.99 feet to a point;

Thence departing said lands of "One" and with Parcel B2, being the lands of Edward St. John, LLC and Beaumeade Investors, LLC, the following fifteen (15) courses and distances:

(14) S 11°03'50" W 899.79 feet to a point;

(15) S 09°21'48" E 839.91 feet to a point;

(16) S 88°48'48" E 222.55 feet to a point;

(17) S 65°54'10" E 262.96 feet to a point;

(18) S 15°52'57" E 640.37 feet to a point;

(19) S 04°35'39" W 1,108.75 feet to a point;

(20) N 88°55'25" W 840.90 feet to a point;

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(21) S 39°42'03" W 214.51 feet to a point;

(22) S 16°12'47" W 543.99 feet to a point;

(23) S 25°01'08" E 33.83 feet to a point;

(24) S 68°59'44" E 47.32 feet to a point;

(25) Along a non-tangent curve to the left having a radius of 1,179.00 feet, an arc length of 244.02 feet, a delta angle of 11°51'31", a tangent of 122.45 feet, and a chord bearing and distance of S 80°55'59" E 243.58 feet to a point;

(26) S 89°16'53" E 243.30 feet to a point;

(27) N 85°16'23" E 277.41 feet to a point;

(28) S 04°43'37" E 94.69 feet to the Point of Beginning and containing 135.5378 Acres.

AND BEING the same property conveyed by Edward St. John LLC, a Delaware limited liability company and Beaumeade Investors LLC, a Maryland limited liability company to Ashburn Campus, LLC a Maryland limited liability company, by Special Warranty Deed dated as of December 15, 2006 and recorded as Instrument No. 20061215-0104677.

AND BEING the same property as described in Chicago Title Insurance Company ALTA Plain English Title Insurance Commitment No. 04-0065 with a revised date of December 19, 2006.

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT B
LIST OF AGREEMENTS FOR CONSTRUCTION OF PROJECT

1. Agreement dated September 18, 2006 between Ashburn Campus, LLC and Marks, Thomas Architects for Architectural Design Services.

2. Agreement dated April 25, 2007 between Ashburn Campus, LLC and Erickson Construction, LLC for Temporary Construction Trailers.

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT C
DEVELOPMENT PLAN

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT AGREEMENT

Exhibit C
Development Plan

		NOTES	Status	
I.	Phase Forecasts	Tab I	Completed	✔
II.	Schedule of Estimated Completion Dates	Tab II	Completed	✔
III.	Schedule of Entrance Deposits	Separate File	Completed	✔
IV.	Phases I Through III Projected Cashflow	Tab IV	Completed	✔
V.	Marketing Proforma	Tab V	Completed	✔
VI.	Site Plan	Separate File	Completed	✔
VII.	Unallocated Expenses Forecast	Tab VII	Completed	✔

May 6, 2005

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Phase Forecasts
Prepared: March 16, 2007

EXHIBIT C
CONSTRUCTION PHASES

Community Building 1.0			53,600	$	215.00	11,524,000	0	11,524,000	391,056	945,000		48,401		345,720	13,194,171		
Transitional Spaces				$	-	400,000	0	400,000		250,000		1,600		4,500	656,100		
Residential Building 1.1	77	77	107,948	$	80.00	8,635,840	1,944,250	10,580,090	755,041	576,611		44,436	1,358,513	317,403	13,635,093	27,130,258	
Residential Building 1.2	77	73	100,320	$	80.00	8,025,600	1,843,250	9,868,850	755,517	459,886		41,448	1,289,783	308,066	12,711,550	25,765,250	
Residential Building 1.3	145	144	199,848	$	80.00	15,851,840	8,988,000	18,267,840	1,402,918	716,806		81,009	2,512,913	578,895	24,594,721	50,256,250	
Residential Building 1.4	76	77	106,072	$	82.40	8,805,193	2,202,078	10,907,716	992,784	460,372		43,512	1,437,288	327,231	13,378,022	26,745,920	
Residential Building 1.5	79	78	108,046	$	82.40	8,901,156	1,859,883	10,441,718	857,588	427,577		43,855	1,400,991	312,262	13,483,990	29,109,210	
Residential Building 1.6	80	76	103,912	$	86.87	8,916,011	2,086,887	10,854,879	997,914	496,878		45,980	1,492,329	326,916	14,094,895	29,845,575	
Community Building 2.0	0	0	61,000	$	229.00	11,632,500	0	11,632,500	327,851	945,000		46,857		348,978	13,903,278	0	
Residential Building 2.1	116	119	161,676	$	84.87	12,872,742	3,027,913	15,899,755	1,185,673	609,824		66,779	2,072,152	476,993	20,315,179	41,443,033	
Residential Building 2.2	55	61	85,464	$	87.42	7,473,011	1,683,073	9,156,084	999,078	315,195		38,466	1,278,435	274,863	11,731,950	25,869,107	
Residential Building 2.3	99	101	137,226	$	87.42	11,996,472	2,786,727	14,783,199	1,012,093	452,094		52,089	1,905,292	443,456	18,888,203	38,105,948	
Residential Building 2.4	102	101	134,700	$	90.04	12,123,388	2,579,328	14,668,717	1,088,529	496,497		62,995	2,003,168	449,982	19,088,797	40,003,152	
Residential Building 2.5	77	76	102,472	$	92.74	9,503,283	3,224,847	11,727,900	769,954	382,205		48,257	1,564,286	351,837	14,894,418	31,255,260	
Residential Building 2.6	76	73	101,476	$	92.74	9,410,994	2,134,852	11,647,779	779,129	490,194		48,500	1,494,991	346,431	14,616,858	29,887,816	
Community Building 3.0	0	0	61,000	$	258.72	15,782,720	0	15,782,720	327,851	945,000		64,599		362,782	14,613,343	0	
Residential Building 3.1	91	87	114,882	$	95.52	10,954,425	2,823,834	13,777,459	925,951	380,475		57,028	1,842,916	407,324	17,191,153	35,858,321	
Residential Building 3.2	126	122	169,884	$	95.52	15,251,105	3,376,278	18,628,382	1,274,248	485,340		78,503	2,530,191	557,982	23,947,585	50,803,821	
Residential Building 3.3	111	110	146,556	$	98.39	14,419,545	3,415,575	17,835,620	1,250,437	692,098		74,810	2,437,968	535,069	22,686,040	48,750,354	
Residential Building 3.4	112	111	148,936	$	101.34	14,890,494	3,550,440	18,440,934	1,187,734	629,361		77,452	2,484,188	553,226	23,322,854	49,682,111	
Residential Building 3.5	72	67	95,546	$	104.39	9,973,306	2,207,350	12,180,650	738,837	397,535		51,150	1,521,445	365,420	16,355,041	32,436,803	
Sitework 1.0	0				$20,850,000.00	0	0	$20,850,000	20,850,000	183,600	68,160	1,995,000	0	1,042,500	24,140,460	0	
Sitework 2.0	0			$	9,428,749.75	0	0	$9,428,749	9,428,749	97,650	72,900	1,422,500		471,437	11,493,436	0	
Sitework 3.0	0			$	5,224,035.19	0	0	$5,224,035	5,224,035	97,650	76,950	1,241,500		611,202	10,951,537	0	
Sitework 4.0	0			$	3,278,191.00	0	0	$3,278,191	3,278,191	97,650	0	729000	13,788	163,909	4,282,708	0	
Sitework 5.0	0			$	-	0	0	$12,000,000	12,000,000	401,300	0	1,853,500	59,400	600,000	14,755,200	0	
Master Planning_	0			$	-	0	0				810,000	622,500	43,900	0	1,774,500	0	
Bridge 1(CB1.0 to RB1.0)	0		87	$	2,668.38	194,191	0	194,191			19,535		916	5,926	211,468	0	
Bridge 2 (RB1.4 to CB1.0)	0		35	$	2,985.39	104,487	0	104,487			9,880		439	3,135	113,950	0	
Bridge 30 (RB1.2 to RB2.1)	0		113	$	3,074.49	347,483	0	347,483			51,485		1,460	10,434	410,831	0	
Bridge 31(CB3.0 to RB3.1)	0		41	$	3,460.82	121,129	0	121,129			15,948		509	3,634	141,219	0	
Bridge 32 (RB3.2 to RB2.6)	0		88	$	3,564.64	313,688	0	313,688			40,098		1,317	9,411	364,511	0	
Bridge 33 (RB3.3 to RB3.2)	0		86	$	3,460.82	304,552	0	304,552			13,971		1,279	9,137	328,939	0	
Bridge 34 (RB3.4 to RB6.0)	0		73	$	3,074.89	230,617	0	230,617			34,173		960	14,691	277,289	0	
Bridge 40 (RB2.1 to CB2.0)	0		30	$	3,074.89	92,247	0	92,247			4,763		387	2,767	100,164	0	
Bridge 50 (RB2.3 to RB2.2)	0		33	$	3,262.15	107,651	0	107,651			5,299		462	8,330	116,672	0	
Bridge 60 (RB2.5 to CB2.0)	0		46	$	3,262.15	150,059	0	150,059			7,394		630	4,502	162,484	0	
Bridge 70 (RB2.4 to CB2.0)	0		34	$	3,262.15	110,913	0	110,913			15,483		468	8,327	120,109	0	
Bridge 80 (RB2.5 to RB2.4)	0		33	$	3,260.02	107,521	0	107,521			6,081		462	3,226	116,278	0	
Bridge 90 (RB3.1 to RB2.1)	0		110	$	3,460.82	380,690	0	380,690			50,120		1,599	11,421	443,830	0	
Chapel 1	0		7,817	$	273.69	2,122,782	0	2,122,782	61,512	256,262			8,918	63,889	2,513,155	0	
Gate House 1	0		0	$	-	200,000	0	200,000	484	30,268			640	10,000	231,554	0	
Maintenance Building 1	0			$	-	500,000	0	500,000	153,055	41,726			2,100	15,000	671,879	0	
Marketing Center 1	0			$	-	1,700,000	0	1,700,000	20,525	88,135	154,009		5,480	65,000	1,833,140	0	
Extended Care 1.0		132	93,000	$	207.62	19,308,660	0	19,308,660	555,016	1,620,000			81,096	579,280	22,079,588	17,953,114	
Extended Care 2.0		96	72,000	$	228.02	16,417,440	0	16,417,440	714,387	1,620,000			98,953	492,023	20,232,910	18,374,534	
	1,585	278	1,644	2,424,979		286,466,696	43,618,309	53,750,965	329,853,696	18,641,298	18,124,618	8,151,009	1,408,513	32,548,582	12,018,518	453,763,984	650,936,891

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
SCHEDULE OF ESTIMATED COMPLETION DATES
PREPARED: MARCH 15, 2007

Project	Constr. Start	Substantially Completed	Ind. Units	RG Units
Community Building 1.0	May-07	May-08		
Transitional Spaces	Sep-09	Sep-10		
Residential Building 1.1	May-07	May-08	77	
Residential Building 1.2	Jun-07	Jun-08	77	
Residential Building 1.3	Aug-07	Aug-08	145	
Residential Building 1.4	Apr-08	Apr-09	78	
Residential Building 1.5	May-08	May-09	79	
Residential Building 1.6	Apr-09	Apr-10	80	
Community Building 2.0	Sep-09	Sep-10	0	
Residential Building 2.1	Sep-09	Sep-10	118	
Residential Building 2.2	Jul-10	Jul-11	65	
Residential Building 2.3	Dec-10	Dec-11	99	
Residential Building 2.4	Aug-11	Aug-12	102	
Residential Building 2.5	Mar-12	Mar-13	77	
Residential Building 2.6	Apr-12	Apr-13	76	
Community Building 3.0	Apr-13	Apr-14	0	
Residential Building 3.1	Apr-13	Apr-14	91	
Residential Building 3.2	Dec-13	Dec-14	126	
Residential Building 3.3	Aug-14	Aug-15	111	
Residential Building 3.4	May-15	May-16	112	
Residential Building 3.5	Jan-16	Jan-17	72	
Sitework 1.0	Feb-07	Jun-10	0	
Sitework 2.0	Aug-09	Apr-13	0	
Sitework 3.0	Apr-13	Jan-16	0	
Bridge 1(CB1.0 to RB1.3)	Oct-07	Aug-08	0	
Bridge 2 (RB1.4 to CB1.0)	Jun-08	Apr-09	0	
Bridge 30 (RB1.3 to RB2.1)	Nov-09	Sep-10	0	
Bridge 31(CB3.0 to RB3.1)	Jun-13	Apr-14	0	
Bridge 32 (RB3.2 to RB2.6)	Feb-14	Dec-14	0	
Bridge 33 (RB3.3 to RB3.2)	Apr-13	Aug-15	0	
Bridge 34 (RB3.4 to RG2.0)	Nov-09	May-16	0	
Bridge 40 (RB2.1 to CB2.0)	Nov-09	Sep-10	0	
Bridge 50 (RB2.3 to RB2.2)	Feb-11	Dec-11	0	
Bridge 60 (RB2.3 to CB2.0)	Feb-11	Dec-11	0	
Bridge 70 (RB2.4 to CB2.0)	Oct-11	Aug-12	0	
Bridge 80 (RB2.5 to RB2.4)	May-12	Mar-13	0	
Bridge 90 (RB3.1 to RB2.1)	Jun-13	Apr-14	0	
Chapel 1	Apr-13	Apr-14	0	
Gate House 1	May-07	May-08	0	
Maintenance Building 1	Apr-13	Apr-14	0	
Marketing Center 1	Feb-07	May-07	0	
Extended Care 1.0	Sep-10	Dec-11		132
Extended Care 2.0	Dec-15	Jan-17		96
		TOTAL UNITS	1,585	228
				1,813

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Entrance Deposits

Phase	# of Units	Amenities $5,000	Entrance Deposits	Inflation Rate*	New Inflated Deposit	Date of First Settlement
Residential Building 1.1	77	96,250	27,034,000	0.0000%	27,130,250	May-08
Residential Building 1.2	77	96,250	25,699,000	0.0000%	25,795,250	Jun-08
Residential Building 1.3	145	181,250	50,077,000	0.0000%	50,258,250	Aug-08
Residential Building 1.4	78	97,500	27,814,000	3.0000%	28,745,920	Apr-09
Residential Building 1.5	79	98,750	27,282,000	3.0000%	28,199,210	May-09
Residential Building 1.6	80	100,000	28,039,000	6.0900%	29,846,575	Apr-10
Residential Building 2.1	118	147,500	38,925,000	6.0900%	41,443,033	Sep-10
Residential Building 2.2	85	81,250	23,325,000	9.2727%	25,569,107	Jul-11
Residential Building 2.3	99	123,750	34,759,000	9.2727%	38,105,848	Dec-11
Residential Building 2.4	102	127,500	35,429,000	12.5509%	40,003,152	Aug-12
Residential Building 2.5	77	96,250	26,904,000	15.9274%	31,265,360	Mar-13
Residential Building 2.6	76	95,000	25,708,000	15.9274%	29,897,618	Apr-13
Residential Building 3.1	91	113,750	30,773,000	19.4052%	36,858,321	Apr-14
Residential Building 3.2	126	157,500	42,248,000	19.4052%	50,603,821	Dec-14
Residential Building 3.3	111	138,750	39,533,000	22.9874%	48,759,354	Aug-15
Residential Building 3.4	112	140,000	39,109,000	26.6770%	49,682,111	May-16
Residential Building 3.5	72	90,000	24,786,000	30.4773%	32,426,803	Jan-17
Extended Care 1.0	132		16,429,642	9.2727%	17,953,114	Dec-11
Extended Care 2.0	96		14,082,560	30.4773%	18,374,534	Jan-17
Total	1,819	1,981,250	577,955,193		650,939,631	

Deposits

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.1
Opening Date May-08

			Base Year 2008 Deposit $	RB 1.1	RB 1.1
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	4	1,044,000
1 BR & DEN	Glenwood	K33.5	261,000	5	1,305,000
2 BR / 1 1/2 B *	Keswick	S41.5	288,000	5	1,440,000
2BR HC		0 S41.5HC	288,000	1	288,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	6	1,866,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B****		0 R51m	361,000	12	4,332,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B****		0 G52m	366,000	4	1,464,000
2 BR / 2B	Somerton	R51	424,000	4	1,696,000
2 BR / 2B	Somerton	R51m	424,000	2	848,000
2 BR / 2B	Stratford	LG51	477,000	12	5,724,000
2 BR / 2B	Wakefield	K71	534,000	3	1,602,000
	Total:			77	27,034,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	27,130,250
Projected Deposits without Amenities (Inflated)			0.00%	77	27,034,000
Total Amenities					96,250
Total Projected Deposits					27,130,250

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.2
Opening Date Jun-08

			Base Year 2008 Deposit $	RB 1.2	RB 1.2
Unit categories:					
1 BR **	Berkshire	R11	201,000	4	804,000
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	6	1,794,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	4	1,244,000
3 BR / 2B***		0 R51m	361,000	15	5,415,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thurmont	H63	477,000	8	3,816,000
	Total:			77	25,899,000
Amenities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	25,795,250
Projected Deposits without Amenities (Inflated)			0.00%	77	25,699,000
Total Amenities					96,250
Total Projected Deposits					25,795,250

RB1.2

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.3
Opening Date Aug-08

			Base Year 2008 Deposit $	RB 1.3	RB 1.3
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	12	2,652,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
Large 1 BR	(K33.5sirs)	C11.5	238,000	4	952,000
1 BR & DEN	Galloway	K31.5	261,000	7	1,827,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	10	2,860,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	7	2,093,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	11	3,421,000
3 BR / 2B****		0 R51m	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B****		0 G52m	386,000	4	1,464,000
2 BR / 2B**		0 J5	335,000	3	1,005,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	12	5,088,000
2 BR / 2B	Stratford	LG61	477,000	5	2,385,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	12	6,408,000
	Total:			145	50,077,000
Amentities					
		25% of Units * $5,000		25%	181,250
				145	181,250
Total with Amenities				145	50,258,250
Projected Deposits without Amenities (Inflated)			0.00%	145	50,077,000
Total Amenities					181,250
Total Projected Deposits					50,258,250

RB1.3

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.4
Opening Date Apr-09

				Base Year 2006 Deposit $	RB 1.4	RB 1.4
Unit categories:						
1 BR **	Berkshire	R11		201,000	1	201,000
Large 1 BR	Chadwick	R21		221,000	3	663,000
Large 1 BR	Carlisle	S21		231,000	2	462,000
Large 1 BR		0	S21m	231,000	1	231,000
1 BR & DEN	Galloway	K31.5		261,000	3	783,000
1 BR & DEN	Glenwood	K33.5		261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5		286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5		299,000	1	299,000
2 BR / 1 1/2 B *	McKinley	R42.5		311,000	3	933,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook	R41.5		311,000	4	1,244,000
2 BR / 2B****		0	R51m	361,000	12	4,332,000
2 BR / 2B	Radcliffe	G52		361,000	11	3,971,000
2 BR / 2B	Somerton	R51		424,000	8	3,392,000
2 BR / 2B	Stratford	LG61		477,000	11	5,247,000
2 BR / 2B	Wakefield	K71		534,000	4	2,136,000
	Total:				78	27,814,000
Amenities						
		25% of Units * $5,000			25%	97,500
					78	97,500
Total with Amenities					78	27,911,500
Projected Deposits without Amenities (Inflated)				3.00%	78	28,648,420
Total Amenities						97,500
Total Projected Deposits						28,745,920

RB1.4

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.5
Opening Date May-09

			Base Year 2009 Deposit $	RB 1.5	RB 1.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	4	1,144,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	18	5,598,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	1	302,000
3 BR / 2B****		0 R51m	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	408,000	4	1,924,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
	Total:			79	27,282,000
Amenities					
		25% of Units * $5,000		25%	98,750
Total with Amenities				79	27,380,750
Projected Deposits without Amenities (Inflated)			3.00%	79	28,100,460
Total Amenities					98,750
Total Projected Deposits					28,199,210

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.6
Opening Date Apr-10

			Base Year 2008 Deposit $	RB 1.6	RB 1.6
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	5	1,105,000
Large 1 BR	Crofton	LG21	224,000	0	0
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR	0	S21m	231,000	0	0
Large 1 BR	(K33.5sim)	C11.5	238,000	3	714,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC	0	S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****	0	R42.5m	302,000	2	604,000
3 BR / 2B****	0	R51m	361,000	16	5,776,000
2 BR / 2B	Plymouth	G51	338,000	0	0
2 BR / 2B	Radcliffe	G52	361,000	8	2,888,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Stratford	LG61	477,000	12	5,724,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			80	28,039,000
Amentities					
		25% of Units * $5,000		25%	100,000
				80	100,000
Total with Amenities				80	28,139,000
Projected Deposits without Amenities (Inflated)			6.09%	80	29,746,575
Total Amenities					100,000
Total Projected Deposits					29,846,575

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.1
Opening Date Sep-10

				Base Year 2008 Deposit $	RB 2.1	RB 2.1
Unit categories:						
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	12	2,652,000
Large 1 BR	Carlisle		S21	231,000	3	693,000
Large 1 BR	(K33.5slm)		C11.5	238,000	1	238,000
1 BR & DEN	Galloway		K31.5	261,000	7	1,827,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	17	5,287,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	3	906,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	7	2,177,000
2 BR / 2B	Pendleton		R51	361,000	16	5,776,000
2 BR / 2B	Plymouth		G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe		G52	361,000	5	1,805,000
2 BR / 2B**		0	J5	335,000	2	670,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	4	1,696,000
2 BR / 2B	Stratford		LG61	477,000	5	2,385,000
2 BR / 2B***		0	H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				118	38,925,000
Amenities						
		25% of Units * $5,000			25%	147,500
					118	147,500
Total with Amenities					118	39,072,500
Projected Deposits without Amenities (Inflated)				6.09%	118	41,295,533
Total Amenities						147,500
Total Projected Deposits						41,443,033

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.2
Opening Date Jul-11

				Base Year 2008 Deposit $	RB 2.2	RB 2.2
Unit categories:						
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Crofton		LG21	224,000	0	0
Large 1 BR	Carlisle		S21	231,000	1	231,000
1 BR & DEN	Glenwood		K33.5	261,000	1	261,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	2	572,000
2BR HC		0	S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	6	1,794,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton		R51	361,000	12	4,332,000
2 BR / 2B	Plymouth		G51	338,000	8	2,028,000
2 BR / 2B	Somerton		R61	424,000	4	1,696,000
2 BR / 2B	Somerton		R61m	424,000	0	0
2 BR / 2B	Stratford		LG61	477,000	4	1,908,000
2 BR / 2B	Thurmont		H63	477,000	0	0
3 BR / 2B****		0	H63m	477,000	8	3,816,000
2 BR / 2B	Wakefield		K71	534,000	3	1,602,000
	Total:				65	23,325,000
Amentities						
			25% of Units * $5,000		25%	81,250
					65	81,250
Total with Amenities					65	23,406,250
Projected Deposits without Amenities (Inflated)				9.27%	65	25,487,857
Total Amenities						81,250
Total Projected Deposits						25,569,107

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.3
Opening Date Dec-11

				Base Year 2008 Deposit $	RB 2.3	RB 2.3
Unit categories:						
Large 1 BR	Chadwick		R21	221,000	4	884,000
Large 1 BR	Carlisle		S21	231,000	2	462,000
Large 1 BR		0	S21m	231,000	1	231,000
1 BR & DEN	Galloway		K31.5	261,000	4	1,044,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	288,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth		LG41.5	299,000	1	299,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	8	2,488,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	2	622,000
2 BR / 2B	Pendleton		R51	351,000	16	5,776,000
2 BR / 2B	Plymouth		G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe		G52	361,000	7	2,527,000
2 BR / 2B***		0	J5	335,000	1	335,000
2 BR / 2B	Sutton		K61	406,000	4	1,624,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	7	3,339,000
2 BR / 2B	Thornbury		H61	483,000	4	1,932,000
2 BR / 2B	Wakefield		K71	534,000	4	2,136,000
	Total:				99	34,759,000
Amenities						
			25% of Units * $5,000		25%	123,750
					99	123,750
Total with Amenities					99	34,882,750
Projected Deposits without Amenities (Inflated)				9.27%	99	37,982,098
Total Amenities						123,750
Total Projected Deposits						38,105,848

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.4
Opening Date Aug-12

			Base Year 2008 Deposit $	RB 2.4	RB 2.4
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
1 BR & DEN	Galloway	K31.5	261,000	7	1,827,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC	0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	12	3,732,000
2 BR / 1 1/2 B ****	0	R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	14	4,732,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	8	3,248,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B***	0	H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			102	35,429,000
Amentities					
		25% of Units * $5,000		25%	127,500
				102	127,500
Total with Amenities				102	35,556,500
Projected Deposits without Amenities (Inflated)			12.55%	102	39,875,652
Total Amenities					127,500
Total Projected Deposits					40,003,152

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.5
Opening Date Mar-13

			Base Year 2008 Deposit $	RB 2.5	RB 2.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	3	663,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	12	3,732,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	4	1,208,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	1	311,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Radcliffe	G52	361,000	8	2,888,000
2 BR / 2B	Somerton	R61	424,000	9	3,816,000
2 BR / 2B	Stratford	LG61	477,000	8	3,816,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
	Total:			77	26,904,000
Amentities					
		25% of Units * $5,000		25%	96,250
				77	96,250
Total with Amenities				77	27,000,250
Projected Deposits without Amenities (Inflated)			15.93%	77	31,189,110
Total Amenities					96,250
Total Projected Deposits					31,285,360

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.6
Opening Date Apr-13

			Base Year 2008 Deposit $	RB 2.6	RB 2.6
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	8	2,288,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	6	1,866,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	8	2,888,000
2 BR / 2B	Radcliffe	G52	361,000	5	1,805,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	5	2,385,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			76	25,708,000
Amenities					
		25% of Units * $5,000		25%	95,000
				76	95,000
Total with Amenities				76	25,803,000
Projected Deposits without Amenities (Inflated)			15.93%	76	29,802,618
Total Amenities					95,000
Total Projected Deposits					29,897,618

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.1
Opening Date Apr-14

			Base Year 2008 Deposit $	RB 3.1	RB 3.1
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	9	1,989,000
Large 1 BR	Crofton	LG21	224,000	1	224,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
Large 1 BR	(K33.5slm)	C11.5	238,000	3	714,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	2	598,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	13	4,043,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	2	604,000
2 BR / 2B	Pendleton	R51	361,000	16	5,776,000
2 BR / 2B	Plymouth	G51	338,000	6	2,028,000
2 BR / 2B	Radcliffe	G52	361,000	3	1,083,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	12	5,088,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
	Total:			91	30,773,000
Amenities					
		25% of Units * $5,000		25%	113,750
				91	113,750
Total with Amenities				91	30,886,750
Projected Deposits without Amenities (inflated)			19.41%	91	36,744,571
Total Amenities					113,750
Total Projected Deposits					36,858,321

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.2
Opening Date Dec-14

				Base Year 2008 Deposit $	RB 3.2	RB 3.2
Unit categories:						
1 BR **	Berkshire		R11	201,000	3	603,000
1BR HC		0	R11HC	201,000	1	201,000
Large 1 BR	Chadwick		R21	221,000	8	1,768,000
Large 1 BR	Crofton		LG21	224,000	1	224,000
Large 1 BR	Carlisle		S21	231,000	3	693,000
1 BR & DEN	Galloway		K31.5	261,000	11	2,871,000
1 BR & DEN	Glenwood		K33.5	261,000	4	1,044,000
1BR & DEN***		0	E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick		S41.5	286,000	7	2,002,000
2BR HC		0	S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley		R42.5	311,000	10	3,110,000
2 BR / 1 1/2 B ****		0	R42.5m	302,000	2	604,000
2 BR / 1 1/2 B *	Millbrook		R41.5	311,000	8	2,488,000
2 BR / 2B	Pendleton		R51	361,000	20	7,220,000
2 BR / 2B	Radcliffe		G52	361,000	7	2,527,000
2 BR / 2B****		0	G52m	366,000	4	1,464,000
2 BR / 2B	Sutton		K61	406,000	8	3,248,000
2 BR / 2B	Somerton		R61	424,000	8	3,392,000
2 BR / 2B	Stratford		LG61	477,000	12	5,724,000
2 BR / 2B***		0	H61m	483,000	3	1,449,000
	Total:				126	42,248,000
Amenities						
			25% of Units * $5,000		25%	157,500
					126	157,500
Total with Amenities					126	42,405,500
Projected Deposits without Amenities (Inflated)				19.41%	126	50,446,321
Total Amenities						157,500
Total Projected Deposits						**50,603,821**

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.3
Opening Date Aug-15

			Base Year 2008 Deposit $	RB 3.3	RB 3.3
Unit categories:					
1BR HC		0 R11HC	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	1	231,000
Large 1 BR		0 S21m	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	6	1,566,000
1 BR & DEN	Glenwood	K33.5	261,000	4	1,044,000
1BR & DEN***		0 E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	11	3,421,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	1	302,000
2 BR / 2B	Pendleton	R51	361,000	24	8,664,000
2 BR / 2B	Radcliffe	G52	361,000	12	4,332,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	8	3,392,000
2 BR / 2B	Stratford	LG61	477,000	12	5,724,000
2 BR / 2B***		0 H61m	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			111	39,533,000
Amentities					
		25% of Units * $5,000		25%	138,750
				111	138,750
Total with Amenities				111	39,671,750
Projected Deposits without Amenities (Inflated)			22.99%	111	48,620,604
Total Amenities					138,750
Total Projected Deposits					48,759,354

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.4
Opening Date May-16

			Base Year 2008 Deposit $	RB 3.4	RB 3.4
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	3	693,000
Large 1 BR	(K33.5sim)	C11.5	238,000	1	238,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	7	2,002,000
2BR HC		0 S41.5HC	286,000	2	572,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	19	5,909,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	1	302,000
2 BR / 1 1/2 B *	Millbrook	R41.5	311,000	7	2,177,000
2 BR / 2B	Pendleton	R51	361,000	20	7,220,000
2 BR / 2B	Plymouth	G51	338,000	12	4,056,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Somerton	R61	424,000	4	1,696,000
2 BR / 2B	Stratford	LG61	477,000	4	1,908,000
2 BR / 2B	Thornbury	H61	483,000	4	1,932,000
2 BR / 2B	Wakefield	K71	534,000	8	4,272,000
	Total:			112	39,109,000
Amentities					
		25% of Units * $5,000		25%	140,000
				112	140,000
Total with Amenities				112	39,249,000
Projected Deposits without Amenities (Inflated)			26.68%	112	49,542,111
Total Amenities					140,000
Total Projected Deposits					49,682,111

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.5
Opening Date Jan-17

			Base Year 2008 Deposit $	RB 3.5	RB 3.5
Unit categories:					
1 BR **	Berkshire	R11	201,000	1	201,000
Large 1 BR	Chadwick	R21	221,000	4	884,000
Large 1 BR	Carlisle	S21	231,000	2	462,000
1 BR & DEN	Galloway	K31.5	261,000	3	783,000
1BR & DEN***		0 E1m	261,000	4	1,044,000
2 BR / 1 1/2 B *	Keswick	S41.5	286,000	5	1,430,000
2BR HC		0 S41.5HC	286,000	1	286,000
2 BR / 1 1/2 B *	Kenilworth	LG41.5	299,000	4	1,196,000
2 BR / 1 1/2 B *	Mckinley	R42.5	311,000	3	933,000
2 BR / 1 1/2 B ****		0 R42.5m	302,000	5	1,510,000
2 BR / 2B	Pendleton	R51	361,000	12	4,332,000
2 BR / 2B	Plymouth	G51	338,000	8	2,704,000
2 BR / 2B	Radcliffe	G52	361,000	4	1,444,000
2 BR / 2B	Sutton	K61	406,000	4	1,624,000
2 BR / 2B	Stratford	LG61	477,000	8	3,816,000
2 BR / 2B	Wakefield	K71	534,000	4	2,136,000
	Total:			72	24,785,000
Amentities					
		25% of Units * $5,000		25%	90,000
				72	90,000
Total with Amenities				72	24,875,000
Projected Deposits without Amenities (Inflated)			30.48%	72	32,338,803
Total Amenities					90,000
Total Projected Deposits					**32,428,803**

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN: PHASE I, II, III PROJECTED CASH FLOW

	PHASE I	PHASE II	PHASE III	Total
Sources				
Net Rent	494,338	3,918,263	17,729,661	22,142,262
Deposits	189,975,455	224,257,232	236,706,944	650,939,631
Total Inflow of Cash	190,469,793	228,175,495	254,436,605	673,081,893
Costs:				
Hard Costs	118,113,765	123,077,404	122,671,699	363,862,868
Soft Costs:				
Architecture	5,027,413	5,627,151	5,470,053	16,124,618
Engineering	4,758,000	2,151,500	1,241,500	8,151,000
Fees & Permits	6,382,512	6,643,928	6,614,858	19,641,298
Builders Risk	450,508	477,324	480,680	1,408,512
Departmental	16,522,779	15,151,114	21,937,271	55,611,164
Total Hard & Soft Costs	153,254,977	153,126,421	158,416,062	464,799,459
Land and Related Expenses	25,835,548	-	-	25,835,548
Development Fees	9,498,773	11,212,662	11,835,347	32,546,982
Return on Preferred Equity (18%)	21,000,000	14,000,000	(17,500,000)	17,500,000
Interest on Construction Loans/ERC Loans	20,104,820	25,564,759	18,285,972	63,955,551
Financing Costs	1,450,855	328,000	412,000	2,190,855
Property Taxes	348,357	321,911	137,962	808,229
Capital expenditures			-	0
Marketing Center FF&E Cost	738,919	375,000	500,000	1,613,919
Working Capital Loan	13,303,743	14,447,758	(12,716,772)	15,034,729
Repayment of Working Capital Loan	-	-	-	0
Contingency	4,230,413	3,938,961	3,849,244	12,018,618
Out Side Legal Expenses	776,740	370,000	430,000	1,576,740
Total Other Development Costs	97,288,168	70,559,250	5,233,753	173,081,171
Total Costs	250,543,144	223,687,671	163,649,815	637,880,630
Net Cash (Deficit)	(60,073,351)	4,487,824	90,786,790	35,201,263
Cumulative Cash	(60,073,351)	4,487,824	95,274,614	35,201,263
Equity Partner	22,000,000		-	
Construction Loan	38,073,351			

Assumptions

(1) Phases

Phase I - consists of MAPL, MC10, CB10, Offsite, SW10, GH10, RB11 through RB 16, BR10 and BR20.
Phase II - consists of SW20, SW40, CB 20, RB21 through RB 26, BR30 - BR80, RG 10 (ECC1)
Phase III - consists of SW30, CB 30, RB 31 through RB 35, RG 20 (ECC2), Chapel, MB1.0 and BR90, BR31, BR32, BR33, BR34.

(2) Costs / Net Rent

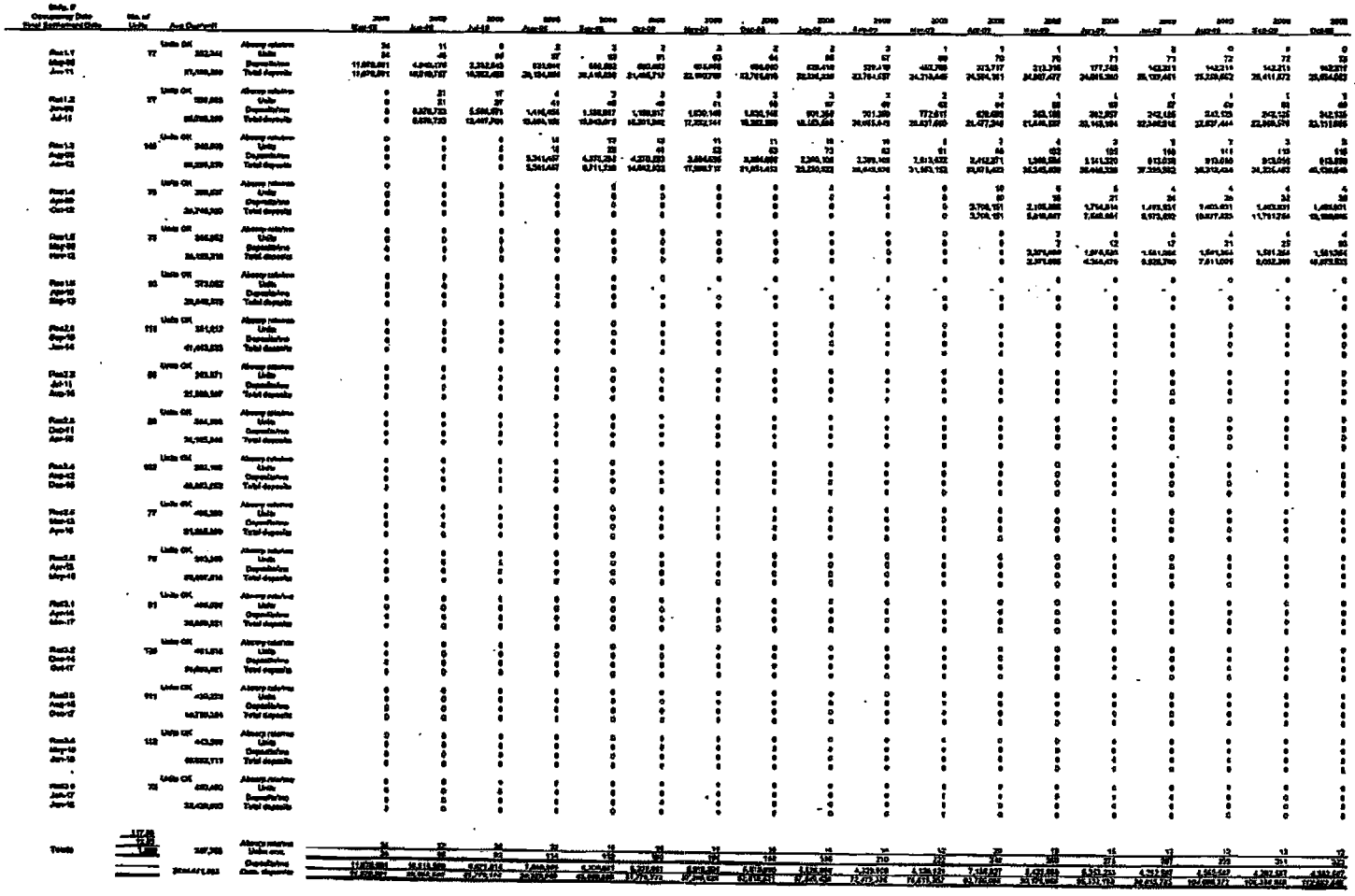
All costs are allocated based on the projected construction completion for the last Residential Building in each neighborhood.
Phase I - May 2010
Phase II - June 2013
Phase III - December 2018

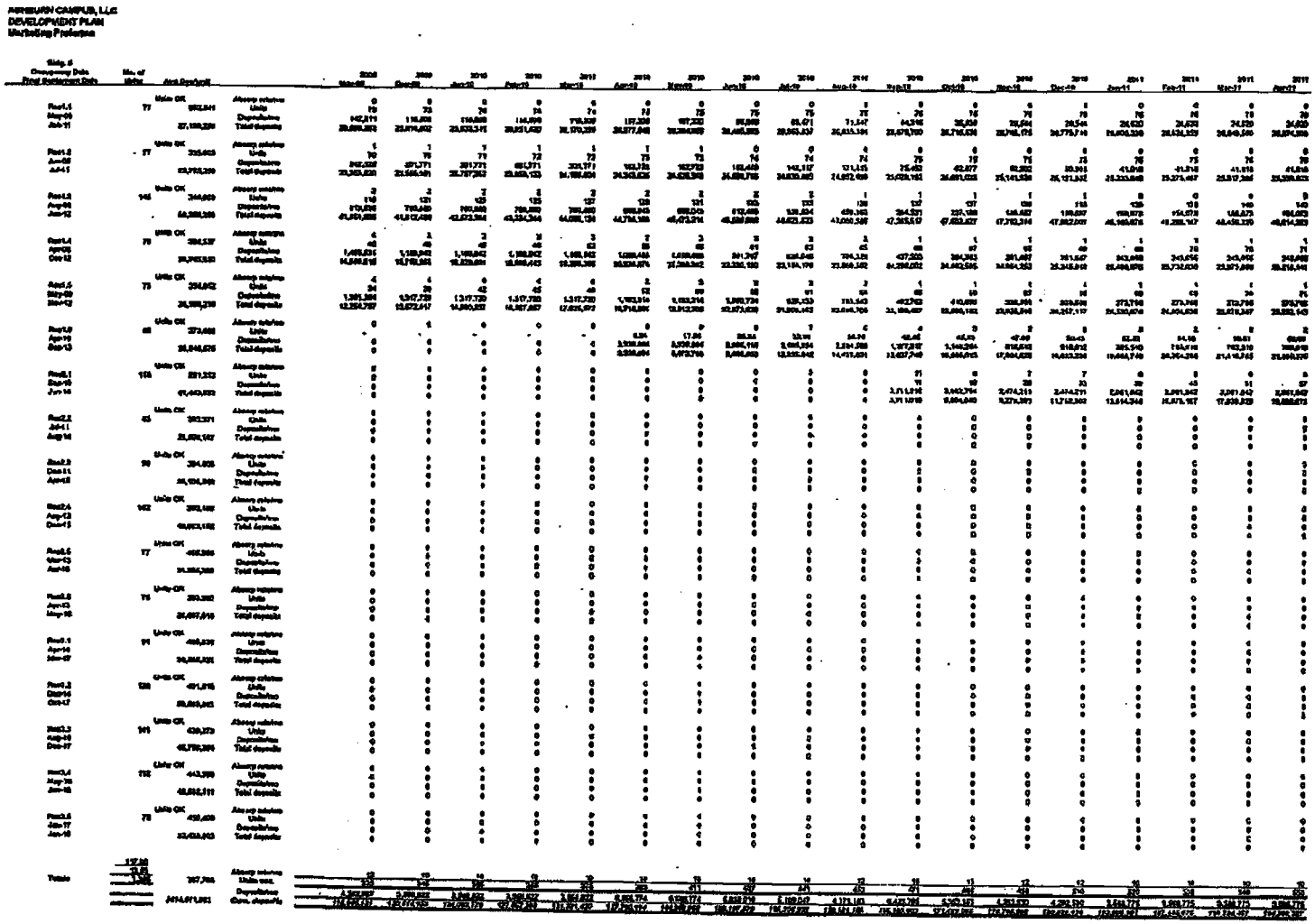
(3) Entrance Deposits

Each phase total includes all deposits received up until the final deposit for each Residential Building in a neighborhood.

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Marketing Proforma



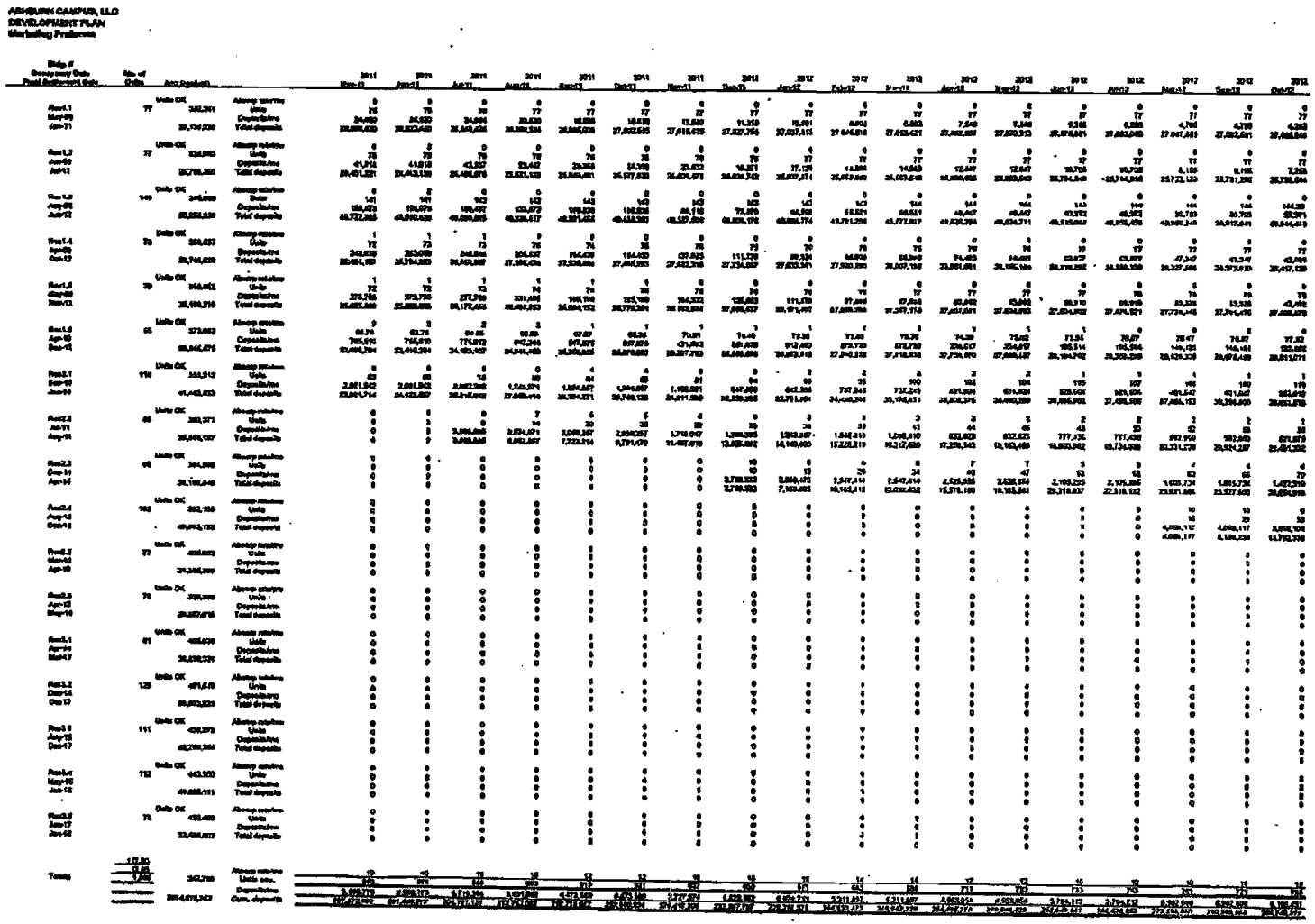


ARTBURN CAMPUS, LLC
DEVELOPMENT PLAN
Marketing Packages

Capmark - CD#28 - Control ID#1181

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Marketing Prelease



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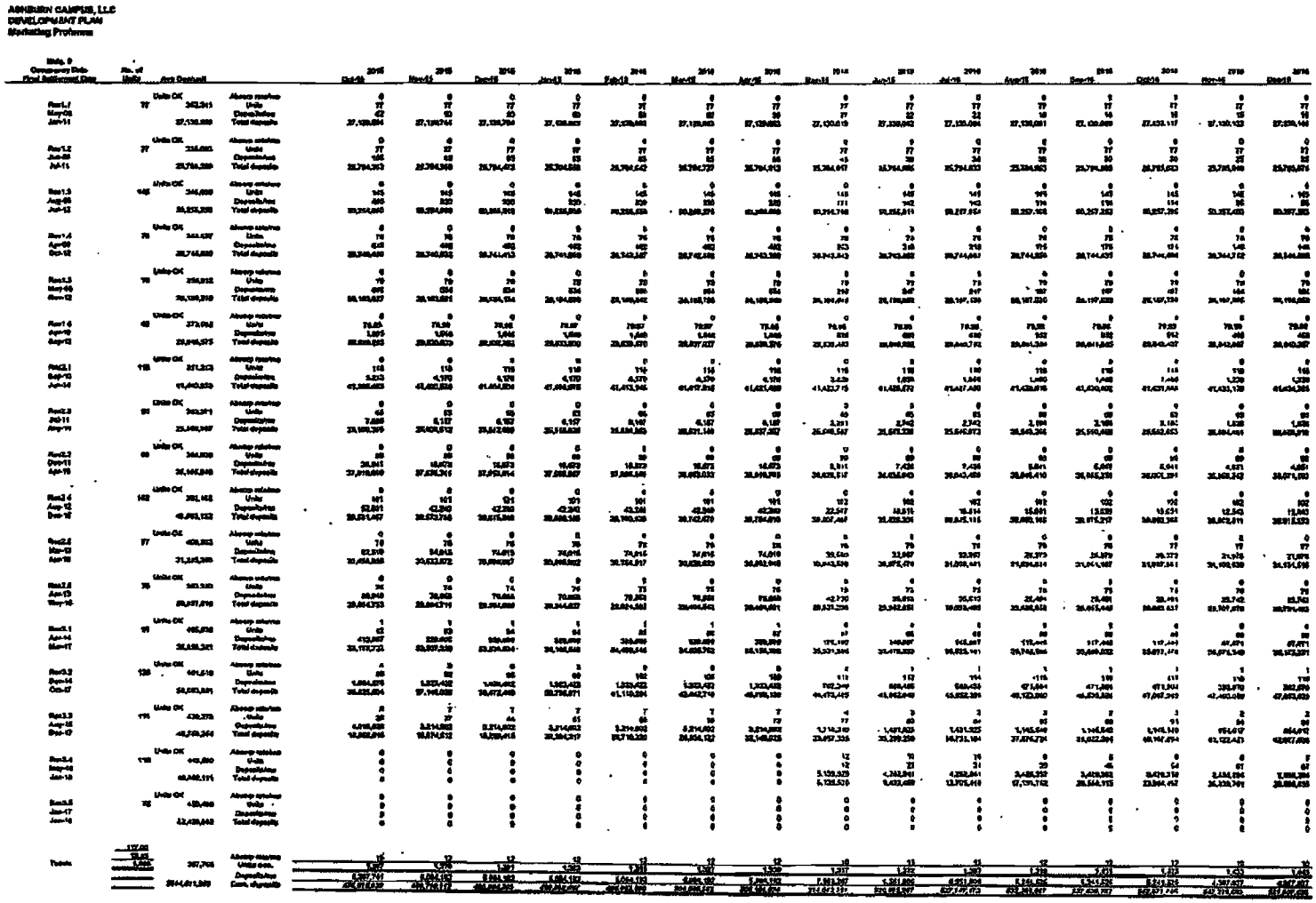
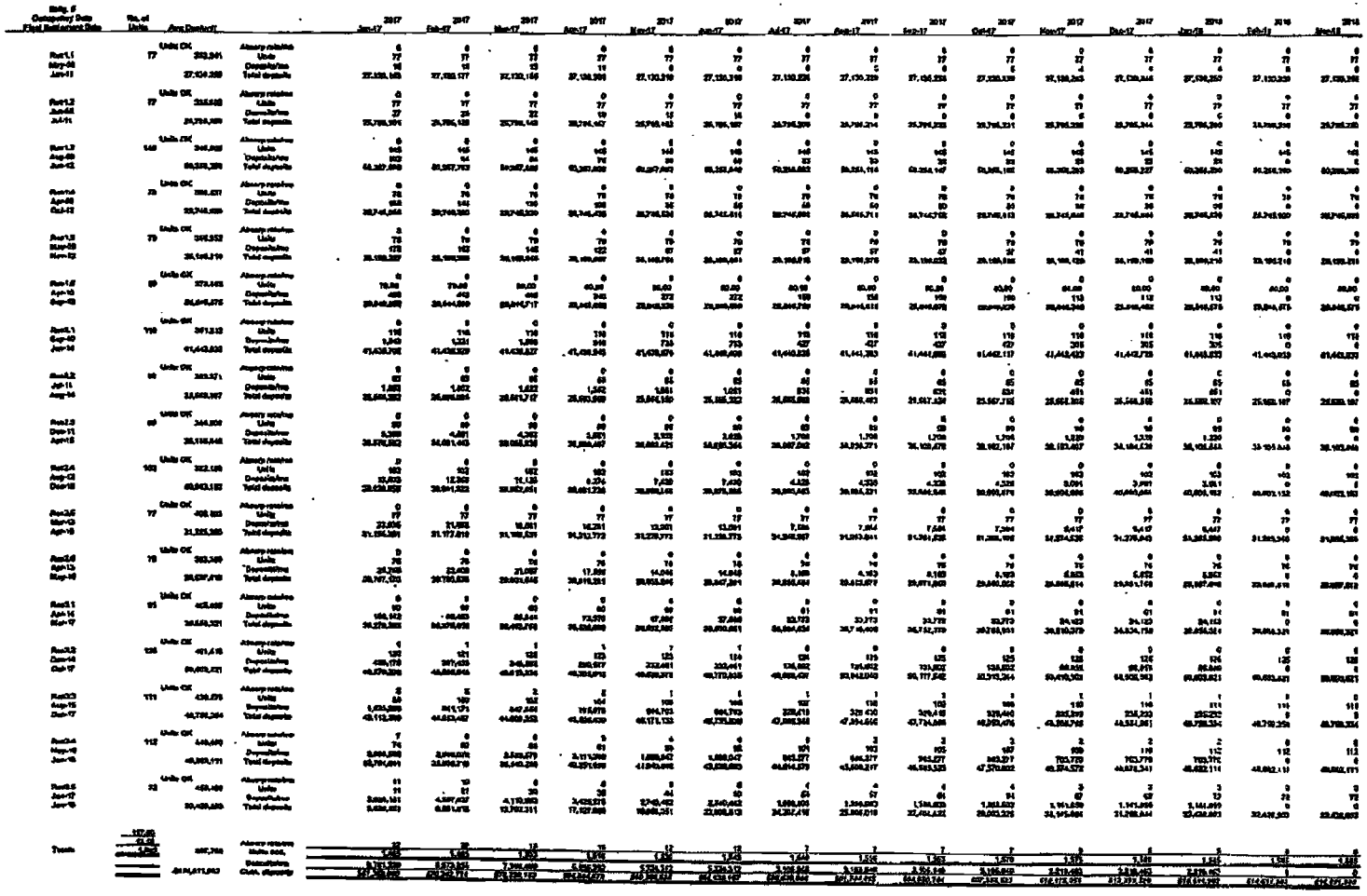


ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Marketing Proforma

Bldg. # / Occupancy Date / Final Settlement Date	No. of Units	Avg Deposit		2015 Oct-15	2015 Nov-15	2015 Dec-15	2016 Jan-16	2016 Feb-16	2016 Mar-16	2016 Apr-16	2016 May-16	2016 Jun-16	2016 Jul-16	2016 Aug-16	2016 Sep-16	2016 Oct-16	2016 Nov-16	2016 Dec-16
Rec1.1	77	362,341	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
May-08			Deposits/ins	42	50	50	50	50	50	50	77	22	22	18	18	18	18	18
Jan-11		27,130,000	Total deposits	27,130,004	27,130,744	27,130,794	27,130,803	27,130,803	27,130,803	27,130,803	27,130,819	27,130,842	27,130,864	27,130,881	27,130,899	27,130,917	27,130,933	27,130,948
Rec1.2	77	336,000	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Jun-08			Deposits/ins	105	65	65	65	65	65	65	45	30	34	30	30	30	25	25
Jul-11		25,784,280	Total deposits	25,784,383	25,784,383	25,784,473	25,784,538	25,784,542	25,784,727	25,784,913	25,784,917	25,784,986	25,784,933	25,784,953	25,784,988	25,785,023	25,785,048	25,785,074
Rec1.3	145	346,000	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	145	145	145	145	145	145	145	145	145	145	145	145	145	145	145
Aug-08			Deposits/ins	400	320	320	320	320	320	320	171	142	142	174	174	174	96	96
Jun-12		50,255,000	Total deposits	50,254,000	50,254,000	50,255,000	50,255,000	50,255,000	50,255,000	50,255,000	50,254,746	50,255,011	50,257,054	50,257,302	50,257,282	50,257,286	50,257,403	50,257,385
Rec1.4	78	344,537	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
Apr-09			Deposits/ins	402	402	402	402	402	402	402	323	318	318	315	315	314	146	146
Oct-12		26,744,000	Total deposits	26,740,000	26,740,032	26,741,413	26,741,000	26,742,187	26,742,188	26,743,300	26,743,343	26,743,402	26,744,667	26,744,850	26,744,635	26,744,884	26,744,712	26,744,888
Rec1.5	78	356,912	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
May-09			Deposits/ins	604	604	604	604	604	604	604	210	247	247	197	197	197	164	164
Nov-12		28,100,000	Total deposits	28,100,027	28,100,031	28,100,034	28,100,000	28,100,042	28,100,106	28,100,000	28,100,014	28,100,000	28,107,130	28,107,030	28,107,030	28,107,130	28,107,086	28,108,000
Rec1.6	42	373,000	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00
Apr-10			Deposits/ins	1,005	1,046	1,046	1,046	1,046	1,046	1,046	818	600	600	502	502	502	400	400
Sep-12		29,046,575	Total deposits	29,030,000	29,030,000	29,032,000	29,033,000	29,039,000	29,037,027	29,039,376	29,039,483	29,040,000	29,040,712	29,041,000	29,041,000	29,040,437	29,042,000	29,040,207
Rec2.1	118	351,213	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	118	118	118	118	118	118	118	118	118	118	118	118	118	118	118
Sep-10			Deposits/ins	5,213	4,170	4,170	4,170	4,170	4,170	4,170	3,629	1,050	1,050	1,050	1,050	1,050	1,220	1,220
Jun-14		41,400,000	Total deposits	41,400,000	41,400,000	41,404,000	41,404,000	41,413,946	41,417,016	41,421,400	41,423,715	41,425,770	41,427,400	41,430,000	41,430,000	41,431,000	41,433,170	41,434,000
Rec2.2	94	363,371	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Jul-11			Deposits/ins	7,000	6,157	6,157	6,157	6,157	6,157	6,157	3,201	2,742	2,742	2,104	2,104	2,104	1,820	1,820
Aug-11		25,100,000	Total deposits	25,100,000	25,100,000	25,112,000	25,118,000	25,130,000	25,131,140	25,137,307	25,040,547	25,043,330	25,046,072	25,049,366	25,050,400	25,052,653	25,054,461	25,055,010
Rec2.3	60	344,000	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60
Dec-11			Deposits/ins	26,041	18,673	18,673	18,673	18,673	18,673	18,673	3,011	7,436	7,436	5,041	5,041	5,041	4,021	4,021
Apr-15		36,105,000	Total deposits	37,010,000	37,036,341	37,053,014	37,058,007	37,066,500	38,069,032	38,010,703	38,028,517	38,035,940	38,043,400	38,046,410	38,045,230	38,050,291	38,060,242	38,071,103
Rec2.4	102	381,162	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	101	101	101	101	101	101	101	102	102	102	102	102	102	102	102
Aug-12			Deposits/ins	52,801	42,200	42,200	42,200	43,200	43,200	43,200	22,547	18,515	18,514	15,601	13,030	13,631	12,543	12,543
Dec-16		40,003,132	Total deposits	39,531,467	39,573,746	39,615,000	39,660,165	39,700,630	39,742,470	39,784,010	39,807,460	39,828,324	39,845,115	39,860,165	39,875,217	39,890,368	39,902,911	39,915,533
Rec2.5	77	408,353	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	76	76	76	76	76	76	76	76	76	76	76	76	77	77	77
May-13			Deposits/ins	82,510	74,015	74,015	74,015	74,015	74,015	74,010	39,580	32,907	32,907	28,373	28,373	28,373	21,915	21,915
Apr-18		31,315,000	Total deposits	30,458,000	30,532,072	30,606,087	30,668,002	30,754,017	30,828,033	30,892,040	30,943,520	30,975,470	31,008,401	31,034,814	31,064,187	31,097,341	31,100,030	31,131,010
Rec2.6	78	383,000	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	74	74	74	74	73	73	73	73	73	73	73	73	73	73	73
Apr-13			Deposits/ins	80,040	70,000	70,000	70,000	70,000	70,000	70,000	42,730	35,013	35,013	28,404	28,404	28,404	23,742	23,742
May-16		30,037,010	Total deposits	29,014,733	29,004,711	29,004,000	29,044,027	29,024,000	29,004,042	29,004,001	29,033,230	29,042,051	30,003,400	30,000,000	30,005,040	30,003,037	30,007,070	30,070,000
Rec2.1	91	405,000	Above returns	1	1	1	1	1	1	1	0	0	0	0	0	0	0	0
			Units	62	63	64	64	65	65	67	67	68	68	68	68	68	68	68
Apr-14			Deposits/ins	413,007	320,000	320,000	320,000	320,000	320,000	320,000	172,100	140,007	140,007	112,000	117,000	117,000	67,071	67,071
Mar-17		36,038,321	Total deposits	33,173,733	33,007,330	33,034,034	34,100,000	34,400,546	34,600,762	35,130,000	35,031,304	35,478,000	36,025,141	36,048,000	36,049,032	36,077,474	36,075,540	36,073,221
Rec2.2	120	401,510	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	88	88	88	88	102	105	109	111	112	114	116	119	111	110	110
Dec-14			Deposits/ins	1,004,270	1,323,402	1,320,402	1,323,402	1,323,402	1,323,402	1,323,402	702,349	600,400	600,400	471,004	471,000	471,000	393,070	392,070
Oct-17		50,003,001	Total deposits	36,025,004	37,140,000	38,472,400	38,730,071	41,110,204	43,442,740	45,700,100	44,473,445	45,962,040	45,952,304	46,723,000	46,830,000	47,007,343	47,400,000	47,003,000
Rec2.3	111	430,273	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	38	37	44	61	68	69	72	77	80	80	92	88	91	94	94
Aug-15			Deposits/ins	4,010,000	3,214,002	3,214,002	3,214,002	3,214,002	3,214,002	3,214,002	1,114,310	1,421,023	1,421,023	1,145,540	1,145,540	1,145,540	954,017	954,017
Dec-17		48,730,264	Total deposits	42,002,016	38,074,012	38,200,416	38,304,217	38,710,220	38,834,122	38,140,025	33,057,335	35,299,250	36,731,104	37,876,724	38,022,204	40,147,094	41,122,443	42,077,000
Rec2.4	118	445,000	Above returns	0	0	0	0	0	0	0	12	10	10	0	0	0	0	0
			Units	0	0	0	0	0	0	0	12	21	21	20	46	54	67	67
May-18			Deposits/ins	0	0	0	0	0	0	0	5,139,320	4,262,041	4,262,041	3,426,352	3,420,362	3,420,352	2,134,004	2,000,204
Jan-18		60,000,111	Total deposits	0	0	0	0	0	0	0	5,139,320	9,432,400	13,705,440	17,131,752	20,554,115	23,964,467	26,330,701	28,000,000
Rec2.5	72	420,000	Above returns	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jan-17			Deposits/ins	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Jan-18		42,420,000	Total deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Totals	137,00 / 18,00 / 1,000	367,700	Above returns	15	12	12	12	12	12	12	10	11	11	12	12	12	12	12
			Units cons.	1,307	1,370	1,381	1,383	1,381	1,387	1,390	1,317	1,322	1,307	1,318	1,311	1,313	1,433	1,443
			Deposits/ins	5,387,741	5,084,182	5,084,182	5,084,182	5,084,182	5,084,182	5,084,182	7,983,307	5,281,806	4,951,804	5,241,526	5,241,526	5,241,526	4,387,037	4,387,037
		364,011,000	Cons. deposits	406,016,030	406,710,172	408,004,303	409,004,407	409,003,000	404,000,143	404,000,024	414,013,331	420,003,007	427,147,073	432,303,007	437,430,707	442,071,746	447,210,000	451,000,000

Capmark - CD#28 - Control ID#1181

AUBURN CAMPUS, LLC
DEVELOPMENT PLAN
Marketing Projects



Capmark - CD#28 - Control ID#1181

Capmark - CD#28 - Control ID#1181

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Departmental Costs Summary
Exhibit C - Unallocated Annual Expenses

	PTD 2006 Year 1	2007 Year 2	2008 Year 3	2009 Year 4	2010 Year 5	2011 Year 6	2012 Year 7	2013 Year 8	2014 Year 9	2015 Year 10	2016 Year 11	2017 Year 12	2018 Year 13	Total
Finance	93,884	274,585	274,585	274,585	274,585	274,585	274,585	274,585	274,585	274,585	274,585	22,882		2,862,617
Design & development	1,314,055	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	104,167		13,918,221
Legal	48,905	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	3,914		522,533
Sales & Information	6,641	923,585	951,293	979,831	1,009,226	1,039,503	1,070,688	1,102,809	1,135,893	1,169,970	1,205,069	1,241,221	106,538	11,941,267
Marketing	636,183	1,525,356	1,571,117	1,618,250	1,666,798	1,716,802	1,768,306	1,821,355	1,875,995	1,932,275	1,990,244	2,049,951	175,954	20,348,585
Information Technology	57,551	314,990	314,990	314,990	314,990	314,990	314,990	314,990	314,990	314,990	314,990	26,249		3,233,703
Administration	443,160	232,173	232,173	232,173	232,173	232,173	232,173	232,173	232,173	232,173	232,173	19,348		2,784,237
Total	2,599,378	4,567,661	4,641,129	4,716,801	4,794,744	4,875,024	4,957,714	5,042,883	5,130,608	5,220,965	5,314,032	3,467,732	282,492	55,611,164

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT D
NARRATIVE DESCRIPTION OF PROJECT

The Project is a life-care community, known as the Ashby Ponds 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 first community building. 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 five (5) or six (6) residential buildings each. Each Community Building will contain retail, office, recreational and dining facilities. According to the current Development Plan, there will be approximately 1,585 independent living residential units.

The Project will also include a Care Center containing approximately 96 Assisted Living and 132 Skilled Nursing Care Units.

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT E
FORM OF PHASE FORECASTS AND UNALLOCATED ANNUAL EXPENSE SUMMARY

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Phase Forecasts
Prepared: March 16, 2007

EXHIBIT E
CONSTRUCTION PHASES

Community Building 1.0				53,500	$	215.00	11,524,000	0		11,524,000	331,050	945,000		48,401		345,720	13,194,171	
Transitional Spaces					$	-	400,000	0		400,000		250,000		1,680		4,500	655,180	
Residential Building 1.1	77		77	107,948	$	80.00	8,635,840	1,944,250		10,580,090	758,041	576,611		44,439	1,366,513	317,403	13,633,093	27,130,250
Residential Building 1.2	77		78	100,320	$	80.00	8,025,600	1,843,250		9,868,850	755,517	459,886		41,449	1,289,763	296,056	12,711,530	25,795,250
Residential Building 1.3	145		144	195,648	$	80.00	15,651,840	3,636,000		19,287,840	1,405,518	718,808		81,009	2,512,913	578,695	24,584,721	50,259,250
Residential Building 1.4	78		77	109,072	$	82.40	8,905,133	2,002,676		10,907,710	800,794	460,177		45,812	1,437,296	327,231	13,979,022	28,745,920
Residential Building 1.5	79		78	103,048	$	82.40	8,491,155	1,950,563		10,441,718	657,566	427,577		43,855	1,409,961	313,252	13,493,950	26,189,210
Residential Building 1.6	80		76	103,912	$	84.87	8,819,011	2,035,867		10,854,878	867,914	438,276		45,590	1,492,329	326,846	14,024,835	29,848,575
Community Building 2.0	0		0	51,000	$	226.09	11,532,590	0		11,532,590	327,851	945,000		48,857		348,978	13,303,276	0
Residential Building 2.1	118		113	151,576	$	84.87	12,872,742	3,027,013		15,899,755	1,195,573	603,624		66,779	2,072,152	476,993	20,315,176	41,443,038
Residential Building 2.2	65		61	85,484	$	87.42	7,473,011	1,693,073		9,166,084	669,078	315,185		36,456	1,276,455	274,583	11,731,580	25,569,107
Residential Building 2.3	99		101	137,228	$	87.42	11,996,472	2,786,727		14,783,199	1,012,093	452,034		52,089	1,906,292	443,486	18,858,203	36,105,848
Residential Building 2.4	102		101	134,700	$	90.04	12,128,388	2,870,329		14,998,717	1,069,529	496,437		62,995	2,000,159	449,962	19,096,797	40,003,152
Residential Building 2.5	77		76	102,472	$	92.74	9,503,253	2,224,647		11,727,900	788,954	382,203		49,257	1,564,268	351,637	14,864,419	31,265,380
Residential Building 2.6	76		73	101,476	$	92.74	9,410,884	2,136,832		11,547,716	779,133	400,194		48,500	1,494,661	346,431	14,616,668	29,897,518
Community Building 3.0	0		0	51,000	$	266.72	13,602,720	0		13,602,720	327,851	945,000		54,988		392,782	14,813,343	0
Residential Building 3.1	91		87	114,582	$	95.52	10,954,425	2,623,034		13,577,459	925,951	380,476		57,025	1,842,916	407,324	17,191,150	36,659,321
Residential Building 3.2	129		122	159,564	$	95.52	15,251,105	3,678,278		18,929,383	1,274,246	466,380		76,503	2,530,191	567,832	23,847,585	50,803,821
Residential Building 3.3	111		110	146,556	$	98.38	14,418,846	3,416,976		17,835,820	1,203,437	502,036		74,910	2,437,968	535,069	22,589,040	48,769,864
Residential Building 3.4	112		111	146,936	$	101.34	14,890,494	3,550,440		18,440,934	1,137,754	529,361		77,452	2,484,106	553,228	23,322,854	49,682,111
Residential Building 3.5	72		67	95,548	$	104.38	9,973,300	2,207,350		12,180,650	738,837	397,535		51,159	1,621,440	365,420	15,355,041	32,428,803
Stewart 1.0	0				$	20,850,000.00	0	0	$20,850,000	20,850,000	183,900	65,150	1,998,000	0		1,042,500	24,140,450	0
Stewart 2.0	0				$	9,428,748.75	0	0	$9,428,749	9,428,749	97,850	72,900	1,422,500			471,437	11,493,436	0
Stewart 3.0	0				$	8,224,035.19	0	0	$8,224,035	8,224,035	97,850	76,950	1,241,500			411,202	10,051,537	0
Stewart 4.0	0				$	3,278,181.00	0	0	$3,278,181	3,278,181	97,850	0	729000	13,768		163,909	4,382,708	0
Stewart 9.0	0				$	-	0	0	$12,000,000	12,000,000	401,300	0	1,663,500	50,400		600,000	14,735,200	0
Master Planning	0				$	-	0	0		0		810,000	922,500	42,000		0	1,774,500	0
Bridge 1(CB1.0 to RB1.3)	0			67	$	2,898.38	194,191	0		194,191		10,535		816		5,826	211,468	0
Bridge 2 (RB1.4 to CB1.0)	0			35	$	2,985.33	104,487	0		104,487		6,690		439		3,135	113,950	0
Bridge 30 (RB1.3 to RB2.1)	0			113	$	3,074.89	347,463	0		347,463		51,485		1,459		10,424	410,831	0
Bridge 31(CB3.0 to RB3.1)	0			35	$	3,460.82	121,129	0		121,129		15,948		509		3,634	141,219	0
Bridge 32 (RB3.2 to RB2.6)	0			88	$	3,564.64	313,688	0		313,688		40,095		1,317		9,411	364,511	0
Bridge 33 (RB3.3 to RB3.2)	0			88	$	3,460.82	304,552	0		304,552		13,971		1,279		9,137	328,939	0
Bridge 34 (RB3.4 to RG2.0)	0			75	$	3,074.89	230,617	0		230,617		34,173		986		11,531	277,299	0
Bridge 40 (RB2.1 to CB2.0)	0			30	$	3,074.89	92,247	0		92,247		4,753		387		2,767	100,154	0
Bridge 50 (RB2.3 to RB2.2)	0			33	$	3,262.15	107,651	0		107,651		5,239		452		3,230	116,572	0
Bridge 60 (RB2.3 to CB2.0)	0			46	$	3,262.15	150,059	0		150,059		7,304		630		4,502	162,494	0
Bridge 70 (RB2.4 to CB2.0)	0			34	$	3,262.15	110,913	0		110,913		15,493		456		3,327	130,189	0
Bridge 80 (RB2.5 to RB2.4)	0			32	$	3,360.02	107,521	0		107,521		8,081		452		3,228	119,279	0
Bridge 90 (RB3.1 to RB2.1)	0			110	$	3,460.82	380,690	0		380,690		50,120		1,559		11,421	443,830	0
Chapel 1	0			7,617	$	278.69	2,122,782	0		2,122,782	81,512	256,252		8,916		63,683	2,533,155	0
Gate House 1	0			0	$	-	200,000	0		200,000	464	20,250		640		10,000	231,354	0
Maintenance Building 1	0				$	-	500,000	0		500,000	113,053	41,726		2,100		15,000	671,879	0
Marketing Center 1	0				$	-	1,300,000	0		1,300,000	20,525	88,155	154,000	5,450		65,000	1,633,140	0
Extended Care 1.0		132		93,000	$	207.52	19,308,860	0		19,308,860	588,916	1,620,000		81,096	897,656	579,260	23,073,588	17,953,114
Extended Care 2.0		96		72,000	$	228.02	16,417,440	0		16,417,440	714,367	1,620,000		66,953	818,727	492,523	20,232,010	18,374,534
	1,585	228	1,544	2,424,373			268,485,598	43,618,205	63,780,965	363,892,868	19,841,296	16,124,818	5,151,000	1,406,512	32,546,962	12,018,618	469,753,894	660,936,831

Ashburn Campus, LLC
Development Agreement
Exhibit E

2007
Form of Phase Forecasts and Unallocated Annual Expense Summary

	FTD Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
Hard Costs	900,000	1,582,125	1,599,278	1,642,503	2,057,978	2,655,379	3,358,222	4,875,365	6,150,581	7,555,661	8,811,160
Soft Costs:											
Architecture	2,175,842	334,354	373,626	373,626	201,799	97,815	177,441	97,804	26,035	10,993	25,469
Engineering	1,460,442	258,571	319,625	319,625	319,625	319,625	319,625	319,625	319,625	319,625	319,625
Fees & Permits	70,360	617,241	1,089,091	755,617	0	1,405,518	0	0	0	0	0
Builders Risk	0	55,860	0	135,577	41,448	0	61,009	0	816	0	0
Departmental	3,528,027	363,901	363,901	363,901	363,901	363,901	363,901	363,901	363,901	363,901	363,901
Total Hard & Soft Costs	7,834,672	3,222,093	3,745,523	2,590,851	2,984,752	4,842,236	4,300,199	5,656,585	6,869,956	8,260,120	9,320,155
Land and Related Expenses	25,835,548	0	0	0	0	0	0	0	0	0	0
Development Fees	0	0	0	0	0	0	0	0	0	0	0
Insurance Reserve	0	0	0	0	0	0	0	0	0	0	0
Interest on Equity	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loans/ERC Loans	249,569	172,500	172,500	172,500	583,333	583,333	583,333	583,333	583,333	583,333	583,333
Financing Costs	114,855	4,000	4,000	1,004,000	191,324	192,826	230,693	206,269	310,885	356,775	433,510
Property Taxes	3,452	0	0	0	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Capital expenditures					0	0	0	0	0	0	0
Marketing Center and FF&E Cost	13,919	116,667	116,667	116,667	0	0	0	0	0	0	125,000
Working Capital Loan	0	0	0	0	0	0	200,000	10,468	257,182	257,182	289,670
Interest on Working Capital	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	603,230	0	0	0	0	0	0	0	0	0
Out Side Legal Expenses	388,740	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Other Development Costs	26,604,084	906,396	303,167	1,303,167	788,658	790,159	1,028,026	814,081	1,165,399	1,221,290	1,445,513
Total Costs	34,438,755	4,128,488	4,048,689	3,894,018	3,783,410	5,632,394	5,328,224	6,530,666	8,035,355	9,481,409	10,765,668

Capmark - CD#28 - Control ID#1181

Ashburn Campus, LLC
Development Agreement
Exhibit E

2008
Form of Phase Forecasts and Unallocated Annual Expense Summary

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Hard Costs	7,298,644	5,712,040	5,724,894	4,733,800	3,980,556	4,431,792	3,264,459	3,248,078	4,256,499	3,405,147	3,910,020	3,132,603
Soft Costs:												
Architecture	-8,129	81,753	162,680	174,633	104,002	49,567	42,813	65,805	21,597	18,600	97,854	97,844
Engineering	167,134	-4,772	0	0	0	0	0	0	0	118,542	118,542	118,542
Fees & Permits	0	0	600,794	857,588	0	0	0	0	0	0	0	0
Builders Risk	0	0	0	45,612	43,856	439	0	0	0	0	0	0
Departmental	386,761	386,761	386,761	386,761	386,761	386,761	386,761	386,761	386,761	386,761	386,761	386,761
Total Hard & Soft Costs	7,844,309	6,175,782	7,065,129	6,198,594	4,515,175	4,868,558	3,713,828	3,700,649	4,664,857	3,929,050	4,513,278	3,735,750
Land and Related Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Development Fees	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Equity	583,333	583,333	583,333	583,333	583,333	583,333	583,333	583,333	583,333	583,333	583,333	583,333
Interest on Construction Loans/ERC Loans	509,878	575,085	629,211	698,740	753,995	743,214	710,223	679,078	656,183	654,696	645,209	644,092
Financing Costs	4,000	4,000	4,000	4,000	64,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	183,949
Capital expenditures												
Marketing Center and FF&E Cost	0	0	0	0	0	0	0	0	0	0	0	125,000
Working Capital Loan	323,435	464,654	454,654	454,654	2,819,857	448,848	409,704	415,196	389,409	362,876	348,074	319,551
Interest on Working Capital	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	1,107,500	0	0	673,123	296,066	0	578,035	0	5,625	0
Out Side Legal Expenses	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Other Development Costs	1,430,846	1,627,052	2,788,698	1,750,727	4,231,176	2,462,518	2,013,326	1,691,607	2,221,560	1,614,705	1,594,442	1,869,955
Total Costs	9,274,955	7,802,834	9,853,827	7,949,321	8,746,350	7,331,076	5,727,152	5,392,247	6,886,417	5,543,755	6,107,718	5,605,705

Capmark - CD#28 - Control ID#1181

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
DEVELOPMENT PLAN
Departmental Costs Summary
Exhibit E - Unallocated Annual Expenses

	PTD 2006 Year 1	2007 Year 2	2008 Year 3	2009 Year 4	2010 Year 5	2011 Year 6	2012 Year 7	2013 Year 8	2014 Year 9	2015 Year 10	2016 Year 11	2018 Year 13	Total
Finance	93,884	274,585	274,585	274,585	274,585	274,585	274,585	274,585	274,585	274,585	274,585		2,862,617
Design & development	1,314,055	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000		13,916,221
Legal	48,905	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971	46,971		522,533
Sales & Information	5,641	923,585	951,293	979,831	1,009,226	1,039,503	1,070,688	1,102,809	1,135,893	1,169,970	1,205,069	106,538	11,941,267
Marketing	636,183	1,525,358	1,571,117	1,618,250	1,666,798	1,716,802	1,768,306	1,821,355	1,875,995	1,932,275	1,990,244	175,954	20,348,585
Information Technology	57,561	314,990	314,990	314,990	314,990	314,990	314,990	314,990	314,990	314,990	314,990		3,233,703
Administration	443,160	232,173	232,173	232,173	232,173	232,173	232,173	232,173	232,173	232,173	232,173		2,784,237
Total	2,599,378	4,567,661	4,641,129	4,716,801	4,794,744	4,875,024	4,957,714	5,042,883	5,130,608	5,220,965	5,314,032	282,492	55,611,164

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT F
MARKETING REPORT FORM

The following is the Marketing Report Form to be submitted with the Monthly Report.

Capmark - CD#28 - Control ID#1181

ASHBURN CAMPUS, LLC
Marketing Report
Exhibit F
As of March 19, 2007

Available Apartments(AA)	-
Reserved	-
Standby	-
Total	-
Futures	-
Total Available to Move(ATM)	-
Total Settled Apartments	-
Total Depositors	-
Ratio*	-

*Ratio = $\frac{\text{Total Available to Move}}{\text{Available Apartments}}$

Note: There is no data to report at this time.

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT G
PROJECT STAFF

The Project will initially be staffed by the Project Manager, Dawn Yeager, 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 initially be overseen by the Marketing Director, Lyn Lubic. Resumes for Ms. Yeager and Ms. Lubic are attached hereto. Additional staff shall be assigned to the Project by the Developer on an as-needed basis.

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT H
MONTHLY REPORT FORM

Capmark - CD#28 - Control ID#1181

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

Capmark - CD#28 - Control ID#1181

ASHBY PONDS
DEVELOPMENT AGREEMENT

EXHIBIT I
LETTER OF AGREEMENT

Ashburn 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, Ashburn 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 Ashburn Campus, LLC in connection with Ashburn Campus, LLC's acquisition, construction and operation of the Ashby Ponds Retirement Community located in Ashburn, Virginia.

Thank you for your attention in this matter.

Very truly yours,

Jeffrey A. Jacobson
Executive Vice President