

UNITED STATES BANKRUPTCY COURT Northern District of Texas		PROOF OF CLAIM
Name of Debtor: ERICKSON CONSTRUCTION, LLC		Case Number: 09-37016
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Bank of America, N.A., Successor To Fleet National Bank		☐ Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: Bank of America, N.A. 231 S. LaSalle Street, Chicago, IL 60604 Attn: Ciara Forrest, Vice President Telephone number: (312) 537-6025		
Name and address where payment should be sent (if different from above): PNC Bank, National Association, As Collateral and Administrative Agent Mail Stop: C3-CA01-19-1, Two Hopkins Plaza, 19th Floor, Baltimore, MD 21201 Attn: Wendy Andrus, Vice President Telephone number: (410) 237-5923		☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. ☐ Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>9,064,452.24**</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. ☒ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. ☐ 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: \$ _____ <i>*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.</i>
2. Basis for Claim: <u>SEE ATTACHED</u> (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: <u>SEE ATTACHED</u> Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ <u>SEE ATTACHED</u> Basis for perfection: <u>SEE ATTACHED</u> Amount of Secured Claim: \$ <u>9,064,452.24</u> 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.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: <u>2/2/10</u> Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. BANK OF AMERICA, N.A., SUCCESSOR TO FLEET NATIONAL BANK By: Ciara Forrest, Vice President		FOR COURT USE ONLY

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.**

Erickson Ret. Comm. LLC



01209

RIDER TO PROOF OF CLAIM

In re Houston Campus, L.P., Case No. 09-37022
In re Erickson Retirement Communities, LLC, Case No. 09-37010
In re Erickson Group, LLC, Case No. 09-37015
In re Senior Campus Services, LLC, Case No. 09-37017
In re Erickson Construction, LLC, Case No. 09-37016

HOUSTON CAMPUS, L.P. ("**Houston**"), ERICKSON RETIREMENT COMMUNITIES, LLC ("**ERC**"), ERICKSON GROUP, LLC ("**Erickson Group**"), ERICKSON CONSTRUCTION, LLC ("**Erickson Construction**"), and SENIOR CAMPUS SERVICES, LLC ("**SCS**") are each indebted to Bank of America, N.A., Successor to Fleet National Bank, Branch Banking and Trust Company, Successor to Colonial Bank, Compass Bank as successor in interest to Guaranty Bank, HCP, Inc., formerly known as Health Care Property Investors Inc., PNC Bank, National Association, Successor to Mercantile-Safe Deposit and Trust Company, and Sovereign Bank, 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 Houston.

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 Houston, ERC, Erickson Group, Erickson Construction, and SCS under and in connection with the Construction Loan are evidenced by, among other things:

- a. The following Amended and Restated Revolving Loan Notes (each a "**Revolving Loan Note**" and collectively, "**Revolving Loan Notes**") executed and delivered by Houston and in the respective amounts and payable to the order of the respective Lender set forth below:
 - i. Revolving Loan Note dated June 10, 2005 in the stated principal amount of \$10,000,000.00 payable to the order of Bank of America, N.A., Successor to Fleet National Bank;
 - ii. Revolving Loan Note dated June 10, 2005 in the stated principal amount of \$5,000,000.00 payable to the order of Branch Banking and Trust Company, Successor to Colonial Bank;

- iii. Revolving Loan Note dated August 1, 2005 in the stated principal amount of \$5,000,000.00 payable to the order of Compass Bank as successor in interest to Guaranty Bank;
- iv. Revolving Loan Note dated June 10, 2005 in the stated principal amount of \$10,000,000.00 payable to the order of HCP, Inc., formerly known as Health Care Property Investors Inc.;
- v. Revolving Loan Note dated August 1, 2005 in the stated principal amount of \$5,000,000.00 payable to the order of PNC Bank, National Association, Successor To Mercantile-Safe Deposit and Trust Company; and
- vi. Revolving Loan Note dated June 10, 2005 in the stated principal amount of \$15,000,000.00 payable to the order of Sovereign Bank.

b. Amended and Restated Construction Loan Agreement dated as of June 10, 2005, by and between Houston, the Administrative Agent, and the Lenders parties thereto from time to time (amending and restating in its entirety the Construction Loan Agreement dated as of September 15, 2004 by and between Houston and Mercantile Safe-Deposit and Trust Company, predecessor in interest to PNC Bank, National Association, as lender ("**Mercantile**"), as amended pursuant to the First Comprehensive Amendment to Loan Documents dated as of September 15, 2004, and as assigned, amended and modified pursuant to the Assignment and Transfer of Note and Liens dated as of June 10, 2009 by and between Mercantile and the Administrative Agent for the Lenders recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y55098 ("**Assignment**")), and as further amended and modified pursuant to Assignment and Acceptance Agreement dated August 1, 2005 by and between Mercantile and Guaranty Bank dated to be effective as of August 1, 2005, the Second Comprehensive Amendment to Loan Documents dated as of June 20, 2008, the Waiver Agreement dated as of February 18, 2009, the Second 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, 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 Amended and Restated Guaranty Agreement dated as of June 10, 2005 by and between ERC and Erickson Group, and the Administrative Agent for the Lenders (amending and restating the Guaranty Agreement by ERC and Erickson Group dated as of September 15, 2004, as assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Guaranty**").

d. The Amended and Restated Subordination Agreement dated as of June 10, 2005 in favor of the Administrative Agent for the Lenders by Erickson Group, John C. Erickson and Nancy A. Erickson, as creditors, and by Houston, ERC, and Erickson Group (amending and restating the Subordination Agreement by Erickson Group, John C. Erickson and Nancy A. Erickson, as creditor, dated as of September 15, 2004, as assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Erickson Group Subordination**").

e. The Amended and Restated Subordination Agreement dated as of June 10, 2005 in favor of the Administrative Agent for the Lenders by Erickson Construction as creditor and by Houston, ERC, and Erickson Group (amending and restating the Subordination Agreement by Erickson Construction, as creditor, dated as of September 15, 2004, as assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Erickson Construction Subordination**").

f. The Amended and Restated Partnership Interest Pledge Agreement dated as of June 10, 2005 by and between ERC and SCS as pledgors, and the Administrative Agent, as secured party (amending and restating the Partnership Interest Pledge Agreement by ERC and SCS as pledgors, dated as of September 15, 2004, as assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Pledge Agreement**").

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**. The Pledge Agreement is provided on the Exhibit CD as part of **Exhibit 6** below.

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

a. pledge and security interest and lien in, to and against 100% of the partnership (general and limited) and other equity interests in Houston ("**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, as described in and evidenced by: (i) the Pledge Agreement; (ii) the ERC Financing Statements (as defined below), including but not limited to the 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. 181205554, Liber U00348, folio 0824, assigned pursuant to UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00420, folio 2137; and (iii) various UCC-1 Financing Statements against SCS, 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. 181205559, Liber U00348, folio 0837, assigned pursuant to UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00420, folio 2085 (collectively, "**SCS Financing Statements**").

b. 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 Houston, and all cash and non-cash proceeds and products thereof, pursuant to, and as described in and evidenced by, the following:

i. 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 "Eagle's Trace" ("**Retirement Community**") and located on State Highway 6 in the City of Houston, Harris County, Texas 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 Houston in and to such property pursuant to, and as described in and evidenced by: (A) the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated September 15, 2004 ("**Original Deed of Trust**") granted by Houston to the trustee named therein for the benefit of Mercantile which was recorded among the Land Records of Harris County, Texas under County Clerk's file no. X929920, which was assigned by Mercantile to the Administrative Agent for the Lenders pursuant to the Assignment, which was recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y550098, and which was amended and modified pursuant to the Modification to Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated as of June 10, 2005 between Houston and the Administrative Agent, joined by HCP ER6, LP, formerly known as CNL Retirement ER6, LP ("**Ground Lessor**"), recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y550099 (the Original Deed of Trust, as so assigned, amended and modified, collectively, "**Deed of Trust**"); and (B) the Amended and Restated Assignment of Rents and Leases dated as of June 10, 2005 by Houston to the Administrative Agent for the Lenders, recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y550101 (amending and restating the Assignment of Rents and Leases dated as of September 15, 2004, recorded among the Land Records of Harris County, Texas under County Clerk's file no. X929942 and assigned pursuant to the Assignment); and (C) and the various Financing Statements (as defined below) (all of the foregoing, as assigned, amended and/or restated, collectively, "**Mortgage Security Documents**");

ii. security interests, pledges, grants, assignments, and other liens in, to and against all of Houston's assets, including, without limitation, all accounts (including but not limited to accounts receivable and notes receivable arising from loans made to, or from the lease of property to, Tenant (as defined below), and all

receivables arising out of the use of any credit or charge card), equipment, fixtures, inventory, chattel paper, general intangibles (including but not limited to patents, trademarks, copyrights, and other intellectual property, tax refunds or claims, general or limited partnership interests or limited liability company interests), cash and deposits, deposit accounts, bank accounts, instruments, documents, goods, motor vehicles, letter-of-credit rights and any other rights under letters of credit, investment property, commercial tort claims and supporting obligations, **"Licenses," "Residence and Care Agreements," "Funds," "Borrower Collateral Account,"** and **"Entrance Deposits"** (as such terms are defined and described in the Security Agreement, defined below), all rights, titles, and interests of Houston 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 Houston 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 Amended and Restated Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements dated as of June 10, 2005 by Houston and ERC in favor of the Administrative Agent for the Lenders (amending and restating the Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements dated as of September 15, 2004, and assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, **"Security Agreement"**), (B) the Mortgage Security Documents, and (C) the UCC-1 Financing Statement against Houston, 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. 181205555, in Liber U00348, folio 0827, assigned pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00420, folio 2120, and the UCC-1 Financing Statement against Houston, as debtor, in favor of the Administrative Agent, as secured party, recorded among the Land Records of Harris County, Texas under County Clerk's file no. X929944, assigned pursuant to the UCC Financing Statement Amendment recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y550105 (collectively, **"Financing Statements"**); and

iii. 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 James Harwick & Partners, Inc. (also referred to as JHP Architects, Inc.) in connection with the construction of the Retirement Community, together with all additions thereto and replacements, substitutions and modifications thereof, and all design, marketing and construction concepts, residence and care forms, leasing forms belonging to Houston 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 Amended and Restated Collateral Assignment of Project Documents dated as of June 10, 2005 by Houston and ERC to the Administrative Agent for the Lenders (amending and restating the Collateral Assignment of Project Documents dated September 15, 2004 by Houston and ERC, assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Assignment of Project Documents**"), (B) General Contractor's Agreement to Complete by Erickson Construction dated September 15, 2004 by ERC to Mercantile and its successors and assigns, and assigned to the Administrative Agent for the Lenders pursuant to the Assignment, the Architect's Agreement to Complete dated as of August 20, 2004, as assigned pursuant to the Assignment and amended pursuant to the First Amendment to Architect's Agreement to Complete dated May 20, 2005 by James, Harwick & Partners, Inc., for the benefit of the Administrative Agent for the Lenders, the Engineer's Agreement to Complete dated as of September 1, 2004 by Walter P. Moore & Associates, Inc., as assigned pursuant to the Assignment and amended pursuant to the First Amendment to Engineer's Agreement to Complete dated as of June __, 2005 by Walter P. Moore & Associates, Inc., for the benefit of the Administrative Agent for the Lenders, the Consultant's Agreement to Complete dated as of August 20, 2004 by Knudson & Associates, Inc., assigned pursuant to the Assignment, as amended pursuant to the First Amendment to the Consultant's Agreement to Complete dated as of May 20, 2005 by Knudson & Associates, Inc., for the benefit of the Administrative Agent for the Lenders (as assigned and amended, collectively, "**Completion Agreements**"), (C) the Mortgage Security Documents, (D) the Security Agreement, and (E) the Financing Statements.

c. security interests, pledges, assignments, and other liens in, to and against all tangible and intangible assets of Eagle's Trace, Inc. ("**Tenant**"), including but not limited to all inventory, accounts (including but not limited to accounts receivable and notes receivable arising from notes made or from leases entered into between the Tenant and Houston, 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, and all “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 Houston 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 September 15, 2004 by the Tenant in favor of Houston, as amended pursuant to the Amendment to Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements dated as of June 10, 2005 by the Tenant in favor of Houston (as amended, “**Tenant Security Agreement**”), all of which were collaterally assigned by Houston to the Administrative Agent for the Lenders, and as evidenced by the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Houston, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181205556, Liber U00348, folio 0829, and assigned by Houston to the Administrative Agent pursuant to and as evidenced by a UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as Liber, U00348, folio 0831, and the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as Liber U00420, folio 2105, the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Houston, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181383853, and the UCC-1 Financing Statement against the Tenant, as debtor, in favor of Houston, as secured party, recorded among the Land Records of Harris County, Texas under County Clerk’s file no. X929947, assigned by Houston to the Administrative Agent pursuant to, and as evidenced by, the UCC Financing Statement Amendment recorded among the Land Records of Harris County, Texas under County Clerk’s no. X929949, and the UCC Financing Statement Amendment recorded among the Land Records of Harris County, Texas under County Clerk’s no. Y550109, (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 Eagle’s Trace, Inc. dated September 15, 2004, as amended pursuant to the Amendment to Consent of Eagle’s Trace, Inc., dated as of June 10, 2005 (as amended, “**Eagle’s Trace Consent**”), and (D) Letter Agreement (regarding bank accounts) dated September 15, 2004, as amended pursuant to the Amendment to Letter Agreement Regarding Bank Accounts dated June 10, 2005 by the Tenant and Houston in favor of the Administrative Agent for the Lenders, and the Agreement Regarding Bank Branch dated as of September 15, 2004 by Tenant (collectively, as amended, “**Bank Account Agreements**”).

d. 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 thereof, pursuant to, and as described in and evidenced by, the following:

i. 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 Houston, the Tenant, ERC (or any successor manager) and any other person or entity relating to the construction, leasing, occupancy and/or operation of the Retirement Community, and including, without limitation, any proceeds of loans which ERC is entitled to receive under the Community Loan Documents (including advances from Initial Entrance Deposits), pursuant to, and as described in and evidenced by (A) the Security Agreement; and (B) the 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. 181205554, Liber U00348, folio 0824, assigned pursuant to the UCC Financing Statement Amendment recorded among the Financing Statement Records of the Maryland State Department of Assessments and Taxation as Liber U00420, folio 2137, and UCC-1 Financing Statement recorded among the Land Records of Harris County, Texas under County Clerk's file no. X929946, assigned pursuant to UCC Financing Statement Amendment recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y550107 (collectively, **"ERC Financing Statements"**);

ii. security interest and lien in, to and against all of ERC's assets, including but not limited to, accounts (including but not limited to accounts receivable and notes receivable arising from loans made to, or from the lease of property to, the Tenant and all receivables arising out of the use of any credit or charge card), equipment, fixtures, inventory, chattel paper, general intangibles (including but not limited to patents, trademarks, copyrights, and other intellectual property, tax refunds or claims, general or limited partnership interests or limited liability company interests), licenses, cash and deposits, bank accounts, deposit accounts, instruments, documents, goods, motor vehicles, letter-of-credit rights and 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. security interests, pledges, assignments, and other liens in, to and against all Project Documents, 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 JHP Architects, Inc. in connection with the construction of the Retirement Community, together with all additions thereto and replacements, substitutions and modifications thereof, and all design, marketing and construction concepts, residence and care forms, leasing forms belonging to Houston 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 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. 181205558, Liber U00348, folio 0835, assigned pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00420, folio 2093, and among the financing statement records of the Florida Secured Transaction Registry as document no. 200407930157, assigned pursuant to the UCC Financing Statement Amendment recorded among the Financing Statement Records of the Florida Secured Transactions Registry as document no. 200500021919, 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. 181205560, Liber U00348, folio 0839, assigned pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00420, folio 2068, (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, the Amended and Restated Subordination Agreement dated as of June 10, 2005 by Tenant, Houston, ERC, and Erickson Group (amending and restating the Subordination Agreement dated as of September 15, 2004, assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Eagle's Trace Subordination**"), and the 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 Eagle's Trace 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 Eagle's Trace 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. 181205557, Liber U00348, folio 0833, as assigned pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00420, folio 2101, and the UCC-1 Financing Statement recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181383924, and the UCC-1 Financing Statement recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181383852, 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 Assignment of Community Deed of Trust dated as of September 15, 2004 by the Tenant to the Administrative Agent for the Lenders recorded among the Land Records of Harris County, Texas under County Clerk's file no. X929952, and pursuant to the Additional Assignment of Community Deed of Trust dated as of June 10, 2005 by the Tenant to the Administrative Agent for the Lenders recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y55011 (collectively, "**Eagle's Trace 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, the Amended and Restated Tenant Subordination Agreement dated as of June 10, 2005 (amending and restating the Tenant Subordination Agreement dated September 15, 2004, as assigned pursuant to the Assignment) (as assigned, amended and restated, collectively, "**Tenant Subordination**") by Tenant and Houston for the benefit of the Administrative Agent for the Lenders, and pursuant to, and as described in and evidenced by, the Amended and Restated Curative Rights Agreement dated as of June 10, 2005 by Tenant, with the consent and joinder of Houston and ERC, for the benefit of the Administrative Agent for the Lenders (amending and restating the Curative Rights Agreement dated as of September 15, 2004, as assigned pursuant to the Assignment) (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 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 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. 181205561, Liber U00348, folio 0841, as assigned pursuant to the UCC Financing Statement Amendment recorded among the financing statement records of the Maryland State Department of Assessments and Taxation in Liber U00391, folio 0500 (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 Ground Lessor, CNL Retirement Partners, LP ("**Ground Lessor Parent**") under, (A) the Amended and Restated Ground Lessor Tri-Party Agreement dated as of June 10, 2005 (as assigned, amended and restated, collectively, "**Tri-Party Agreement**"), recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y550103, among the Administrative Agent for the Lenders, Houston, Ground Lessor, and Ground Lessor Parent (amending and restating the Ground Lessor Tri-Party Agreement dated as of November 18, 2004, recorded among the Land Records of Harris County, Texas, under County Clerk's file no. Y076319, assigned pursuant to the Assignment), *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 the Ground Lessor and the Ground Lessor Parent under the "Ground Lease Documents" (as such term is defined in the Tri-Party Agreement), including but not limited to, the liens granted to the Ground Lessor or the Ground Lessor Parent 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), including but not limited to all rent and other amounts due or to become due under the Ground Lease Documents, to the prior payment in full of the Construction Loan, and subordinating the terms, covenants, and conditions of the Ground Lease Documents to the terms, conditions and covenants of the Construction Loan Agreement and the "Loan Documents" (as defined in the Construction Loan Agreement), and (B) the security interests, pledges, assignments, and other liens granted by the Ground Lessor and the Ground Lessor Parent and held by the Administrative Agent for the Lenders in and to all rights of the Ground Lessor and the Ground Lessor Parent in, to and under the Ground Lease Documents, including but not limited to the Ground Lease Agreement dated on or about October 11, 2005 between the Ground Lessor and Houston with respect to the Land, the Memorandum of Ground Lease dated as of October 11, 2005 by and between the Ground Lessor and Houston, recorded among the Land Records of Harris County, Texas under County Clerk's file no. Y076316, the Assignment of Licenses, Permits, Plans, Contracts and Warranties dated as of November 18, 2004 by Houston in favor of the Ground Lessor, the Limited Guaranty And Indemnity Agreement dated as of November 18, 2004 by ERC in favor of the Ground Lessor, the Limited Partnership Pledge

Agreement dated as of by ERC and SCS in favor of the Ground Lessor, the Lessor-Developer Agreement dated as of November 18, 2004 by ERC for the benefit of the Ground Lessor, the Eagle's Trace Non-Disturbance, Recognition, and Attornment Agreement dated as of November 18, 2004 by and among Tenant, Houston, and the Ground Lessor, recorded among the Land Records of Harris County, Texas, under County Clerk's file no. Y076318, the UCC-1 Financing Statement by Houston, as Debtor, in favor of the Ground Lessor, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181211649, Liber U00357, folio 1041, and the UCC-1 Financing Statement by SCS, as Debtor, in favor of the Ground Lessor, as secured party, recorded among the financing statement records of the Maryland State Department of Assessments and Taxation as filing no. 181211651, Liber U00357, folio 1047, and all rights and interests of the Ground Lessor and/or the Ground Lessor Parent thereunder, as further described in the Tri-Party Agreement (together with the Tri-Party Agreement, collectively, "**Ground Lessor Subordination Documents**").

True and correct copies of the Pledge Agreement, the ERC Financing Statements, and the SCS Financing Statements, the Mortgage Security Documents, the Security Agreement and the Financing Statements, the Assignment of Project Documents, the Completion Agreements, the Tenant Security Documents, the Eagle's Trace Consent, the Bank Account Agreements, the Eagle's Trace Subordination Documents, the Tenant Subordination Documents and the Ground Lessor Subordination 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** and **Exhibit 16**, respectively.

A true and correct copy of the form of Residence and Care Agreement (defined above) is provided on the Exhibit CD as **Exhibit 17**. The Lease (defined above) includes, without limitation, the Master Lease and Use Agreement dated as of September 15, 2004 by and between Houston and the Tenant, and the Memorandum of Master Lease and Use Agreement dated to be effective as of September 15, 2004 by and between Houston and the Tenant, copies of which are provided on the Exhibit CD as **Exhibit 18**. The Working Capital Loan Documents (defined above) include, without limitation, the Working Capital Loan Agreement dated as of September 15, 2004 by and between the Tenant and Houston, the Working Capital Promissory Note dated as of September 15, 2004 by the Tenant and payable to the order of Houston in the originally stated principal amount of Twenty-Eight Million Five Hundred Thousand Dollars (\$28,500,000.00), the Lockbox Account Agreement dated as of September 15, 2004 by and between the Tenant, as assignor, and Houston, as secured party, as amended pursuant to the Amendment to Lockbox Account Agreement dated as of June 10, 2005 by and between the Tenant and Houston, copies of which are provided on the Exhibit CD as **Exhibit 19**. The Community Loan Documents (defined above), include, without limitation, the Community Loan Agreement dated as of September 15, 2004 by and between the Tenant and Houston, the Community Loan Note dated as of September 15, 2004 by Houston and payable to the order of Tenant in the originally stated principal amount of Three Hundred Seventy-Five Million Dollars (\$375,000,000.00), the Deed of Trust, Security Agreement, and Fixture Filing (Community Loan) dated as of September 15, 2004 ("**Junior Deed of Trust**") by Houston to the Tenant recorded among the Land Records of Harris County, Texas under County Clerk's file no. X929951, copies of which are provided on the Exhibit CD as **Exhibit 20**, and the Lockbox

Agreement. The Management Agreement (defined above) includes, without limitation, the Management and Marketing Agreement dated as of September 15, 2004 between the Tenant and ERC, a copy of which is provided on the Exhibit CD as Exhibit 21. The Development Agreement (defined above) includes, without limitation, the Development Agreement dated as of September 15, 2004 by and between Houston and ERC, a copy of which is provided on the Exhibit CD as Exhibit 22.

The Revolving Loan Notes, the Construction Loan Agreement, the Guaranty, the Erickson Construction Subordination Documents, the Erickson Group Subordination Documents, the Pledge Agreement, ERC Financing Statements and SCS Financing Statements, Mortgage Security Documents, Security Agreement and Financing Statements, Assignment of Project Documents, Completion Agreements, Tenant Security Documents, Eagle's Trace Consent, Bank Account Agreements, Eagle's Trace Subordination Documents, Tenant Subordination Documents, Ground Lessor Subordination 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**"), Houston defaulted on its payment obligations to the Banks under the terms and conditions of the Loan Documents. As of Petition Date, the amounts owed to each Bank under the Loan Documents, exclusive of attorneys' fees and expenses, were not less than the following:

1. Bank of America, N.A., Successor to Fleet National Bank

Principal:	\$ 8,623,770.33
Interest:	\$ 191,530.03
Late Charges:	\$ 8,388.84
Forbearance Fees:	\$ 182,299.91
Fixed Facility Fee:	\$ 24,927.24
Fixed Agent Fee:	\$ —
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 9,139.23
(Counsel for Bank of America, N.A.):	\$ 8,113.70
Professional Fees (non-legal):	\$ 16,146.86
Lien Searches:	\$ 136.10
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$ 9,064,452.24</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1,317.52)

2. Branch Banking and Trust Company, Successor to Colonial Bank

Principal:	\$ 4,311,885.14
Interest:	\$ 95,765.02
Late Charges:	\$ 4,194.42
Forbearance Fees:	\$ 91,149.95
Fixed Facility Fee:	\$ 12,463.62
Fixed Agent Fee:	\$ —
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 4,569.62
(Counsel for BB&T):	\$ —
Professional Fees (non-legal):	\$ 8,073.43
Lien Searches:	\$ 68.05
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$ 4,528,169.25</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$658.76)

3. Compass Bank as successor in interest to Guaranty Bank

Principal:	\$ 4,311,885.15
Interest:	\$ 95,765.02
Late Charges:	\$ 4,194.42
Forbearance Fees:	\$ 91,149.95
Fixed Facility Fee:	\$ 12,463.62
Fixed Agent Fee:	\$ —
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 4,569.62
(Counsel for Compass Bank):	\$ —
Professional Fees (non-legal):	\$ 8,073.43
Lien Searches:	\$ 68.05
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$ 4,528,169.26</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$658.76)

4. HCP, Inc., Successor To Health Care Property Investors Inc.

Principal:	\$ 8,623,769.82
Interest:	\$ 191,530.02
Late Charges:	\$ 8,388.84
Forbearance Fees:	\$ 182,299.90
Fixed Facility Fee:	\$ 24,927.24
Fixed Agent Fee:	\$ —
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 9,139.23
(Counsel for HCP, Inc.):	\$ —
Professional Fees (non-legal):	\$ 16,146.86
Lien Searches:	\$ 136.10
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$ 9,056,338.01</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1,317.52)

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

Principal:	\$ 4,437,748.26
Interest:	\$ 98,457.07
Late Charges:	\$ 4,316.86
Forbearance Fees:	\$ 93,810.60
Fixed Facility Fee:	\$ 12,827.43
Fixed Agent Fee:	\$ 125,000.00
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 4,703.00
(Counsel for PNC Bank, N.A.):	\$
Professional Fees (non-legal):	\$ 8,309.09
Lien Searches:	\$ 70.04
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$ 4,785,242.35</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$677.99)

6. Sovereign Bank

Principal:	\$12,935,655.46
Interest:	\$ 287,295.05
Late Charges:	\$ 12,583.26
Forbearance Fees:	\$ 273,449.87
Fixed Facility Fee:	\$ 37,390.86
Fixed Agent Fee:	\$ —
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 13,708.85
(Counsel for Sovereign Bank):	\$
Professional Fees (non-legal):	\$ 24,220.29
Lien Searches:	\$ 204.15
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$13,584,507.79</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1,976.28)

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:	\$ 43,244,714.16
Interest:	\$ 960,342.21
Late Charges:	\$ 42,066.65
Forbearance Fees:	\$ 914,160.19
Fixed Facility Fee:	\$ 125,000.00
Fixed Agent Fee:	\$ 125,000.00
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 45,829.54
(Counsel for Other Lenders):	\$ 8,113.70
Professional Fees (non-legal):	\$ 80,969.96
Lien Searches:	\$ 682.50
Title Check Expenses:	\$ 0.00
Total (as of Petition Date):	<u>\$ 45,546,878.91</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$6,606.83)

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

1. Bank of America, N.A., Successor to Fleet National Bank

Interest:	\$96,178.97
Late Charges:	\$ 4,378.45
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$22,368.53
(Counsel for Bank of America, N.A.):	\$ 854.70
Professional Fees (non-legal):	\$11,768.45
Appraisal Fees:	\$ 2,991.27
Other Fees and Expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$138,540.37</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1,317.52)

2. Branch Banking and Trust Company, Successor to Colonial Bank

Interest:	\$48,089.49
Late Charges:	\$ 2,189.22
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$11,184.26
(Counsel for BB&T):	\$
Professional Fees (non-legal):	\$ 5,884.23
Appraisal Fees:	\$ 1,495.63
Other Fees and Expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$68,842.83</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$658.76)

3. Compass Bank as successor in interest to Guaranty Bank

Interest:	\$48,089.49
Late Charges:	\$ 2,189.22
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$11,184.26
(Counsel for Compass Bank):	\$ 2,962.58
Professional Fees (non-legal):	\$ 5,884.23
Appraisal Fees:	\$ 1,495.63
Other Fees and Expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$71,805.41</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$658.76)

4. HCP, Inc., Successor to Health Care Property Investors Inc.

Interest:	\$96,178.97
Late Charges:	\$ 4,378.45
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$22,368.53
(Counsel for HCP, Inc.):	\$
Professional Fees (non-legal):	\$11,768.45
Appraisal Fees:	\$ 2,991.27
Other Fees and Expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$137,685.67</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1,317.52)

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

Interest:	\$49,493.21
Late Charges:	\$ 2,253.13
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$11,510.73
(Counsel for BB&T):	\$
Professional Fees (non-legal):	\$ 6,055.98
Appraisal Fees:	\$ 1,539.29
Other Fees and Expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$70,852.34</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$677.99)

6. Sovereign Bank

Interest:	\$144,268.46
Late Charges:	\$ 6,567.67
Legal Fees and Expenses	
(Counsel for Administrative Agent):	\$ 33,552.79
(Counsel for Sovereign Bank):	\$ 4,611.00
Professional Fees (non-legal):	\$ 17,652.68
Appraisal Fees:	\$ 4,486.90
Other Fees and Expenses:	\$
Total (10/19/09 – 12/31/09):	<u>\$211,139.50</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$1,976.28)

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

Interest:	\$482,298.59
Late Charges:	\$ 21,956.15
Legal fees and expenses	
(Counsel for Administrative Agent):	\$112,169.10
(Counsel for Other Lenders):	\$ 8,428.28
Professional fees (non-legal):	\$ 59,014.01
Appraisal fees:	\$ 15,000.00
Total (10/19/09 – 12/31/09):	<u>\$698,866.13</u>

(Interest rate as of Petition Date = 5.5% [PNC prime rate of 3.25% + 2.25%])
(Per diem interest as of Petition Date = \$6,606.83)

In addition to the foregoing amounts, the Banks, individually and collectively, reserve the right to collect as part of their respective claims against Houston, ERC, Erickson Group, Erickson Construction, and SCS, 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 Houston, ERC, Erickson Group, Erickson Construction, and SCS 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.

WINSTON & STRAWN LLP

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

Electronic
Letterhead

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

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

February 23, 2010

BY OVERNIGHT DELIVERY

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

Re: **Proofs of Claim: Case Numbers 09-37010, 09-37015, 09-37016, 09-37017 and 09-37022**

Dear Claims Agent:

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Myja K. Kjaer', with a stylized flourish at the end.

Myja K. Kjaer, Esq.

Enclosures