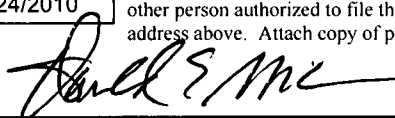




<b>UNITED STATES BANKRUPTCY COURT Northern District of Texas (Dallas Division)</b>		<b>PROOF OF CLAIM</b>	
Name of Debtor: <b>Erickson Retirement Communities, LLC</b>		Case Number: <b>09-37010</b>	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <b>American Casualty Company of Reading, Pennsylvania</b>		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  <b>Court Claim Number:</b> _____ <i>(If known)</i>  <b>Filed on:</b> _____	
Name and address where notices should be sent:  <b>Harold E. McKee</b> <b>Riordan McKee &amp; Piper, LLC, 20 North Wacker Drive, Suite 910, Chicago, Illinois 60606</b>			
Telephone number: <b>(312) 663-9400</b>			
Name and address where payment should be sent (if different from above):  <div style="text-align: center; font-size: 1.2em;"> <b>RECEIVED</b>  <b>FEB 27 2010</b>  <b>BMC GROUP</b> </div>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.  <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
1. Amount of Claim as of Date Case Filed: \$ <u>999,306.75</u>  If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.  If all or part of your claim is entitled to priority, complete item 5.  <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		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.  <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).  <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).  <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).  <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).  <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).  <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(____).  <b>Amount entitled to priority:</b> \$ _____	
2. Basis for Claim: <u>See Attached</u> (See instruction #2 on reverse side.)		*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
3. Last four digits of any number by which creditor identifies debtor: <u>7502</u>  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: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe:  Value of Property: \$ _____ Annual Interest Rate _____ %  Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____  Amount of Secured Claim: \$ _____ 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: <b>02/24/2010</b>	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.  <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">   <b>Daniel S. McKee</b> </div> <div style="width: 40%;">   <b>Hs Attorney</b> </div> </div>		<b>FOR COURT USE ONLY</b>  <b>Erickson Ret. Comm. LLC</b>  01631

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

In re:	)	Case No. 09-37010
	)	
ERICKSON RETIREMENT	)	Chapter 11
COMMUNITIES, LLC, et al., <sup>1</sup>	)	
	)	
Debtors.	)	

**ERICKSON RETIREMENT COMMUNITIES, LLC**  
**PROOF OF CLAIM ADDENDUM**

American Casualty Company of Reading, Pennsylvania ("ACCRP") hereby files this proof of claim for any and all amounts due or arising under certain surety bonds, copies of which are attached as **Group Exhibit A** hereto (collectively, the "Surety Bonds"),<sup>2</sup> which were issued by ACCRP on behalf of one or more of the debtor principals.<sup>3</sup> Due to the voluminous nature of ACCRP's bonding program for the debtor principals, ACCRP reserves its rights to include additional bonds or remove bonds from this claim.

ACCRP's claim is based upon the Surety Bonds and certain General Agreements of Indemnity (the "GAIs") which were executed and delivered to ACCRP by the debtor Erickson Retirement Communities, LLC ("Erickson"). True and correct copies of the GAIs are attached hereto as **Group Exhibit B**. Erickson, by its execution of the GAIs, agreed to fully and completely exonerate, indemnify and hold ACCRP harmless from and against any and all liability for losses and expenses of whatever kind or nature, including, without limitation, attorneys' fees, court costs, litigation expenses, and consultants' fees, which ACCRP has sustained or incurred or will sustain or incur as a result of issuing the Surety Bonds. ACCRP, induced by and in reliance upon the promises made by Erickson in the GAIs, issued the Surety Bonds.

Pursuant to the Surety Bonds, ACCRP is obligated to pay the just claims of the obligees thereto in accordance with the terms and conditions thereof. As the work is not completed

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<sup>1</sup> The Debtor principals consist of: Erickson Retirement Communities, LLC (09-37010); Concord Campus, LP (09-37020); Dallas Campus, LP (09-37012); Erickson Construction LLC (09-37016); Littleton Campus, LLC (09-37023); Novi Campus, LLC (09-37025); and Warminster Campus, LP (09-37026).

<sup>2</sup> The inclusion of any of the Surety Bonds in this proof of claim shall not be deemed an admission of ACCRP's provision of coverage thereunder. ACCRP specifically reserves any and all rights and defenses of the debtor principals and of ACCRP under each of the Surety Bonds.

<sup>3</sup> Nothing contained herein shall be construed as a waiver by ACCRP of the current penal sum of each of the Surety Bonds.

and/or the bonds have not been released by the various obligees, ACCRP has potential liability at this time. To the extent that a claim is made on any of the Surety Bonds, the debtor is obligated to indemnify and reimburse ACCRP for any amounts paid thereunder, together with any amounts due under the GAIs.

Accordingly, ACCRP submits this unsecured contingent claim in the amount of \$999,306.75 to protect itself in the event it receives future claims on the Surety Bonds.

ACCRP expressly reserves its right to amend its Proof of Claim in accordance with and pursuant to applicable Federal Rules of Bankruptcy Procedure.

Group Exhibit A

BOND NO. 929258419

## **SITE IMPROVEMENT PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS: That we Tinton Falls Campus, LLC  
as Principal, and American Casualty Company of Reading, Pennsylvania  
a Pennsylvania corporation authorized to do business in the State of New Jersey  
as Surety, are held and firmly bound unto Borough of Tinton Falls, as  
Obligee, in the sum of Seven Hundred Twenty Thousand One Hundred Thirty Nine and  
75/100 Dollars (\$720,139.75) lawful money of the United States of America, for which  
payment well and truly to be made, we bind ourselves, our heirs, executors,  
administrators, successors, and assigns, jointly and severally firmly by these presents.

Whereas, the Principal has entered into an agreement with the Borough of Tinton Falls  
as Oblige, guaranteeing only that the  
Principal will complete site improvements at certain land known as Seabrook Village -  
Phase IIA and IIB, Lots 19.03 & 19.04, Block 128.03 - BTF 99-31/TFPB 99-04  
all of which improvements shall be completed on or before that date set forth in the  
agreement.

Now, therefore, the condition of this obligation is such, that if the Principal shall carry  
out all of the terms of said agreement relating to the site improvements and perform all  
the work as set forth therein, all within the time set forth in this agreement, then this  
agreement shall be null and void; otherwise remain in full force and effect.

No party other than an Oblige shall have the rights hereunder as against the Surety.

The aggregate liability of the Surety on the Bond Obligation shall not exceed the penal  
sum stated herein for any cause or reason whatsoever.

Signed, sealed and dated this 16<sup>th</sup> day of May, 2003.

Witness as to Principal:

Principal: Tinton Falls Campus, LLC

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

Witness as to Surety:

Surety: American Casualty Company of  
Reading, Pennsylvania

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

Brian P. Gibson  
Attorney-in-F

*new business*

*pls. process 2-yr.*

*term \$11,422 prem.  
(then renew annually)*

Bond No. 929 22 29 62

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, That We, Silver Oaks Campus, LLC, a limited liability company authorized to do business in the State of Maryland, having an office and place of business at 701 Maiden Choice Lane, Baltimore, MD 21228, as Principal and American Casualty Company of Reading, Pennsylvania as Surety, are held and firmly bound unto THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION and MONTGOMERY COUNTY, MARYLAND, in the full and just sum of TWO HUNDRED AND TWENTY-NINE THOUSAND AND ONE HUNDRED AND SIXTY SEVEN DOLLARS (\$229,167.00), lawful money of the United States for the payment of which sum the said Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, Silver Oaks campus, LLC, a Maryland Limited Liability Company, has entered into an agreement with The Planning Board of THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION and MONTGOMERY COUNTY, MARYLAND, dated June 29, 1999, a copy of which is attached hereto as Exhibit "A", and is to be read and considered as a part hereof; and

WHEREAS, the aforesaid agreement required Silver Oaks Campus, LLC, to furnish to THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION and MONTGOMERY COUNTY, MARYLAND, a Performance Bond to be not less than TWO HUNDRED AND TWENTY-NINE THOUSAND AND ONE HUNDRED AND SIXTY SEVEN DOLLARS (\$229,167.00), to assure prompt and satisfactory operation of the traffic mitigation program under the terms of the aforesaid agreement;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall in all respects comply with the conditions set forth in aforesaid agreement, this obligation is to be null and void; otherwise to remain in full force and effect.

No party other than the Oblige shall have any rights hereunder as against the Surety.

The aggregate liability of the Surety on the bond obligation shall not exceed the sum thereof for any cause or reason whatsoever.

In accordance with the terms of Exhibit "A", this bond shall be in full force and effect for twelve (12) months from the date hereunder. A replacement bond shall be submitted in accordance with the terms of Exhibit "A", ninety (90) days prior to the expiration date.

SIGNED, SEALED AND DATED THIS 31<sup>st</sup> day of January, 2001.

SILVER OAKS CAMPUS, LLC (Principal)

By: Erickson Retirement Communities, LLC, member

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

*Erickson*

American Casualty Company of Reading, Pennsylvania

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

Margaret A. Benjamin, Attorney-in-Fact

*pls. process*

## Decrease Bond Penalty Rider

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BOND NO. 229190879

To be attached and form a part of Bond No. 229190879 dated the 9th day of May, 2007, executed by American Casualty Company of Reading, Pennsylvania as surety, on behalf of Point View Campus, LLC as current principal of record, and in favor of Town of Pequannock, as Obligee, and in the amount of One Million Dollars and 00/100 (\$1,000,000.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that American Casualty Company of Reading, Pennsylvania hereby consents that effective from the 15<sup>th</sup> day of December, 2008, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE Decreased:

FROM: One Million Dollars and 00/100 (\$1,000,000.00)

TO: Fifty Thousand Dollars and 00/100 (\$50,000.00)

The Decrease of said bond penalty shall be effective as of the 15th day of December, 2008, and does hereby agree that the continuity of protection under said bond subject to changes in penalty shall not be impaired hereby, provided that the aggregate liability of the above mentioned bond shall not exceed the amount of liability assumed by it at the time the act and/or acts of default were committed and in no event shall such liability be cumulative.

Signed, sealed and dated this 15th day of December, 2008.

Point View Campus, LLC  
PRINCIPAL

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

American Casualty Company of Reading, Pennsylvania  
SURETY

BY: \_\_\_\_\_  
Margaret A. Benjamin, ATTORNEY-IN-FACT

THE ABOVE BOND IS HEREBY AGREED TO AND ACCEPTED BY:

Town of Pequannock  
OBLIGEE

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

## RESOLUTION

3.6

RESOLUTION AUTHORIZING A REDUCTION IN PERFORMANCE  
GUARANTEE (CEDAR CREST VILLAGE - BLOCK 101, LOT 1)

WHEREAS, a Performance Guarantee was issued in the amount of \$1,000,000.00 to the Township of Pequannock on behalf of Erickson Retirement Communities, the developer of a development known as Block 101, Lot 1 (Cedar Crest Village); and

**WHEREAS,** Erickson Retirement Communities has requested that the Township accept a Performance Guarantee reduction from \$1,000,000.00 to \$20,000.00; and

WHEREAS, by memorandum dated November 7, 2008, the Township Engineer has reviewed the request for a reduction and has recommended that the Performance Guarantee be reduced.

NOW, THEREFORE, BE IT RESOLVED by the Township Council of the Township of Pequannock, in the County of Morris and State of New Jersey, that the Township of Pequannock hereby accepts a reduction in the Performance Guarantee on behalf of Erickson Retirement Communities from \$1,000,000.00 to \$50,000.00 to be reviewed on August 31, 2009.

BE IT FURTHER RESOLVED that the reduction is conditioned upon payment of outstanding inspection related fees due and owing from the developer.

Adopted: November 25, 2008

*Dolores J. Sweeney*  
Dolores J. Sweeney, Township Clerk

*Nicholas Kapotes*  
Nicholas Kapotes, Mayor



Bond No. 929 190 879

**REVOLVING PERFORMANCE BOND  
CEDAR CREST VILLAGE - PHASE I**

KNOW ALL MEN BY THESE PRESENTS, That we, Point View Campus, LLC, a limited liability company authorized to do business in the State of New Jersey, having an office and place of business at 701 Maiden Choice Lane, Baltimore, Maryland 21228, as Principal and American Casualty Company of Reading, Pennsylvania, having an office and place of business at 8403 Colesville Road, Silver Spring, Maryland 20910, as Surety, are held and firmly bound unto the TOWNSHIP OF PEQUANNOCK, in the full and just sum of ONE MILLION AND 00/100 (\$1,000,000.00) lawful money of the United States for the payment which sum the said Principal and Surety bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, Point View Campus, LLC, a limited liability company, has entered into a Developer's Agreement with the Township of Pequannock, dated May 9, 2000, a copy of which is attached hereto as Exhibit "A", and is to be read and considered as part hereof; and

WHEREAS, the aforesaid agreement required Point View Campus, LLC, to furnish to the Township of Pequannock, a Performance Bond to be not less than ONE MILLION AND 00/100 (\$1,000,000.00), to guarantee the completion of all public improvements not covered by the Phase I Public Improvements Performance Bond, to the Town of Pequannock, as set forth in the aforesaid agreement.

WHEREAS, THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal shall in all respects comply with the conditions set forth in aforesaid agreement, this obligation is to be null and void; otherwise remain in full force and effect.

No party other than the Obligee shall have any rights hereunder as against the Surety.

The aggregate liability of the Surety on the bond shall not exceed the sum thereof for any cause or reason whatsoever.

SIGNED, SEALED, AND DATED THIS 9TH day of MAY, 2001.

**POINT VIEW CAMPUS, LLC (Principal)**

By: Erickson Retirement Communities, LLC, member

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

**American Casualty Company of Reading, Pennsylvania**

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

**Steven T. Johnson, Attorney-in-Fact**

Group Exhibit B

Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania  
The Continental Insurance Company  
Firemen's Insurance Company of Newark, New Jersey  
Western Surety Company  
Universal Surety of America  
Surety Bonding Company of America

CNA Surety  
333 South Wabash  
Chicago, IL 60604

## GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned, herein called the Indemnitors, and Continental Casualty Company, National Fire Insurance Company of Hartford, American Casualty Company of Reading, Pennsylvania, The Continental Insurance Company, Firemen's Insurance Company of Newark, New Jersey, Western Surety Company, Universal Surety of America, Surety Bonding Company of America and their successors, assigns, affiliates, and subsidiary companies, CNA Surety, 333 South Wabash, Chicago, IL 60604, as the case may be, any one or all hereinafter called the Company, witnesseth:

WHEREAS, in the transaction of business certain bonds, undertakings and other writings obligatory in the nature of a bond, hereinafter referred to as "bond" or "bonds," may have heretofore been, and may hereafter be, required by, for, or on behalf of the undersigned Indemnitors or any one or more of the Indemnitors in whose bonds and undertakings the Indemnitors do hereby affirm to have a substantial material or beneficial interest, and as a condition precedent to the execution of any and all such bonds, the Company requires execution of this General Agreement of Indemnity.

NOW, THEREFORE, in consideration of the premises, and of the execution or continuance of such bonds, and for other good and valuable considerations, the undersigned Indemnitors do, for themselves, their heirs, executors, administrators and assigns, jointly and severally, agree with the Company as follows:

1. The Indemnitors will pay to the Company, at its Office in Chicago, Illinois, premiums and charges at the rates and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until the Indemnitors shall deliver to the Company at its Office in Chicago, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds.

2. The Indemnitors will indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of such bonds, or any renewals or continuations thereof or substitutes therefore, including, but not limited, to fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of any of the Indemnitors under this Agreement. In the event the Company deems it necessary to make an independent investigation of a claim, demand or suit, the Indemnitors acknowledge and agree that all expense attendant to such investigation is included as an indemnified expense. In the event of payments by the Company, the Indemnitors agree to accept the voucher or other evidence of such payments as prima facie evidence of the propriety thereof, and of the Indemnitors' liability therefore to the Company.

3. Payment shall be made to the Company by the Indemnitors as soon as liability exists or is asserted against the Company, whether or not the Company shall have made any payment therefore. Such payment shall be either equal to the larger of (a) the amount of any reserve set by the Company, or (b) such amount as the Company, in its sole judgment, shall deem sufficient to protect it from loss. The Company shall have the right to use the deposit, or any part thereof, in payment or settlement of any liability, loss or expense for which the Indemnitors would be obligated to indemnify the Company under the terms of this Agreement. If for any reason the Company shall deem it necessary to increase a reserve to cover any possible liability or loss, the Indemnitors will deposit with the Company, immediately upon demand, a sum of money equal to any increase thereof as collateral security to the Company for such liability or loss.

4. The Indemnitors immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Office, CNA Surety, 333 South Wabash, Chicago, Illinois 60604.

Date July 9th, 2001 Initial(s) 

5. The Company shall have the exclusive right to determine for itself and the Indemnitors whether any claim or suit brought against the Company or the principal upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon the Indemnitors.

6. The Company, and its designated agents, shall, at any and all reasonable times, have free access to the books and records of the Indemnitors. The Indemnitors hereby authorize the Company to obtain a credit report at the time this Agreement is secured, in any review or renewal, at the time of any potential or actual claim, or for any other legitimate purpose as determined by the Company in its reasonable discretion.

7. If such bond be given in connection with a contract, the Company is hereby authorized, but not required, to consent to any change in the contract or in the plans or specifications relating thereto and to make or guarantee advances or loans for the purpose of the contract without necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder.

8. In the event the Indemnitors, or any of them, shall (a) fail to pay any premium charge when due, or (b) fail to pay any amounts due under paragraphs 2 or 3, or (c) abandon, forfeit or breach such contract, or (d) breach any bond given in connection therewith, or (e) fail, neglect or refuse to pay for any labor or materials used in the prosecution of such contract, or (f) have proceedings instituted against them, or any of them, alleging that they are insolvent, or for the appointment of a receiver or trustee for the benefit of creditors, whether such Indemnitor(s) are insolvent or not, or (g) have proceedings instituted against them, or any of them, the effect of which may be to deprive any of them of the use of any part of the equipment used in connection with the work under the contract so as to hinder, delay or impede the normal satisfactory progress of the work (hereinafter individually and collectively referred to as "Event of Default"), the Company shall have the right, but not the obligation, to take possession of the work under the contract and under any other contract in connection with which the Company has given its bond or bonds within the purview of this Agreement and, at the expense of the Indemnitors, to complete the contract(s), or cause, or consent, to the completion thereof.

9. The Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of such bond or bonds, but only in the Event of Default), all of their rights under the contract(s), including their right, title and interest in and to all subcontracts let in connection therewith; all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract(s), including all materials ordered for the contract(s); and any and all sums due under the contract(s) at the time of such default, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to receive and collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof.

10. The Indemnitors understand and agree that the circumstances, financial or otherwise, of any one or more of the Indemnitors may change substantially over the period of this Agreement and the Indemnitors therefore agree to keep themselves fully informed as to the business activities and financial affairs of any one or more of the Indemnitors and of the risks being engaged in so that the Indemnitors are always aware of the risks or hazards in continuing to act as Indemnitors. The Indemnitors hereby expressly waive any notice from the Company of any fact or information coming to the notice or knowledge of the Company affecting its rights or the rights or liabilities of the Indemnitors.

11. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the joint debtors, and hereby consent to any settlement or composition that may hereafter be made.

12. The Company is not required, by reason of any applications for a bond or by reason of having issued a previous bond or bonds or otherwise, to execute or procure the execution of or participate in the execution of any such bond or bonds and the Company, at its option, may decline to execute or to participate in or procure the execution of any such bond without impairing the validity of this Agreement. The Indemnitors understand and agree that other than for the entity issuing a bond, no other entity included within the definition of the "Company" in this Agreement assumes any obligation whatsoever with respect to either this Agreement or such bond.

13. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

14. The liability of the Indemnitors hereunder shall not be affected by the failure of the Indemnitors to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, nor the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

15. This Agreement may be terminated by the Indemnitors, or any one or more of the parties so designated, upon written notice sent by registered mail to the Office of the Company, CNA Surety, 333 South Wabash, Chicago, Illinois 60604, of not less than twenty (20) days. In no event, however, shall any such termination notice operate to modify, bar, discharge, limit, affect or impair the liability of any party hereto, with respect to, upon or by reason of any and all such bonds, undertakings and obligations executed prior to the date of the Company's receipt and notice of such termination.

Date July 9th, 2001 Initial(s) 

16. Indemnitors agree that their liability shall be construed as the liability of a compensated Surety, as broadly as the liability of the Company is construed toward its obligee.

17. The Indemnitors understand and agree that this document is a continuing agreement to indemnify over an indefinite period and that bonds and undertakings issued by the Company pursuant to this Agreement may vary widely in amounts and nature and that the Indemnitors will be bound by all such bonds and undertakings, and any increases in the penal limits of such bonds and undertakings.

18. If any provision or provisions, or portion thereof, of this Agreement shall be void or unenforceable under the laws of any jurisdiction governing its construction, this Agreement shall not be void or vitiated thereby, but shall be construed and enforced with the same effect as though such provision or provisions, or portion thereof, were omitted.

19. This Agreement shall constitute a Security Agreement and a Financing Statement for the benefit of the Company in accordance with the Uniform Commercial Code and any similar statute and may be so used by the Company without in any way abrogating, restricting or limiting the rights of the Company. The Company may add such schedules to this Agreement describing specific items of security covered hereunder as shall be necessary. For the purpose of recording this Agreement, a photocopy of this Agreement acknowledged before a Notary Public as being a true copy hereof shall be regarded as an original. The foregoing rights of the Company to use this Agreement as a Security Agreement and a Financing Statement and to add Schedules to this Agreement shall be binding as of the effective date of this Agreement, but the Company's right to exercise the rights granted to it under this paragraph shall be conditioned upon the occurrence of an Event of Default.

20. This Agreement applies to bonds, undertakings and other writings obligatory in the nature of a bond, written by the Company on behalf of or for the benefit of the undersigned Indemnitors and any and all of their wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates, partnerships, joint ventures or co-ventures or limited liability companies, or other entities, in which any of the undersigned Indemnitors, their wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates have an interest or participation whether open or silent; jointly, severally, or in any combination with each other; now in existence or which may hereafter be created or acquired. This Agreement and the Indemnitors' obligations hereunder may not be assigned without the prior written consent of the Company.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this 9th day of July 2001

Witness/Attest  
See \*  
Street or P.O. Box City State

Witness/Attest  
See \*  
Street or P.O. Box City State

Witness/Attest  
See \*  
Street or P.O. Box City State

Erickson Retirement Communities, LLC  
By: Jeffrey A. Jacobson, Sr. V.P. (LS)  
701 Maiden Choice Lane, Baltimore, Maryland 21228  
Street or P.O. Box City State

Senior Campus Care, LLC  
By: Erickson Retirement Communities, LLC, Member (LS)  
Jeffrey A. Jacobson, Secretary  
701 Maiden Choice Lane, Baltimore, Maryland 21228  
Street or P.O. Box City State

Erickson Construction, LLC  
By: Erickson Retirement Communities, LLC, Member (LS)  
Jeffrey A. Jacobson, Secretary  
701 Maiden Choice Lane, Baltimore, Maryland 21228  
Street or P.O. Box City State

\* 701 Maiden Choice Lane  
Baltimore, Maryland 21228

Additional Signature Page for General Agreement of Indemnity dated July 9th, 2001

Witness/Attest

See \*

Street or P.O. Box

City

State

Witness/Attest

See \*

Street or P.O. Box

City

State

Witness/Attest

See \*

Street or P.O. Box

City

State

Witness/Attest

See \*

Street or P.O. Box

City

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Witness/Attest

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Street or P.O. Box

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Witness/Attest

See \*

Street or P.O. Box

City

State

Witness/Attest

See \*

Street or P.O. Box

City

State

Witness/Attest

See \*

Street or P.O. Box

City

State

Springfield Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Tinton Falls Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Peabody Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Point View Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Silver Oaks Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Novi Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Hingham Campus, LLC

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

Warminster Campus, L.P.

By: Erickson Retirement Communities, LLC,  
Member (LS)

Jeffrey A. Jacobson, Sr. V.P.

701 Maiden Choice Lane, Baltimore, Maryland 21228

Street or P.O. Box

City

State

\* 701 Maiden Choice Lane  
Baltimore, Maryland 21228

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Erickson Retirement Communities, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw  
Notary Public  
Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Senior Campus Care, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw  
Notary Public  
Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Erickson Construction, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw  
Notary Public  
Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Springfield Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Tinton Falls Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Peabody Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004



STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Point View Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Silver Oaks Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Novi Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Hingham Campus, LLC  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 9th day of July, year 2001, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me duly sworn, did acknowledge and say that he/she is general partner/member of the partnership of

Warminster Campus, L. P.

and acknowledged that he/she executed the foregoing agreement as the act of the partnership.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania  
The Continental Insurance Company  
Firemen's Insurance Company of Newark, New Jersey  
Western Surety Company  
Universal Surety of America  
Surety Bonding Company of America

CNA Surety  
333 South Wabash  
Chicago, IL 60604

## GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned, herein called the Indemnitors, and Continental Casualty Company, National Fire Insurance Company of Hartford, American Casualty Company of Reading, Pennsylvania, The Continental Insurance Company, Firemen's Insurance Company of Newark, New Jersey, Western Surety Company, Universal Surety of America, Surety Bonding Company of America and their successors, assigns, affiliates, and subsidiary companies, CNA Surety, 333 South Wabash, Chicago, IL 60604, as the case may be, any one or all hereinafter called the Company, witnesseth:

WHEREAS, in the transaction of business certain bonds, undertakings and other writings obligatory in the nature of a bond, hereinafter referred to as "bond" or "bonds," may have heretofore been, and may hereafter be, required by, for, or on behalf of the undersigned Indemnitors or any one or more of the Indemnitors in whose bonds and undertakings the Indemnitors do hereby affirm to have a substantial material or beneficial interest, and as a condition precedent to the execution of any and all such bonds, the Company requires execution of this General Agreement of Indemnity.

NOW, THEREFORE, in consideration of the premises, and of the execution or continuance of such bonds, and for other good and valuable considerations, the undersigned Indemnitors do, for themselves, their heirs, executors, administrators and assigns, jointly and severally, agree with the Company as follows:

1. The Indemnitors will pay to the Company, at its Office in Chicago, Illinois, premiums and charges at the rates and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until the Indemnitors shall deliver to the Company at its Office in Chicago, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds.

2. The Indemnitors will indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of such bonds, or any renewals or continuations thereof or substitutes therefore, including, but not limited, to fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of any of the Indemnitors under this Agreement. In the event the Company deems it necessary to make an independent investigation of a claim, demand or suit, the Indemnitors acknowledge and agree that all expense attendant to such investigation is included as an indemnified expense. In the event of payments by the Company, the Indemnitors agree to accept the voucher or other evidence of such payments as prima facie evidence of the propriety thereof, and of the Indemnitors' liability therefore to the Company.

3. Payment shall be made to the Company by the Indemnitors as soon as liability exists or is asserted against the Company, whether or not the Company shall have made any payment therefore. Such payment shall be either equal to the larger of (a) the amount of any reserve set by the Company, or (b) such amount as the Company, in its sole judgment, shall deem sufficient to protect it from loss. The Company shall have the right to use the deposit, or any part thereof, in payment or settlement of any liability, loss or expense for which the Indemnitors would be obligated to indemnify the Company under the terms of this Agreement. If for any reason the Company shall deem it necessary to increase a reserve to cover any possible liability or loss, the Indemnitors will deposit with the Company, immediately upon demand, a sum of money equal to any increase thereof as collateral security to the Company for such liability or loss.

4. The Indemnitors immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Office, CNA Surety, 333 South Wabash, Chicago, Illinois 60604.

Date July 1st, 2003 Initial(s) CR

5. The Company shall have the exclusive right to determine for itself and the Indemnitors whether any claim or suit brought against the Company or the principal upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon the Indemnitors.

6. The Company, and its designated agents, shall, at any and all reasonable times, have free access to the books and records of the Indemnitors. The Indemnitors hereby authorize the Company to obtain a credit report at the time this Agreement is secured, in any review or renewal, at the time of any potential or actual claim, or for any other legitimate purpose as determined by the Company in its reasonable discretion.

7. If such bond be given in connection with a contract, the Company is hereby authorized, but not required, to consent to any change in the contract or in the plans or specifications relating thereto and to make or guarantee advances or loans for the purpose of the contract without necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder.

8. In the event the Indemnitors, or any of them, shall (a) fail to pay any premium charge when due, or (b) fail to pay any amounts due under paragraphs 2 or 3, or (c) abandon, forfeit or breach such contract, or (d) breach any bond given in connection therewith, or (e) fail, neglect or refuse to pay for any labor or materials used in the prosecution of such contract, or (f) have proceedings instituted against them, or any of them, alleging that they are insolvent, or for the appointment of a receiver or trustee for the benefit of creditors, whether such Indemnitor(s) are insolvent or not, or (g) have proceedings instituted against them, or any of them, the effect of which may be to deprive any of them of the use of any part of the equipment used in connection with the work under the contract so as to hinder, delay or impede the normal satisfactory progress of the work (hereinafter individually and collectively referred to as "Event of Default"), the Company shall have the right, but not the obligation, to take possession of the work under the contract and under any other contract in connection with which the Company has given its bond or bonds within the purview of this Agreement and, at the expense of the Indemnitors, to complete the contract(s), or cause, or consent, to the completion thereof.

9. The Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of such bond or bonds, but only in the Event of Default), all of their rights under the contract(s), including their right, title and interest in and to all subcontracts let in connection therewith; all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract(s), including all materials ordered for the contract(s); and any and all sums due under the contract(s) at the time of such default, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to receive and collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof.

10. The Indemnitors understand and agree that the circumstances, financial or otherwise, of any one or more of the Indemnitors may change substantially over the period of this Agreement and the Indemnitors therefore agree to keep themselves fully informed as to the business activities and financial affairs of any one or more of the Indemnitors and of the risks being engaged in so that the Indemnitors are always aware of the risks or hazards in continuing to act as Indemnitors. The Indemnitors hereby expressly waive any notice from the Company of any fact or information coming to the notice or knowledge of the Company affecting its rights or the rights or liabilities of the Indemnitors.

11. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the joint debtors, and hereby consent to any settlement or composition that may hereafter be made.

12. The Company is not required, by reason of any applications for a bond or by reason of having issued a previous bond or bonds or otherwise, to execute or procure the execution of or participate in the execution of any such bond or bonds and the Company, at its option, may decline to execute or to participate in or procure the execution of any such bond without impairing the validity of this Agreement. The Indemnitors understand and agree that other than for the entity issuing a bond, no other entity included within the definition of the "Company" in this Agreement assumes any obligation whatsoever with respect to either this Agreement or such bond.

13. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

14. The liability of the Indemnitors hereunder shall not be affected by the failure of the Indemnitors to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, nor the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

15. This Agreement may be terminated by the Indemnitors, or any one or more of the parties so designated, upon written notice sent by registered mail to the Office of the Company, CNA Surety, 333 South Wabash, Chicago, Illinois 60604, of not less than twenty (20) days. In no event, however, shall any such termination notice operate to modify, bar, discharge, limit, affect or impair the liability of any party hereto, with respect to, upon or by reason of any and all such bonds, undertakings and obligations executed prior to the date of the Company's receipt and notice of such termination.

Date July 1st, 2003 Initial(s) \_\_\_\_\_



16. Indemnitors agree that their liability shall be construed as the liability of a compensated Surety, as broadly as the liability of the Company is construed toward its obligee.

17. The Indemnitors understand and agree that this document is a continuing agreement to indemnify over an indefinite period and that bonds and undertakings issued by the Company pursuant to this Agreement may vary widely in amounts and nature and that the Indemnitors will be bound by all such bonds and undertakings, and any increases in the penal limits of such bonds and undertakings.

18. If any provision or provisions, or portion thereof, of this Agreement shall be void or unenforceable under the laws of any jurisdiction governing its construction, this Agreement shall not be void or vitiated thereby, but shall be construed and enforced with the same effect as though such provision or provisions, or portion thereof, were omitted.

19. This Agreement shall constitute a Security Agreement and a Financing Statement for the benefit of the Company in accordance with the Uniform Commercial Code and any similar statute and may be so used by the Company without in any way abrogating, restricting or limiting the rights of the Company. The Company may add such schedules to this Agreement describing specific items of security covered hereunder as shall be necessary. For the purpose of recording this Agreement, a photocopy of this Agreement acknowledged before a Notary Public as being a true copy hereof shall be regarded as an original. The foregoing rights of the Company to use this Agreement as a Security Agreement and a Financing Statement and to add Schedules to this Agreement shall be binding as of the effective date of this Agreement, but the Company's right to exercise the rights granted to it under this paragraph shall be conditioned upon the occurrence of an Event of Default.

20. This Agreement applies to bonds, undertakings and other writings obligatory in the nature of a bond, written by the Company on behalf of or for the benefit of the undersigned Indemnitors and any and all of their wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates, partnerships, joint ventures or co-ventures or limited liability companies, or other entities, in which any of the undersigned Indemnitors, their wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates have an interest or participation whether open or silent; jointly, severally, or in any combination with each other; now in existence or which may hereafter be created or acquired. This Agreement and the Indemnitors' obligations hereunder may not be assigned without the prior written consent of the Company.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this 1st day of July, 2003  
(month) (year)

Jane Marshall  
Witness/Attest  
701 Maiden Choice Lane, Baltimore MD 21228  
Street or P.O. Box City State

[Signature]  
Witness/Attest  
701 Maiden Choice Lane, Baltimore, MD 21228  
Street or P.O. Box City State

[Signature]  
Witness/Attest  
701 Maiden Choice Lane, Baltimore, MD 21228  
Street or P.O. Box City State

Fox Run Village, Inc.  
Bruce R. Grinrod, Jr. (LS)  
Bruce R. Grinrod, Jr., President  
701 Maiden Choice Lane, Baltimore MD 21228  
Street or P.O. Box City State

Erickson Retirement Communities, LLC  
[Signature] (LS)  
Jeffrey A. Jacobson, Senior Vice President  
701 Maiden Choice Lane, Baltimore, MD 21228  
Street or P.O. Box City State

Novi Campus, LLC  
[Signature] (LS)  
Jeffrey A. Jacobson, Senior Vice President of Erickson Retirement Communities, LLC, Member  
701 Maiden Choice Lane, Baltimore, MD 21228  
Street or P.O. Box City State

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 7th day of July, year 2003, before me personally appeared

Bruce R. Grinrod, Jr.

to me known, who, being by me duly sworn, did acknowledge and say that he/she is the President  
of the Fox Run Village, Inc., the corporation which executed the  
foregoing agreement; that he/she knows the seal of the corporation; that the seal affixed to the foregoing agreement is such corporate  
seal; that it was so affixed by the order of the Board of Directors of the corporation, and that he/she signed his/her name to the  
foregoing agreement by like order.

Lois M. Shaw

Notary Public

Commission expires \_\_\_\_\_

LOIS M. SHAW  
NOTARY PUBLIC STATE OF MARYLAND  
My Commission Expires October 26, 2004

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 7th day of July, year 2003, before me personally appeared

Jeffrey A. Jacobson

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Erickson Retirement Communities, LLC,  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lisa A. Hoos

Notary Public

Commission expires 12-1-05

STATE OF Maryland }  
COUNTY OF Baltimore } SS

On this 7th day of July, year 2003, before me personally appeared

Jeffrey A. Jacobson, Senior Vice President of Erickson Retirement Communities, LLC

to me known, who, being by me being duly sworn, did acknowledge and say that he/she is a member or manager of the  
limited liability company of Novi Campus, LLC,  
and that he/she is duly authorized to execute the foregoing agreement in the name of and for the limited liability company.

Lisa A. Hoos

Notary Public

Commission expires 12-1-05

**MEMBERS' CERTIFICATE**  
(Tinton Falls Campus, LLC)

1. The undersigned hereby certifies to American Casualty Company of Reading, Pennsylvania the accuracy of the following:

1. The undersigned is the Secretary of Erickson Retirement Communities, LLC, the Administrative Member of Tinton Falls Campus, LLC, a Maryland limited liability company (the "Company" );

2. Attached hereto as Exhibit A is a true, correct and complete copy of that certain Resolution Authorizing or Ratifying Indemnity dated as of June 4, 2002 (the "Resolution"), which Resolution has not been amended, rescinded or otherwise affected, and is in full force and effect dated as of January 1, 2000.

TINTON FALLS CAMPUS, LLC  
By: Erickson Retirement Communities,  
LLC, Member

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

Jeffrey A. Jacobson

Managing Director, Secretary

EXHIBIT A  
RESOLUTION



00000000

**TINTON FALLS CAMPUS, LLC  
RESOLUTION AUTHORIZING OR RATIFYING INDEMNITY**

WHEREAS, Tinton Falls Campus, LLC (hereinafter called the "LLC") has a material and pecuniary interest in having certain bonds or undertakings executed on behalf of Erickson Retirement Communities, LLC, any and all of its wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates, partnerships, joint ventures or co-ventures or limited liability companies, or other entities, in which Erickson Retirement Communities, LLC, is wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates has an interest or participation whether open or silent; jointly, severally, or in any combination with each other; now in existence or which may hereafter be created or acquired named or to be named as Principal in said bonds or undertakings, and has applied or may apply to Continental Casualty Company or National Fire Insurance Company of Hartford or American Casualty Company of Reading, Pennsylvania or The Continental Insurance Company or Firemen's Insurance Company of Newark, New Jersey or Western Surety Company or Universal Surety of America or Surety Bonding Company of America for surety bonds, undertakings and other writing obligatory in the nature of a bond; and

WHEREAS, Continental Casualty Company or National Fire Insurance Company of Hartford or American Casualty Company of Reading, Pennsylvania or The Continental Insurance Company or Firemen's Insurance Company of Newark, New Jersey or Western Surety Company or Universal Surety of America or Surety Bonding Company of America executed or may execute such bond or bonds upon being furnished with the written indemnity of this LLC;

NOW, THEREFORE, be it resolved that Jeffrey A. Jacobson, Sr. Vice President of Erickson Retirement Communities, LLC be, and he is hereby, authorized to execute on behalf of this LLC any Agreement or Agreements of Indemnity required by Continental Casualty Company or National Fire Insurance Company of Hartford or American Casualty Company of Reading, Pennsylvania or The Continental Insurance Company or Firemen's Insurance Company of Newark, New Jersey or Western Surety Company or Universal Surety of America or Surety Bonding Company of America as a prerequisite to, or in connection with, the execution of any bonds or undertakings as above described, and the acts of Jeffrey A. Jacobson, Sr. Vice President of Erickson Retirement Communities, LLC who may have already executed such Agreement or Agreements of Indemnity are hereby confirmed, ratified, and approved as acts of this LLC; provided however, that no Agreement or Agreements shall constitute or create a basis for a claim against any interest or asset of The Equitable Life Assurance Society of the United States other than its interest in the LLC.

IN WITNESS WHEREOF, the undersigned have each executed this Resolution as of this 4<sup>th</sup> day of June, 2002.

**ERICKSON RETIREMENT COMMUNITIES, LLC**

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

Name: Jeffrey A. Jacobson

Title: Managing Director

**THE EQUITABLE LIFE ASSURANCE  
SOCIETY OF THE UNITED STATES**

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

Name: W. Hayes Swann

Title: Investment Officer

**MEMBERS' CERTIFICATE**  
(Silver Oaks Campus, LLC)

1. The undersigned hereby certifies to American Casualty Company of Reading, Pennsylvania the accuracy of the following:

1. The undersigned is the Secretary of Erickson Retirement Communities, LLC, the Administrative Member of Silver Oaks Campus, LLC, a Maryland limited liability company (the "Company" );

2. Attached hereto as Exhibit A is a true, correct and complete copy of that certain Resolution Authorizing or Ratifying Indemnity dated as of June 4, 2002 (the "Resolution"), which Resolution has not been amended, rescinded or otherwise affected, and is in full force and effect dated as of January 1, 2000.

SILVER OAKS CAMPUS, LLC  
By: Erickson Retirement Communities,  
LLC, Member

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

Jeffrey A. Jacobson

Managing Director, Secretary

EXHIBIT A  
RESOLUTION

**SILVER OAKS CAMPUS, LLC  
RESOLUTION AUTHORIZING OR RATIFYING INDEMNITY**


WHEREAS, Silver Oaks Campus, LLC (hereinafter called the "LLC") has a material and pecuniary interest in having certain bonds or undertakings executed on behalf of Erickson Retirement Communities, LLC, any and all of its wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates, partnerships, joint ventures or co-ventures or limited liability companies, or other entities, in which Erickson Retirement Communities, LLC, is wholly or partially owned subsidiary companies, successive subsidiaries whether direct or indirect, divisions or affiliates has an interest or participation whether open or silent; jointly, severally, or in any combination with each other; now in existence or which may hereafter be created or acquired named or to be named as Principal in said bonds or undertakings, and has applied or may apply to Continental Casualty Company or National Fire Insurance Company of Hartford or American Casualty Company of Reading, Pennsylvania or The Continental Insurance Company or Firemen's Insurance Company of Newark, New Jersey or Western Surety Company or Universal Surety of America or Surety Bonding Company of America for surety bonds, undertakings and other writing obligatory in the nature of a bond; and

WHEREAS, Continental Casualty Company or National Fire Insurance Company of Hartford or American Casualty Company of Reading, Pennsylvania or The Continental Insurance Company or Firemen's Insurance Company of Newark, New Jersey or Western Surety Company or Universal Surety of America or Surety Bonding Company of America executed or may execute such bond or bonds upon being furnished with the written indemnity of this LLC;

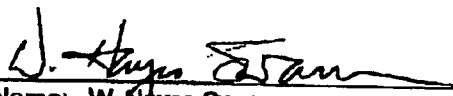
NOW, THEREFORE, be it resolved that Jeffrey A. Jacobson, Sr. Vice President of Erickson Retirement Communities, LLC be, and he is hereby, authorized to execute on behalf of this LLC any Agreement or Agreements of Indemnity required by Continental Casualty Company or National Fire Insurance Company of Hartford or American Casualty Company of Reading, Pennsylvania or The Continental Insurance Company or Firemen's Insurance Company of Newark, New Jersey or Western Surety Company or Universal Surety of America or Surety Bonding Company of America as a prerequisite to, or in connection with, the execution of any bonds or undertakings as above described, and the acts of Jeffrey A. Jacobson, Sr. Vice President of Erickson Retirement Communities, LLC who may have already executed such Agreement or Agreements of Indemnity are hereby confirmed, ratified, and approved as acts of this LLC; provided however, that no Agreement or Agreements shall constitute or create a basis for a claim against any interest or asset of The Equitable Life Assurance Society of the United States other than its interest in the LLC.

IN WITNESS WHEREOF, the undersigned have each executed this Resolution as of this 4<sup>th</sup> day of June, 2002.

ERICKSON RETIREMENT COMMUNITIES, LLC

By:   
Name: Jeffrey A. Jacobson  
Title: Managing Director

THE EQUITABLE LIFE ASSURANCE  
SOCIETY OF THE UNITED STATES

By:   
Name: W. Hayes Swann  
Title: Investment Officer



**RIORDAN  
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OF COUNSEL:  
LAURENCE A. VELCHEK  
(LICENSED INDIANA)

February 26, 2010

**Via Federal Express Overnight (Saturday Delivery)**

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

**Re: Erickson Retirement Communities, LLC  
United States Bankruptcy Court, Northern District of Texas (Dallas Division)  
Case No. 09-37010**

Attn: Erickson Retirement Communities, LLC Claims Processing:

I enclose for filing an original and two (2) copies of American Casualty Company of Reading, Pennsylvania's Proof of Claim against Erickson Retirement Communities, LLC. Please file the original and return the file-stamped copies to my attention in the enclosed postage paid envelope. Thank you for your assistance and please feel free to call me with any questions you may have regarding this matter.

Very truly yours,

RIORDAN McKEE & PIPER, LLC

Harold E. McKee

cc: Jerome C. Gardocky, Esq.