

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): Capmark Finance, Inc., as Agent		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where notices should be sent: Capmark Finance, Inc., as Agent c/o Daniel S. Bleck, Esq. Mintz Levin, One Financial Center, Boston, MA 02111		
Telephone number: (617) 542-6000		
Name and address where payment should be sent (if different from above): William E. Shine, Capmark Finance, Inc. 2801 Hwy 280 South, Suite 305 Birmingham, AL 35223		<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.
Telephone number:		
Name and address where payment should be sent (if different from above): BMC GROUP		
1. Amount of Claim as of Date Case Filed: § See Attached Addendum If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		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)(). Amount entitled to priority: \$ _____ <small>*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.</small>
2. Basis for Claim: See Attached Addendum (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: N/A 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 checked="" type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: See Attached Addendum 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: See Attached Addendum		
Date:	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. 	
FOR COURT USE ONLY Erickson Ret. Comm. LLC  01635		

Addendum to Proof of Claim of:
Capmark Finance, Inc., as Administrative Agent in
In re Erickson Retirement Communities, et al.
Chapter 11 Case No. 09-37010 (Jointly Administered)
(Erickson Construction, LLC)

Introduction

Capmark Finance, Inc., N.A., successor in interest to GMAC Commercial Mortgage Corporation, as administrative agent and collateral agent (in such capacities, the "Littleton Agent") on behalf and for the benefit of (i) Capmark Finance, Inc., (ii) Bank of America, N.A., (iii) Sovereign Bank, and (iv) Manufacturers and Traders Trust Company (collectively, the "Littleton Lenders"), submits this addendum to its proof of claim (the "Claim") against Erickson Construction, LLC ("Erickson Construction"), in connection with the bankruptcy cases of Erickson Construction, Littleton Campus, LLC (the "Littleton Debtor"), Erickson Retirement Communities, LLC ("ERC") and Erickson Group, LLC ("Erickson Group"; together with Erickson Construction, Littleton Debtor and ERC, the "Debtors").

In accordance with the Order Granting Joint Motion to Establish Protocol Under Federal Rules of Bankruptcy Procedure 3001(c) and 3001(b) for Filing Proofs of Claims [Docket No. 797] (the "Claims Protocol Order"), the Littleton Agent is an "authorized agent" within the meaning of Federal Rule of Bankruptcy Procedure 3001(b) and 3003(c)(1) who may, but is not required to, file a proof of claim on behalf of the Littleton Lenders with respect to the Loan Documents (defined below). Notwithstanding the foregoing, any Littleton Lender may, but need not, file its own proof(s) of claim for amounts due, which may be additional or supplemental of amounts set forth in this Claim. In addition, pursuant to the Claims Protocol Order, this Claim does not affect or prejudice the rights of any Littleton Lender to file proof(s) of claim for amounts due pursuant to other rights, remedies, claims or allegations such Littleton Lender may assert, whether or not included in this Claim.

As of October 19, 2009 (the "Petition Date"), the Debtors were jointly and severally, indebted to the Littleton Agent in the outstanding amount of not less than \$64,895,369.75¹, plus accruing post petition interest, costs and expenses, arising out of and relating to a revolving loan facility (the "Construction Loan") that the Littleton Lenders extended to the Littleton Debtor.

Summary of Documents Supporting Littleton Agent's Claim

This recitation of loan documents herein is to provide the Court and parties in interest with a summary of the relevant Construction Loan documents relating to Wind Crest Campus (defined below). The documents referenced and described herein include the primary agreements between the parties; however, not all documents relating to the financing of the Wind Crest Campus are described or otherwise referenced herein. Failure to describe or otherwise reference a document or ancillary document thereto shall not be deemed a waiver of any right, claim or interest by the Littleton Agent under such documents or otherwise. All of the loan documents

¹ This Claim includes indebtedness of an approximate amount of \$1.7 million, relating to funds held in escrow by Chicago Title for the benefit of the Littleton Lenders. The Littleton Agent asserts that such funds are not assets of any of the Debtors' estate and in addition to all other reservations contained herein, reserves all of its rights with respect to such funds.

referenced herein, together with all of the other agreements between the parties relating to the Littleton Lenders' financing the development of the Wind Crest Campus shall be referred to collectively as the "Loan Documents." Copies of all Loan Documents summarized herein have been filed with this Claim as "PDF" file documents on CDs supplied to the Claims Agent pursuant to the Claims Protocol Order. Copies of the Exhibits shall be made available upon request to Adrienne Walker, Esq., Mintz Levin Cohn Ferris Glovsky and Popeo, PC., awalker@mintz.com or (617) 348-1612.

1. **Construction Loan.**

The Littleton Agent is the administrative agent for the Littleton Lenders with respect to the Construction Loan to the Littleton Debtor for the development of a continuing care retirement facility located in Littleton, Colorado (the "Wind Crest Campus"). Pursuant to that certain construction loan agreement, dated as of March 29, 2006 (as amended, restated, supplemented or otherwise modified from time to time, the ("Construction Loan Agreement"), by and between the Littleton Debtor and the Littleton Agent, the Littleton Lenders agreed to extend a revolving credit facility to Littleton Debtor in the aggregate principal amount of up to \$83,000,000 for the purpose of financing the construction and development of the Wind Crest Campus. A true and accurate copy of the Construction Loan Agreement is filed with this Claim as **Exhibit A**.

The Construction Loan is evidenced by that certain Promissory Note made by Littleton Debtor and payable to the Littleton Agent. A true and accurate copy of the Promissory Note is filed with this Claim as **Exhibit B**.

In addition, to evidence the loans by the Littleton Lenders under the Construction Loan Agreement, the Littleton Debtor made the following separate promissory notes for each of the Littleton Lenders:

- (i) Revolving Promissory Note in the stated principal amount of \$33,000,000, payable to the order of Capmark Finance, Inc. (as amended and restated);
- (ii) Revolving Promissory Note in the stated principal amount of \$20,000,000, payable to the order of Bank of America, Inc. (as amended and restated);
- (iii) Revolving Promissory Note in the stated principal amount of \$20,000,000, payable to the order of Sovereign Bank (as amended and restated); and
- (iv) Revolving Promissory Note in the stated principal amount of \$10,000,000, payable to the order of Manufacturers and Traders Trust Company (as amended and restated).

2. **Guaranty and Indemnity.**

Pursuant to that certain Guaranty (Full Payment and Performance), dated March 29, 2006, executed by ERC and Erickson Group (together, the "Guarantors") for the benefit of the Littleton Agent and the Littleton Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"), the Guarantors, jointly and severally, guaranteed the Guaranteed Obligations (as defined in the Guaranty), including but not limited to (i) all amounts due with respect to the Construction Loan; (ii) the payment of all expenses and charges relating to the

Construction Loan; (iii) the performance of all obligations of the Littleton Debtor under the Construction Loan Agreement; and (iv) the lien-free completion of all Improvements (as defined in the Guaranty). A true and accurate copy of the Guaranty is filed with this Claim as **Exhibit C**.

Pursuant to that certain Environmental Indemnity Agreement, dated March 29, 2006, executed by Littleton Debtor and the Guarantors for the benefit of the Littleton Agent and the Littleton Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Environmental Indemnity"), the Littleton Debtor and the Guarantors agreed to, among other things, indemnify Littleton Agent against any and all Environmental Damages (as defined in the Environmental Indemnity). A true and accurate copy of the Environmental Indemnity is filed with this Claim as **Exhibit D**.

3. Security and Collateral.

The Construction Loan was secured by, *inter alia*, a first-priority lien against substantially all assets of Littleton Debtor including, but not limited to Littleton Debtor's right, title and interest in the property comprising the Wind Crest Campus. The security interests of the Littleton Agent arise under the terms of a variety of collateral agreements, guarantees, instruments and other documents executed in connection with the Construction Loan (collectively, the "Collateral Documents"), including but not limited to: (i) Security Agreement, Pledge and Collateral Assignment and Licenses and Residence and Care Agreements; (ii) Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing; and (iii) an Assignment of Leases and Rents. The Littleton Agent perfected its right, title and interest in all of the assets of Debtors relating to the Wind Crest Campus as provided in the Collateral Documents, by filing the following:

Debtor	Date of Filing/ Location of Filing	File No.	Form of Filing
Littleton Debtor	March 31, 2006/Maryland State Department of Assessments and Taxation	181261854	UCC-1
Erickson Group	March 31, 2006/Maryland State Department of Assessments and Taxation	181261866	UCC-1
ERC	March 31, 2006/Maryland State Department of Assessments and Taxation	181261849	UCC-1
Littleton Debtor	March 30, 2006/Douglas County, Colorado	2006026263	Deed of Trust, Assignment of Rents

True and accurate copies of the above-referenced UCC-1 Financing Statements are filed with this Claim as **Exhibit E**.

Summary descriptions of aforementioned Collateral Documents are as follows:

- A. **Deed of Trust.** Pursuant to certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing, dated as of March 29, 2006 (as amended, restated, supplemented or otherwise modified from time to time) (the "DOT"), given by the Littleton Debtor, for the benefit of the Littleton Lenders, the Littleton Debtor secured its obligation under the Construction Loan documents by a first-priority security interest in and continuing lien on substantially all of Littleton Debtor's assets, including, *inter alia*, all of Littleton Debtor's real property, accounts, deposit accounts, instruments, documents, chattel paper, investment property, letter of credit rights, commercial tort claims, general intangibles, goods, inventory, equipment, money, receivables and receivable records, and all proceeds, products, accessions, additions to, substitutions for and replacements of or in respect of any of the foregoing, in each case whether then owned or existing or thereafter acquired. A true and accurate copy of the DOT (including recordation reference) is filed with this Claim as **Exhibit F**.
- B. **Security Agreement.** Pursuant to that certain Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements, dated as of March 29, 2006, entered into by and among the Littleton Agent for the benefit of the Littleton Lenders, Littleton Debtor and ERC (as amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"), Littleton Debtor and ERC granted to Littleton Agent, to secure Littleton Debtor's obligations under the Loan Documents and Guaranty, a first-priority security interest in and continuing lien on, *inter alia*, all of (a) Littleton Debtor's right, title and interest in (i) the Residence and Care Agreements (as defined in the Security Agreement); (ii) all contracts, licenses, permits, approvals, agreements and warranties, all accounts, contract rights and general intangibles related thereto, which are in any manner related to the Wind Crest Campus; (iii) all other Collateral as set forth in the Security Agreement; (b) ERC's right, title and interest in the Collateral (as defined Security Agreement), pertaining to such Collateral which is located at, or is solely used in connection with, or related to, or arise from the Wind Crest Campus; and (c) all proceeds and products thereof. A true and accurate copy of the Security Agreement is filed with this Claim as **Exhibit G**.
- C. **Assignment of Leases and Rents.** Pursuant to that certain Assignment of Leases and Rents, dated as of March 29, 2006, entered into between Littleton Debtor and Littleton Agent for the benefit of the Littleton Lenders (as amended, restated, supplemented or otherwise modified from time to time, the "Rent Assignment"), Littleton Debtor transferred, sold, assigned, granted and conveyed to the Littleton Agent, to secure Littleton Debtor's obligations under the Loan Documents all of Littleton Debtor's right, title and interest in any and all Leases and Rents (as defined in the Rent Assignment), including that certain Master Lease and Use Agreement between Littleton Campus, as landlord, and non-debtor Wind Crest, Inc. ("Wind Crest"), as tenant, dated March 29, 2006 (as amended, restated, supplemented or otherwise modified from time to time, the "Master Lease"). A true and accurate copy of the Rent Assignment is filed with this Claim as **Exhibit**

H. A true and accurate copy of the Master Lease is filed with this Claim as **Exhibit I**.

- D. **Member Interest Pledge.** Pursuant to that certain Member Interest Pledge Agreement, dated as of March 29, 2006, entered into by and among the Littleton Agent, for the benefit of the Littleton Lenders, and ERC (as amended, restated, supplemented or otherwise modified from time to time, the "ERC Member Interest Pledge"), ERC granted to the Littleton Agent, to secure ERC's obligations under the Guaranty, a first-priority security interest in and continuing lien on ERC's membership interest in the Littleton Debtor, whether then owned or thereafter acquired, all present and future rights of ERC to receive any income, cash profits, proceeds, or distributions arising therefrom, together with all proceeds, both cash and non-cash, arising out of or in respect of the foregoing, all substitutions, additions, interest, dividends and other distributions arising out of or in respect thereof, and all books, records, papers and general intangibles related thereto. A true and accurate copy of the ERC Member Interest Pledge is filed with this Claim as **Exhibit J**.

4. **Subordinated NFP Loan Documents; Assignment to Littleton Agent; Subordinations**

In connection with financing the development of Wind Crest Campus, the Littleton Debtor, as borrower, entered into a Community Loan with Wind Crest, as lender. In addition, Littleton Debtor, as lender, extended a working capital loan to Wind Crest, as borrower. The Community Loan Documents (defined below) and the Working Capital Loan Agreement, along with any other agreements, instruments, notes, guaranties and other documents executed in connection therewith (including, but not limited to, the Master Lease, the Prepetition Development Agreement and the Prepetition Management Agreement) are collectively referred to herein as the "Subordinated NFP Documents").

All obligations of Littleton Debtor and Wind Crest arising under any of the Subordinated NFP Documents, including all loans, advances, debts, liabilities, principal, interest, fees, charges, expenses and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to Littleton Debtor by Wind Crest and to Wind Crest by Littleton Debtor, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, shall hereinafter be referred to as the "Subordinated NFP Obligations." As provided in the documents referred to herein, the Littleton Debtor's right, title and interest in and under the Community Loan Agreement, the Working Capital Loan Agreement, and documents related thereto, has been collaterally assigned to the Littleton Agent. In addition, Wind Crest agreed to subordinate any and all indebtedness of Littleton Debtor to Wind Crest and any liens arising from or related to such amounts owed have been contractually subordinated to the rights of the Littleton Agent on behalf of the Littleton Lenders.

A summary of the Subordinated NFP Documents, which rights and claims have been contractually assigned to the Littleton Agent for and on behalf of the Littleton Lenders, includes the following:

- A. **Community Loan Agreement.** Pursuant to that certain Community Loan Agreement, dated as of March 29, 2006, entered into by and between Wind Crest,

as lender, and Littleton Debtor, as borrower (as amended, restated, supplemented or otherwise modified from time to time, the "Community Loan Agreement")², Wind Crest agreed to loan to Littleton Debtor the Initial Entrance Deposits (as defined in the Community Loan Agreement) paid to or to be paid by the Residents (as defined in the Community Loan Agreement) to Wind Crest, up to the aggregate principal amount of \$556,770,000. A true and accurate copy of the Community Loan Agreement is filed with this Claim as **Exhibit K**.

- B. **Community Loan Deed of Trust.** Pursuant to that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Community Loan), dated as of March 29, 2006, granted by Littleton Debtor, for the benefit of Wind Crest (as amended, restated, supplemented or otherwise modified from time to time, the "Community Loan DOT"), a security interest in and continuing lien on substantially all of Littleton Debtor's assets, including, but not limited to, all of Littleton Debtor's accounts, deposit accounts, instruments, documents, chattel paper, investment property, letter of credit rights, commercial tort claims, general intangibles, goods, inventory, equipment, money, receivables and receivable records, and all proceeds, products, accessions, additions to, substitutions for and replacements of or in respect of any of the foregoing, in each case whether then owned or existing or thereafter acquired. A true and accurate copy of the Community Loan DOT is filed with this Claim as **Exhibit L**.
- C. **Assignment of Deed of Trust.** Pursuant to that certain Assignment of Deed of Trust (Community Loan), dated as of March 29, 2006, executed by Wind Crest to the Littleton Agent, for the benefit of the Littleton Lenders (as amended, restated, supplemented or otherwise modified from time to time), Wind Crest transferred, assigned, granted and conveyed to the Littleton Agent all interest of Wind Crest in and under the Community Loan DOT, including the Community Loan promissory note, together with all other rights and interests arising with respect to the Community Loan Documents. A true and accurate copy of the Assignment of Deed of Trust is filed with this Claim as **Exhibit M**.
- D. **Working Capital Loan.** Pursuant to that certain Working Capital Loan Agreement, dated as of March 29, 2006, entered into by and between Littleton Debtor, as lender, and Wind Crest, as borrower (as amended, restated, supplemented or otherwise modified from time to time, the "Working Capital Loan Agreement"), Littleton Debtor agreed to extend a revolving credit facility to Wind Crest from time to time in an aggregate principal of up to \$37,641,000. A true and accurate copy of the Working Capital Loan Agreement is filed with this Claim as **Exhibit N**.

² The Community Loan Agreement, along with any other agreements, instruments, notes, guaranties and other documents executed in connection therewith are collectively referred to herein as the "Community Loan Documents." All obligations of Littleton Debtor arising under the Community Loan Agreement or any other Community Loan Document (defined below), including all loans, advances, debts, liabilities, principal, interest, fees, charges, expenses and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to Wind Crest by Littleton Debtor, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, shall hereinafter be referred to as the "Community Loan Obligations."

- F. **Wind Crest Security Agreement.** Pursuant to certain Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements, dated as of March 29, 2006, Wind Crest, granted in favor of Littleton Debtor (as amended, restated, supplemented or otherwise modified from time to time, the "Wind Crest Security Agreement"), to secure Wind Crest's obligations under the Working Capital Loan, the Master Lease and the Community Loan, a security interest in and continuing lien on all of the Collateral (as defined in the Wind Crest Security Agreement), including, but not limited to, all of Wind Crest's accounts, deposit accounts, instruments, documents, chattel paper, investment property, letter of credit rights, commercial tort claims, general intangibles, goods, inventory, equipment, receivables and receivable records, and all proceeds, products, accessions, additions to, substitutions for and replacements of or in respect of any of the foregoing, in each case whether then owned or existing or thereafter acquired. Littleton Debtor perfected its right, title and interest against Wind Crest in the Collateral (as defined in the Wind Crest Security Agreement) by filing a UCC-1 Financing Statement with the Maryland State Department of Assessments and Taxation, file no. 181261858 (date March 31, 2006), which was assigned by Littleton Debtor to Littleton Agent on April 3, 2006, file no. 181261858 (the "Wind Credit Security Agreement UCC-1"). A true and accurate copy of the Wind Crest Security Agreement is filed with this Claim as **Exhibit O**. A true and accurate copy of the Wind Crest Security Agreement UCC-1 is filed with this Claim as **Exhibit P**.
- G. **Subordination Agreement (Wind Crest).** Pursuant to that certain Subordination Agreement (Wind Crest, Inc.), dated as of March 29, 2006, executed by and among Littleton Debtor, the Littleton Agent, the Guarantors and Wind Crest (as amended, restated, supplemented or otherwise modified from time to time), Wind Crest agreed to subordinate all of its rights under the Subordinated Documents (as defined in the Subordination Agreement, including the Community Loan Agreement) to the obligations owed to the Littleton Agent prior under the Loan Documents. A true and accurate copy of the Subordination Agreement is filed with this Claim as **Exhibit Q**.
- H. **Subordination Agreement (John and Nancy Erickson).** Pursuant to that certain Subordination Agreement (John and Nancy Erickson), dated as of March 29, 2006, executed by and among Littleton Debtor, the Littleton Agent, the Guarantors, John C. Erickson and Nancy A. Erickson (as amended, restated, supplemented or otherwise modified from time to time), Erickson Group, John Erickson and Nancy Erickson agreed to subordinate all of their rights under the Loan Documents to the obligations owed to the Littleton Agent under the Loan Documents. A true and accurate copy of the Subordination Agreement (John and Nancy Erickson) is filed with this Claim as **Exhibit R**.
- I. **Subordination Agreement (Erickson Construction, LLC).** Pursuant to that certain Subordination Agreement (Erickson Construction, LLC), dated as of March 29, 2006, executed by and among Littleton Debtor, the Littleton Agent, the Guarantors and Erickson Construction (as amended, restated, supplemented or otherwise modified from time to time), Erickson Construction agreed to subordinate all of its rights under the Subordinated Documents (as defined in the

Subordination Agreement, including the Community Loan Agreement) to the obligations owed to the Littleton Agent under the Loan Documents. A true and accurate copy of the Subordination Agreement (Erickson Construction, LLC) is filed with this Claim as **Exhibit S**.

Amount and Priority of Littleton Agent's Claim

Prior to the Petition Date, the Littleton Debtor defaulted on its obligations to the Littleton Lenders under the terms of the Loan Documents. As of the Petition Date, the amounts owed to each of the Littleton Lenders by the Debtors under the Loan Documents were not less than the following:

1. Capmark Finance, Inc. (39.75% Lender's Interest)

Principal:	\$	25,008,276.58
Interest:	\$	42,183.98
Late Charges:	\$	10,283.18
Forbearance Fees:	\$	660,000.00
Legal Counsel expenses		
(counsel for Littleton Agent):	\$	13,603.32
Professional Fees (non-legal):	\$	40,301.73
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Total (as of Petition Date):	\$	<u>25,774,648.79</u>

2. Bank of America, NA. (24.10% Lender's Interest)

Principal:	\$	15,160,408.89
Interest:	\$	22,582.47
Late Charges:	\$	6,232.23
Forbearance Fees:	\$	400,000.00
Legal Counsel expenses		
(counsel for Littleton Agent):	\$	8,247.55
(counsel for Bank of America, NA):	\$	17,843.38
Professional Fees (non-legal):	\$	24,432.52
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Total (as of Petition Date):	\$	<u>15,639,747.04</u>

3. Sovereign Bank. (24.10% Lender's Interest)

Principal:	\$	15,160,408.89
Interest:	\$	22,582.47
Late Charges:	\$	6,232.23
Forbearance Fees:	\$	400,000.00
Legal Counsel expenses		
(counsel for Littleton Agent):	\$	8,247.55
(counsel for Sovereign Bank):	\$	10,500.00
Professional Fees (non-legal):	\$	24,434.52
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Total (as of Petition Date):	\$	<u>15,632,405.66</u>

4. **Manufactures and Traders Trust Company (12.05% Lender's Interest)**

Principal:	\$	7,581,474.51
Interest:	\$	11,293.11
Late Charges:	\$	3,116.12
Forbearance Fees:	\$	200,000.00
Legal Counsel expenses		
(counsel for Littleton Agent):	\$	4,123.75
(counsel for Manufactures and Traders Trust Company):	\$	36,341.48
Professional Fees (non-legal):	\$	12,217.26
Total (as of Petition Date):		<u>\$ 7,848,566.23</u>

As of the Petition Date, the total aggregate amount owed to the Littleton Lenders under the Loan Documents, exclusive of post-petition interest, cost and expenses (including attorneys' fees), were not less than the following:

Principal:	\$	62,910,568.87
Interest:	\$	98,642.03
Late Charges:	\$	25,863.76
Forbearance Fees:	\$	1,660,000.00
Legal Counsel expenses		
(counsel for Littleton Agent):	\$	34,222.20
(counsel for Littleton Lenders):	\$	64,684.86
Professional Fees (non-legal):	\$	101,388.03
Total (as of Petition Date):		<u>\$ 64,895,369.75</u>

Littleton Agent additionally asserts contingent and/or unliquidated claims against the Debtors for any damages or losses that Littleton Agent may suffer as a result of the Debtors' breach of its obligations relating to any of the Loan Documents.

Littleton Agent asserts the right to (a) recover post-petition amounts due under the Loan Documents, including ongoing costs of collection (including attorney's fees), principal, interest, premium, fees, costs and charges, which amounts may be unliquidated in whole or in part and continue to accrue, and (b) assert any additional claims including unsecured claims, administrative expense claims, priority and/or super-priority claims pursuant to sections 503 and 507 of the Bankruptcy Code and nothing contained herein shall be deemed a waiver or release of such claims or rights.

Reservations

Littleton Agent expressly reserves its right to modify, amend or supplement this Claim at any time and in any respect. This Claim is made without prejudice to Littleton Agent filing

additional claims with respect to any other indebtedness or liability of the Littleton Debtor or any of the other Debtors to Littleton Agent.

By executing and filing this Claim, Littleton Agent does not waive any right with respect to any security or any other claim it has or may have against the Debtors or any other person or entity. The filing of this Claim is not intended and should not be construed to be an election of remedies or waiver of any past, present or future defaults or events of default under the Loan Documents.

The Littleton Lenders in their individual capacities may have separate claims against the Debtors that are not included in this Claim, and this Claim shall be without prejudice to such separate claims as set forth in the Claims Protocol Order.

Littleton Agent submits itself to the jurisdiction of the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court") and, to the extent the Bankruptcy Court may constitutionally exercise the powers of the District Court for the Northern District of Texas, to the Bankruptcy Court solely for the purpose of the resolution of the claims set forth herein. Littleton Agent objects to the exercise of jurisdiction by the Bankruptcy Court over the Littleton Agent or over any cases or controversies concerning Littleton Agent for any other purpose. Littleton Agent demands trial by jury on all issues so triable.

February 26, 2010

FEDERAL EXPRESS

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

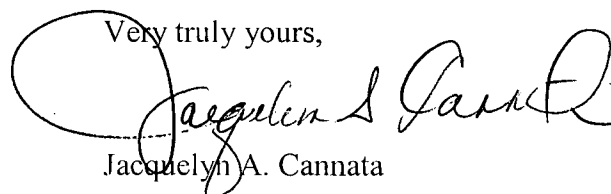
Re: Erickson Construction, LLC
Case No. 09-37016

Dear Sir or Madam:

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

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

Very truly yours,



Jacquelyn A. Cannata

Enclosure
cc: William E. Shine, EVP
Adrienne K. Walker, Esq.

4848363v.1

EXHIBIT A

CONSTRUCTION LOAN AGREEMENT

THIS CONSTRUCTION LOAN AGREEMENT (this "Agreement") is made as of March 29, 2006, by and between LITTLETON CAMPUS, LLC, a Maryland limited liability company (together with its successors and assigns, "Borrower"), and GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation (together with its successors and assigns, "Lender").

RECITALS

A. Borrower now owns a parcel of the Land (defined below) upon which it proposes to construct or to have constructed a Continuing Care Retirement Community ("CCRC") to be known as the Wind Crest Retirement Community (the "Wind Crest Community") consisting of approximately 1,587 independent living units, 96 assisted living units and 132 private skilled nursing beds in accordance with the Plans (defined below) which have been approved or are subject to approval by Lender.

B. Borrower has applied to Lender for a revolving loan to finance the development of the Land and the construction and equipping of the Wind Crest Community, and Lender has agreed to make a loan in the aggregate principal amount at any one time outstanding not to exceed Eighty-Three Million and No/100 Dollars (\$83,000,000.00) (the "Loan") to Borrower to be used on a revolving basis for the following purposes: (a) to finance the Wind Crest Community and for payment of such costs in connection with the Wind Crest Community, as itemized on the Project Budget (defined below); (b) to provide security for the issuance of letters of credit in connection with the development of Wind Crest Community; (c) for advances to the Borrower, the proceeds of which are to be reloaned to the lessee of Wind Crest Community to meet such lessee's general working capital needs; (d) for payment of interest due with respect to the Loan; and (e) for payment of certain Development Distributions (hereinafter defined) on the terms provided for herein.

The Borrower's interests in the land and improvements comprising Wind Crest Community will in turn be leased by the Borrower to Wind Crest, Inc., a Maryland nonstock corporation (the "Tenant"). The Tenant will enter into a Management and Marketing Agreement with Erickson Retirement Communities, LLC, a Maryland limited liability company (the "Manager"), pursuant to which the Manager will provide management services to the Tenant.

Lender has agreed to make the Loan on the terms and conditions set forth in this Agreement and the other Loan Documents (hereinafter defined).

AGREEMENTS

NOW, THEREFORE, in consideration of the premises and for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, and Lender agree as follows:

ARTICLE I

TERMS AND DEFINITIONS

In addition to the other terms herein defined, the following terms shall have the meaning set forth in this Article I whenever used in this Agreement:

1.1. “Account Bank”: LaSalle Bank National Association or such other national banking association selected by Borrower and approved by Lender.

1.2. Intentionally Deleted:

1.3. Applicants: Those persons who have applied to become Residents of Wind Crest Community by submitting Applications.

1.4. Applications: The applications signed by persons who wish to become Residents of Wind Crest Community.

1.5. Architect’s Agreement: Collectively, any and all agreements between the Borrower and James, Harwick & Partners, Inc. and/or any other architect or architectural services firm (individually and collectively the “Architect”) providing for architectural services in connection with the Project.

1.6. Intentionally Deleted.

1.7. Bank Accounts: Collectively, the Borrower Collateral Account, the Lockbox Account and the Borrower Operating Account.

1.8. Intentionally Deleted:

1.9. Borrower Collateral Account: The “Borrower Collateral Account” so defined and described in the Security Agreement.

1.10. Borrower/Guarantor Group: The group consisting of the Borrower and the Guarantors.

1.11. Borrower Operating Account. The bank account of the Borrower with the Account Bank into which all amounts receivable by the Borrower from and out of the Lockbox Account shall be deposited.

1.12. Borrower’s Operating Agreement: The Operating Agreement of the Borrower executed as of March 19, 2004, including only those amendments, assignments, extensions, restatements, additions, supplements, and substitutions therefor which are hereafter approved by Lender in writing.

1.13. Business Day: Any day on which Lender is open for business of the nature required by this Agreement.

1.14. Certificate of Occupancy. With respect to each building, a certificate of occupancy permitting occupancy of such building by one or more Residents.

1.15. Code: The “Code” as that term is defined in Section 2.1(a).

1.16. Closing Date: The date on which all of the Loan Documents are signed by all parties and delivered for all legal purposes.

1.17. Collateral Assignment of Project Documents: That certain Collateral Assignment of Project Documents of even date herewith executed by the Borrower in favor of Lender pursuant to which the Borrower has assigned to Lender as collateral for its obligations under the Loan Documents all right, title and interest of the Borrower in, to and under all contracts relating to the Project.

1.18. Intentionally Deleted:

1.19. Community Documents: Any and all documents and agreements by and between or among any of the Borrower, the Guarantors, the Tenant, the Manager and the Residents relating to the construction, leasing, occupancy and/or operation of Wind Crest Community, including, but not limited to, the Residence and Care Agreements, the Lease, the Management Agreement, the Community Loan Documents and the Working Capital Loan Documents.

1.20. Community Loan Documents: The Community Loan Agreement dated of even date between the Tenant (as lender) and the Borrower (as borrower) together with all “Loan Documents” referred to therein.

1.21. Completion Agreements: All agreements to complete executed by the Architect, the Landscape Architect, the Engineer and the Contractor for the account of Lender as and when required therein.

1.22. Completion Date: The date by which Substantial Completion of a particular Construction Phase of the Project (including submission of all documents described in Section 5.1 of this Agreement) must occur, which shall be ninety (90) days after the date shown on Schedule II for each of Construction Phases CB1.0 through RB1.2 of the Project, and six (6) months after the date shown on Schedule II for each of the remaining Construction Phases of the Project, unless Lender consents in writing to an extension of any such date.

1.23. Construction Contract: Any agreement between the Borrower, as owner, and the Contractor, as contractor, providing for construction services in connection with the Project.

1.24. Construction Escrow Agreement. The Construction Loan Escrow Trust and Disbursing Agreement of even date hereof by and among the Borrower, Lender and Chicago Title Insurance Company, as escrow trustee providing for disbursements of the Loan.

1.25. Construction Inspector: GTG Consultants, or other registered engineer and/or architect retained by Lender, in its discretion, at the expense of the Borrower, to perform the duties set forth herein.

1.26. Construction Phase: A construction phase of the Project, as such phases are described on Schedule II attached hereto.

1.27. Continuing Care Units: Collectively, all of the units available for occupancy at Wind Crest Community, including all independent living units, assisted living units and nursing units.

1.28. Contractor: Collectively, Erickson Construction, LLC, a Maryland limited liability company, and any and all other general contractors performing work on the Project.

1.29. Curative Rights Agreement: The Curative Rights Agreement of even date herewith between Lender and the Tenant pursuant to which the Tenant has granted Lender the right to cure any default of the Borrower under the Community Loan Documents, the Working Capital Loan Documents or the Lease.

1.30. Deed of Trust: That certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith executed by the Borrower in favor of Lender covering the Property to be recorded among the land records of Douglas County, Colorado.

1.31. Default: The occurrence of any event or state of facts which, with notice or the passage of time, or both, would constitute (unless cured to the extent cure is permitted hereunder) an Event of Default.

1.32. Default Interest Rate: The "Default Rate" as that term is defined in the Note.

1.33. Intentionally Deleted:

1.34. Deposit Schedule: The Deposit Schedule and Move-in Check List attached hereto as Schedule III.

1.35. Intentionally Deleted:

1.36. Developer: Erickson Retirement Communities, LLC, a Maryland limited liability company, which is one of the Guarantors and has also been retained as the initial Manager of Wind Crest Community.

1.37. Development Agreement: That certain Development Agreement of even date herewith by and between the Borrower and the Developer relating to the development of Wind Crest Community, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor which are hereafter approved by Lender in writing.

1.38. Development Distributions: The amounts described in Section 8.10(b) hereof as development distributions or development fees.

1.39. Engineer's Agreement: Collectively, any and all agreements between the Borrower, as owner, and Harris Kocher Smith, as civil engineer for the Project, and Norris

Design, Inc. as landscape architect for the Project, and/or any other landscape architect, engineer or engineering services firm (individually and collectively, the "Engineer") providing for landscape architecture and/or engineering services in connection with the Project.

1.40. Entrance Deposits: The "Entrance Deposits" defined in and payable under the Residence and Care Agreements, including the "Application Deposit," the "Signing Deposit" and the "Final Deposit" and all other deposits described on the Deposit Schedule and Move-in Check List attached hereto as Schedule IV.

1.41. Environmental Reports: Those reports described on Schedule V attached hereto.

1.42. Environmental Requirements: Any federal, state or local law, statute, ordinance or regulation, or any court or administrative order or decree, or any private agreement, or any other requirement legally binding on the Borrower or the Property which requires special handling, collection, storage, treatment, disposal or removal of any materials located in, on or about the Property based on concerns about public health, safety and/or the environment, including all such requirements more particularly described in the Deed of Trust.

1.43. Equity Balance Test: The test or determination calculated on or as of the last day of each month, and set forth in a Equity Balance Test Certificate delivered to Lender by the Borrower in accordance with Section 6.1 hereof, that demonstrates whether or not, as of such day of the month, the amount of Projected Available Funds is equal to, or greater than or less than the total anticipated budget shown in Schedule III for the initial term of the Loan, i.e. the period from the date hereof until Maturity Date (the "Initial Term"). As used in this definition of "Equity Balance Test", the term:

(a) "Equity Balance Test Certificate" means the Equity Balance Test Certificate that the Borrower is required to deliver to Lender pursuant to Section 6.1 hereof, which shall be substantially in the form attached to this Agreement as Schedule I.

(b) "Projected Available Funds" means the difference in projected cash inflows and projected cash outflows plus the maximum principal amount of the construction loan plus Developer equity.

(c) "Projected Costs" means the total amount of money that the Borrower projects will be required to complete fully the Improvements in accordance with the Plans and Specifications through the initial term of the loan, to pay all debt service in connection with the Loan and to pay all other costs, both direct and indirect, of the Project.

If the Equity Balance Test demonstrates that the amount of Projected Available Funds, as of the last day of any month, is positive, as of such last day of any month, then a "Positive Funds Balance" shall be deemed to exist. If the Equity Balance Test demonstrates that the amount of Projected Available Funds, as of the last day of any month, is negative, as of such last day of any month, then a "Negative Funds Balance" shall be deemed to exist.

1.44. Equity Balance Test Certificate: The "Equity Balance Test Certificate" so defined and described in the definition of "Equity Balance Test" set forth in this Agreement.

1.45. Erickson: John C. Erickson, a resident of Palm Beach County, Florida whose business address is 701 Maiden Choice Lane, Baltimore, Maryland 21228.

1.46. ERISA: The Employee Retirement Income Security Act of 1974.

1.47. Escrow Agent: The Escrow Agent named as such in, and acting pursuant to, the Escrow Agreement, which at the time of execution of this Agreement is Account Bank.

1.48. Escrow Agreement: The Wind Crest Community Escrow Agreement dated October 10, 2005 by and among the Tenant, the Escrow Agent and the Manager, as the same may be further amended from time to time with approval of Lender.

1.49. Event of Default: Any one or more of the events described in Section 9.1 hereof.

1.50. Face Amount of Loan: Eighty-Three Million Dollars (\$83,000,000).

1.51. Final Completion: As applied to all Phases in a particular Neighborhood, the date when full and final completion of all minor items remaining after Substantial Completion for all Phases in such Neighborhood has occurred and the final disbursements applicable to all Phases in such Neighborhood have been made.

1.52. Final Completion Date: The date by which Final Completion of any Construction Phase of the Project must occur, which shall be six (6) months after the Completion Date for such Construction Phase has occurred.

1.53. First Construction Phase: The initial Construction Phase of the Project, designated as Construction Phase 1 on Schedule II attached hereto.

1.54. First Residential Construction Phase: The initial Residential Construction Phase of the Project, which is Construction Phase RB1.1 shown on Schedule II attached hereto.

1.55. Foundation Work: The work described in Section 4.6 hereof.

1.56. Full Entrance Deposit. The amount of the Entrance Deposit for a Unit, which shall be (i) at least in the amount set forth for each independent living Unit, as set forth on Exhibit C to the Development Agreement, and (ii) at least the pro-rata amount of the Entrance Deposit for each assisted living and nursing Unit, as set forth in the Phase Forecast on Exhibit C to the Development Agreement.

1.57. Grantors: The Borrower and the Manager, as grantors of security interests to Lender in certain of their assets (as more particularly described in Section 2.8 hereof).

1.58. Guaranty: The Guaranty (Full Payment and Performance) Agreement of even date herewith pursuant to which Erickson Retirement Communities, LLC and Erickson Group, LLC, each a Maryland limited liability company, have guaranteed payment of the Loan and performance of the Borrower's obligations in connection with the Loan.

1.59. Guarantors: The entities which have guaranteed to Lender payment of the Loan and performance of the Borrower's obligations in connection with the Loan under the Guaranty.

1.60. Improvements: All of the buildings and improvements to be built on the Land pursuant to the Plans and Specifications, including all grading, utility connections, sidewalks, driveways, landscaping, parking areas, roads and streets, common facilities, erosion and sediment control improvements (both on-site and off-site), and all property real, personal or mixed, used or required for the completion of those improvements and their operation as a continuing care retirement community.

1.61. Initial Entrance Deposits: The first Full Entrance Deposits received from the initial Residents occupying each of the Units, including all amounts paid under any promissory note accepted from a Resident at the time of settlement on his or her Unit, but not including any Entrance Deposits received from subsequent Residents of such Units.

1.62. Initial Term: The term "Initial Term" so defined and described in the definition of "Equity Balance Test" set forth in this Agreement.

1.63. Interest Payment Date: The periodic dates on which payments of accrued interest on all advances from time to time outstanding under the Loan shall be due and payable, as set forth in the Note, being the first (1st) day of each calendar month during the term of the Loan.

1.64. Interest Period: An "Interest Period" as that term is defined in the Note.

1.65. Interest Rate: The annual rate of interest payable from time to time on the Loan as stated in the Note.

1.66. Issuing Lender: A national banking association, in its capacity as the issuer of Letters of Credit hereunder and its successors and assigns in such capacity.

1.67. Land: The real property on which Wind Crest Community is to be located, initially consisting of approximately 135 acres of land located outside of Denver in Douglas County, Colorado, as more particularly described in the Deed of Trust.

1.68. Lease: The Master Lease and Use Agreement dated of even date herewith between the Borrower and the Tenant, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor which are hereafter approved by Lender in writing, for which a Memorandum of Lease and Notice of Option to Purchase of even date herewith which shall be recorded among the land records of Douglas County, Colorado.

1.69. Landscape Architect: Norris Design, Inc. or other registered landscape architect approved by Lender.

1.70. Letters of Credit: Any and all letters of credit issued by the Issuing Lender for the account of the Borrower in connection with the Project.

1.71. Intentionally Deleted.

1.72. LIBOR Rate: A rate of interest based on “LIBOR” as that term is defined in the Note.

1.73. Liquid Assets: Cash and readily marketable securities (including both equity and debt instruments).

1.74. Loan: The revolving loan facility from Lender to the Borrower in the maximum outstanding amount of Eighty-Three Million Dollars (\$83,000,000). The maximum advances available under the Loan during the Initial Term (taking into account the revolving nature of the Loan) shall be One Hundred Ninety Million Eight Hundred Sixty-Two Thousand One Hundred Twenty-Three and 00/100 Dollars (\$190,862,123) plus any amounts that are offset by an increase in Entrance Deposits.

1.75. Loan Documents: Collectively, this Agreement, the Note, the Deed of Trust, the Assignment of Project Documents, the Guaranty, the Completion Agreements, the Security Agreement, the Pledge Agreement, the Subordination Agreements, the Curative Rights Agreement, and any and all certificates, opinions, assignments and other documents executed in connection therewith, and all other documents including documents executed or delivered by Borrower, Grantors, Guarantors, Manager, Tenant, Developer, Erickson and/or his spouse, Architect, Engineer, Contractor, Escrow Agent and/or any of the parties which prepared the Environmental Reports, upon which Lender have relied in making the Loan, together with any and all amendments, assignments, extensions, restatements, additions, supplements and substitutions therefor.

1.76. Lockbox Account. The lockbox account described in the Lockbox Account Agreement and into which all Resident Fees (as defined in the Lockbox Account Agreement) are to be paid by the Residents of Wind Crest Community.

1.77. Lockbox Account Agreement: The Lockbox Account Agreement dated of even date by and between the Tenant, as assignor, and the Borrower, as secured party.

1.78. Intentionally Deleted.

1.79. Management Agreement: The Management and Marketing Agreement dated of even date herewith between the Tenant and the Manager, including only those amendments, assignments, extensions, restatements, additions, supplements and substitutes therefor which are hereafter approved by Lender in writing.

1.80. Manager: The manager of Wind Crest Community, which as of the date of this Agreement is Erickson Retirement Communities, LLC (one of the Guarantors and the Developer).

1.81. Margin: The “Margin” as that term is defined in the Note.

1.82. Intentionally Deleted.

1.83. Maturity Date: The “Maturity Date” as defined in the Note, or such later date as determined in accordance with the Note or as Lender may, in its sole discretion, designate as the

maturity date of the Loan, subject, however, to acceleration of the Loan or demand for mandatory prepayment of the Loan on the terms provided in the Note.

1.84. Intentionally Deleted:

1.85. Monthly Fees. All fees and charges paid by Residents of Wind Crest Community, whether on a monthly or other basis, except for Entrance Deposits.

1.86. Negative Funds Balance: The term “Negative Funds Balance” so defined and described in the definition of “Equity Balance Test” set forth in this Agreement.

1.87. Neighborhood: Each of the three (3) neighborhoods comprising Wind Crest Community, as more fully shown on the approved site plan for the Project.

1.88. Note: The Promissory Note of even date herewith from the Borrower to Lender evidencing the Loan, the aggregate principal amount of which at any time outstanding is not to exceed \$83,000,000.

1.89. Notice of Borrowing: An irrevocable written notice from the Borrower to Lender, from time to time, in which the Borrower designates the amount of a proposed borrowing of Loan proceeds.

1.90. Notice of Interest Payment from Other Proceeds: An irrevocable written notice from the Borrower to Lender, from time to time, in which the Borrower designates to Lender that the Borrower will pay all interest due on an Interest Payment Date with funds other than Loan proceeds.

1.91. Offsite Materials: The “Offsite Materials” as defined in Section 4.9 hereof.

1.92. Offsite Supplier: The “Offsite Supplier” as defined in Section 4.9 hereof.

1.93. Plans and Specifications: Any and all plans and specifications for the Project.

1.94. Pledge Agreement: The Member Interests Pledge Agreement of even date herewith pursuant to which the member of the Borrower has pledged its member interests in the Borrower to Lender as collateral for the Loan.

1.95. Positive Funds Balance: The term “Positive Funds Balance” so defined and described in the definition of “Equity Balance Test” set forth in this Agreement.

1.96. Pre-Development Soft Costs: Soft costs paid in connection with the development of the Project prior to the Closing Date.

1.97. Intentionally Deleted.

1.98. Intentionally Deleted.

1.99. Priority List Deposit: The deposit in an amount of not less than \$1,000 and shown on the Deposit Schedule under the heading "Priority List" and identified in the form of Residence and Care Agreement approved by Lender for use at Wind Crest Community.

1.100. Project: The construction of the Improvements in accordance with the Plans and Specifications. The Project will consist of various Construction Phases, as described on Schedule II attached hereto.

1.101. Project Budget: The Project Budget attached to this Agreement as Schedule III, as such budget may be subsequently amended from time to time and approved in writing by Borrower and Lender.

1.102. Projected Available Funds: The term "Projected Available Funds" so defined and described in the definition of "Equity Balance Test" set forth in this Agreement.

1.103. Projected Available Funds Deficiency: The term "Projected Available Funds Deficiency" so defined and described in the definition of "Equity Balance Test" set forth in this Agreement.

1.104. Projected Completion Costs: The term "Projected Completion Costs" so defined and described in the definition of "Equity Balance Test" set forth in this Agreement.

1.105. Property: The term "Property" shall have the meaning set forth in the Deed of Trust.

1.106. Intentionally Deleted:

1.107. Intentionally Deleted:

1.108. Reservation Deposit: The deposit in an amount of not less than \$2,000 and shown on the Deposit Schedule under the heading "Reservation."

1.109. Residence and Care Agreements: The Residence and Care Agreements to be entered into by and between the Tenant and each Resident of Wind Crest Community, all of which shall be in the form approved by Lender.

1.110. Resident: A resident of Wind Crest Community pursuant to the terms of a Residence and Care Agreement.

1.111. Residential Construction Phase: Those Construction Phases of the Project shown on Schedule II attached hereto and designated as Construction Phases RB1.1, RB1.2, RB1.3, RB1.4, RB2.1, RB2.2, RB2.3, RB2.4, RB3.1, RB3.2, RB3.3 and RB3.4, each of which is a residential building.

1.112. Security Agreement: The Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements of even date herewith executed by the Borrower and the other Grantors in favor of Lender pursuant to which the Borrower pledged to Lender, as collateral for the Loan, certain of their assets (as more particularly described in

Section 2.8 hereof), including all of their rights under the Lease, the Community Loan Documents, the Management Agreement and the Working Capital Loan Documents.

1.113. SOL Date. The date occurring after the Maturity Date on which the statute of limitations for any action under the Loan Documents expires, subject to any extension permissible under bankruptcy or other laws.

1.114. Subordinated Documents: Collectively, the “Subordinated Documents” described in each of the Subordination Agreements.

1.115. Subordination Agreements: Collectively, (a) the Subordination Agreement by and among Lender, the Borrower, the Guarantors and Erickson and his spouse; (b) the Subordination Agreement by and among Lender, the Borrower, the Guarantors and the Contractor; (c) the Subordination Agreement by and among Lender, the Borrower, the Guarantors and the Tenant; and (d) the Tenant Subordination Agreement by and between the Tenant and Lender; each of even date herewith.

1.116. Substantial Completion: As applied to a Construction Phase, the date when (except for minor items which can be fully completed without material interference with the use of the Construction Phase or the Improvements constructed in such Construction Phase) all work required by the Plans and Specifications, the Construction Contract and all related construction documents for such Construction Phase has been fully and finally completed and a Certificate of Occupancy for each Unit constructed in such Construction Phase has been issued.

1.117. Tenant: Wind Crest Community, Inc., a Maryland non-profit corporation, as well as any successor tenant of the Property.

1.118. Tenant Futures List: The list of prospective Residents of Wind Crest Community who have not yet committed to a particular Unit or to the next available Unit of a particular type and are accordingly not listed on the Tenant Reserve List or the Tenant Standby List.

1.119. Tenant Reserve List: The list of prospective Residents of Wind Crest Community maintained by the Tenant showing Applicants who have committed to a particular Unit and have paid the Priority List Deposit and the Reservation Deposit required by the Tenant.

1.120. Tenant Standby List: The list of prospective Residents of Wind Crest Community maintained by the Tenant showing Applicants who have committed to the next available Unit of a particular type and have paid the Priority List Deposit required by the Tenant.

1.121. Title Company: Chicago Title Insurance Company.

1.122. Intentionally Deleted.

1.123. Intentionally Deleted:

1.124. Unit: A residential unit at Wind Crest Community, which may be either an independent living unit or a healthcare (i.e. assisted living or nursing) unit.

1.125. WC Operating Account: The “Operating Account” as that term is defined in the Lockbox Account Agreement.

1.126. Wind Crest Community: The continuing care retirement community to be constructed on the Land by the Borrower, and to be leased to the Tenant and managed by the Manager, planned to contain approximately one thousand five hundred eighty-seven (1,587) independent living units, ninety-six (96) assisted living apartments and one hundred thirty-two (132) skilled nursing beds.

1.127. Working Capital Advances: Advances of proceeds of the Loan which are to be reloaned by the Borrower to the Tenant under the Working Capital Loan Documents.

1.128. Working Capital Loan Documents: The Working Capital Loan Agreement dated of even date herewith between the Tenant, as borrower, the Borrower, as lender, together with all “Loan Documents” referred to therein.

ARTICLE II

THE LOAN

2.1. Loan Advances:

(a) Commitment. Subject to the Borrower’s satisfaction of the requirements and conditions set forth in this Agreement, Lender agrees to make Loan advances under the Note to the Borrower from time to time from the date hereof until the Maturity Date, in an aggregate principal amount outstanding at any one time (including amounts advanced to secure Letters of Credit issued and Working Capital Advances made at the request of the Borrower in connection with the Project) not to exceed Eighty-Three Million Dollars (\$83,000,000). The Lender acknowledges that the Loan is a revolving credit facility and the Borrower has the right to repay any or all Loan advances made under the Loan Documents, and subject to the terms and conditions of the Loan Documents, to borrow again previously repaid amounts. Notwithstanding the preceding sentence, the Borrower acknowledges that the maximum advances available under the Loan during the Initial Term (taking into account the revolving nature of the Loan) shall be One Hundred Ninety Million Eight Hundred Sixty-Two Thousand One Hundred Twenty-Three and 00/100 Dollars (\$190,862,123) plus any amounts that are offset by an increase in Entrance Deposits. Loan proceeds shall be advanced (or reserved) for the following purposes:

- (i) for the construction of the Improvements;
- (ii) to secure Letters of Credit issued by Issuing Lender in connection with the Project;
- (iii) for Working Capital Advances to the Borrower, the proceeds of which are to be reloaned to the Tenant under the Working Capital Loan Documents to meet the Tenant’s general working capital needs for the Project, all of which advances shall be subject to the approval of Lender in its sole discretion;
- (iv) for payment of interest due to Lender with respect to the Loan; and

(v) for payment of Development Distributions on the terms provided for herein.

Anything in the Loan Documents to the contrary notwithstanding:

(1) Lender acknowledges that the anticipated amount of the Working Capital Loan as referenced in Section 1.126 will be \$37,641,000 for the entire Project. In addition, the Lender anticipates the total funding of the Working Capital Advances for the initial term of the Loan will be \$19,411,155;

(2) At no time shall Lender be required to make any advance of the Loan which would increase the amount to secure all issued and outstanding Letters of Credit above Three Million Dollars (\$3,000,000);

(3) all Loan advances made for Pre-Development Soft Costs shall at all times be subject to approval of Lender, in its sole discretion;

(4) all Working Capital Advances shall at all times be subject to approval of Lender, in its sole discretion;

(5) the portion of all advances relating to overhead expenses of the Borrower and/or any of its affiliates (including the Guarantors and the Contractor) shall at all times be subject to approval of Lender, in its reasonable discretion; and

(6) no portion of the Loan shall be funded with plan assets of (i) any employee benefit plan subject to Title I of ERISA, (ii) any plan covered by Section 4975 of the Internal Revenue Service Code (the "Code") or (iii) any governmental plan subject to state laws that are comparable to Title I of ERISA or Section 4975 of the Code.

(b) Borrowing Procedure. The Borrower shall give Lender a Notice of Borrowing by 2:00 p.m. (Denver, Colorado time) at least seven (7) Business Days' prior to a requested Loan advance, setting forth the amount of any proposed borrowing hereunder, except for draws to pay interest on the Loan, which shall be advanced automatically by Lender unless the Borrower gives Lender a Notice of Interest Payment from Other Proceeds at least three (3) Business Days' prior to an Interest Payment Date and actually makes each such payment on the identified Interest Payment Date.

(c) Interest. Accrued interest on the aggregate amount of advances outstanding under the Loan (including all advances for interest) shall be paid (either directly by the Borrower or by advance of the Loan as provided in paragraph (b) above) on each Interest Payment Date and on the Maturity Date at the Interest Rate.

(d) Repayment of Principal. The entire principal amount outstanding under the Loan (including all advances for interest), unless sooner accelerated or paid, shall be due and payable on the Maturity Date.

(e) Accounts and Records. Each disbursement made by Lender shall be evidenced by one or more loan accounts or records maintained by Lender at its office in the

ordinary course of business. The loan account records maintained by Lender shall be conclusive, absent manifest error, of the amount of the Loan disbursements made by Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in so doing shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Loan.

(i) Notwithstanding anything to the contrary contained in this subsection, the Borrower shall not be required to pay any additional amounts to Lender pursuant to this subsection to the extent such additional amounts result from Lender's gross negligence or willful misconduct.

(ii) The Borrower agrees to indemnify Lender and to hold Lender harmless from any loss or expense which Lender may sustain or incur as a consequence of (a) default by the Borrower in making a borrowing after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement and the Note, (b) default by the Borrower in making any prepayment after the Borrower has given a notice thereof in accordance with the provisions of this Agreement and the Note, or (c) the making of a prepayment on a day which is not the last day of an Interest Period with respect thereto. Such indemnified amount shall include any and all costs, expenses, penalties and charges incurred by Lender as a result thereof, plus an amount equal to the excess, if any, of (i) the amount of interest which would have accrued on the amount so prepaid, or borrowed, converted or continued, for the period from the time of such prepayment or of such failure to borrow, convert or continue to the last day of such Interest Period (or, in the case of the failure to borrow, convert or continue, the Interest Period which would have commenced on the date of such failure) in each case the applicable LIBOR Rate provided herein (excluding, however, the Margin included thereon, if any) over (ii) the amount of interest (as reasonably defined by Lender) which would have accrued to Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the certificate of deposit market, the eurodollar deposit market, or other appropriate money market selected by Lender. This covenant shall survive the termination of this Agreement and the payment of the Note and all other amounts due hereunder.

2.2. Due Date Extension: If any payment of principal of, or interest on, the Loan falls due on a Saturday, Sunday or other day which is not a Business Day, then such due date shall be extended to the next following Business Day, and additional interest shall accrue and be payable for the period of such extension.

2.3. Adjustment for Impositions on Loan Payments. All payments made by Borrower under the Loan Documents shall be made free and clear of, and without deduction or withholding for or on account of, any income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, hereafter imposed, levied, collected, withheld or assessed by any governmental or taxing authority (other than taxes on the overall net income or overall gross receipts of Lender imposed as a result of a present or former connection between Lender and the jurisdiction of the government or taxing authority imposing such taxes, provided, however, that this exclusion shall not apply to a connection arising solely from Lender's having executed, delivered, performed its obligations under, received a payment under, or enforced any of the Loan Documents). If any such amounts are required to be withheld from amounts payable to Lender, the amounts payable to Lender under these Loan Documents shall be increased to the

extent necessary to yield to Lender, after payment of such amounts, interest or any such other amounts payable at the rates or in the amounts specified herein. If any such amounts are payable by Borrower, Borrower shall pay all such amounts by their due date and shall promptly send Lender a certified copy of an original official receipt showing payment thereof. If Borrower fails to pay such amounts when due or to deliver the required receipt to Lender, Borrower shall indemnify Lender for any incremental taxes, interest or penalties that may become payable by Lender as a result of any such failure.

2.4. Prepayments: The Note may be prepaid in whole or in part at any time without premium or penalty. The Note may be prepaid only on the last day of the applicable Interest Period; provided, however, that such Note may be prepaid prior to such day so long as such prepayment is accompanied by a simultaneous payment of the Make Whole Costs, plus accrued interest on the principal amount being prepaid through the date of prepayment.

2.5. Use of Loan Proceeds: The Borrower covenants and agrees that all advances received by the Borrower under the Loan shall be used solely for purposes described in Section 2.1(a) of this Agreement or, with Lender's permission, for paying such other costs and expenses as may be approved by Lender.

2.6. Fees: On the Closing Date, the Borrower shall pay a commitment fee in an amount equal to one percent (1%) of the Face Amount of Loan. The fees so calculated and due on the Closing Date equal, in the aggregate, Eight Hundred Thirty Thousand Dollars (\$830,000.00). Additionally, the Borrower shall pay annually a one-eighth percent (.0125%) average usage fee beginning in the third year of the Loan.

2.7. Letters of Credit: Prior to advancing funds to secure Letters of Credit, the Issuing Lender must be approved by Lender, which approval shall not be unreasonably withheld.

2.8. Collateral for Loan. The collateral for the Loan will consist of all assets of the Borrower, including all lien rights of the Borrower in and to assets of the Tenant and/or the Manager. The collateral for the Loan will also include direct liens in favor of Lender on all of the assets of the Manager related solely to Wind Crest Community.

ARTICLE III

CONDITIONS AND REQUIREMENTS FOR INITIAL LOAN ADVANCE FOR PROJECT

The obligation of Lender to make the initial advance of Loan proceeds for the Project is subject to the Borrower's satisfaction of the following requirements and conditions unless the same is either deferred by Lender to a subsequent advance or waived by Lender in writing:

3.1. Delivery of Documents Prior to Initial Advance for Project: Lender shall have received the following documents, in form and substance satisfactory to it, and its counsel, prior to the initial Loan advance relating to the Project:

(a) ALTA mortgagee's title insurance binder issued by the Title Company for an aggregate amount not less than \$83,000,000 on the Property, containing such endorsements as

Lender may require in its sole discretion, without exception as to mechanic's or materialman's liens, and without exception as to survey, guaranteeing to Lender as mortgagee a first lien on the good and marketable title thereto in fee simple, subject to no other liens and with only such other title exceptions as Lender may approve in writing. If required by any Lender, the Borrower shall procure reinsurance with companies and in amounts satisfactory to Lender;

(b) A survey of the Land, with a metes and bounds description, certified to Lender in a form acceptable to Lender;

(c) Evidence that Wind Crest Community as proposed meets all zoning and subdivision requirements and all Environmental Requirements;

(d) Certificates evidencing insurance coverage required under the Loan Documents and Schedule XVII hereto, including all insurance coverages required to be maintained by the Contractor;

(e) Evidence as to the availability of adequate sewer, water, electric, gas and other utilities to the Wind Crest Community;

(f) Three sets of the final Plans and Specifications for the First Construction Phase of the Project as approved by Lender and all appropriate governmental authorities, including evidence acceptable to Lender that all Units to be used for assisted living purposes meet the physical plant standards for licensure of homes for the aged under law (whether or not such Units are so licensed);

(g) A list of mechanics, laborers, subcontractors and materialmen performing work or supplying goods or materials and who will require monies from such Initial Advance in detail acceptable to Lender, together with a copy of the applicable contracts being paid in whole or in part by monies from such Initial Advance including, as applicable, the Construction Contract relating to such Construction Phase and the Architect's Agreement, Engineer's Agreement, Construction Management Agreement and copies of all subcontracts requested by Lender;

(h) Cost breakdown of all costs for the First Construction Phase of the Project setting forth in such categories as reasonably required by Lender, the utilization of all proceeds of the Loan, and any additional funds available or necessary for completion of such First Construction Phase;

(i) All governmental approvals and certifications required under any of the Loan Documents;

(j) Intentionally Deleted;

(k) Intentionally Deleted;

(l) Intentionally Deleted;

(m) Completion Agreements in form acceptable to Lender and executed by the Contractor, the Engineer and the Architect for the Project to the extent applicable to the work or materials for which payment is being made in whole or in part from such Initial Advance;

(n) The final site plan for the First Construction Phase of the Project, approved by all applicable governmental authorities;

(o) All grading, building and other permits required in connection with the First Construction Phase of the Project;

(p) A Phase I Environmental Assessment of the Land and evidence that all Environmental Requirements have been and are being complied with;

(q) An appraisal from an appraiser acceptable to Lender;

(r) Certified copies (which certification shall be made by the Borrower) of all leases granted by the Borrower covering all or any part of the Property and such evidence as to the validity thereof, absence of defaults thereunder, good standing and financial ability of the parties thereto to perform, and such subordination, non-disturbance and attornment agreements and estoppel letters from tenants under such leases and holders of concessions or encumbrances with respect to any portion of the Property, all as Lender may require. In addition, the Borrower shall deposit all security deposits required under such leases with Lender in an account in the Borrower's name, which account is pledged to Lender pursuant to the Assignment of Rents and Leases of even date herewith; provided, however, that such security deposits may only be applied in accordance with the terms and conditions of such leases;

(s) A sample Residence and Care Agreement in form and substance acceptable to Lender;

(t) Copies of all organizational documents, resolutions, incumbency certificates and good standing certificates of the Borrower, the Guarantors and such related entities as Lender or its counsel may reasonably require;

(u) Evidence satisfactory to Lender as to the absence of any financing statements, suits, judgments or tax liens of public record in all applicable jurisdictions filed against the Borrower, the Guarantors and such related persons and entities as Lender or its counsel may reasonably require;

(v) Copies of all Community Documents, and evidence of their approval by all regulatory authorities (to the extent required by applicable laws, rules and regulations);

(w) Lender's receipt of CPA certified financial statements for the most recent calendar year-end for Developer and Tenant;

(x) Dual obligee form payment and performance bonds in form and content acceptable to Lender covering any contract or subcontract for the Project from any entity which will provide materials or service for the Project having a value in excess of Five Hundred Thousand Dollars (\$500,000); provided, however, Lender may alter such requirements based on

the schedule of values following completion of each of Construction Phases CB1.0 through RB1.2 of the Project but shall in no event require such bonds for any contract or subcontract having a value of less than Two Hundred Fifty Thousand Dollars (\$250,000).

(y) A certificate in the form attached hereto as Schedule VII, outlining the cost projections and construction schedule with respect to the First Construction Phase of the Project, and certifying that all items set forth in this Section 3.1 have been provided by the Borrower to Lender with respect to such Phase and that there have been no material changes in any such documents or information since the date the same was submitted to Lender, which certificate must be countersigned by Lender prior to processing the first draw with respect to such First Construction Phase;

(z) Evidence that all deed of trusts, financing statements and other recording documents executed in connection with the Loan have been properly recorded, or an agreement from the Title Company that its title insurance on the Land will take effect upon the initial disbursement of Loan proceeds and prior to such recordation;

(aa) Certified copies (which certification shall be made by the Borrower) of the executed Architect's Agreement and the Engineer's Agreement, which shall be in a format and of a scope which is commensurate with industry practice for projects of a similar size and nature, conform to applicable terms of this Agreement, and which must be satisfactory to Lender's counsel in all respects;

(bb) A written report(s) prepared at the Borrower's expense by the Construction Inspector, which report(s) shall be based upon an evaluation and/or investigation of specific factors and shall describe in detail the investigation and evaluations, as well as the findings. The report(s) shall include the evaluation of the Plans and Specifications and their compliance with governmental regulations; and the evaluation of the mechanical, electrical and plumbing systems to be installed in the Project and the adequacy of design and operation of the systems for their intended uses and any other matters required by Lender;

(cc) An Architect's Certificate in the form attached hereto as Schedule VIII;
and

(dd) An Engineer's Certificate in the form attached hereto as Schedule IX.

3.2. Delivery of Loan Documents and Payment of Closing Costs: The Borrower, the Guarantors, the Tenant, the Contractor and Erickson (as appropriate) shall have executed and delivered to Lender the respective Loan Documents and other documents to be executed, and all other documents and instruments reasonably required in connection with the Loan shall have been executed and delivered to Lender, together with payment of all other fees and expenses, including the reasonable expense of Lender's counsel, required in connection with the Loan.

3.3. Legal Opinions: Lender shall have received from counsel for the Borrower, the Guarantors, the Tenant, the Contractor and Erickson legal opinions in form and substance satisfactory to Lender with respect to such matters incident to the Loan as Lender may require.

3.4. Recordation: The Deed of Trust and the related UCC financing statements shall have been filed or recorded in the appropriate public records as may be necessary and appropriate to evidence and perfect the liens and security interests thereby created, or the Title Company shall have entered into an agreement with Lender providing that its title insurance on the Land will take effect upon the initial disbursement of Loan proceeds and prior to such recordation.

3.5. Other Documents: Lender shall have received such other documents as it may have reasonably requested in connection with the Loan and the Project.

3.6. Construction Escrow Agreement. Notwithstanding any other provision of this Agreement, all disbursements of Loan proceeds shall be subject, in addition to the requirements set forth herein, to the obligations, procedures and requirements set forth in the Construction Escrow Agreement.

ARTICLE IV

REQUIREMENTS AND CONDITIONS FOR ALL LOAN ADVANCES

The obligation of Lender to make any Loan advance is subject to the Borrower's satisfaction of the following requirements and conditions:

4.1. Satisfaction of Initial Advance Requirements: The Borrower shall have satisfied all requirements of Article III if any such requirements were not satisfied prior to the initial advance of Loan proceeds for the First Construction Phase of the Project.

4.2. Satisfaction of Construction Phase Requirements: The Borrower shall have provided to Lender new or updated versions of the documents described in Article III for that Construction Phase of the Project to which an advance relates, as required by Lender, including at a minimum:

(a) Upon Lender's request, an update to the title binder described in Section 3.1 (or to the policy issued pursuant to such binder) or other endorsement or agreement acceptable to Lender guaranteeing Lender's first lien with respect to such advance as required under Section 3.1;

(b) Upon Lender's request, an updated survey (i) showing any new footings completed since the prior advance of Loan proceeds or (ii) showing any additional perimeter walls or any material ground level improvements which have been added since the delivery of the survey required under Section 3.1;

(c) Those documents described in paragraphs (f), (g), (h), (i), (j), (o) and (y) of Section 3.1 with respect to the Construction Phase to which an advance relates;

(d) If the schedule of the Construction Phases has been materially changed or amended, an updated schedule of the Construction Phases, including a statement from each of the Contractor and the Architect that, in their best professional judgment, the schedule of the

Construction Phases, as updated, is realistic and can be adhered to in completing the Project in accordance with the Plans and Specification and a report from the Construction Inspector, in form and substance satisfactory to Lender;

(e) If the Foundation Work for such Construction Phase is completed, Lender shall have received and approved the documents described in paragraph (n) of Section 4.6 (if required by Lender thereunder);

(f) If requested by Lender, written confirmation from a Construction Inspector that (i) such Construction Inspector has reviewed the Plans and Specifications for such Phase of the Project, (ii) the documents in which Lender is granted a security interest by the Assignment of Project Documents satisfactorily provide for the construction and equipment of the Improvements for such Phase, (iii) the Plans and Specifications for such Phase have been reviewed and approved by all governmental authorities to which such Plans and Specifications are required to be submitted, and (iv) in the opinion of such Construction Inspector the Improvements for such Phase can be completed for an amount not greater than the lesser of (A) the maximum advances available under the Loan (taking into account the revolving nature of the Loan), together with any available funds of the Borrower (including anticipated loans to the Borrower under the Community Documents), or (B) the projected costs of such Phase provided by the Borrower to Lender; and

(g) Any other documents deemed necessary by Lender in connection with the Construction Phase to which an advance relates.

4.3. Residence and Care Agreements:

(a) With respect to advances for each Residential Construction Phase, the Borrower shall have delivered to Lender evidence acceptable to Lender that the Tenant has received and accepted Applications from Applicants to either the Tenant Reserve List or the Tenant Standby List (not including Applicants to the Tenant Futures List), together with payment of Priority List Deposits by all such Applicants and payment of Reservation Deposits by those Applicants on the Tenant Reserve List, equal in number to (i) seventy percent (70%) of the Continuing Care Units (as defined in the Residence and Care Agreements) to be constructed as part of such Residential Construction Phase, which Applications specify either (A) by number, a specific Continuing Care Unit in a specific building to be constructed as part of such Residential Construction Phase or (B) that the Applicant will accept the next available unit of the type designated by the Applicant on the Application (e.g. Efficiency, Studio, One Bedroom, Two Bedroom, etc.), and (ii) except in the case of the First Residential Construction Phase, eighty-five percent (85%) of the Continuing Care Units in each prior Residential Construction Phase, specifying the same matters set forth in subparts (A) and (B) of subsection (i) above. Notwithstanding the foregoing, (i) Lender reserves the right to exclude from consideration towards the seventy percent (70%) and/or eighty-five percent (85%) requirements, Applications which Lender, in Lender's reasonable judgment, believes cannot be accommodated by the Residential Construction Phase at issue and (ii) the Tenant Standby List may be a complete list for the entire Project and need not be restricted to a single Phase. (Applications may be excluded, by way of example and not of limitation, in the event a large number of Applications specify a particular type of Continuing Care Unit which cannot be accommodated in a particular

Residential Construction Phase.) The Applications shall be bona fide arm's length contracts with Applicants of the Wind Crest Community, such contracts to be reasonably acceptable to Lender in form and substance. Lender shall have the right to audit existing Applications at any time, including (subject to applicable laws regarding privacy) obtaining Applicant's addresses and phone numbers and contacting Applicants, to verify the status of such Applications. At the time of each request for an advance of the Loan, the Borrower shall provide to Lender the information necessary to demonstrate satisfaction of the requirements of this paragraph, certified to the best of the knowledge, belief and information of an officer of the Borrower and also of either the Manager or the Tenant, which details the Applications received and accepted by the Tenant up to the date of the certification, and contains the following information for each Applicant: (a) the name of such Applicant; (b) the Building number and Unit number or type for which such Applicant has applied; and (c) the amount of the Applicant's Priority List Deposit and Reservation Deposit (as applicable), together with the anticipated Full Entrance Deposit expected to be paid by such Applicant. The Borrower shall also have delivered to Lender evidence acceptable to Lender that all monies held in escrow pursuant to the Residence and Care Agreements have been deposited in one or more escrow accounts acceptable to Lender.

(b) With respect to each Phase of the Project which is not a Residential Construction Phase, any other provision or provisions of this Agreement or any of the Loan Documents to the contrary notwithstanding, all advances of the Loan shall be available only upon Lender's approval of the commencement of such Construction Phase, which approval shall not be unreasonably withheld.

4.4. Submission of Disbursement Requests: Disbursements by Lender shall be made pursuant to monthly requisitions in the form attached hereto as Schedule X submitted by the Borrower and approved by the Construction Inspector. Each requisition shall be accompanied by cost-to-completion projections. Disbursements for labor and services provided by subcontractors shall be subject to retainage equal to ten percent (10%) of each subcontract, until such subcontract is fifty percent (50%) complete, and thereafter five percent (5%) of all requisitions for such items pursuant to such subcontract (any excess to be released by Lender at that time). The balance of all retainages shall be released following completion of the Phase to which such subcontract relates and upon compliance with the conditions set forth in Article V regarding final advances. No advances will be made for materials delivered to or stored on the Property which have not been physically incorporated into the Project, unless the Borrower has made available for inspection by the Construction Inspector on behalf of Lender (i) written evidence from the seller or fabricator identifying the stored materials and indicating that ownership of the materials is vested, or upon payment therefor will vest, in the Borrower free and clear of liens, and (ii) evidence satisfactory to the Construction Inspector and Lender that the materials are secured, insured and protected against theft or damage. No advances shall be made for any non-Project related costs or expenses except as permitted under Section 2.1(a) of this Agreement regarding the Working Capital Advances (subject to the limitations set forth therein on such items).

4.5. Inspections: Approval by Lender of each disbursement will require a certification by a Construction Inspector warranting that all completed work on the Project as of the date of any draw has been performed and all materials installed according to the Plans and Specifications, together with copies of approvals and certifications by appropriate governmental agencies of their approval and acceptance of work completed on the Project.

4.6. Additional Requirement and Conditions: The obligation of Lender to make any disbursements hereunder shall be subject to satisfaction of the following requirements and conditions:

(a) The Borrower shall have submitted a complete and fully executed disbursement request, duly approved and certified as provided in Section 4.5 hereof, by the time specified in Section 2.1(b).

(b) If required by Lender, Lender shall have received an endorsement to its title insurance policy on the Property, issued at the Borrower's expense, indicating that there has been no change in the status of title and containing no survey exceptions not theretofore approved by Lender;

(c) If required by Lender, Lender shall have received written confirmation from the Construction Inspector that, in such Construction Inspector's opinion, the Phase of the Project to which any Loan advance relates can be completed in accordance with the Plans and Specifications on or prior to the Completion Date for an amount not greater than the then current budget for such Phase submitted to and approved by Lender; provided, however, that unless otherwise requested by Lender such analysis shall include hard costs only;

(d) No Event of Default, nor any event or state of facts which with notice or passage of time or both would constitute an Event of Default, shall then exist;

(e) Lender shall have received a copy of all grading, building and other permits required for the Construction Phase of the Project to which such requisition relates;

(f) Lender shall have received any reasonably required endorsements or modifications to casualty, liability and other insurance requested by Lender or required to be provided under the terms of the Loan Documents or Schedule XVII hereto;

(g) Lender shall have received final title insurance policies (or binders) and policies of insurance issued pursuant to and reflecting the requirements of Sections 3.1(a) and 3.1(d) hereof, for all Property encumbered by the Deed of Trust;

(h) If required by Lender, Lender shall have received an updated survey showing the location of all poured footings completed since the prior draw, together with all other Improvements, and certified as to all requirements of Lender;

(i) Lender shall have received copies of lien waivers or other evidence of payment of any costs or expenses of the contractor, all subcontractors, laborers, mechanics, suppliers and materialmen through the date of the most recent draw request, or, if the most recent draw request occurred more than forty-five (45) days prior to the current draw, then such copies of waivers shall be through the end of the calendar month immediately preceding the current draw;

(j) Lender shall have received copies of such additional permits and licenses for completion of the Project as may be necessary or required by governmental authorities having jurisdiction over the Project;

(k) Lender shall be satisfied as to the continuing accuracy of the Project Budget with respect to the applicable Construction Phase;

(l) Lender shall have received evidence that the Borrower has invested in the Project Twenty Five Million Dollars (\$25,000,000) of its own funds or subordinate debt acceptable to Lender in its sole discretion. The amount of Borrower's equity requirement which may consist of Pre-Development Soft Costs shall be determined by Lender in its sole discretion;

(m) The Borrower shall have provided to Lender copies of paid real estate tax receipts for all property covered by the Deed of Trust for each semi-annual tax payment date occurring prior to the date of such disbursement; and

(n) If required by Lender, upon completion of the foundations for any Construction Phase of the Project, the Borrower shall have promptly delivered to Lender, at the Borrower's expense, the materials specified below:

(i) An updated survey showing all foundations of the Improvements in such Construction Phase in place and showing the location of any other subsurface work completed as of the date of the updated survey which constitutes part of the Project (the foundations and such subsurface work are referred to herein as "Foundation Work") and showing no encroachments of the Foundation Work over any easements or lot lines and showing no violations of any building lines;

(ii) A certificate from the Architect stating that the Foundation Work and all other work in place conforms to the Plans and Specifications and identifying any portion of such Construction Phase consisting of subsurface work which has not yet been completed;

(iii) A certification from the Construction Inspector warranting that the Foundation Work for the Construction Phase has been substantially completed, together with copies of approvals and certifications by appropriate governmental agencies of their approval and acceptance of the Foundation Work completed; and

(iv) An ALTA Form Comprehensive Endorsement 1 to Lender's title insurance policy dated after the date of completion of the Foundation Work bearing no exception or qualification as to the Foundation Work; provided, that such endorsement shall be required after Final Completion of all Phases in a particular Neighborhood occurs rather than after Final Completion of each Construction Phase occurs.

4.7. Lender's Verification of Contracts. Prior to the Closing Date, and from time to time thereafter, Lender or the Title Company may forward to the Contractor and any or all subcontractors listed on the Borrower's Sworn Statement (as hereinafter defined) a contract verification to confirm the terms and amount of the Construction Contract or any subcontract for any Construction Phase of the Project for the Contractor and each subcontractor providing materials or services for such Phase. If there is any discrepancy between the terms and amounts as shown by the Construction Contract, the sworn statements, and the verifications, Lender may require, as a condition to further disbursements, that such discrepancies be eliminated to its satisfaction. The term "Borrower's Sworn Statement" means a sworn statement from Borrower setting forth a description of all contracts executed by the Borrower with respect to the

Construction Phase for the Project, the names and addresses of the contractors, engineers and other parties under those contracts, the date of each such contract and of any supplements or amendments thereto, the nature and scope of the work covered thereby, and the aggregate amounts theretofore paid and thereafter to be paid to each contractor thereunder; and further stating whether said contracts include all of the work required to be done and all of the materials necessary for completion of the Construction Phase of the Project in accordance with the Plans and Specifications, and, if not, providing sufficient information to enable Lender to estimate the cost of any work or materials not so covered.

4.8. Consultants. In connection with the transactions contemplated hereby, Lender shall have the right (but not the duty) to employ such consultants, including the Construction Inspector, as it may deem appropriate from time to time, to (a) review and make recommendations regarding the Plans and Specifications, the Project Budget for any Construction Phase and the construction schedule set forth in Schedule II attached hereto, which recommendations shall be considered by the Borrower on a good faith basis, (b) inspect the Property from time to time to insure that the same is being duly constructed and equipped as herein provided, (c) review and make recommendations regarding any elements of a request for disbursement, which recommendations shall be considered by the Borrower on a good faith basis, (d) obtain information and documentation respecting the Project, attend meetings respecting the Project and formulate reports for Lender pertaining to the Project and (e) perform such other services as Lender from time to time may require, all solely on behalf of Lender and at the Borrower's expense. Neither Lender nor any such consultants shall be deemed to have assumed any responsibility to, or be liable to, the Borrower or any of the Guarantors with respect to any actions taken or omitted by Lender or such consultants pursuant to this Section 4.8. Notwithstanding the aforesaid or anything else provided in this Agreement to the contrary, the Borrower shall not be entitled to rely on any statements or actions of the Construction Inspector or any of Lender's other consultants and neither the Construction Inspector nor any other consultant retained by Lender shall have the power or authority to grant any consents or approvals or bind Lender in any manner, absent confirmation by Lender of the accuracy of the information conveyed by such consultant to the Borrower.

4.9. Offsite Materials.

In the event that any disbursement request includes the cost of materials stored at a location other than the Land ("Offsite Materials"), precedent to such disbursement, Borrower shall provide:

(a) if applicable, evidence that Borrower has paid for the Offsite Materials;

(b) if the Offsite Materials are stored at the property of the supplier (an "Offsite Supplier"), a written statement from the Offsite Supplier that the Offsite Materials have been paid for by Borrower, have been segregated from other materials in such Project and have been marked with Borrower's name. Such statement shall also acknowledge (i) Lender's or Inspector's right to enter the offsite supplier's Project at reasonable times to inspect or remove the Offsite Materials and (ii) Lender's security interest in the Offsite Materials;

(c) if the Offsite Materials are stored in a place other than the Project of the Offsite Supplier, a written statement from the bailee or other custodian acknowledging (i) Lender's or Inspector's right to enter the storage site at reasonable times to inspect or remove the Offsite Materials and (ii) Lender's security interest in the Offsite Materials; and

(d) certificates of insurance acceptable to Lender showing the Offsite Materials to be insured as required hereunder and showing Lender as co-insureds.

Lender shall not be required to make disbursements for any Offsite Materials until Lender or Inspector has inspected and approved such Offsite Materials. Further, Borrower agrees to limit the total materials stored at the Project or offsite to materials with an aggregate cost of less than \$3,000,000.

4.10. Representations and Warranties: The representations and warranties set forth in Article VII hereof shall be true and correct in all material respects on and as of the date of the initial advance for each Construction Phase, and no Default or Event of Default shall then exist under this Agreement.

ARTICLE V

REQUIREMENTS AND CONDITIONS FOR FINAL ADVANCE FOR EACH CONSTRUCTION PHASE

In addition to all other conditions set forth in Articles III and IV, the obligation of Lender to make the final advance of the Loan for a Construction Phase shall be subject to Lender's receipt of the following:

5.1. Submission of Documents: The Borrower shall submit the following items to Lender:

(a) Waivers of liens from the general contractor and all subcontractors, laborers, mechanics, suppliers and materialmen who have worked on the relevant Construction Phase of the Project through the date of the most recent draw request related to such Construction Phase, or, if the most recent draw request for such Construction Phase occurred more than forty-five (45) days prior to the final advance for such Construction Phase, then such waivers shall be through the end of the calendar month immediately preceding the final draw request for such Construction Phase (with final waivers to be submitted to Lender within thirty (30) days after the final advance, as provided in Section 7.8 of this Agreement);

(b) If required by Lender, certificates of completion, in form and substance satisfactory to Lender, from the Borrower and the Construction Inspector certifying completion of all of Borrower's requirements relating to the relevant Construction Phase of the Project under the Loan Documents;

(c) Copies of final Certificates of Occupancy (or such other certificate or permit as may be necessary to entitle the Borrower, Tenant and Manager to full use and occupancy of the Construction Phase of the Project) issued for the Construction Phase of the Project just completed;

(d) Copies of such additional permits and licenses for final completion and occupancy of the relevant Construction Phase of the Project as may be necessary or required by governmental authorities having jurisdiction over the Project, including, but not limited to, permits to be issued by the Colorado Department of Health;

(e) An as-built survey certified as per the requirements of Lender;

(f) At Lender's request, a final endorsement to Lender's title insurance policy (issued to Lender on Lender's behalf) dated as of the date of final disbursement and showing no matters unacceptable to Lender.

(g) Evidence acceptable to Lender that casualty and liability insurance has been placed in force and effect with respect to all Improvements in the relevant Construction Phase.

5.2. Other Requirements: The following requirements shall have been satisfied:

(a) The Borrower shall have paid all costs and expenses of Lender accrued to date and payable by the Borrower under the Loan Documents in connection with the completion of the Project and review of final disbursement requests.

(b) All fixtures and equipment required for the operation of the Construction Phase shall have been installed free and clear of all liens, title retention agreements and security interests except security interests granted to Lender.

(c) All other then current requirements of this Agreement shall have been satisfied.

ARTICLE VI

GENERAL PROVISIONS REGARDING DISBURSEMENTS

6.1. Equity Balance Test: Within fifteen (15) days after the last day of each calendar month, the Borrower will deliver to Lender an Equity Balance Test Certificate as of the end of the prior month. Lender will review the Equity Balance Test Certificate and, in its discretion, make a determination as to whether the projections and calculations in the Equity Balance Test Certificate are acceptable to Lender and whether a Positive Funds Balance exists or a Negative Funds Balance exists. If Lender, in its reasonable discretion, determines that a Negative Funds Balance exists and that the amount of the Negative Funds Balance is unlikely to be recovered by reallocations, pricing adjustments or otherwise, Lender shall deliver a written notice to the Borrower regarding the Projected Available Funds Deficiency. Lender, in its reasonable discretion, may require the Borrower to fund additional equity in an amount of money equal to the Projected Available Funds Deficiency. If Lender does not require such an equity contribution, the Borrower shall be permitted to pay the costs and expenses in connection with the construction of the Project in cash.

6.2. Authorized Disbursements: Notwithstanding any other provision of this Agreement, the Borrower hereby irrevocably authorizes Lender, at the option of Lender, after the

occurrence of any Event of Default to make disbursements of Loan proceeds (i) directly to the Title Company or any public authority for fees, assessments or taxes owed with respect to the Project, any insurer of the Project to whom premiums are owed for the maintenance of insurance required by the Loan Documents and Schedule XVII hereto, or to any contractor, subcontractor, laborer, mechanic, supplier or materialmen furnishing labor, services or materials in connection with the Project for any amounts due them in connection therewith, or (ii) directly to Lender for interest, fees, expenses and any other amounts advanced by Lender or required to be paid to Lender under the Note or the other Loan Documents. No further authorization from the Borrower shall be necessary for Lender to make such direct disbursements, and all such disbursements shall satisfy pro tanto the obligation of Lender hereunder and shall be secured by the Deed of Trust.

6.3. Disbursements Do Not Constitute Waiver: No disbursement of any Loan proceeds by Lender shall constitute a waiver of any of the conditions of the obligation of Lender to make further disbursements nor, in the event the Borrower is unable to satisfy any such condition, shall any such disbursement have the effect of precluding Lender, from thereafter declaring such inability to be an Event of Default.

ARTICLE VII

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to Lender as of the date hereof, and is deemed to represent and warrant as of the date Borrower submits any disbursement request to Lender hereunder and as of the date of any disbursement hereunder, unless modification thereof has been approved by Lender or where approval is not required, that:

7.1. Ongoing Accuracy of Representations and Warranties: All representations and warranties made by the Borrower and/or the Guarantors or by any other person or entity on behalf of the Borrower or the Guarantors to Lender in connection with the Loan are true, complete and correct in all material respects.

7.2. Organization and Authorization of Borrower: The Borrower is a duly organized and validly existing limited liability company formed under the laws of Maryland, and that the Borrower has all necessary power and authority to execute and deliver, and to consummate the transactions contemplated in, this Agreement, the other Loan Documents, and all other agreements and instruments herein mentioned to which the Borrower is a party. Neither the Borrower nor any of the Guarantors has been convicted of a felony and there are no proceedings or investigation being conducted involving criminal activities of either Borrower or any of the Guarantors.

7.3. Actions Pending: Except as previously disclosed to Lender in writing, there is no action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened, against or affecting the Borrower, any of the Guarantors, the Tenant or the Project, or any properties or rights of the Borrower, any of the Guarantors, or the Tenant before any court, arbitrator or administrative or governmental body which might affect the Project or which might

result in any material adverse change in the business, financial condition or operations of the Borrower, of the Guarantors (considered as a group), or of the Tenant.

7.4. Statutes, Judgments, etc.: To the best of the Borrower's knowledge, there is no law, statute, rule or regulation which would be contravened by the execution, delivery, or performance of this Agreement or the other Loan Documents, or the construction and equipping of the Improvements as herein contemplated. There is no judgment, decree or order of any court or government agency binding on the Borrower, any of the Guarantors, or the Tenant which would be contravened by the execution, delivery, or performance of this Agreement or the other Loan Documents, or the construction and equipping of the Improvements as herein contemplated.

7.5. Use of the Project: The use of the Project as herein contemplated complies, in all material respects, to the best of the Borrower's knowledge, with applicable restrictive covenants, zoning ordinances, environmental regulations and controls, and other requirements and regulations of governmental authorities having jurisdiction over the Project or the uses thereof.

7.6. Taxes: All federal, state and local tax returns and reports of the Borrower, the Guarantors, and (to the best of Borrower's knowledge) the Tenant required by law to be filed have been duly filed, and all taxes, assessments, fees and other governmental charges upon the Borrower, the Guarantors and the Tenant and their properties, assets, income and franchises which are due and payable have been paid, unless the same are being contested in good faith by appropriate proceedings and the party owing the same has created a reserve therefor in an amount acceptable to Lender. Each of the Borrower, the Guarantors, and (to the best of Borrower's knowledge) the Tenant maintains adequate reserves and/or accruals in respect of federal, state and local taxes for all fiscal periods, and the Borrower does not know of any unpaid assessments for any taxes or any basis therefor.

7.7. No Default: Except as previously disclosed to Lender in writing, to the best of the Borrower's knowledge, there exists no default, by the Borrower, any of the Guarantors, or the Tenant, in the payment of any indebtedness or in the performance of any obligations under any deed of trust, indenture, lease contract or other agreement, instrument or undertaking to which any of them is a party or by which any of them or their assets may be bound and which might have a material adverse effect upon any of them, and no Default or Event of Default as herein provided has occurred. To the best of the Borrower's knowledge, the Borrower, the Guarantors, and the Tenant are not in default under any order, judgment, award or decree of any court, arbitrator, or governmental authority binding on or affecting any of them or by which any of them or their assets may be bound or affected, and no such order, judgment, award or decree materially adversely affects the ability of any of them to carry on its business as now conducted or the ability of any of them to perform its obligations under this Agreement or the other Loan Documents.

7.8. No Distributions: No affiliates of Borrower, Manager or Erickson are owed any amounts of any kind, including amounts of the type described in Section 8.10 hereof, by the Borrower as of the date of this Agreement.

7.9. Permits. A true and complete list of all certificates, licenses, authorizations, registrations, permits and/or approvals necessary, for all commencement and continuance of Construction of the Improvements and the operation of the Project, with reasonably projected timeline to obtain same, is attached hereto as Schedule XVIII. Except as otherwise reflected on Schedule XVIII Borrower has obtained all such certificates, licenses, authorizations, registrations, permits and/or approvals, all of which as of the date of this Agreement that have already been obtained are in full force and effect and not, to the knowledge of Borrower, subject to any revocation, amendment, release, suspension, forfeiture or the like. To the best of Borrower's knowledge, the present and/or contemplated use and/or occupancy of the Project does not conflict with or violate in any material respect any such certificate, license, authorization, registration, permit and/or approval; and it has delivered to Lender, before the execution of this Agreement, duplicate original or certified copies of all such certificates, licenses, authorizations, registrations, permits and/or approvals obtained to date.

7.10. No Defenses: Enforcement of this Agreement and the other Loan Documents is subject to no defenses of any kind.

7.11. Additional Representations and Warranties: All of the representations and warranties set forth in Schedule XI attached hereto are true, complete and correct in all material respects.

ARTICLE VIII

COVENANTS

The Borrower covenants and agrees with Lender that, so long as any portion of the Loan remains unpaid:

8.1. Construction of Improvements: As long as Lender complies with its funding obligations under this Agreement, the Borrower will cause the Improvements for each Construction Phase to be completed in accordance with the Plans and Specifications for each Construction Phase on or before the Completion Date for each Construction Phase, free and clear of all liens other than the Deed of Trust and any junior encumbrance permitted thereby. Each intended addition, deletion or modification to the Plans and Specifications shall be approved in writing by Lender and all governmental authorities to whom such Plans and Specifications are required to be submitted. No modification of or amendment to the Plans and Specifications for any single Construction Phase approved by Lender, which either (i) results in a change which is structural and material in nature or (ii) results in an increase in construction costs in excess of the contingency amounts shown in the Project Budget for any Construction Phase by more than One Hundred Thousand Dollars (\$100,000) shall be made without prior written approval of Lender. Lender shall use its reasonable efforts to approve or deny any request for a change order within seven (7) Business Days.

8.2. Maintenance of Property; Insurance: The Borrower will keep or cause to be kept the Improvements and all of the property useful or necessary in the operation of Wind Crest Community in good working order and condition. The Borrower will obtain or cause to be obtained and maintain in full force and effect any and all insurance required hereby and by the

Deed of Trust. All policies of insurance shall be in form and with companies satisfactory to Lender in amounts required hereby and by the Loan Documents (and in any event not less than amounts sufficient to prevent any co-insurance liability of the Borrower or Lender), naming Lender as Mortgagee, with loss payable to Lender, and providing for not less than thirty (30) days prior written notice to Lender of any intended cancellation, termination or reduction in coverage.

8.3. Financial Statements, Books and Records:

(a) The Borrower shall provide, or cause to be provided, to Lender within fifteen (15) days after the end of each calendar month, or at such other times as required under the Loan Documents, a statement or schedule reconciling the date and amount of all Entrance Deposits received by the Tenant to the payments due under the terms of the Note. All of the foregoing information shall be certified to the best of the knowledge, belief and information of the Borrower.

(b) The Borrower and the Developer shall deliver to Lender within thirty (30) days after the close of each calendar month of each calendar year, beginning with the calendar month during which this Agreement was executed, a balance sheet, statements of income and expense and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for that portion of the fiscal year-to-date then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), prepared and certified as to accuracy by the chief financial officer of Erickson Retirement Communities, LLC (one of the Guarantors, which is also the initial Manager and the Developer), on behalf of such entity as a member of the Borrower, together with a letter in the form attached hereto as Schedule XII regarding compliance with all covenants set forth in the Loan Documents. The financial statements required under this paragraph (b) for Erickson Retirement Communities, LLC shall include management discussion and analysis of the contents of such financial statements. Lender reserves the right to require the financial information described in this subsection from the other Guarantors.

(c) The Borrower and the Developer in its capacity as a Guarantor shall deliver to Lender within ninety (90) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2005, a draft balance sheet for itself and for the Tenant as of the close of such fiscal year and draft statements of income and retained earnings and a statement of cash flows, on both a consolidated and consolidating basis for all such entities, for the year then ended, prepared in conformity with generally accepted accounting principles, applied on a basis consistent with that of the preceding year (or containing disclosure of the effect on financial position or results of operations of any change in the application of generally accepted accounting principles during the year), by a firm of independent certified public accountants acceptable to Lender in the case of Developer in its capacity as a Guarantor and by a financial officer in the case of the Borrower and the other Guarantors. The Developer shall deliver to Lender within one hundred twenty (120) days after the close of each fiscal year beginning with the fiscal year ended December 31, 2005, a finalized balance sheet and financial statements

described in the immediately preceding sentence, prepared in the same manner as aforesaid, all of which shall be audited by a firm of independent certified public accountants acceptable to Lender, provided, however, that the Developer shall not be obligated to deliver an audited balance sheet and financial statement for the fiscal year ended December 31, 2005. Lender reserves the right to require audited balance sheets and financial statements from the other Guarantors.

(d) The Borrower and the Guarantors shall furnish to Lender, within thirty (30) days after filing thereof, copies of all federal, state and local income tax returns or informational filings for the Borrower, the Guarantors, and the Tenant.

(e) The Borrower will, and will cause the Guarantors and the Tenant, to: (a) at all times maintain complete and accurate records and books of account in accordance with generally accepted accounting principles, (b) comply with any or all other reasonable reporting, verification, inspection and other administrative requirements of Lender as requested by Lender from time to time and (c) permit Lender, by its agents, accountants and attorneys to enter and inspect all properties and operations of the Borrower, the Guarantors, and the Tenant, examine such records and books of account and copy and make abstracts from any and all of such records and books of account. Lender will use reasonable efforts not to interfere with the business of the Borrower, the Guarantors or the Tenant in the course of such inspections.

(f) The Borrower will deliver or cause the Guarantors to deliver to Lender not less than thirty (30) days prior to the start of each new fiscal year, an annual operating budget for Erickson Retirement Communities, LLC.

(g) The Borrower will deliver or cause the Guarantors to deliver to Lender within twenty-one (21) days after the end of each fiscal quarter of Erickson Retirement Communities, LLC a project status report for the Project.

(h) The Borrower will deliver or cause the Guarantors to deliver to Lender within twenty-one (21) days after the end of each calendar month a monthly marketing report for the Project and for each of the other projects described in paragraph (g) above.

(i) The Borrower will, and will cause the Guarantors, the Tenant and Erickson, to supply to Lender promptly upon Lender's request, but in no event later than thirty (30) days following Lender's request, such other information about their financial condition and business affairs as Lender may, from time to time, reasonably request, the parties hereby agreeing that it shall be reasonable for Lender at any time to request at a minimum (and without limitation of other materials which it may be reasonable for Lender to request from time to time) financial statements and information regarding loan and guaranty obligations and liens on assets for the Guarantors, the Tenant and/or Erickson.

(j) The Borrower shall cooperate with Lender in arranging for inspections by representatives of Lender or the Construction Inspector of the progress of construction from time to time.

8.4. Availability of Funds: Upon request by Lender, the Borrower will furnish Lender satisfactory evidence that funds necessary to complete the Project in excess of the proceeds of

the Loan (taking into account the revolving nature of the Loan) together with any required funds of the Borrower (including current and future loans to the Borrower from the Tenant) have been advanced by or are available to the Borrower.

8.5. Certifications, Licenses, Permits, etc.: The Borrower will obtain or cause to be obtained all certifications, licenses, permits and governmental approvals as may be necessary or required to complete the Project and furnish copies to Lender upon their receipt.

8.6. Notices: The Borrower will promptly give written notice to Lender of (i) all litigation in excess of \$100,000 (individually or in aggregate) affecting the Borrower, any of the Guarantors, the Tenant, or any aspect of the Project, (ii) all complaints and charges made by any governmental authority having jurisdiction over the Project which may delay the construction of the Improvements, require material changes in the Plans and Specifications or otherwise impair the security granted to Lender, (iii) any condition or event which constitutes (or which, with the giving of notice or lapse of time, or both, would constitute) an Event of Default, and (iv) any material adverse change in the financial condition of Borrower or any of the Guarantors.

8.7. Payment of Obligations: The Borrower will pay and discharge (or cause to be paid and discharged) at or before maturity all of its material obligations and liabilities, including (without limitation) tax liabilities, and will pay or cause to be paid all costs and expenses of constructing and equipping the Improvements, and claims for labor, materials, and supplies that, if unpaid, might become liens on the Property, except such as are being contested in good faith by appropriate proceedings. The Borrower will maintain in accordance with generally accepted accounting principles appropriate reserves for the accrual of any such obligations and liabilities.

8.8. Further Assurances: Upon request by Lender, the Borrower shall do (or cause to be done) any act or execute (or cause to be executed) any additional documents (including, but not limited to, security agreements and financing statements on any personalty included or to be included in the Property) as may be reasonably required by Lender to confirm the lien and security interest of the Deed of Trust or any other Loan Documents.

8.9. Sale of Assets, Consolidation, Merger, Etc.: Except for transactions exclusively between members of the Borrower/Guarantor Group and Tenant and except as otherwise specifically permitted in the Loan Documents, neither the Borrower nor any of the Guarantors nor the Tenant, shall (a) sell, lease, transfer or otherwise encumber or dispose of a material portion of its properties or assets, other than (i) transfers made by Developer in connection with the financing or disposition of any other continuing care retirement communities in the ordinary course of its business, (ii) arms' length leases entered into in the normal course of business at Wind Crest Community or other retirement communities with banks, beauticians or other service providers contemplated to be a part of the overall community development, or a sale and leaseback of any property on which a community is being developed, which sale/leaseback is for financing purposes (iii) easements or other encumbrances necessary for the development of Wind Crest Community or other retirement communities which do not represent an economic obligation on the part of the Borrower or Guarantors and which do not impair the value of the property on which they are granted, (iv) disposal of worn out or obsolete assets which are replaced at the time of disposal with assets of equal or greater value; and (v) liens filed against the Property by the Colorado Commissioner of Financial Services pursuant to C.R.S. § 12-13-

106 so long as such liens are subordinate to the lien of the Deed of Trust; (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity; (c) (clause intentionally deleted); or (d) cause or permit any change in the name of, or the ownership of member interests in, the Borrower or any Guarantors or the Tenant, or any change in the management of the Borrower (but Borrower shall give Lender notice of any changes in the management of the Guarantors or the Tenant or the change in the identity of the Manager), or in the manner in which the business or operations of the Borrower, any of the Guarantors or the Tenant is conducted.

8.10. Distributions, Etc: Except for transactions exclusively between members of the Borrower/Guarantor Group and as otherwise permitted in this Agreement, neither the Borrower nor any of the Guarantors will, without Lender's prior written consent, pay any income, bonuses, profits, dividends, salaries or fees to, or make any distribution of cash or property to, any members of the Borrower or any of the Guarantors or affiliates thereof (including other entities in which the Borrower or any of the Guarantors owns an interest); provided, however, that so long as no Default shall have occurred and be continuing or would be created by any such distribution, and provided the Borrower sends Lender a separate written notice (i.e., separate from financial statements or other reporting requirements under the Loan Documents) and supplies Lender with all information reasonably requested by Lender with respect to the following items prior to any payments or distributions being made under this Section 8.10: (a) the Borrower and the Guarantors may make distributions out of cash flow to each of their members in an amount equal to the federal, state and local tax liability of such member arising out of its stock, partnership or membership interest in the Borrower or the Guarantors so long as (i) prior to the payment of any such distribution, Lender shall have received and approved (which approval shall not be unreasonably withheld) of the Borrower's written calculation of such tax liability and (ii) such distribution is paid by the Borrower or the Guarantors within thirty (30) days of the date on which such tax liability is due and payable; (b) the Borrower may make development distributions to its members calculated as five percent (5%) of Initial Entrance Deposits for each Residential Construction Phase, or, in the event the Guarantors are no longer members of the Borrower, amounts equal to such development distribution may be paid as a development fee under the Development Agreement, but no such development distributions or fees (collectively "Development Distributions") shall be paid in advance of the following schedule: after the completion of any Residential Construction Phase which achieves an occupancy of ninety-five percent (95%), one-half (1/2) of the Development Distribution for each Residential Construction Phase (including Residential Construction Phases built prior to Construction Phase RB2.1) shall be paid, and the remaining one-half (1/2) of such Development Distribution shall be paid when such Residential Construction Phase achieves an occupancy of ninety-eight percent (98%); (c) subject to the provisions of Section 8.18 hereof, and to the other provisions of the Loan Documents, payments may be made to Erickson in accordance with agreements previously approved by Lender and set forth on Schedule XIII attached hereto; and (d) so long as Developer is in compliance with the Liquidity Covenant set forth in Section 8.18, Developer may make distributions at its discretion. Notwithstanding the foregoing provisions of this Section 8.10, the Borrower and the Guarantors shall be permitted at all times, both prior to and after the occurrence of a Default, to pay salaries and other forms of employment compensation (e.g. bonuses, 401(k) payments, etc.) to individuals who are members of the Borrower and the Guarantors, provided the amounts thereof are reasonable, prior to the occurrence of a Default, and provided the amounts thereof are approved in advance by Lender in

writing after the occurrence of a Default. Except for amounts permitted to be paid under the terms of this Section 8.10, at the times and in the amounts permitted hereunder, neither Erickson Retirement Communities, LLC or Erickson Group, LLC shall be owed any amounts by the Borrower or any of the Guarantors during the term of the Loan, except as otherwise permitted by the terms of Section 8.11(c) of this Agreement.

8.11. Additional Debt: Except for transactions exclusively between members of the Borrower/Guarantor Group, the Borrower shall not incur, create, assume or permit to exist any obligation or obligations for money borrowed or other indebtedness or debt obligations of any type other than (a) the Loan described herein or other obligations in favor of Lender; (b) loans made pursuant to the terms of the Community Loan Documents; (c) loans from members, provided repayment of such loans is subordinated to repayment of the Loan to Lender under the terms of the Loan Documents; and (d) trade debt of the Manager incurred in the ordinary course of business; without first giving Lender prior written notice thereof and answering any reasonable inquiries made by Lender with respect to the details of such activity in order to permit Lender to determine, among other matters, whether Lender would consider such activity an Event of Default under Section 9.1(o) of this Agreement. Notwithstanding the above or any other provision of this Agreement to the contrary, during the Loan term, the Borrower will not incur any additional indebtedness which is not expressly subordinate to the Loan on terms acceptable to Lender, nor will it allow any additional liens on any of its assets.

8.12. Guaranties: Except for (a) transactions exclusively between members of the Borrower/Guarantor Group, (b) the endorsing of checks or other instruments for deposit or collection in the ordinary course of business by the Borrower and the Guarantors, and (c) the guaranteeing of loans in favor of Lender and loans permitted under Section 8.11, the Borrower shall not endorse, guarantee or become surety for the obligation of any person or entity without first giving Lender prior written notice thereof and answering any reasonable inquiries made by Lender with respect to the details of such activity in order to permit Lender to determine, among other matters, whether Lender would consider such activity an Event of Default under Section 9.1(o) of this Agreement.

8.13. Acquisitions: The Borrower shall not acquire any new business or any interest in any new business or any real estate (including entering into any leases or other arrangements for new or additional locations) or make any investment of any kind in any other entity, including, but not limited to, asset or stock acquisition, or undertake any other construction project, (including any new retirement community, but excluding normal repairs and maintenance to existing structures), without first giving Lender prior written notice thereof and answering any reasonable inquiries made by Lender with respect to the details of such activity in order to permit Lender to determine, among other matters, whether Lender would consider such activity an Event of Default under Section 9.1(o) of this Agreement.

8.14. Loans: Except for transactions exclusively between members of the Borrower/Guarantor Group, neither the Borrower nor any of the Guarantors shall make loans to any person or entity for any purpose except for (a) loans made to members of the Borrower or the Guarantors during any fiscal year in amounts not exceeding the amount of the anticipated, permitted distributions to be made to such member during such fiscal year less the amount of all

actual distributions so made at any time; and (b) loans to the Tenant under the Working Capital Loan Documents.

8.15. Intentionally Deleted:

8.16. Intentionally Deleted:

8.17. Fees of Construction Inspector: The Borrower will pay all fees of any Construction Inspector retained by Lender in connection with the Loan, which fees will typically be \$1,500, more or less, per disbursement request.

8.18. Liquidity Covenant: At all times until the Guaranteed Obligations have been fully satisfied, Borrower shall cause Developer to maintain liquidity in an amount equal to the minimum sum of \$24,000,000.00 plus an additional amount equal to \$7,500,000.00 for each new retirement community (in excess of four (4)) sponsored by Developer under construction during the term of the Loan and for which such construction is being financed by bank construction financing or its equivalent (excluding bond financing). For purposes of this Guaranty, "liquidity" means unencumbered and unrestricted cash and readily marketable securities (including both debt and equity instruments). At Lender's request, Borrower agrees to cause Developer to provide a written schedule identifying such Liquid Assets and location of deposit.

8.19. Entrance Deposits: All Entrance Deposits shall at all times be received, held and disbursed by the Manager, the Escrow Agent, the Tenant and the Borrower in compliance with the provisions of this Section 8.19. All Entrance Deposits (including each and every portion thereof) paid or delivered to the Tenant or the Manager shall be delivered by them to the Escrow Agent within two (2) Business Days of delivery of any check, money order or other medium of payment by a Resident to either the Manager or the Tenant. The Escrow Agent shall hold each Resident's Entrance Deposit in accordance with the terms of the Residence and Care Agreements. At such time as each Entrance Deposit is payable to the Tenant, the Escrow Agent shall, on a semi-monthly basis, disburse such Entrance Deposit (with the Tenant's prior authority and approval, as an advance under the Community Loan Agreement) directly to the Borrower Collateral Account. All amounts in the Borrower Collateral Account shall, on the fifteenth (15th) and thirtieth 30th days of each calendar month, be applied by Lender to repayment of the Loan. Notwithstanding the foregoing, (a) Lender may at any time following the occurrence of any Event of Default, apply any and all funds in the Borrower Collateral Account to payment of the Loan; (b) the Borrower may accept an assignment from the Tenant of promissory notes from Residents in lieu of cash advances under the Community Loan Documents, and Lender will in turn accept an assignment of such promissory notes and the payments made thereunder in lieu of payments which would otherwise be required under the Note for Units paid for in cash, provided that no such note may have a maturity longer than one (1) year, and the aggregate of all notes with a maturity in excess of thirty (30) days shall not exceed \$1,500,000 without the prior written consent of Lender.

8.20. Developer's Fee. No development fee or distribution may be paid or made by the Borrower except in accordance with the provisions of Section 8.10(b) of this Agreement.

8.21. Compliance With Laws, Agreements: The Borrower shall comply, and shall cause the Tenant, the Manager and all other persons or entities involved in the construction, leasing, operation or management of Wind Crest Community to comply, with all laws, rules and regulations applicable to such activities, including all licensing laws of the State of Colorado, and with the provisions of all material agreements relating to reimbursement for care and services provided to Residents of Wind Crest Community.

8.22. Delivery of Documents: The Borrower shall deliver or cause to be delivered to Lender copies of all Medicare/Medicaid participation agreements, third party payor agreements, transfer agreements and other agreements of any kind relating to provision of care and services to Residents of Wind Crest Community, promptly upon execution thereof.

8.23. Bank Accounts: All of the Bank Accounts shall at all times be maintained with and on the books of Account Bank. No party other than Lender shall have any right of access to any of the Bank Accounts, all of which shall be and remain at all times under the exclusive dominion and control of Lender, and no withdrawals may be made from any of the Bank Accounts except with prior written consent of Lender; provided, however, that Lender's rights with respect to any of the Bank Accounts belonging to the Tenant shall be limited to the rights of the Borrower with respect thereto (all of which rights shall be reassigned by the Borrower to Lender), except where a grant of rights to the Borrower expressly states that reassignment of such rights to the Borrower's lender is not subject to such a limitation. All of the Bank Accounts and Borrower's interest in the WC Operating Account shall be pledged to Lender as collateral for the Loan (such pledge with respect to any of the Bank Accounts belonging to the Tenant being an assignment to Lender of the Borrower's rights in such account as collateral for the Tenant's obligations to the Borrower). The Lender hereby agrees that prior to the occurrence of a Default under the Loan Documents, Lender will disburse from the Lockbox Account monthly within forty-eight (48) hours of receipt by Lender of a certification by the Borrower as to the proper amounts thereof, all amounts which would, in the absence of the Loan Documents, be disbursed to the Borrower Operating Account and the WC Operating Account under the terms of the Lockbox Account Agreement, but if Lender fails to do so the parties to the Lockbox Account Agreement shall nevertheless still not have any access to the Lockbox Account. Notwithstanding the foregoing provisions of this Section 8.23, Lender hereby grants to the Borrower a revocable license to withdraw funds from the Borrower Operating Account prior to the occurrence of a Default under the Loan Documents for payment of business expenses incurred in the ordinary course, subject, however, to approval in advance by Lender as regards the Borrower Operating Account, only. Such license shall terminate (as to the Borrower Operating Account automatically upon the occurrence of a Default under the Loan Documents, after which Lender shall once again have sole right of access to the Borrower Operating Account. Each of the Bank Accounts shall be titled in the name of Lender as trustee for itself and the other parties in interest to such Bank Accounts. Unless Tenant is in default under the Working Capital Loan Documents, Tenant may withdraw funds from the WC Operating Account subject to the provisions of this Agreement. The provisions of this Section 8.23 shall supersede and control over any other contrary or conflicting provisions of the Loan Documents with respect to the Bank Accounts. The Borrower shall cause all parties to the Bank Accounts to agree to the provisions of the Loan Documents with respect thereto, including the provisions of Section 8.19 of this Agreement. Notwithstanding the foregoing, if any collateral for the Loan consists of Deposit Accounts (as defined by the Colorado Uniform Commercial Code – Secured

Transactions) of the Borrower (which are not Bank Accounts) or of another party which have been pledged in favor of Borrower, Borrower shall advise Lender in writing of the creation of such accounts within 30 days and shall obtain and/or deliver to Lender a control agreement, in form reasonably satisfactory to Lender.

8.24. Flow of Funds. All Entrance Deposits and Monthly Fees paid by the Residents of Wind Crest Community shall be received, held, disbursed and applied in accordance with the charts attached hereto as Schedule XIV labeled "Flow of Entrance Deposits," and Schedule XV labeled "Flow of Monthly Fees."

8.25. Transfer Agreements. Prior to occupancy of any Units in Wind Crest Community, and continuing during the term of the Loan, Borrower shall provide to Lender copies of transfer agreements with other local nursing homes and hospitals, in form and substance satisfactory to Lender, evidencing arrangements necessary to accommodate the skilled nursing and acute care needs of the Residents of Wind Crest Community, taking into account the number of approved and available nursing home beds at Wind Crest Community from time to time.

8.26. Final Lien Waivers. Final lien waivers for each Construction Phase shall be submitted within thirty (30) days following the date of making of the final disbursement for such Construction Phase.

8.27. Proceedings to Enjoin or Prevent Construction. If any proceedings are filed or are threatened to be filed seeking to (a) enjoin or otherwise prevent or declare invalid or unlawful the construction, occupancy, maintenance or operation of the Project or any portion thereof; (b) adversely affect the validity or priority of the liens and security interests granted to Lender hereby; or (c) adversely affect the financial condition of the Borrower or any of the Guarantors or the ability of the Borrower to complete the Project, then the Borrower will notify Lender of such proceedings and within fifteen (15) Business Days following Borrower's notice of such proceedings, the Borrower will cause such proceedings to be vigorously contested in good faith, and in the event of an adverse ruling or decision, prosecute all allowable appeals therefrom. Without limiting the generality of the foregoing, the Borrower will resist the entry or seek the stay of any temporary or permanent injunction that may be entered, and use its best efforts to bring about a favorable and speedy disposition of all such proceedings.

8.28. Excess Indebtedness. The Borrower agrees to pay to Lender on demand the amount by which the total obligations hereunder (excluding interest due and paid in the ordinary course as provided for herein), at any time, may exceed the total amount of the Loan advanced to the Borrower in accordance with the terms of the Loan Documents.

8.29. Compliance with Covenants. The Borrower will comply with all recorded or other covenants affecting the Property.

8.30. Prohibition Against Additional Recordings. Except for liens contemplated by C.R.S. § 12-13-106, the Borrower will not record or permit to be recorded any document, instrument, agreement or other writing against the Land or Improvements without the prior written consent of Lender.

8.31. Total Number of Projects. The Guarantors (directly or through subsidiaries and affiliates thereof) shall not at any time have, in the aggregate, more than sixteen (16) continuing care retirement communities or similar projects which are either under construction or financed with debt that is not deeply subordinated in the same manner as the Developer's subdebt.

ARTICLE IX

DEFAULT; REMEDIES

9.1. Default: An Event of Default shall be deemed to have occurred under this Agreement upon the occurrence of any one or more of the following events:

(a) The Borrower fails to make any payment of principal or interest under the Note or this Agreement within five (5) days after the due date thereof, including any payment required by the acceleration and/or mandatory prepayment provisions of the Note;

(b) Any representation or warranty made by the Borrower, any of the Guarantors, the Tenant, or any other person or entity acting on behalf of any of the foregoing entities in any writing furnished to Lender in connection with the Loan or this Agreement shall be (i) intentionally false or misleading or (ii) false or misleading in any material respect (whether or not intentional) as to any fact or circumstance which Lender deems to have been material to its overall decision to extend credit, such materiality to be tested with reference to the date as of which such representation or warranty was made or deemed to have been made;

(c) The Borrower, any of the Guarantors, the Tenant or any other party thereto defaults in the performance or observance of any agreement, covenant, or condition set forth in this Agreement or any of the other Loan Documents which agreement, covenant or condition is not specifically referred to in any other paragraph of this Section 9.1, which default is not cured in full within a reasonable time but in no event to exceed thirty (30) days after Lender gives the defaulting party written notice thereof; provided, however, that Lender may, in its sole discretion, extend the cure period for any default upon the reasonable request of the defaulting party, in the event that the default cannot be cured within the time set forth in this Agreement and the defaulting party is diligently pursuing cure of the default;

(d) An Event of Default (if so defined) shall occur under any of the other Loan Documents, which shall not be cured in full within the time therein permitted;

(e) Failure by the Borrower to cause any Construction Phase of the Project to achieve Substantial Completion on or before its Completion Date, subject to an extension of up to sixty (60) days for failure caused by strike, war, acts of God, casualty or other act or omission beyond the Borrower's reasonable control to remedy or overcome, not including lack of funds (as long as Lender is in compliance with its funding obligations under this Agreement);

(f) Failure by the Borrower to cause all Phases in any Neighborhood to achieve Final Completion on or before the Final Completion Date of the last Phase in such Neighborhood;

(g) Any survey required by Lender during the period of construction shows any matters deemed by Lender to be materially adverse, in Lender's reasonable judgment, which matters have not previously been approved by Lender and such matters are not approved or removed within thirty (30) days after notice thereof by Lender to the Borrower; provided, however, that Lender may, in its sole discretion, extend the cure period upon the reasonable request of the Borrower, in the event such matters cannot be removed within thirty (30) days and the Borrower is diligently pursuing removal of such matters;

(h) Suspension of work on any Construction Phase of the Project for which work has commenced for a period in excess of thirty (30) days (except for suspensions caused by strike, war, acts of God, casualty or any other act or omission beyond the Borrower's reasonable control to remedy or overcome, not including lack of funds as long as Lender is in compliance with its funding obligations under this Agreement), or the reasonable determination by Lender given in writing to the Borrower that regardless of the cause of any suspensions, the Improvements in such Construction Phase cannot be completed on or before such Construction Phase's Completion Date;

(i) Failure by the Borrower to satisfy any conditions of its right to receive a disbursement hereunder for a period in excess of thirty (30) days from the date the requisition therefor is received by Lender;

(j) Any violation of the provisions of Sections 8.9, 8.11, 8.12, 8.13, 8.14, 8.19, 8.23, or 8.31 of this Agreement;

(k) Any violation of the provisions of Sections 8.4, 8.10 and 8.28 which are not cured within thirty (30) days after the occurrence of such violation and any violation of Section 8.30 which is not cured within fifteen (15) days after Lender gives Borrower written notice thereof;

(l) the entry of one or more judgments in excess of \$250,000 in the aggregate against the Borrower, any of the Guarantors or the Tenant and the failure to satisfy such judgment within thirty (30) days (either by payment or by the filing of a supersedeas bond) unless such judgment has been appealed in good faith and the legal effect of such appeal is to stay the obligation to satisfy such judgment until resolution of the appeal;

(m) The Borrower executes a chattel deed of trust or other security agreement with respect to any materials, fixtures or articles used in the construction or equipment of the Improvements, or any such materials, fixtures or articles are purchased pursuant to any conditional sales contract or otherwise so that the ownership thereof will not vest unconditionally in the Borrower free from liens and security interests upon being made a part of the Project, and any such liens or security interests (including mechanics' liens) shall not be discharged or canceled within thirty (30) days;

(n) The Borrower, any of the Guarantors, or the Tenant petitions or applies to any court or tribunal for, or consents to, the appointment of, or taking possession of itself or of any substantial part of its assets by, a trustee, receiver, custodian, liquidator or similar official (all such actions being hereinafter referred to as "Receivership Actions"), or any such person or

entity commences any proceedings under United States or State bankruptcy laws (including reorganization, arrangement, and other debtor relief proceedings) now or hereafter in effect (collectively, "Bankruptcy Laws");

(o) A petition or application is filed in a Receivership Action or in an involuntary case under Bankruptcy Laws, or any Receivership Action or involuntary case under Bankruptcy Laws is otherwise commenced, against the Borrower, any of the Guarantors, or the Tenant and any of them by any act indicates its approval thereof or acquiescence therein; or an order for relief is entered against the Borrower, any of the Guarantors or the Tenant in an involuntary case under Bankruptcy Laws, as now or hereafter in effect; or an order, judgment, or decree is entered appointing any trustee, receiver, custodian, liquidator, or similar official in any Receivership Action against the Borrower, any of the Guarantors or the Tenant, and such order, judgment or decree remains unstayed and in effect for more than forty-five (45) days; or (regardless of whether an order for relief or other judgment or decree is entered) any petition or application against the Borrower, any of the Guarantors or the Tenant in a Receivership Action or in an involuntary case under Bankruptcy Laws is not dismissed within ninety (90) days of filing;

(p) The occurrence of any condition or situation which, in Lender's sole judgment, constitutes a material adverse change with respect to the Project, the Borrower, any of the Guarantors, the Manager, the Developer, the Tenant or the Loan, including, but not limited to, cost overruns which exceed the contingency allowances provided for in the Project Budget with respect to any Construction Phase of the Project by more than One Hundred Thousand Dollars and which costs overruns are not funded by additional equity from the Borrower.

(q) If at any time the number of Applicants certified pursuant to Section 4.3 of this Agreement falls below sixty-five percent (65%) of the Units in any one or more Residential Construction Phases for which Lender has advanced funds;

(r) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined) pursuant to any of the Community Documents;

(s) At any time after the date on which a Certificate of Occupancy is issued for one or more Units in the First Residential Construction Phase, (i) the failure of the Tenant to move any one or more Residents into Continuing Care Units at an average rate (tested at all times cumulatively from the date on which such Certificate of Occupancy is issued) of at least ten (10) moves per month, or (ii) the failure of the Tenant to move any one or more Residents into Continuing Care Units within four (4) months of the date a Certificate of Occupancy for such Unit or Units has been issued and a Resident has made all financial arrangements necessary for such move and otherwise stands ready and willing to move into such Unit;

(t) The failure of the Tenant to make a loan in the full amount contemplated under the Community Loan Documents (excluding Entrance Deposits evidenced by notes) with respect to a Continuing Care Unit at the time a Resident occupies a Continuing Care Unit, whether or not such failure constitutes a default or Event of Default under the Community Loan Documents;

(u) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined), in connection with any indebtedness of the Borrower, any of the Guarantors or the Tenant in excess of Two Hundred Fifty Thousand Dollars (\$250,000), individually or in the aggregate;

(v) Failure to provide evidence of all necessary regulatory approvals of the forms of Community Documents approved by Lender within one hundred eighty (180) days after the date of this Agreement;

(w) The occurrence of any default, and expiration of any stated grace or cure period, or the occurrence of any Event of Default (so defined), pursuant to any of the Subordinated Documents, including, but not limited to, the Borrower's Operating Agreement;

(x) Any reduction in the combined, unrestricted Liquid Assets of the Borrower and the Guarantors below Twenty Million Dollars (\$20,000,000) (as to which no cure period shall apply), or any reduction in the combined, unrestricted Liquid Assets of the Borrower and the Guarantors below Twenty-Four Million Dollars (\$24,000,000), or such greater amount as may be required by the provisions of Section 8.18 of this Agreement, which is not cured within the period provided in Section 9.1(c) above;

(y) The bankruptcy or insolvency of any Contractor or subcontractor performing work or supplying goods or materials in connection with any Construction Phase and either (i) in the case of the Contractor, failure of the Borrower to procure a replacement Contractor satisfactory to Lender within fifteen (15) days from the occurrence of such bankruptcy or insolvency, and in the case of a subcontractor, to procure a replacement subcontractor satisfactory to Lender within thirty (30) days from the occurrence of such bankruptcy or insolvency or (ii) the failure to provide evidence satisfactory to Lender that such bankruptcy or insolvency shall not have a materially adverse effect on the Loan or the Project;

(z) The existence of any collusion, fraud, dishonesty or bad faith by or with the acquiescence of the Borrower or any of the Guarantors which in any way relates to or affects the Loan or the Project;

(aa) The termination of the Construction Contract or the Architect's Agreement without Lender's prior written consent, unless the same is replaced within fifteen (15) days by an agreement or agreements acceptable to Lender;

(bb) Failure by the Borrower to make the deposit or to pay the costs and expenses in connection with the construction of the Project as required pursuant to the terms of Section 6.1; or

(cc) If the conditions for the final advance of the Loan for a Construction Phase set forth in Article V are not complied with prior to the Completion Date.

9.2. Remedies: Upon the occurrence of any curable Default, the obligation of Lender to make any further disbursements under the Loan shall be suspended pending cure of such Default. Upon the occurrence of any Event of Default, the obligation of Lender to make any further disbursements under the Loan shall terminate. Lender may, upon the occurrence of an

Event of Default, at the sole option of Lender and without further notice or demand, declare the Note to be immediately due and payable in full, together with all interest accrued thereon, without presentment, demand, protest or notice, all of which the Borrower hereby waives. Upon such declaration, Lender may proceed to exercise any and all remedies available to Lender under this Agreement, the other Loan Documents, or under applicable law, all of which rights and remedies shall be cumulative and may be exercised concurrently. The Borrower hereby acknowledges and agrees that Lender shall be entitled to pursue any of the remedies set forth in Schedule XVI attached hereto, in addition to any and all remedies available under the Loan Documents or under applicable law.

9.3. Completion of Improvements: Upon the occurrence of an Event of Default and notice thereof to the Borrower, Lender may, in addition to any other remedies available to it and in the sole discretion of Lender, (i) enter upon the Land and complete the Improvements in accordance with the Plans and Specifications with such changes therein as Lender may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by the Assignment of Project Documents or any other contracts made by the Borrower relating to the construction or equipping of the Improvements and take over and use all or any part of the labor, materials, supplies and equipment contracted for by the Borrower, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. The Borrower shall be liable to Lender for all sums paid or incurred by Lender to construct and equip the Improvements whether the same shall be paid or incurred pursuant to the provisions of this Section 9.3 or otherwise, and all payments made or liabilities incurred by Lender hereunder of any kind whatsoever shall be paid by the Borrower to Lender upon demand with interest at the rate provided in the Note. For the purpose of exercising the rights granted by this Section, the Borrower hereby irrevocably constitutes and appoints Lender its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of the Borrower.

9.4. Jurisdiction and Venue. In any action brought by Lender under this Agreement, the Borrower consents to the exercise of personal jurisdiction over it by the courts of the State of Colorado and agrees that venue shall be proper in any County of the State of Colorado in addition to any other court where venue may be proper. The Borrower waives and releases, to the extent permitted by law, all errors and all rights of exemption, appeal, stay of execution, inquisition and extension upon any levy on real estate or personal property to which the Borrower may otherwise be entitled under the laws of the United States of America or of any State or Possession of the United States of America now in force or which may hereafter be passed, as well as the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Borrower any right or privilege of exemption, stay of execution, or supplementary proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment; provided, however, that the foregoing waiver does not extend to the Borrower's rights (if any) under applicable rules to file a motion to open, vacate or modify a judgment by confession in good faith and within the timeframes permitted by such rule, which rights the Borrower does not waive. The authority and power to appear for and enter judgment against the Borrower shall be exercisable concurrently in one or more jurisdictions and shall not be exhausted or extinguished by one or more exercises

thereof, or by any imperfect exercise thereof or by any judgment entered pursuant thereto. Such authority and power may be exercised on one or more occasions, from time to time, in the same or different jurisdictions, as often as Lender shall deem necessary or desirable.

ARTICLE X

MISCELLANEOUS

10.1. Expenses: The Borrower agrees, whether or not the transactions herein contemplated shall be consummated, to pay and save Lender harmless against liability for the payment of all reasonable expenses arising in connection with such transactions, including all stamp and other taxes (including tangible personal property taxes) which may be payable in respect of the execution and delivery of any of the Loan Documents, or the execution, delivery, filing or recording of the Deed of Trust and financing statements relating thereto, and any and all supplements and/or modifications thereto, and all fees and expenses of counsel for Lender in connection herewith (including legal fees and any other fees incurred by Lender subsequent to Closing in connection with the disbursement, renewal or collection of the Loan). The Borrower's obligation under this Section 10.1 shall survive the transfer of the Loan by Lender and the payment of all indebtedness hereunder.

10.2. Nonassignability by Borrower:

(a) The Loan may not be assigned by the Borrower without the consent of Lender. Neither the Loan nor any advances hereunder shall be subject to the process of any court upon legal action by or against the Borrower, or by or against anyone claiming under or through the Borrower. For the purposes of this Agreement, the Loan shall remain in the custody of Lender until the Borrower complies with each and all of the provisions hereof; provided, however, that nothing herein contained shall be considered as in anywise modifying, affecting or subordinating the obligations heretofore given or to be given by the Borrower as security for the Loan and the same shall be and remain in full force and effect, this Agreement being intended only as additional security and protection for the Loan and to assure its use for the purposes intended by Lender and the Borrower.

(b) Borrower acknowledges that Lender may, at its option, sell participation interests in the Loan to other participating banks or Lender may (but shall not be obligated to) assign, in whole or in part, its interest in the Loan to its affiliates, or to other assignees (the "Assignee"). In the event Lender elects to sell participation interests or assign interests in the Loan, the terms of Schedule XIX shall be applicable and shall constitute a part of this Agreement. Borrower agrees with each present and future participant in the Loan or Assignee of the Loan that if an Event of Default should occur, each present and future participant or Assignee shall have all of the rights and remedies of Lender with respect to any amount due from Borrower pursuant to the Loan Documents. The execution by a participant of a participation agreement with Lender, and the execution by Borrower of this Agreement, regardless of the order of execution, shall evidence an agreement between Borrower and said participant in accordance with the terms of this Section. Notwithstanding the foregoing, Lender agrees that in connection with any sale of participation interests or the assignment of portions of Lender's interest in the Loan, all remedies under this Agreement shall be exercised by Lender as agent (or

by some other party designated as agent) on behalf of all such holders of the portions of the Loan.

10.3. No Partnership, Joint Venture, Agency: The Borrower and Lender acknowledge that the relationship between them created hereby and by the other Loan Documents is that of debtor and creditor and is not intended to be and shall not in any way be construed to be that of a partnership, joint venture, or principal and agent; and that the activities of Lender in connection with the construction and equipment of the Improvements and disbursement of the Loan shall not be deemed to make Lender a partner, joint venturer, or principal or agent of the Borrower, but rather shall be deemed solely for the purpose of protecting the security granted to Lender for the Loan.

10.4. Financing Sign on Property, Publicity: The Borrower agrees that Lender may, at Lender's expense, place signs at the Property at any locations selected by Lender and approved by Borrower, which approval shall not be unreasonably withheld by the Borrower, until completion of construction of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by Lender advertising the fact that financial assistance for the Project has been obtained from Lender.

10.5. Notices: All notices, requests and demands upon the respective parties hereto shall be deemed to have been given or made when delivered against hand receipt or five (5) days after deposit in the United States mail, postage prepaid, and addressed as follows:

(1) If to Lender: GMAC COMMERCIAL MORTGAGE
CORPORATION
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606
ATTN: Construction Servicing Account Manager

with a copy to: GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, Pennsylvania 19044
ATTN: Servicing Account Manager

and a copy to: Ballard Spahr Andrews & Ingersoll LLP
601 13th Street, NW, Suite 1000 South
Washington, DC 20005
ATTN: Kelly M. Wrenn, Esq.

(2) If to Borrower: Littleton Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: Chief Financial Officer

with a copy to:

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

or to such other address and addressee in respect of any party as such party shall notify the others in writing.

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

10.7. Lender Consent Rights; No Implied Waiver: No amendment or waiver of any provision of this Agreement or any other Loan Document, any of the Community Loan Documents, the Working Capital Loan Documents, or the Management Agreement and no consent with respect to any departure by the Borrower or any Guarantor therefrom, shall be effective unless the same shall be in writing and signed by Lender and the Borrower, and then any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10.8. Survival of Agreements: All agreements, covenants, representations and warranties of the Borrower made in this Agreement shall survive the execution and delivery of this Agreement and the other Loan Documents, and the making of all disbursements hereunder, regardless of any investigation made by Lender.

10.9. Entire Agreement; Successors and Assigns; Time of the Essence: This Agreement and the other Loan Documents contain the entire terms of the agreement with respect to the Loan, and no representations, inducements, promises or agreements between the Borrower, and Lender not set forth herein or in the other Loan Documents shall be of any force or effect. This Agreement shall be binding upon and shall inure to the benefit of the Borrower, and Lender and their respective successors and assigns (provided, with respect to the Borrower, that such successors and assigns are permitted hereunder), whether so expressed or not. Time is of the essence under this Agreement.

10.10. Severability: In case any one or more provisions contained in this Agreement or the other Loan Documents should be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected or impaired thereby and shall be enforceable to the maximum extent permitted by law.

10.11. Descriptive Headings: The headings of the articles, sections and paragraphs of this Agreement are for the convenience of reference only, and are not considered to be a part hereof and shall not limit or otherwise affect any of the terms hereof.

10.12. Governing Law: This Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance; provided, however, that with regard to provisions involving the granting, perfection and enforcement of security interests in collateral, the law of the jurisdiction in which the collateral is located (or which otherwise applies to security interests in collateral) shall govern.

10.13. Waiver of Defenses: OTHER THAN CLAIMS BASED UPON THE FAILURE OF LENDER TO ACT IN A COMMERCIALY REASONABLE MANNER, THE BORROWER, ON BEHALF OF ITSELF AND ANY GUARANTOR, WAIVES EVERY PRESENT AND FUTURE DEFENSE (OTHER THAN THE DEFENSE OF PAYMENT IN FULL), CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE BORROWER MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE LENDERS IN ENFORCING THIS AGREEMENT, PROVIDED THAT LENDER ACT IN GOOD FAITH, THE BORROWER RATIFIES AND CONFIRMS WHATEVER THE LENDERS MAY DO PURSUANT TO THE TERMS OF THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDERS GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWER.

10.14. Discretion of Lender: Anything in the Loan Documents to the contrary notwithstanding, any approval or consent of Lender required to be obtained under the Loan Documents, and any other matter required to be acceptable to Lender or determined to be to Lender or Lender's satisfaction under the Loan Documents, or any other provision of the Loan Documents allowing Lender any discretion or imposing less than an absolute requirement on Lender shall be given, accepted or determined, or not, in Lender's or Lender's sole and absolute discretion, or shall otherwise be interpreted to permit the exercise of Lender's sole and absolute discretion, except where stated to be subject to Lender's "reasonable" discretion, in which case Lender's judgment with respect to such matter shall be reasonable.

10.15. Use of Certain Defined Terms: Certain defined terms are not used in this Agreement, but are nonetheless defined here for convenience and are used in the other Loan Documents with reference to the definitions contained herein. The fact that certain of the Bank Accounts are described by the name "Collateral Account" shall not alter the fact that each of the Bank Accounts has been pledged to Lender as collateral for the Loan on the terms set forth in the Loan Documents. The following defined terms used in this Agreement and in the other Loan Documents refer to both the account itself and all rights therein as related thereto, including all rights in and to all balances, rights of withdrawal, choses in action and proceeds: Bank Accounts,

Borrower Collateral Account, Lockbox Account, Development Fee Account, Borrower Operating Account, and WC Operating Account.

10.16. Approval of Community Documents. No approval by Lender, either express or implied, of the Community Documents or any amendments thereto, shall have the effect of making any provision thereof binding upon Lender unless Lender shall have joined as a party therein with the expressed intention of becoming bound thereby.

10.17. Schedules Incorporated. Schedules I through XVIII of this Agreement are hereby incorporated as a part of this Agreement as if fully set forth herein.

10.18. Execution in Counterpart, By Facsimile. The Loan Documents, including all amendments, extensions, modifications and restatements thereto approved by the parties, may be executed in counterparts, all of which taken together shall be deemed to constitute a single document, and may be delivered by facsimile (in addition to any other method of delivery), such delivery to be deemed completed upon receipt of such facsimile transmissions.

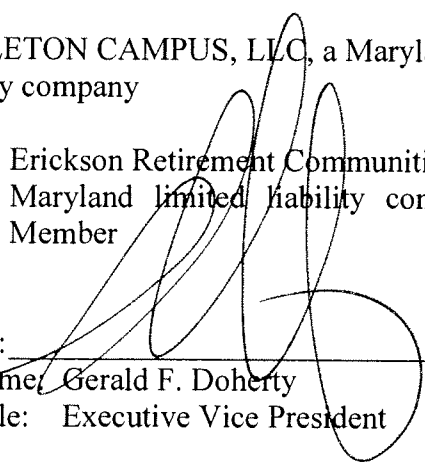
[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Borrower and Lender have caused this Agreement to be executed and delivered as of the day and year first above written.

BORROWER:

LITTLETON CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, Sole Member

By: 
Name: Gerald F. Doherty
Title: Executive Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

LENDER:

GMAC COMMERCIAL MORTGAGE
CORPORATION,
a California corporation

By : Catherine D. Hilbush
Name: Catherine D. Hilbush
Title: Vice President

LIST OF SCHEDULES
ATTACHED TO CONSTRUCTION LOAN AGREEMENT
(THE “AGREEMENT”) DATED AS OF MARCH 29, 2006 BY AND
AMONG LITTLETON CAMPUS, LLC, AND
GMAC COMMERCIAL MORTGAGE CORPORATION

<u>Schedule I</u>	-	Equity Balance Test Certificate
<u>Schedule II</u>	-	Schedule of Construction Phases, including Estimated Completion Dates and Estimated Units
<u>Schedule III</u>	-	Project Budget
<u>Schedule IV</u>	-	Deposit Schedule and Move-In Check List
<u>Schedule V</u>	-	List of Environmental Reports
<u>Schedule VI</u>	-	Intentionally Deleted.
<u>Schedule VII</u>	-	Construction Phase Commencement Approval Form
<u>Schedule VIII</u>	-	Form of Architect’s Certificate
<u>Schedule IX</u>	-	Form of Engineer’s Certificate
<u>Schedule X</u>	-	Request for Advance
<u>Schedule XI</u>	-	Additional Representations and Warranties
<u>Schedule XII</u>	-	Covenant Compliance Letter
<u>Schedule XIII</u>	-	List of Agreements Approved by Lender Providing For Payments To Erickson
<u>Schedule XIV</u>	-	Flow of Entrance Deposits
<u>Schedule XV</u>	-	Flow of Monthly Fees
<u>Schedule XVI</u>	-	Lender’s Remedies Upon Event of Default
<u>Schedule XVII</u>	-	Insurance Requirements
<u>Schedule XVIII</u>		Permits
<u>Schedule XIX</u>		Article XI
<u>Schedule XX</u>		Form of Assignment and Assumption

Schedule XXI

Form of Eligible Transferee's Certificate

Schedule XXII

Form of Replacement Promissory Note

SCHEDULE I

EQUITY BALANCE TEST CERTIFICATE

Wind Crest Community
Equity Balance Test
As of __/__/____

Anticipated Inflows

Anticipated Entrance Deposits to be Collected through initial term of loan

Lease Payments Through Initial Term of Loan

Sale of Land

Total Inflows of Cash through initial term of loan

Projected Costs through initial term of loan

Hard Costs for Neighborhood One and Extended Care Center

Soft Costs for Neighborhood One and Extended Care Center

Soft Costs for Neighborhood Two

Other Costs

Total Anticipated Costs through initial term of loan

Add Equity Requirement

83,000,000

Add Construction Loan

25,000,000

Projected Available Funds

108,000,000

SCHEDULE II

SCHEDULE OF CONSTRUCTION PHASES

See Next Page

DALLAS CAMPUS, LLC
SCHEDULE OF ESTIMATED COMPLETION DATES
PREPARED: FEBRUARY 3, 2006

Project	Constr. Start	Substantially Completed
Masterplan	Apr-06	
Marketing Center Trailer	Jul-05	Oct-05
Sitework 1	Oct-05	N/A
Gatehouse 1 (HC include in SW1.0)	Apr-06	Apr-07
Community Bldg 1.0/Pool	Apr-06	Apr-07
Residential Building 1.1	Apr-06	Apr-07
Parking Deck #1 (NH1)	Apr-06	Apr-07
Residential Building 1.2	Jun-06	Jun-07
Residential Building 1.3	Apr-07	Apr-08
Parking Deck #2 (NH2)	Apr-09	Apr-10
Residential Building 1.4	Apr-08	Apr-09
Residential Building 2.1	Apr-09	Apr-10
Parking Deck #3 (NH3)	Apr-12	Apr-13
BR 1.0 (RB 1.3 to RB2.1)	Nov-09	Apr-10
BR 2.0 (RB 2.3 to RB3.1)	Nov-12	Apr-13
Sitework 2 (includes NH2)	Apr-09	N/A
Residential Building 2.2	May-09	May-10
Extended Care Phase 1	Sep-10	Sep-11
BR 3.0 (RB2.3 to ECC1.0)	Apr-11	Sep-11
Community Building 2.0	Apr-09	Apr-10
Residential Building 2.3	Sep-10	Sep-11
Transitional Spaces	Apr-09	Apr-10
Residential Building 2.4	Apr-11	Apr-12
Residential Building 3.1	Apr-12	Apr-13
Residential Building 3.2	May-12	May-13
Chapel	Jul-12	May-13
Maintenance Building	Dec-12	May-13
BR 4.0 (Not to be used)	Apr-11	Apr-12
Sitework 3 (Includes NH3)	Apr-12	N/A
Residential Building 3.3	Aug-13	Aug-14
Community Building 3.0	Apr-12	Apr-13
Residential Building 3.4	Apr-14	Apr-15
Extended Care Phase 2	Feb-14	Apr-15
Sitework 4	Sep-10	N/A

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.1

Opening Date Apr-07

			Base Year 2007 Deposit \$	RB 1.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	16	2,800,000
1 BR	Berkeley	C1h	174,000	4	696,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Easton	C11	219,000	2	438,000
2 BR-1B	Fairmont	E2	252,000	12	3,024,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-2B	McHenry	F14	264,000	1	264,000
2 BR-2B	Kingston	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	7	2,289,000
2 BR-2B	Jackson	G6	316,000	21	6,636,000
2 BR-2B Large	Manchester	F4	385,000	12	4,620,000
2 BR-2B with Den	Worthington	F8	355,000	7	2,485,000
2 BR-2B Large	Parkton	F13	360,000	2	720,000
2 BR-2B Large		F13m	364,000	5	1,820,000
2 BR-2B Large	Wentworth	F15	436,000	4	1,744,000
2 BR-2B Large		F18	457,000	1	457,000
2 BR-2B Large	Lancaster	H1	433,000	12	5,196,000
2 BR-2B Large	Williamsburg	K1	516,000	5	2,580,000
Total:				147	46,039,000

Amenities

25% of Units * \$5,000	25%	183,750
	147	183,750

Total with Amenities 147 46,222,750

Projected Deposits without Amenities (Inflated)	0.00%	147	46,039,000
Total Amenities			183,750
Total Projected Deposits			<u>46,222,750</u>

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.2

Opening Date Jun-07

			Base Year 2007 Deposit \$	RB 1.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	2	350,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	5	1,040,000
Large 1 BR	Fremont	C4	217,000	4	868,000
Large 1 BR	Dulaney	C22m	191,000	1	191,000
Large 1 BR		C23	191,000	1	191,000
Large 1 BR		C24	191,000	4	764,000
1 BR-(1-1/2)B	Hamilton	G10	240,000	6	1,440,000
1 BR & Den	Georgetown	D1	239,000	5	1,195,000
1 BR & Den	Gilbert	D2	239,000	2	478,000
1 BR & Den	Gilmore	D2m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den		D1.5m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	4	1,060,000
2 BR-1B	Fairmont	E2	252,000	8	2,016,000
2 BR-1B	Harrison	G4	267,000	6	1,602,000
2 BR-1B		G4m	267,000	1	267,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	10	2,650,000
2 BR-2B	Hawthorne	F2	264,000	12	3,168,000
2 BR-2B	Kingston	F3	336,000	10	3,360,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	5	1,580,000
2 BR-2B		G6m	316,000	3	948,000
2 BR-2B with Den	Worthington	F8	355,000	5	1,775,000
2 BR-2B Large	Wyeth	J6	448,000	8	3,584,000
2 BR-2B Large	Westwood	J7	417,000	3	1,251,000

Total:	123	34,638,000
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Amenities

25% of Units * \$5,000	25%	153,750
	123	153,750

Total with Amenities	123	34,791,750
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Projected Deposits without Amenities (Inflated)	0.00%	123	34,638,000
Total Amenities			153,750
Total Projected Deposits			34,791,750

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.3

Opening Date Apr-08

			Base Year 2007 Deposit \$	RB 1.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	6	1,050,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	6	1,248,000
Large 1 BR	Fremont	C4	217,000	6	1,302,000
Large 1 BR	Easton	C11	219,000	5	1,095,000
1 BR-(1-1/2)B	Heritage	H2	317,000	1	317,000
1 BR & Den	Gilbert	D2	239,000	6	1,434,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	6	1,488,000
2 BR-1B	Flagstaff	E1	240,000	6	1,440,000
2 BR-1B	Fairmont	E2	252,000	10	2,520,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Oxford	F5	327,000	12	3,924,000
2 BR-2B	Jackson	G6	316,000	8	2,528,000
2 BR-2B Large	Patterson	F12	457,000	6	2,742,000
2 BR-2B Large	Lancaster	H1	433,000	10	4,330,000
2 BR-2B Large	Washington	J3	448,000	6	2,688,000
2 BR-2B Large	Williamsburg	K1	516,000	6	3,096,000
Total:				140	42,096,000

Amenities

25% of Units * \$5,000	25%	175,000
	140	175,000

Total with Amenities	140	42,271,000
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Projected Deposits without Amenities (Inflated)	3.00%	140	43,358,880
Total Amenities			175,000
Total Projected Deposits			43,533,880

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.4

Opening Date Apr-09

			Base Year 2007 Deposit \$	RB 1.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	12	2,100,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	7	1,456,000
Large 1 BR	Easton	C11	219,000	1	219,000
1 BR & Den	Gilbert	D2	239,000	6	1,434,000
1 BR & Den	Gibson	D6	251,000	5	1,255,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	7	1,736,000
2 BR-1B	Fallston	E1m	235,000	5	1,175,000
2 BR-1B	Fairmont	E2	252,000	10	2,520,000
2 BR-1B	Harrison	G4	267,000	2	534,000
2 BR-(1-1/2)B	Hastings	E4	282,000	28	7,896,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	5	1,625,000
2 BR-2B	Hawthorne	F2	264,000	12	3,168,000
2 BR-2B	Kingston	F3	336,000	7	2,352,000
2 BR-2B	Oxford	F5	327,000	12	3,924,000
2 BR-2B	Jackson	G6	316,000	17	5,372,000
2 BR-2B Large	Manchester	F4	385,000	14	5,390,000
2 BR-2B Large	Lancaster	H1	433,000	5	2,165,000
2 BR-2B Large	Wyeth	J6	448,000	7	3,136,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				171	51,487,000

Amenities

25% of Units * \$5,000	25%	213,750
	171	213,750

Total with Amenities 171 51,700,750

Projected Deposits without Amenities (Inflated) 6.09% 171 54,622,558

Total Amenities 213,750

Total Projected Deposits 54,836,308

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.1

Opening Date Apr-10

			Base Year 2007 Deposit \$	RB 2.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	4	700,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Dover	C3	208,000	4	832,000
Large 1 BR	Fenwick	C7	209,000	1	209,000
1 BR & Den	Gilbert	D2	239,000	8	1,912,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	8	1,984,000
2 BR-1B	Fairmont	E2	252,000	14	3,528,000
2 BR-1B	Harrison	G4	267,000	6	1,602,000
2 BR-(1-1/2)B	Hastings	E4	282,000	18	5,076,000
2 BR-2B	Oxford	F5	327,000	9	2,943,000
2 BR-2B	Jackson	G6	316,000	29	9,164,000
2 BR-2B Large	Manchester	F4	385,000	10	3,850,000
2 BR-2B Large	Williamsburg	K1	516,000	10	5,160,000
Total:				124	37,567,000

Amenities

25% of Units * \$5,000	25%	155,000
	124	155,000

Total with Amenities	124	37,742,000
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Projected Deposits without Amenities (Inflated)	9.27%	124	41,072,330
Total Amenities			155,000
Total Projected Deposits			41,227,330

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.2

Opening Date May-10

			Base Year 2007 Deposit \$	RB 2.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	9	1,575,000
Large 1 BR	Dawson	C8	209,000	2	418,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	5	1,240,000
2 BR-1B	Fairmont	E2	252,000	6	1,512,000
2 BR-(1-1/2)B	Hastings	E4	282,000	17	4,794,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	2	650,000
2 BR-2B	Kingston	F3	338,000	10	3,360,000
2 BR-2B	Jackson	G6	316,000	17	5,372,000
2 BR-2B with Den	Worthington	F8	355,000	5	1,775,000
2 BR-2B Large	Lirwood	H6	410,000	3	1,230,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Williamsburg	K1	516,000	4	2,064,000
Total:				84	25,722,000

Amenities

25% of Units * \$5,000	25%	105,000
	84	105,000

Total with Amenities	84	25,827,000
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Projected Deposits without Amenities (Inflated)	9.27%	84	28,107,124
Total Amenities			105,000
Total Projected Deposits			28,212,124

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.3

Opening Date Sep-11

			Base Year 2007 Deposit \$	RB 2.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	11	1,925,000
Large 1 BR	Dawson	C8	209,000	3	627,000
1 BR & Den	Gilmore	D2m	248,000	7	1,736,000
2 BR-1B	Fairmont	E2	252,000	16	4,032,000
2 BR-1B	Harrison	G4	267,000	18	4,806,000
2 BR-(1-1/2)B	Hastings	E4	282,000	30	8,460,000
2 BR-2B	Jackson	G6	316,000	18	5,688,000
2 BR-2B Large	Williamsburg	K1	516,000	11	5,676,000

Total:			114	32,950,000
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Amenities

25% of Units * \$5,000	25%	142,500
	114	142,500

Total with Amenities	114	33,092,500
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Projected Deposits without Amenities (Inflated)	12.55%	114	37,085,515
Total Amenities			142,500
Total Projected Deposits			37,228,015

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.4

Opening Date Apr-12

			Base Year 2007 Deposit \$	RB 2.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	14	2,450,000
Large 1 BR	Dawson	C8	209,000	2	418,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	6	1,488,000
2 BR-1B	Fairmont	E2	252,000	12	3,024,000
2 BR-(1-1/2)B	Hastings	E4	282,000	46	12,972,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	6	1,950,000
2 BR-2B	Jackson	G6	316,000	27	8,532,000
2 BR-2B with Den	Worthington	F8	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	7	3,031,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				133	39,607,000

Amenities

25% of Units * \$5,000	25%	166,250
	133	166,250

Total with Amenities	133	39,773,250
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Projected Deposits without Amenities (Inflated)	15.93%	133	45,915,368
Total Amenities			166,250
Total Projected Deposits			46,081,618

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.1

Opening Date Apr-13

			Base Year 2007 Deposit \$	RB 3.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	10	1,750,000
1 BR	Bradford	C5	163,000	5	815,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Fremont	C4	217,000	5	1,085,000
1 BR-(1-1/2)B	Heritage	H2	317,000	2	634,000
1 BR & Den	Gilmore	D2m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	11	2,915,000
1 BR-(1-1/2)B & Den	Griffin	D8	268,000	11	2,948,000
2 BR-1B	Fairmont	E2	252,000	13	3,276,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	5	1,325,000
2 BR-(1-1/2)B	Hastings	E4	282,000	23	6,486,000
2 BR-2B	KIngston	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	19	6,004,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Washington	J3	448,000	5	2,240,000
2 BR-2B Large	Williamsburg	K1	516,000	6	3,096,000
Total:				143	41,219,000

Amentities

25% of Units * \$5,000	25%	178,750
	143	178,750

Total with Amenities	143	41,397,750
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Projected Deposits without Amenities (Inflated)	19.41%	143	49,217,642
Total Amenities			178,750
Total Projected Deposits			49,396,392

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.2

Opening Date May-13

			Base Year 2007 Deposit \$	RB 3.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	13	2,275,000
Large 1 BR	Dawson	C8	209,000	3	627,000
1 BR-(1-1/2)B	Hamilton	G10	240,000	6	1,440,000
1 BR & Den	Gilmore	D2m	248,000	6	1,488,000
1 BR-(1-1/2)B & Den		D1.5+	248,000	6	1,488,000
2 BR-1B	Fairmont	E2	252,000	17	4,284,000
2 BR-1B	Harrison	G4	267,000	11	2,937,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	6	1,590,000
2 BR-(1-1/2)B	Hastings	E4	282,000	13	3,666,000
2 BR-2B	Jackson	G6	316,000	8	2,528,000
2 BR-2B Large		F8+	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	7	3,031,000
2 BR-2B Large	Washington	J3	448,000	7	3,136,000
2 BR-2B Large	Williamsburg	K1	516,000	13	6,708,000
Total:				122	37,328,000

Amenities

25% of Units * \$5,000	25%	152,500
	122	152,500

Total with Amenities	122	37,480,500
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Projected Deposits without Amenities (Inflated)	19.41%	122	44,571,584
Total Amenities			152,500
Total Projected Deposits			44,724,084

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.3

Opening Date Aug-14

			Base Year 2007 Deposit \$	RB 3.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	9	1,575,000
1 BR	Bradford	C5	163,000	4	652,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Fremont	C4	217,000	4	868,000
1 BR & Den	Gibson	D6	251,000	4	1,004,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	4	992,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	4	1,060,000
1 BR-(1-1/2)B & Den	Griffin	D8	268,000	4	1,072,000
2 BR-1B	Fallston	E1m	235,000	4	940,000
2 BR-1B	Fairmont	E2	252,000	9	2,268,000
2 BR-1B	Harrison	G4	267,000	3	801,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	4	1,060,000
2 BR-(1-1/2)B	Hastings	E4	282,000	9	2,538,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Kingston	F3	336,000	4	1,344,000
2 BR-2B	Oxford	F5	327,000	5	1,635,000
2 BR-2B	Jackson	G6	316,000	15	4,740,000
2 BR-2B with Den	Worthington	F8	355,000	4	1,420,000
2 BR-2B Large	Washington	J3	448,000	4	1,792,000
Total:				107	29,028,000

Amenities

25% of Units * \$5,000	25%	133,750
	107	133,750

Total with Amenities 107 29,161,750

Projected Deposits without Amenities (Inflated)	22.99%	107	35,700,779
Total Amenities			133,750
Total Projected Deposits			<u>35,834,529</u>

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.4

Opening Date Apr-15

			Base Year 2007 Deposit \$	RB 3.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	5	875,000
1 BR	Bradford	C5	163,000	6	978,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Dover	C3	208,000	6	1,248,000
Large 1 BR	Fremont	C4	217,000	6	1,302,000
1 BR & Den	Gilbert	D2	239,000	5	1,195,000
1 BR & Den	Gilmore	D2m	248,000	7	1,736,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	11	2,728,000
2 BR-1B	Fairmont	E2	252,000	15	3,780,000
2 BR-1B	Harrison	G4	267,000	5	1,335,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	6	1,590,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	1	325,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Kingston	F3	336,000	8	2,016,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	13	4,108,000
2 BR-2B Large	Manchester	F4	385,000	14	5,390,000
2 BR-2B with Den	Worthington	F8	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Washington	J3	448,000	7	3,136,000
2 BR-2B Large	Westwood	J7	417,000	6	2,502,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000

Total:	179	53,715,000
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Amenities

25% of Units * \$5,000	25%	223,750
	179	223,750

Total with Amenities	179	53,938,750
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Projected Deposits without Amenities (Inflated)	26.68%	179	68,044,555
Total Amenities			223,750
Total Projected Deposits			68,268,305

SCHEDULE III

PROJECT BUDGET

See Next Page

Littleton Campus, LLC
Project Budget

	Original Budget	Change Orders	Adjusted Budget	Previous Costs	Current Costs	Costs to Date	Balance to Fund
Hard Costs							
Building	277,405,391	-	277,405,391	-	3,092,868	3,092,868	274,312,523
Stiework	29,089,603	-	29,089,603	-	995,393	995,393	28,094,210
Contingency	9,804,597	-	9,804,597	-	0	-	9,804,597
Total Hard Costs	316,299,591	-	316,299,591	-	4,088,261	4,088,261	312,211,330
Soft Costs							
Architecture	11,961,825	-	11,961,825	-	1,834,415	1,834,415	10,127,410
Engineering	6,324,582	-	6,324,582	-	2,403,106	2,403,106	3,921,476
Builders Risk	546,072	-	546,072	-	0	-	546,072
Fees & Permits	22,713,700	-	22,713,700	-	2,485,536	2,485,536	20,228,164
Development Fees	27,838,483	-	27,838,483	-	0	-	27,838,483
Outside Legal Fees	946,000	-	946,000	-	108,082	108,082	837,918
Total Soft Costs	70,330,662	-	70,330,662	-	6,831,139	6,831,139	63,499,523
Total Hard/Soft Costs	386,630,253	-	386,630,253	-	10,919,400	8,585,399	378,044,914
Other Project Costs							
Land	22,500,000	-	22,500,000	-	22,499,092	22,499,092	908
Unallocated Expenses (Departmentals)	57,799,000	-	57,799,000	-	3,797,356	3,797,356	54,001,644
Capital Expenditures/Marketing Center	1,500,000	-	1,500,000	-	324,445	324,445	1,175,555
Interest	38,911,000	-	38,911,000	-	1,137,686	1,137,686	37,773,314
Other Financing Costs	1,854,000	-	1,854,000	-	204,583	204,583	1,649,417
Closing Costs (per Settlement Sheet)	858,000	-	858,000	-	1,249,102	1,249,102	(1,249,102)
Property Taxes	123,422,000	-	123,422,000	-	11,091	11,091	846,909
Total Other Costs	123,422,000	-	123,422,000	-	29,223,355	29,223,355	94,198,645
Total Hard/Soft/Other Costs	510,052,253	-	510,052,253	-	40,142,755	37,808,694	472,243,559
Working Capital Loan							
Working Capital Loan	37,641,000	-	37,641,000	-	0	-	37,641,000
Repayment of Working Capital Loan	(21,606,000)	-	(21,606,000)	-	0	-	(21,606,000)
Total	16,035,000	-	16,035,000	-	0	-	16,035,000
Collateral for Letters of Credit	3,000,000	-	3,000,000	-	1,204,491	1,204,491	1,795,509
Total Project Costs	529,087,253	-	529,087,253	-	41,347,246	39,013,185	490,074,068
Funding Analysis							
ERC Equity Contribution				-	25,000,000	25,000,001	
GMAC Advance				-	16,347,246	14,013,184	
Total				-	41,347,246	39,013,185	

All costs reflected above are correct to the best of my knowledge

Sherrie Lynn Royman
Sherrie Lynn Royman

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Inflow of Cash														
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from (Payments on) Construction Loan	0	56,162,774	13,652,192	(9,108,175)	1,103,682	(3,957,886)	7,937,437	(1,235,672)	(17,840,674)	(1,426,990)	(35,286,488)	0	0	0
ERC Contribution	18,354,419	5,645,581	0	0	0	0	0	0	0	0	(16,162,439)	(8,817,461)	0	0
GMAC Financing	14,800,000	(14,800,000)	0	0	0	0	0	0	0	0	0	0	0	0
Net Rent	0	0	135,000	180,000	348,297	786,618	1,090,046	1,500,966	2,116,366	2,447,620	2,768,657	3,527,334	3,997,821	18,895,444
Deposits	0	0	48,817,368	46,827,571	47,167,871	51,519,437	53,463,915	60,200,101	65,183,494	62,234,787	72,253,102	43,707,885	5,384,320	556,769,651
Rentale Land (Net of Commission)	0	9,050,635	0	0	0	0	0	0	0	0	0	0	0	9,050,635
Total Inflow of Cash	34,154,419	56,058,991	62,604,560	37,899,397	48,619,850	48,348,169	62,491,397	60,465,385	49,469,016	53,255,417	23,550,831	38,417,457	9,381,941	584,718,831
Costs:														
Hard Costs	2,964,601	30,457,261	35,504,831	20,675,827	31,394,281	22,460,444	41,612,228	37,326,544	30,794,872	39,129,970	14,194,037	0	0	306,494,994
Soft Costs:														
Architecture	1,513,206	1,440,162	549,484	630,083	1,861,916	1,555,445	746,342	1,596,788	831,032	1,122,209	115,845	0	0	11,862,512
Engineering	2,581,447	1,627,534	0	446,171	377,529	1,56,587	812,326	322,088	0	0	0	0	0	6,324,561
Fees & Permits	950,519	11,597,149	764,914	933,085	1,752,146	1,728,663	764,355	1,881,456	586,235	1,755,164	0	0	0	22,713,699
Builders Risk	3,231	100,604	31,354	40,519	73,185	63,221	32,878	96,200	29,660	75,153	0	0	0	546,071
Departmental	2,427,710	4,869,182	4,853,564	5,040,477	5,123,987	5,222,204	5,317,178	5,414,888	5,515,354	5,619,533	4,184,081	3,780,086	324,456	57,789,195
Total Hard & Soft Costs	10,430,715	50,081,891	41,804,146	27,766,162	40,619,055	31,186,564	49,285,302	46,638,973	37,757,672	47,702,088	18,493,963	3,780,066	324,456	405,841,054
Land and Related Expenses	22,500,000	0	0	0	0	0	0	0	0	0	0	0	0	22,500,000
Construction Fees (1.5%) of HC	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Development Fees	972,784	296,000	0	0	0	5,139,072	2,545,255	4,232,887	2,056,894	2,787,869	4,299,038	6,639,648	158,021	27,838,483
Interest on Construction Loans/GMAC	23,936	1,770,989	5,616,834	5,142,189	4,653,429	4,921,667	5,058,354	4,827,172	4,925,578	3,320,096	1,440,272	0	0	41,500,514
Interest on Bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financing Costs	11,651	722,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	82,500	1,454,151
Property Taxes	10,781	175,704	149,186	138,763	124,330	87,031	74,588	62,185	24,888	12,433	0	0	0	857,876
Capital expenditures	0	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,250,000
Marketing Center FF&E Cost	123,085	136,915	0	0	0	0	0	0	0	0	0	0	0	250,000
Working Capital Loan	0	1,580,304	13,424,464	4,043,714	2,307,766	5,324,796	4,184,164	3,869,557	2,532,438	(1,250,794)	(2,108,703)	(6,532,862)	-11,340,260	16,034,584
Interest on Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Testing & Inspection	0	0	40,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	400,000
Letter of Credit Fees	0	814,688	1,302,420	485,068	639,770	1,473,539	1,028,225	519,131	1,856,268	486,226	1,187,262	0	0	9,804,597
Contingency	0	355,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	30,000	0	0	946,457
Out Side Legal Expenses	81,457	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Development Costs	23,723,704	5,997,099	20,800,414	10,133,234	8,040,795	17,161,604	13,206,095	13,826,412	11,711,344	5,553,329	5,056,868	106,785	-11,182,239	124,105,445
Total Costs	34,154,419	56,058,991	62,604,560	37,899,397	48,619,850	48,348,169	62,491,397	60,465,385	49,469,016	53,255,417	23,550,831	3,886,651	-10,857,784	529,946,499
Net Cash (Deficit)	0	0	0	0	0	0	0	0	0	0	0	0	0	54,770,331
Cumulative Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	54,770,331
Cumulative Deposits	0	0	48,817,368	95,644,939	142,812,810	194,332,247	247,786,162	307,996,284	373,189,757	435,424,545	507,677,846	551,385,331	556,769,651	556,769,651
Cumulative Costs	34,154,419	90,213,409	152,817,969	190,717,366	239,337,216	287,885,364	350,776,782	410,642,167	460,111,183	513,386,800	536,817,432	540,804,283	529,946,499	529,946,499
Equity and Loan Balances														
GMAC	14,800,000	0	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	19,354,419	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	0	56,162,774	69,814,956	60,708,791	61,810,474	57,852,588	65,790,024	64,554,352	46,713,478	35,286,488	8,817,561	0	0	0

Denver Campus
Projected Cash Flow Balance
By Category (13 ILU/month)

	Actual	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
Income of Cash															
Bond Proceeds															
Proceeds from Payments on Construction Loan															
ERIC Contribution															
GMAAC Financing															
Net Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resale Land (Net of Commission)	0	0	0	0	0	0	0	8,050,835	0	0	0	0	0	0	0
Total Inflow of Cash	0	0	0	0	0	0	0	8,050,835	0	0	0	0	0	0	0
Capital Costs															
Land and Related Expenses	1,350,765	708,138	835,878	755,641	755,641	755,641	755,641	1,883,098	1,586,752	2,594,859	3,582,720	3,403,061	4,759,447	5,066,837	4,915,913
Construction Fees (1.5%) of HC	1,308,480	68,393	108,338	130,270	187,950	238,485	296,454	124,148	110,186	47,732	39,722	38,722	38,722	37,761	36,742
Architecture	1,913,520	333,959	333,959	333,959	287,079	208,040	208,040	208,040	180,751	107,740	161,320	0	0	0	0
Engineering	734,991	215,528	0	0	0	1,073,281	9,882,584	681,174	0	0	0	0	0	0	0
Fees & Permits	0	0	0	0	0	75,180	0	0	25,414	0	0	0	0	0	0
Bridges Risk	1,809,828	195,000	422,715	405,785	405,785	405,785	405,785	405,785	405,785	405,785	405,785	405,785	405,785	405,785	405,785
Depreciation	7,117,721	1,609,016	1,700,745	1,625,634	1,626,435	2,681,312	11,802,684	2,678,631	2,331,832	3,379,531	4,143,547	3,848,548	5,303,934	5,512,383	5,380,408
Total Hard & Soft Costs	22,500,000	824,714	74,000	74,000	74,000	74,000	74,000	74,000	187,522	145,646	162,812	168,654	219,202	248,750	232,132
Land and Related Expenses	824,714	74,000	74,000	74,000	74,000	74,000	74,000	74,000	187,522	145,646	162,812	168,654	219,202	248,750	232,132
Construction Fees (1.5%) of HC	23,838	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loan/GMAAC	0	0	0	0	0	0	0	0	22,500	0	0	0	0	0	0
Interest on Bonds	11,651	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Financing Costs	10,791	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	123,065	0	0	0	128,815	0	0	0	40,001	180,006	180,006	360,006	198,984	316,816	344,504
Construction Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Working Capital Loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Leasing & Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Landlord's Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Old Site Legal Expenses	61,457	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Development Costs	23,575,704	74,000	74,000	74,000	74,000	74,000	74,000	74,000	187,522	145,646	162,812	168,654	219,202	248,750	232,132
Total Costs	30,695,435	1,603,016	1,774,745	2,689,634	2,689,634	2,780,312	11,881,884	3,769,154	2,764,980	3,806,150	4,582,234	4,432,756	5,658,651	6,650,376	6,347,781
Net Cash (Deficit)	(20,883,425)	(1,603,016)	(1,774,745)	(2,689,634)	(1,833,350)	(2,780,312)	(11,881,884)	(6,281,481)	(2,544,980)	(3,906,150)	(4,582,234)	(4,432,756)	(5,658,651)	(6,650,376)	(6,347,781)
Cumulative Cash	(20,883,425)	(22,379,674)	(24,154,419)	(26,844,053)	(28,686,403)	(41,446,715)	(53,128,598)	(48,846,817)	(48,291,887)	(53,298,046)	(57,880,280)	(62,313,038)	(67,969,687)	(74,620,013)	(81,182,774)
Cumulative Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative Costs	30,695,435	32,379,674	34,154,419	36,844,053	38,686,403	41,446,715	53,128,598	55,887,552	58,442,532	62,348,682	66,930,915	71,363,671	77,020,322	83,670,648	90,317,409
Equity and Loan Balances															
GMAAC	14,800,000	14,800,000	14,800,000	14,800,000	14,800,000	14,800,000	14,800,000	26,646,715	26,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
ERIC Equity	15,896,656	17,579,674	18,354,419	22,054,053	23,886,403	26,646,715	28,128,598	21,846,817	25,000,000	24,391,887	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000
Construction Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
Inflow of Cash												
Bond Proceeds												
Proceeds from (Payments on) Construction Loan												
ERIC Contribution												
GMAC Financing												
Net Rent	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Deposits	0	0	0	6,288,810	7,106,355	7,323,968	6,237,452	5,940,430	4,752,344	3,980,068	3,623,862	3,584,258
Resale Land (Net of Commission)												
Total Inflow of Cash	0	0	0	6,303,810	7,121,355	7,338,968	6,252,452	5,955,430	4,767,344	3,995,088	3,638,682	3,579,258
Costs:												
Hard Costs	4,651,321	5,099,937	3,877,882	3,560,983	1,643,443	2,106,519	1,731,606	2,384,879	2,485,967	2,911,587	2,403,188	2,645,719
Soft Costs:												
Architecture	88,765	56,071	83,482	82,789	88,229	72,730	23,988	19,367	18,367	8,231	8,231	8,231
Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Fees & Permits	0	0	0	0	764,914	0	0	0	0	0	0	0
Builders Risk	0	0	0	31,354	0	0	0	0	0	0	0	0
Departmental	412,797	412,797	412,787	412,797	412,797	412,797	412,797	412,787	412,797	412,797	412,797	412,797
Total Hard & Soft Costs	5,132,882	5,568,805	4,373,961	4,089,924	2,919,383	2,592,046	2,186,391	2,817,043	2,916,131	3,332,615	2,824,217	3,066,747
Land and Related Expenses												
Construction Fees (1.5% of HC												0
Development Fees	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loans/GMAC	374,418	414,298	457,535	483,177	535,723	516,894	491,801	481,378	467,297	461,153	462,358	461,204
Interest on Construction Loans/ERIC Loans	0	0	0	0	80,000	22,500	0	0	0	0	0	0
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	149,186
Capital expenditures	489,632	497,502	505,691	8,093,652	742,864	434,874	747,474	535,850	451,456	372,748	170,185	402,535
Marketing Center FF&E Cost												
Working Capital Loan												
Interest on Working Capital												
Testing & Inspection												
Letter of Credit Fees												
Contingency	0	0	0	0	0	0	1,302,420	0	0	0	0	0
Out Side Legal Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Other Development Costs	849,051	916,800	972,226	8,595,829	1,347,567	993,068	2,550,495	1,026,227	927,754	842,901	641,541	1,146,934
Total Costs	5,881,933	6,485,605	5,346,188	12,685,753	4,286,970	3,575,114	4,716,886	3,843,270	3,845,865	4,175,516	3,485,758	4,213,882
Net Cash (Deficit)	(5,881,933)	(6,485,605)	(5,346,188)	(6,381,943)	(2,654,385)	(3,783,854)	(1,533,586)	(2,112,160)	(921,459)	(180,428)	(172,905)	(634,423)
Cumulative Cash	(87,144,707)	(93,630,312)	(98,976,500)	(108,358,443)	(102,604,058)	(86,740,204)	(97,208,538)	(95,094,478)	(94,173,019)	(94,353,447)	(94,180,543)	(94,814,966)
Cumulative Deposits	0	0	0	6,288,810	13,395,164	20,719,133	26,956,584	32,897,015	37,649,359	41,628,447	45,253,110	48,817,368
Cumulative Costs	86,166,343	102,680,946	108,027,135	120,712,888	124,978,848	128,554,972	133,273,858	137,117,128	140,963,014	145,138,530	148,604,288	152,817,969
Equity and Loan Balances												
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERIC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	62,144,707	68,630,312	73,976,500	80,358,443	77,504,058	73,740,204	72,206,538	70,094,478	69,173,019	69,353,447	69,180,543	69,814,966

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU/s/month)**

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Inflow of Cash												
Bond Proceeds												
Proceeds from (Payments on) Construction Loan												
ERC Contribution	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
GMAC Financing												
Net Rent	3,554,258	3,326,641	3,029,619	5,003,042	4,776,416	4,592,708	4,102,819	3,735,402	3,674,186	3,674,188	3,674,186	3,674,186
Deposits												
Resale Land (Net of Commission)												
Total Inflow of Cash	3,579,258	3,341,641	3,044,619	5,018,042	4,791,416	4,607,708	4,117,819	3,750,402	3,688,186	3,688,186	3,688,186	3,688,186
Costs:												
Hard Costs	2,123,082	2,096,364	953,081	352,736	484,928	781,740	1,472,666	2,397,953	2,023,567	2,995,504	2,572,941	2,441,256
Soft Costs:												
Architecture	44,829	44,829	77,476	113,479	131,690	94,073	21,472	21,472	21,472	19,764	19,764	19,764
Engineering	0	0	0	0	0	34,321	34,321	75,506	75,506	75,506	75,506	75,506
Fees & Permits	0	0	933,085	0	0	0	0	0	0	0	0	0
Bidders Risk	0	0	0	40,519	0	0	0	0	0	0	0	0
Departmental	420,040	420,040	420,040	420,040	420,040	420,040	420,040	420,040	420,040	420,040	420,040	420,040
Total Hard & Soft Costs	2,567,961	2,561,233	2,383,681	926,774	1,016,658	1,330,174	1,948,499	2,914,970	2,540,584	3,510,813	3,088,251	2,956,565
Land and Related Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Construction Fees (1.5%) of HC	0	0	0	0	0	0	0	0	0	0	0	0
Development Fees	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loans/GMAC	465,433	464,805	461,878	464,207	442,666	427,382	411,238	401,642	400,892	398,015	401,440	402,591
Interest on Bonds	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loans/ERC Loans	0	0	0	0	60,000	22,500	0	0	0	0	0	136,763
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	125,000
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	422,579	(132,418)	539,507	386,882	475,329	397,066	308,776	312,193	307,243	285,099	363,108	377,351
Working Capital Loan	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Interest on Working Capital	0	0	0	0	0	0	0	0	0	0	0	0
Testing & Inspection	0	0	0	0	495,068	0	0	0	0	0	0	0
Letter of Credit Fees	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Out Side Legal Expenses	897,012	341,387	1,010,365	660,090	1,462,064	855,947	730,013	722,835	717,135	692,114	773,548	1,050,705
Total Other Development Costs	3,484,973	2,902,619	3,394,066	1,766,864	2,498,721	2,186,121	2,678,512	3,637,805	3,257,719	4,202,927	3,861,799	4,007,270
Total Costs	5,652,934	5,463,852	5,437,747	2,693,638	3,515,384	3,516,300	4,626,011	6,552,775	5,798,303	7,713,740	6,949,050	7,463,835
Net Cash (Deficit)	(2,073,676)	(2,122,211)	(2,393,128)	(2,325,596)	(1,723,968)	(1,908,592)	(4,508,192)	(2,802,373)	(2,110,117)	(4,025,554)	(3,260,864)	(3,775,649)
Cumulative Cash	(94,720,681)	(94,281,659)	(94,031,106)	(91,399,926)	(89,107,232)	(88,685,645)	(85,248,338)	(85,133,741)	(84,702,295)	(85,216,056)	(85,388,688)	(85,706,791)
Cumulative Deposits	52,381,628	55,708,267	58,737,886	63,740,929	68,517,345	73,110,053	77,212,872	80,948,274	84,622,440	88,286,807	91,970,773	95,644,339
Cumulative Costs	156,302,942	159,205,582	162,589,927	164,366,491	166,885,212	169,071,333	171,749,645	175,387,651	178,645,370	182,648,298	186,710,098	190,717,386
Equity and Loan Balances												
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	69,720,681	69,281,659	69,031,105	66,399,926	64,107,232	61,685,645	60,246,338	60,133,741	59,702,295	60,216,056	60,388,688	60,706,791

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Inflow of Cash												
Bond Proceeds												
Proceeds from (Payments on) Construction Loan												
ERC Contribution	15,000	15,000	15,000	15,000	15,000	15,000	37,423	37,423	37,423	37,423	54,301	54,301
GMAC Financing	3,674,186	3,184,277	3,061,805	4,415,329	4,753,710	4,500,179	4,436,796	3,828,734	3,802,968	3,802,968	3,802,968	3,802,968
Net Rent												
Deposits												
Resale Land (Net of Commission)												
Total Inflow of Cash	3,689,186	3,199,277	3,076,805	4,430,328	4,768,710	4,515,178	4,474,220	3,857,157	3,840,392	3,840,392	3,857,270	3,857,270
Costs:												
Hard Costs	2,177,884	2,206,273	952,191	455,836	946,892	1,389,175	2,611,979	3,338,081	3,489,243	4,547,975	4,589,599	4,675,175
Soft Costs:												
Architecture	99,311	123,340	196,950	142,770	232,956	340,444	291,954	209,624	81,460	53,774	42,523	46,810
Engineering	75,506	75,506	75,506	75,506	75,506	0	0	0	0	0	0	0
Fees & Permits	0	0	1,214,036	457,151	25,140	0	0	0	0	55,816	0	0
Bidders Risk	0	0	0	50,980	20,118	0	0	0	0	0	2,377	0
Departmental	427,500	427,500	427,500	427,500	427,500	427,500	427,500	427,500	427,500	427,500	427,500	427,500
Total Hard & Soft Costs	2,780,200	2,834,618	2,866,183	1,609,453	1,730,111	2,157,119	3,331,433	3,975,185	3,998,203	5,085,087	5,061,998	5,149,484
Land and Related Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Construction Fees (1.5%) of HC												
Development Fees												
Interest on Construction Loans/GMAC	404,712	403,045	402,831	405,653	391,772	380,392	388,708	366,021	369,891	374,668	386,546	396,190
Interest on Construction Loans/ERC Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financing Costs	0	0	0	0	0	22,500	0	0	0	0	0	124,330
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	125,000
Capital expenditures												
Marketing Center FF&E Cost	245,257	(79,582)	222,171	323,574	231,124	343,526	211,078	187,469	179,813	153,429	148,297	133,212
Working Capital Loan												
Interest on Working Capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Testing & Inspection												
Letter of Credit Fees												
Contingency	0	0	0	0	638,770	0	0	0	0	0	0	0
Out Side Legal Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Other Development Costs	658,969	332,463	634,002	738,827	1,331,686	755,418	589,784	572,490	558,704	537,097	541,843	789,732
Total Costs	3,439,169	3,167,081	3,500,185	2,348,080	3,061,777	2,912,537	3,921,217	4,547,675	4,558,907	5,622,184	5,603,841	5,939,215
Net Cash (Deficit)	249,997	32,196	(423,380)	2,082,249	1,706,933	1,802,642	553,003	(680,517)	(716,516)	(1,781,773)	(1,746,572)	(2,081,946)
Cumulative Cash	(85,456,794)	(85,424,598)	(85,647,878)	(83,765,728)	(82,058,795)	(80,458,153)	(79,803,150)	(80,483,668)	(81,200,183)	(82,981,958)	(84,728,627)	(86,810,474)
Cumulative Deposits	09,319,105	102,503,383	105,565,186	108,980,517	114,734,227	119,234,407	123,671,203	127,600,937	131,403,805	135,206,873	139,009,842	142,812,810
Cumulative Costs	194,156,535	197,323,616	200,823,801	203,171,881	205,233,658	209,146,185	213,067,412	217,815,087	222,171,994	227,794,158	233,387,999	239,237,216
Equity and Loan Balances												
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	60,456,794	60,424,598	60,847,878	58,765,728	57,058,795	55,456,153	54,903,150	55,483,668	56,200,183	57,981,956	59,728,527	61,810,474

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Inflow of Cash												
Bond Proceeds												
Proceeds from (Payments on) Construction Loan												
ERC Contribution	54,301	54,301	54,301	89,301	69,301	69,301	69,301	69,301	69,301	69,301	69,301	69,301
GMAC Franchising	3,802,988	3,802,988	3,802,988	5,482,424	5,919,613	4,873,937	4,085,245	3,953,463	3,953,463	3,953,463	3,953,463	3,953,463
Net Rent												
Deposit												
Resale Land (Net of Commission)												
Total Inflow of Cash	3,857,270	3,857,270	3,857,270	5,531,725	5,989,914	4,845,238	4,154,546	4,022,784	4,022,784	4,022,784	4,022,784	4,022,784
Costs:												
Hard Costs												
Soft Costs	4,411,378	4,817,227	3,430,655	2,358,268	645,942	533,829	487,051	460,267	881,442	1,172,860	1,500,485	1,661,230
Architecture	44,736	31,871	53,985	152,705	152,705	107,508	224,295	294,735	289,762	67,880	67,880	67,880
Engineering	0	0	0	0	0	0	0	0	24,467	24,467	53,827	53,827
Fees & Permits	0	0	0	0	0	0	0	1,728,683	0	0	0	0
Builders Risk	0	0	0	0	0	0	0	0	63,221	0	0	0
Departmental	435,184	435,184	435,184	435,184	435,184	435,184	435,184	435,184	435,184	435,184	435,184	435,184
Total Hard & Soft Costs	4,891,298	5,384,281	3,919,833	2,948,157	1,233,831	1,076,421	1,146,530	2,918,849	1,694,076	1,700,191	2,057,176	2,217,821
Land and Related Expenses												
Construction Fees (1.5%) of HC												5,139,072
Development Fees												
Interest on Construction Loan/GMAC	412,070	422,570	433,816	437,741	437,401	419,507	400,944	385,517	382,615	371,410	359,974	358,100
Interest on Construction Loan/ERC Loans	0	0	0	0	0	0	0	0	0	0	0	0
Financing Costs	0	0	0	0	60,000	22,500	0	0	0	0	0	87,031
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	125,000
Capital expenditures												
Marketing Center FF&E Cost	119,824	(271,627)	83,368	2,087,851	446,199	315,691	284,059	273,970	256,383	226,813	1,315,424	186,740
Working Capital Loan												
Interest on Working Capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Testing & Inspection												
Letter of Credit Fees	0	0	0	0	1,118,365	317,848	0	0	0	0	0	37,526
Contingency	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Out Side Legal Expenses												
Total Other Development Costs	540,894	159,943	526,185	2,534,592	2,070,966	1,084,347	694,003	688,487	647,998	607,223	1,884,388	5,942,469
Total Costs	5,432,292	5,544,224	4,446,018	5,480,750	3,304,797	2,160,768	1,840,533	3,587,336	2,342,073	2,307,414	3,741,574	8,160,290
Net Cash (Deficit)	(1,575,023)	(1,686,955)	(588,748)	50,975	2,684,118	2,784,471	2,314,013	435,428	1,680,691	1,715,351	281,190	(4,137,626)
Cumulative Cash	(88,385,186)	(90,072,451)	(90,661,199)	(90,610,224)	(87,926,106)	(85,141,635)	(82,827,622)	(82,392,184)	(80,711,503)	(78,996,152)	(78,714,982)	(82,852,588)
Cumulative Deposits	146,615,778	150,418,746	154,221,715	159,684,138	165,603,751	170,479,698	174,564,933	178,518,396	182,471,859	186,425,322	180,376,784	194,332,247
Cumulative Costs	244,769,508	250,313,732	254,759,750	260,240,500	263,545,287	265,706,064	267,546,587	271,133,934	273,476,007	275,783,420	279,523,994	287,665,384
Equity and Loan Balances												
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	63,385,186	65,072,451	65,661,199	65,610,224	62,926,106	60,141,635	57,827,622	57,392,184	55,711,503	53,986,152	53,714,982	57,852,588

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILUs/month)**

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11
Inflow of Cash												
Bond Proceeds												
Proceeds from/(Payments on) Construction Loan												
ERIC Contribution	90,420	90,420	90,420	90,420	90,420	90,420	90,420	90,420	90,520	91,420	91,520	92,420
GMAC Financing	3,953,463	3,953,463	3,953,463	3,953,463	3,953,463	3,953,463	3,426,334	3,294,552	5,807,389	6,328,098	5,541,865	5,345,081
Net Rent												
Deposits												
Resale Land (Net of Commission)												
Total Inflow of Cash	4,043,883	4,043,883	4,043,883	4,043,883	4,043,883	4,043,883	3,516,755	3,384,973	5,898,309	6,419,516	5,833,605	5,437,502
Costs:												
Hard Costs	2,638,020	2,327,515	3,583,721	3,750,307	3,586,327	5,347,505	4,836,217	4,497,691	3,333,230	2,871,998	2,578,860	2,480,634
Soft Costs:												
Architecture	82,327	82,327	89,183	124,743	137,106	118,099	55,009	55,009	20,122	7,503	7,503	7,503
Engineering	53,827	53,827	53,827	53,827	53,827	83,189	83,189	118,424	84,596	64,596	64,596	64,596
Fees & Permits	0	0	764,355	0	0	0	0	0	0	0	0	0
Builders Risk	0	0	0	32,878	0	0	0	0	0	0	0	0
Departmental	443,098	443,098	443,098	443,098	443,098	443,098	443,098	443,098	443,098	443,098	443,098	443,098
Total Hard & Soft Costs	3,197,272	2,886,766	4,934,183	4,404,653	4,220,357	5,991,801	5,217,513	5,114,222	3,861,048	3,387,197	3,094,058	2,976,033
Land and Related Expenses												
Construction Fees (1.5%) of HC	544,174	0	0	0	0	0	1,370,908	0	21,500	565,674	21,500	21,500
Development Fees												
Interest on Construction Loans/GMAC	385,884	387,526	383,856	393,435	400,983	407,090	423,880	444,828	461,763	483,500	457,873	447,939
Interest on Bonds	0	0	0	0	0	22,500	0	0	0	0	0	0
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures												
Marketing Center FF&E Cost	184,096	209,993	153,803	368,767	269,530	132,035	(362,663)	357,438	1,805,876	121,747	561,086	382,656
Working Capital Loan												
Interest on Working Capital	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Testing & Inspection												
Letter of Credit Fees	0	0	0	0	0	0	0	0	0	1,028,225	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Out Side Legal Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Other Development Costs	1,122,954	606,519	548,659	771,202	739,513	570,825	1,441,124	811,264	2,297,938	2,186,146	1,049,459	1,090,893
Total Costs	4,320,226	3,493,286	5,480,842	5,176,055	4,959,870	6,562,426	6,658,637	5,925,486	6,156,866	5,575,342	4,143,517	4,036,726
Net Cash (Deficit)	(276,343)	550,598	(1,436,959)	(1,132,172)	(915,987)	(2,518,543)	(3,141,862)	(2,540,513)	(260,877)	844,176	1,490,088	1,400,776
Cumulative Cash	(83,128,930)	(82,578,332)	(84,015,291)	(85,147,463)	(86,063,449)	(88,581,992)	(91,723,874)	(94,264,387)	(94,525,084)	(93,680,888)	(92,190,800)	(90,790,024)
Cumulative Deposits	198,285,710	202,239,173	206,182,635	210,146,098	214,099,561	218,053,024	221,479,356	224,773,910	230,581,299	236,909,396	242,451,091	247,796,162
Cumulative Costs	282,005,610	295,498,896	300,979,737	306,155,792	311,115,662	317,876,086	324,336,725	330,262,210	336,421,196	341,986,539	346,140,056	350,176,782
Equity and Loan Balances												
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERIC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	58,128,930	57,578,332	59,015,291	60,147,463	61,063,449	63,581,992	66,723,874	69,264,387	69,525,084	68,680,888	67,190,800	65,790,024

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILUs/month)**

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Inflow of Cash												
Bond Proceeds												
Proceeds from (Payments on) Construction Loan												
ERC Contribution	119,522	120,022	120,522	121,022	121,522	122,022	122,522	123,022	123,522	124,022	124,522	125,022
GMAC Financing	5,082,944	4,483,134	4,362,065	5,831,710	5,656,145	5,520,401	5,520,401	5,520,401	4,705,937	4,502,321	4,502,321	4,502,321
Net Rent												
Deposits												
Resale Land (Net of Commission)												
Total Inflow of Cash	5,202,466	4,603,156	4,482,587	5,952,733	5,777,668	5,642,423	5,642,924	5,643,424	4,829,459	4,828,343	4,828,843	4,861,030
Costs:												
Hard Costs	2,282,857	2,162,521	2,072,783	392,419	979,707	1,583,750	3,046,067	4,163,459	4,692,121	5,438,896	5,278,777	5,230,188
Soft Costs:												
Architectural	86,218	115,642	196,584	147,081	250,431	217,776	218,494	103,170	110,995	60,827	48,208	41,361
Engineering	64,598	64,598	64,588	64,588	64,598	0	0	0	0	0	0	0
Fees & Permits	0	0	1,097,167	659,154	0	52,828	0	0	0	21,986	50,323	1,235
Builders Risk	0	0	0	56,859	33,411	0	3,840	0	0	0	0	0
Departmental	451,250	451,250	451,250	451,250	451,250	451,250	451,250	451,250	451,250	451,250	451,250	451,250
Total Hard & Soft Costs	2,884,923	2,794,010	3,082,402	1,771,360	1,779,396	2,305,603	3,721,851	4,717,879	5,284,368	5,973,938	5,829,413	6,724,034
Land and Related Expenses												
Construction Fees (1.5%) of HC	706,954	21,500	21,500	1,052,183	726,603	21,500	21,500	21,500	21,500	706,954	21,500	888,493
Development Fees	438,600	432,264	422,925	424,835	411,855	397,152	379,709	371,981	369,141	374,744	390,951	413,015
Interest on Construction Loans/GMAC	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Bonds	0	0	60,000	0	0	22,500	0	0	0	0	0	0
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	212,491	(44,364)	373,247	748,425	125,912	270,241	351,871	97,034	15,809	(7,125)	1,685,581	40,355
Working Capital Loan	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Interest on Working Capital	0	0	0	0	0	0	0	0	0	0	0	0
Testing & Inspection	0	0	0	0	0	0	0	0	0	0	0	0
Letter of Credit Fees	0	0	0	0	519,131	0	0	0	0	0	0	0
Contingency	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Out Side Legal Expenses	1,367,045	418,380	886,672	2,234,443	1,792,702	720,392	762,080	499,515	415,550	1,083,572	2,107,033	1,539,063
Total Other Development Costs	4,251,968	3,212,390	4,769,074	4,005,803	3,572,099	3,025,995	4,483,730	5,217,394	5,669,916	7,057,510	7,936,445	7,263,063
Total Costs	9,504,988	8,954,767	9,284,486	8,005,803	7,205,699	7,616,429	8,205,581	9,865,273	9,962,037	13,036,348	13,215,258	14,017,201
Net Cash (Deficit)	(4,302,522)	(4,351,604)	(4,801,899)	(2,053,070)	(1,428,031)	(1,974,006)	(2,582,854)	(4,221,849)	(5,132,578)	(8,207,606)	(8,386,415)	(9,156,171)
Cumulative Cash	(89,839,526)	(88,438,759)	(86,725,245)	(86,778,316)	(84,572,747)	(81,956,318)	(80,797,125)	(80,371,095)	(81,211,551)	(83,642,717)	(86,952,319)	(89,554,352)
Cumulative Deposits	252,879,106	267,372,240	261,734,305	267,566,015	273,222,160	278,742,581	284,262,963	289,783,364	294,489,301	298,691,622	303,493,943	307,996,264
Cumulative Costs	354,428,750	357,641,139	362,410,213	366,416,016	368,988,115	373,014,110	377,497,840	382,715,234	388,385,149	395,442,659	403,379,105	410,642,167
Equity and Loan Balances												
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	64,839,526	63,438,759	63,725,245	61,778,316	59,572,747	56,968,318	55,797,125	55,371,095	56,211,551	58,642,717	61,952,319	64,554,352

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Inflow of Cash												
Bond Proceeds												
ERC Contribution	159,209	159,709	160,209	177,317	178,732	179,807	180,882	181,957	183,032	184,107	185,182	186,257
GNAC Financing	4,502,321	4,502,321	4,502,321	6,195,013	6,751,719	6,785,102	5,937,755	5,725,919	5,725,919	5,161,021	4,737,347	4,666,735
Net Rent												
Deposits												
Resale Land (Net of Commission)												
Total Inflow of Cash	4,661,530	4,662,030	4,662,530	6,372,330	6,930,451	6,964,909	6,118,637	5,907,875	5,908,950	5,345,127	4,922,529	4,852,992
Costs:												
Hard Costs	5,567,987	5,898,227	4,616,877	3,126,936	1,394,700	743,905	674,070	630,067	2,124,817	2,326,495	1,813,647	1,876,220
Soft Costs:												
Architecture	47,225	47,478	126,687	128,687	151,499	37,432	28,890	40,528	48,748	55,647	58,006	56,006
Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Fees & Permits	0	0	0	0	0	0	586,229	0	0	0	0	0
Builder's Risk	0	0	0	0	0	0	0	29,686	0	0	0	0
Departmental	459,646	459,646	459,646	459,646	459,646	459,646	459,646	459,646	459,646	459,646	459,646	459,646
Total Hard & Soft Costs	6,074,858	6,406,351	5,205,210	3,715,291	2,005,846	1,240,963	1,748,835	1,159,827	2,633,211	2,841,989	2,331,299	2,393,872
Land and Related Expenses												
Construction Fees (1.5%) of HC	21,500	21,500	21,500	992,200	21,500	21,500	536,842	21,500	374,152	21,500	21,500	21,500
Development Fees	430,362	442,604	454,974	481,353	468,373	451,514	422,186	400,146	372,376	355,764	340,715	325,209
Interest on Construction Loans/GNAC	0	0	60,000	22,500	0	0	0	0	0	0	0	0
Interest on Bonds	0	0	0	0	0	0	0	0	0	0	0	0
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	(37,875)	(362,039)	(131,255)	2,284,987	642,259	315,206	95,789	91,461	28,068	(140,451)	(105,909)	(127,805)
Working Capital Loan	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Interest on Working Capital	0	0	0	0	1,254,585	527,548	0	60,630	0	0	0	13,505
Testing & Inspection	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Letter of Credit Fees	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Out Side Legal Expenses	422,987	111,066	414,219	3,710,041	2,395,717	1,324,767	1,063,817	562,736	783,596	245,813	265,306	391,275
Total Other Development Costs	6,497,845	6,517,417	5,519,429	7,425,332	4,401,563	2,565,750	2,812,651	1,742,685	3,416,809	3,087,802	2,596,605	2,785,148
Total Costs	(1,836,315)	(1,855,387)	(956,900)	(1,053,002)	2,526,886	4,399,159	3,305,968	4,165,211	2,492,141	2,257,326	2,325,924	2,067,844
Net Cash (Deficit)	(91,390,667)	(93,246,055)	(94,202,954)	(95,285,956)	(92,727,068)	(88,327,909)	(85,021,823)	(80,656,713)	(78,364,571)	(76,107,246)	(73,761,322)	(71,713,478)
Cumulative Cash	312,498,585	317,000,906	321,503,227	327,698,240	334,449,959	341,235,082	347,172,817	352,898,736	358,624,654	363,785,675	368,523,022	373,189,757
Cumulative Deposits	417,140,012	423,657,429	429,276,656	436,702,190	441,103,753	443,899,503	446,482,154	448,224,819	451,641,029	454,729,430	457,328,036	460,111,183
Equity and Loan Balances												
GNAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	66,390,667	68,246,055	69,202,954	70,255,956	67,727,068	63,327,909	60,021,923	55,886,713	53,384,571	51,107,246	48,761,322	46,713,478

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Inflow of Cash												
Bond Proceeds												
ERC Contribution	187,332	188,407	207,542	198,670	202,322	202,520	202,520	202,520	202,520	202,520	224,875	224,875
GMAC Financing	4,686,735	4,686,735	4,686,735	4,686,735	4,686,735	4,268,866	4,228,735	8,344,676	6,321,829	6,184,485	6,184,485	5,359,886
Net Rent												
Deposits												
Resale Land (Net of Commission)												
Total Inflow of Cash	4,854,067	4,855,142	4,874,277	4,885,405	4,889,056	4,471,406	4,439,255	6,547,195	6,524,448	6,387,015	6,409,370	5,584,771
Costs:												
Hard Costs												
Soft Costs:	1,801,625	1,934,590	2,135,534	2,282,613	2,447,801	3,174,908	3,101,483	4,558,126	3,910,119	4,132,656	5,498,686	4,352,027
Architecture	94,205	151,936	199,003	197,611	105,382	110,637	60,420	52,507	52,507	32,667	32,667	32,667
Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Fees & Permits	782,134	0	993,051	0	0	0	0	0	0	0	0	0
Builders Risk	0	28,956	0	48,237	0	0	0	0	0	0	0	0
Departmental	468,294	468,294	468,294	468,294	468,294	468,294	468,294	468,294	468,294	468,294	468,294	468,294
Total Hard & Soft Costs	2,926,259	2,581,777	3,795,882	2,986,765	3,021,277	3,723,840	3,630,197	5,078,927	4,430,921	4,633,617	5,999,647	4,852,988
Land and Related Expenses												
Construction Fees (1.5%) of HC	21,500	21,500	486,850	21,500	1,173,540	1,608	0	0	0	0	576,020	465,350
Development Fees	311,423	289,203	285,374	281,823	277,964	273,207	266,721	262,007	252,514	242,092	231,602	236,165
Interest on Construction Loans/GMAC	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loans/ERIC Loans	0	0	60,000	22,500	0	0	0	0	0	0	0	12,433
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	125,000
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures	(266,577)	(130,780)	(295,385)	955,952	(326,312)	(539,159)	(173,715)	(226,727)	(200,045)	(71,224)	277,630	(254,443)
Marketing Center FF&E Cost	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Working Capital Loan	19,500	0	0	0	0	0	0	0	468,726	0	0	0
Interest on Working Capital	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Testing & Inspection	0	0	0	0	0	0	0	0	0	0	0	0
Letter of Credit Fees	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Out Side Legal Expenses	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Development Costs	94,846	198,924	545,829	1,280,775	1,134,193	(255,344)	102,006	44,281	530,195	179,667	1,094,251	593,505
Total Costs	3,021,105	2,780,700	4,341,712	4,287,530	4,155,469	3,468,486	3,732,204	5,123,208	4,961,116	4,813,485	7,093,899	5,446,493
Net Cash (Deficit)	1,832,962	2,074,441	532,565	578,874	713,587	972,910	707,051	1,423,988	1,563,332	1,573,530	(684,528)	138,278
Cumulative Cash	(69,880,516)	(67,806,075)	(67,273,510)	(66,684,636)	(65,981,049)	(65,008,139)	(64,301,088)	(62,877,100)	(61,313,767)	(59,740,237)	(60,424,765)	(60,286,488)
Cumulative Deposits	377,856,482	382,523,227	387,189,962	391,856,697	396,523,432	400,792,318	405,029,053	411,373,728	417,695,658	423,890,153	430,064,649	435,424,545
Equity and Loan Balances	463,132,288	465,812,988	470,254,700	474,542,231	478,697,700	482,196,195	485,928,400	491,051,608	496,012,724	500,828,209	507,920,107	513,366,800
GMAC	0	0	0	0	0	0	0	0	0	0	0	8.83
ERIC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Construction Loans	44,880,516	42,806,075	42,273,510	41,694,636	40,981,048	40,008,139	39,301,088	37,877,100	36,313,767	34,740,237	35,424,766	35,286,488

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILUs/month)**

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
Inflow of Cash												
Bond Proceeds												
Proceeds from (payments on) Construction Loan												
ERC Contribution												
GNAC Contribution												
Net Rent	224,875	224,875	224,875	224,875	225,375	225,875	226,375	226,875	227,375	227,875	228,375	228,875
Deposits	5,153,746	5,153,746	5,153,746	7,391,162	7,249,975	8,212,153	5,989,762	5,989,762	5,989,762	5,989,762	5,989,762	5,989,762
Resale Land (Net of Commission)												
Total Inflow of Cash	5,378,621	5,378,621	5,378,621	7,615,537	7,475,850	8,438,527	6,216,637	6,217,137	6,217,637	6,218,137	6,218,637	6,219,137
Costs:												
Hard Costs	4,089,878	4,207,815	1,695,323	830,530	584,067	524,701	387,743	811,190	214,527	868,282	0	0
Soft Costs:												
Architecture	32,867	32,867	32,867	8,923	8,923	0	0	0	0	0	0	0
Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Fees & Permits	0	0	0	0	0	0	0	0	0	0	0	0
Builders Risk	0	0	0	0	0	0	0	0	0	0	0	0
Departmental	348,673	348,673	348,673	348,673	348,673	348,673	348,673	348,673	348,673	348,673	348,673	348,673
Total Hard & Soft Costs	4,431,219	4,589,155	2,076,663	1,189,126	941,663	873,375	739,416	1,159,864	563,200	1,216,936	348,673	348,673
Land and Related Expenses												
Construction Fees (1.5%) of HC	0	0	0	1,256,410	1,139,602	21,500	597,520	21,500	21,500	21,500	21,500	1,198,006
Interest on Construction Loans/GNAC	235,243	228,032	219,662	200,183	181,075	149,288	110,868	75,987	39,341	572	0	0
Interest on Construction Loans/ERC Loans	0	0	60,000	0	0	0	0	0	0	0	0	0
Property Taxes												
Capital expenditures												
Marketing Center FF&E Cost	(398,500)	(703,022)	(334,189)	2,096,495	(325,121)	(374,696)	(463,255)	(537,106)	(221,807)	(647,496)	415,886	(615,886)
Working Capital Loan	4,000	4,000	4,000	4,000	4,000	4,000						
Interest on Working Capital												
Testing & Inspection												
Letter of Credit Fees												
Contingency	0	0	425,828	0	761,834	0	0	0	0	0	0	0
Out Side Legal Expenses	5,000	5,000	5,000	5,000	5,000	5,000						
Total Other Development Costs	(154,256)	(465,980)	380,105	3,562,086	1,766,190	(194,908)	245,153	(439,619)	(180,986)	(625,424)	437,386	707,110
Total Costs	4,286,962	4,123,165	2,456,768	4,750,215	2,707,853	878,466	981,569	720,245	402,234	591,512	786,059	1,055,783
Net Cash (Deficit)	1,091,659	1,255,456	2,921,853	2,865,322	4,767,997	5,760,061	5,235,068	5,406,892	5,815,403	5,626,625	5,432,578	5,209,013
Cumulative Cash	(59,204,829)	(57,949,373)	(55,027,520)	(52,161,199)	(47,393,201)	(41,633,140)	(36,398,072)	(30,901,180)	(25,085,777)	(19,459,152)	(14,026,574)	(8,817,561)
Cumulative Deposits	440,578,291	445,732,037	450,885,783	458,276,945	465,528,920	471,739,673	477,728,835	483,718,598	489,708,360	495,698,122	501,687,884	507,677,646
Cumulative Costs	517,863,563	521,786,728	524,243,495	528,983,710	531,701,563	532,980,029	533,361,598	534,081,843	534,484,077	535,075,589	535,881,649	536,917,432
Equity and Loan Balances												
GNAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000	18,459,152	14,026,574	8,817,561
Construction Loans	34,204,829	32,949,373	30,027,520	27,161,198	22,393,201	16,633,140	11,398,072	5,901,180	85,777	0	0	0

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILU's/month)**

	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16
Inflow of Cash												
Bond Proceeds												
Proceeds from (Payments on) Construction Loan												
ERC Contribution												
GMAC Franchising												
Net Rent	275,534	276,034	276,534	277,034	277,534	295,418	295,918	296,418	296,918	297,418	331,036	331,536
Deposits	5,989,762	5,989,762	5,989,762	4,507,159	4,136,508	3,246,946	2,431,514	2,283,254	2,283,254	2,283,254	2,283,254	2,283,254
Resale Land (Net of Commission)												
Total Inflow of Cash	6,265,296	6,265,796	6,266,296	4,784,193	4,414,042	3,547,364	2,727,432	2,579,672	2,580,172	2,580,672	2,614,290	2,614,790
Costs:												
Hard Costs	0	0	0	0	0	0	0	0	0	0	0	0
Soft Costs:												
Architecture	0	0	0	0	0	0	0	0	0	0	0	0
Engineering	0	0	0	0	0	0	0	0	0	0	0	0
Fees & Permits	0	0	0	0	0	0	0	0	0	0	0	0
Builders Risk	0	0	0	0	0	0	0	0	0	0	0	0
Departmental	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005
Total Hard & Soft Costs	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005	315,005
Land and Related Expenses												
Construction Fees (1.5%) of HC												
Development Fees	21,500	21,500	917,363	21,500	1,198,008	469,432	21,500	21,500	1,728,208	21,500	1,322,785	874,854
Interest on Construction Loans/GMAC	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Construction Loans/ERC Loans	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Bonds	0	0	0	0	0	0	0	0	0	0	0	0
Financing Costs	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Capital expenditures												
Marketing Center FF&E Cost	(824,241)	(317,595)	(882,742)	(192,607)	(654,097)	(833,605)	(886,577)	(891,861)	(522,138)	(961,184)	901,152	(467,368)
Working Capital Loan												
Interest on Working Capital												
Testing & Inspection												
Letter of Credit Fees												
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Out Side Legal Expenses												
Total Other Development Costs	(802,741)	(296,095)	34,621	(171,107)	543,909	(364,173)	(865,077)	(870,361)	1,206,070	(939,684)	2,223,538	407,485
Total Costs	(487,738)	18,911	349,627	143,899	858,914	(49,168)	(550,071)	(555,355)	1,521,076	(624,678)	2,538,843	722,491
Net Cash (Deficit)	6,753,032	6,246,886	5,918,670	4,640,295	3,555,128	3,591,532	3,277,504	3,135,027	1,059,097	3,205,351	75,347	1,892,299
Cumulative Cash	(2,064,529)	4,182,357	10,099,027	14,739,321	16,294,449	21,885,981	25,163,485	28,288,512	29,357,608	32,582,980	32,838,307	34,530,606
Cumulative Deposits	513,667,409	519,657,171	525,646,833	530,154,092	534,290,800	537,537,546	539,989,061	542,252,315	544,535,569	546,818,823	548,102,077	551,385,331
Equity and Loan Balances	536,428,686	536,448,607	536,798,233	536,942,132	537,801,048	537,751,878	537,201,807	536,646,452	538,167,527	537,542,849	540,081,792	540,804,283
GMAC	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	2,064,529	0	0	0	0	0	0	0	0	0	0	0
Construction Loans	0	0	0	0	0	0	0	0	0	0	0	0

**Denver Campus
Projected Cash Flow Balance
By Category (13 ILUs/month)**

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Monthly TOTAL
Inflow of Cash													
Bond Proceeds													
Proceeds from (Payments on) Construction Loan													
ERC Contribution	332,036	332,536	333,036	333,536	334,036	329,576	333,194	333,934	333,934	333,934	333,934	333,934	18,696,544
GMAC Contribution													
Net Rent	2,283,254	800,651	430,000	430,000	430,000	430,000	430,000	150,415	0	0	0	0	556,789,651
Deposits													9,050,635
Resale Land (Net of Commission)													0
Total Inflow of Cash	2,615,290	1,133,187	763,036	763,536	764,036	759,576	763,194	484,349	333,934	333,934	333,934	333,934	584,716,831
Costs:													
Hard Costs	0	0	0	0	0	0	0	0	0	0	0	0	306,484,994
Soft Costs:													
Architecture	0												11,962,512
Engineering	0												6,324,581
Fees & Permits	0	0	0	0	0	0	0	0	0	0	0	0	22,713,689
Builders Risk	108,152	108,152	108,152	0	0	0	0	0	0	0	0	0	546,071
Depreciation	0												57,789,196
Total Hard & Soft Costs	108,152	108,152	108,152	0	0	0	0	0	0	0	0	0	405,841,054
Land and Related Expenses													
Construction Fees (1.5%) of HC	0	0	0	0	0	0	0	0	0	0	0	0	22,500,000
Development Fees	21,500	21,500	21,500	21,500	21,500	21,500	21,500	7,521	0	0	0	0	27,826,483
Interest on Construction Loans/GMAC	0	0	0	0	0	0	0	0	0	0	0	0	1,286,784
Interest on Construction Loans/ERC Loans	0	0	0	0	0	0	0	0	0	0	0	0	41,500,514
Interest on Bonds	0	0	0	0	0	0	0	0	0	0	0	0	1,454,151
Financing Costs													657,876
Property Taxes													1,260,000
Capital expenditures													260,000
Marketing Center FF&E Cost	(1,285,909)	(1,166,949)	(1,444,940)	1,346,120	(1,201,129)	(720,984)	(1,278,920)	(1,277,131)	(1,071,434)	(1,332,766)	(665,759)	(1,220,457)	16,034,564
Working Capital Loan													0
Interest on Working Capital													400,000
Testing & Inspection													0
Letter of Credit Fees													9,804,597
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	946,457
Out Side Legal Expenses													0
Total Other Development Costs	(1,284,409)	(1,145,449)	(1,423,440)	1,367,620	(1,179,629)	(699,484)	(1,257,420)	(1,269,611)	(1,071,434)	(1,332,766)	(665,759)	(1,220,457)	124,105,445
Total Costs	(1,156,257)	(1,037,297)	(1,315,286)	1,367,620	(1,179,629)	(699,484)	(1,257,420)	(1,269,611)	(1,071,434)	(1,332,766)	(665,759)	(1,220,457)	529,946,499
Net Cash (Deficit)	3,771,547	2,170,484	2,078,325	(604,084)	1,943,666	1,459,060	2,020,615	1,753,960	1,405,368	1,666,702	1,019,693	1,554,391	54,770,331
Cumulative Cash	38,302,153	40,472,637	42,550,962	41,946,878	43,890,543	45,349,603	47,370,218	49,124,177	50,529,545	52,196,247	53,215,940	54,770,331	54,770,331
Cumulative Deposits	553,668,585	554,469,236	554,899,236	555,329,236	555,759,236	556,189,236	556,619,236	556,789,651	556,789,651	556,789,651	556,789,651	556,789,651	556,789,651
Cumulative Costs	539,648,026	538,610,729	537,295,441	538,663,061	537,483,432	536,733,948	535,526,528	534,256,917	533,185,484	531,852,715	531,186,856	529,946,499	529,946,499
Equity and Loan Balances													
GMAC	0	0	0	0	0	0	0	0	0	0	0	0	0
ERC Equity	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Loans	0	0	0	0	0	0	0	0	0	0	0	0	0

SCHEDULE IV

DEPOSIT SCHEDULE

See Next Page

Schedule II

Deposit Schedule and Move-in Check List

- ☐ **Priority List:** \$1,000.00 fully refundable deposit to hold your priority date \$150 per person, one-time refundable processing fee
- ☐ **Reservation:** Choose your apartment and lock in the current entrance deposit. This step initiates the following process (no additional deposit at this time)
- ☐ **90 Day Deposit:** \$2,000.00 fully refundable deposit, 3 months after apartment reservation, to continue holding your apartment.
- ☐ **180 Day Deposit:** \$2,000 fully refundable deposit, 6 months after apartment reservation, to continue holding your apartment.

Between Reservation and Move:

- ☐ If applicable, prepare house for sale and contact Real Estate Brokers for estimates.
- ☐ Meet with Move-in Coordinator to discuss the selections available at our Design Center

Approval Process:

Approval process occurs within six months of your move

- ☐ **Health Interview** determines if independent living is complimentary to your current lifestyle or if another type of living would be more suitable.
 - This is not a physical examination, it is a verbal process
 - Please remember to bring your health form (to be provided) and health insurance cards.
- ☐ **Financial Interview** determines your financial eligibility for Sedgebrook.
 - Final financial statement submitted for verification of income and assets
 - Please bring documentation to show that you meet our financial requirements. For example, bank statements, quarterly stock reports and/or mutual fund reports, real estate (appraisal or listing), tax return, living trust, verification of monthly income.
- ☐ **The Approval Committee** will send a letter based on outcomes of the Health and Financial Interviews.

Immediately After Your are Approved:

- ☐ **Deposit 10% of entrance deposit** (minus previous deposits), sign Residence and Care Agreement, sign refund of entrance deposit form and schedule move-in date.
- ☐ If applicable, put house on the market.

3-4 Weeks Prior to Move:

- ☐ Settle on total entrance deposit minus previous deposits made to Sedgebrook
- ☐ **On Moving Day**, our Move-in Coordinator will meet, direct and instruct your moving truck-and you *live happily ever after!*

Throughout this process, you will be invited to events to meet your neighbors and hear from a variety of experts about Sedgebrook

SCHEDULE V

LIST OF ENVIRONMENTAL REPORTS

Report:

Phase I Environmental Site Assessment of Wind Crest ,
3330 West County Line Road, Highlands Ranch, Colorado,
dated February 24, 2006

Prepared For:

GMAC Commercial Mortgage Corporation
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606

Prepared By:

Terracon Consultants, Inc.
10625 West I-70 Frontage Road North
Suite 3
Wheat Ridge, Colorado 80033

SCHEDULE VI

INTENTIONALLY DELETED

None

SCHEDULE VII

CONSTRUCTION PHASE COMMENCEMENT APPROVAL FORM

[Date]

GMAC COMMERCIAL MORTGAGE CORPORATION
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606
Attn: Construction Lending Department

RE: Wind Crest Community Phase Budget for Construction Phase ____

Ladies and Gentlemen:

Littleton Campus, LLC hereby submits for your review the following proposed Phase Budget for Construction Phase ____ at the Wind Crest Community.

Phase Budget	\$ _____
Anticipated Start Date	_____
Anticipated Substantial	_____
Completion Date	_____

Attached to this letter is a complete schedule of all current information referred under the terms of Section 2.3, 4.3 and 8.19 of the Construction Loan Agreement for Wind Crest Community dated _____, 2006.

All items required to be submitted pursuant to Section 4.2 and 3.1 of the Loan Agreement have been submitted for Construction Phase ____ and there have been no material changes to any of the documents or information submitted to you in connection with such Construction Phase.

Please signify your approval of the Phase Budget by counter-signing below and sending the original to 701 Maiden Choice Lane, Baltimore, Maryland 21228, Attn: Sheri Rovnan, Wind Crest Community, Inc. Controller with a copy to Mike Magle, Wind Crest Community Development Director, 703 Maiden Choice Lane, Baltimore, Maryland 21228. Thank you for your prompt attention to this matter.

Very truly yours,

LITTLETON CAMPUS, LLC

By: Erickson Retirement Communities, LLC,
Member

By: _____(SEAL)

Name: _____

Title: _____

Approved by GMAC Commercial Mortgage Corporation

By: _____

Date: _____

SCHEDULE VIII

ARCHITECT'S CERTIFICATE

Re: Construction Loan in the principal amount of up to \$83,000,000 (the "Loan") by GMAC COMMERCIAL MORTGAGE CORPORATION ("Lender") pursuant to that certain Construction Loan Agreement dated _____, 2006, with Littleton Campus, LLC (the "Borrower") for construction of an approximately _____ square foot continuing care retirement community in the Cities of _____ and _____, Douglas County, (the "Project").

The undersigned, _____ (the "Architect"), has entered into that certain Agreement dated as of _____, 2006 with Borrower (the "Contract"). The undersigned hereby certifies to Lender that pursuant to the Contract the undersigned has designed the Project and will perform certain other services, as provided in the Contract.

The undersigned, using the standard of professional care customary in the Denver metropolitan area and the State of Colorado, hereby certifies to Lender as follows:

- (a) The firm has professional liability insurance in the amount of \$ _____;
- (b) In the aggregate, other than shop drawings for the Project, the Plans and Specifications prepared by Architect pursuant to the Contract (the "Plans") contain all detail necessary to provide for construction of the Project excluding the improvements which have not yet been designed;
- (c) The Plans are in substantial compliance with all applicable building, zoning, environmental and land use laws, statutes, codes and regulations necessary to obtain a building permit;
- (d) The Plans are complete in all material respects and contain all requisite detail for building the Project to the extent of architectural and engineering services provided by Architect in accordance with the Contract;
- (e) Subject to force majeure, the undersigned knows of no reason why any of the Construction Phases of the Project currently under construction will not be completed and ready to be occupied by _____, _____; and
- (f) To the best of our knowledge, storm and sanitary sewage disposal systems are or shall be available to service the Project and such systems do (or when constructed will) comply with all applicable environmental, pollution control and ecological laws, ordinances, rules and regulations, and in addition the applicable environmental protection agency, pollution control board and/or other governmental agencies having jurisdiction of the Project have issued their permits for the construction of the Project, or if the stage of construction of the Project does not

allow for such issuance, then such permits shall be issued if and when such portion of the Project is constructed in accordance with the Plans.

The undersigned acknowledges that Lender is relying on this Certificate in agreeing to make the Loan.

Date: _____, 2006

_____, a

By: _____
Name: _____
Title: _____

Address:

SCHEDULE IX

ENGINEER'S CERTIFICATE

As an inducement to GMAC COMMERCIAL MORTGAGE CORPORATION to make a \$83,000,000 loan (the "Loan") to LITTLETON CAMPUS, LLC, a Maryland limited liability company (the "Borrower") for the development and improvement of a continuing care retirement community located in the Cities of _____ and _____, Douglas County, Colorado (the "Property"), the undersigned (the "Engineer") hereby represents that,

1. Engineer prepared all of the civil engineer plans and specifications described on Exhibit "A" attached hereto (the "Plans and Specifications"), and Engineer is responsible therefor.

2. The Plans and Specifications for _____ have been prepared in accordance with the care and skill ordinarily exercised by a professional rendering the same or similar services at the same time and place the services were rendered (the "Standard of Care"), and subject to the Standard of Care, the Plans and Specifications for _____ and submitted to _____ for review and approval for the construction and the site improvements to be constructed at the Property for which the _____ Plans and Specifications were prepared (the "Improvements"), and there have been no modifications thereof except as described on Exhibit "A".

3. Engineer hereby certifies to Lender that:

(a) The Plans and Specifications for _____ comply with a reasonable interpretation of applicable published governmental statutes, ordinances, codes and regulations;

(b) The Improvements contemplated by the Plans and Specifications, if constructed in compliance therewith, will comply with all applicable governmental statutes, ordinances, codes and regulations;

(c) Based on information and legal opinions furnished by the owner, the Plans and Specifications for _____ have been prepared so that the construction of the Improvements will not encroach on any recorded or visible easement nor violate any covenant, condition or restriction of record relating to the Property;

(d) Exhibit "B" attached hereto is a list of all certificates, permits, licenses, consents and authorizations required for the construction and occupancy of the Improvements that have been issued (collectively, the "Licenses and Permits").

(e) The Licenses and Permits listed in Exhibit "B" have been obtained and are in full force and effect, or if the progress of construction does not yet require issuance thereof, Engineer does not know of any reason why such Licenses and Permits may not

be issued upon application therefore, and to the undersigned's knowledge, there are no impediments to obtaining such Licenses and Permits.

(f) To the best of our knowledge, all utilities necessary for the operation of the Project are available at the boundaries of the Project. If utility services must be brought to site, please explain: _____

_____.

The word "certify" as used in any of its forms herein, is an expression of professional opinion only and shall not be construed or understood to be a statement of fact, a warranty, or a guarantee of any kind, expressed or implied.

Date: _____, 2006

By: _____
Name: _____
Title: _____

Address:

EXHIBIT “A”

PLANS AND SPECIFICATIONS

EXHIBIT “B”

LIST OF LICENSES AND PERMITS

SCHEDULE X

REQUEST FOR ADVANCE

GMAC COMMERCIAL MORTGAGE CORPORATION
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606
Attention: Construction Loan Administration

PROJECT NAME: Wind Crest Community (the "Project")
BORROWER: Littleton Campus, LLC (the "Borrower")
DRAW NO: _____

Reference is hereby made to that certain Construction Loan Agreement dated as of _____, 2006 (the "Loan Agreement"), executed by and among the Borrower and GMAC Commercial Mortgage Corporation. Capitalized words and phrases used herein without definition shall have the respective meanings ascribed to such words and phrases in the Loan Agreement.

1. Pursuant to the Loan Agreement, the Borrower hereby requests a disbursement in the amount of _____. The Borrower acknowledges that the approval of this disbursement by Lender is subject to all of the terms and conditions precedent for the disbursement of Loan proceeds, including, without limitation, inspection of the Project, verification of the matters set forth in this Request for Advance and the availability of Loan proceeds. The Borrower acknowledges that no funds shall be disbursed by Lender in connection with any portion of the Project for which a payoff amount has been quoted by Lender to a title company.

2. The Borrower agrees to provide, if requested by Lender, a Vendor Payee List (Owner's Sworn Statement), showing the name and the amount currently due each party to whom the Borrower is obligated for labor, material and/or services supplied. This information would be provided in support of the disbursements requested in this Request for Advance.

3. The Borrower hereby represents, warrants and covenants with Lender as follows:

(a) all conditions precedent to the disbursement have been satisfied, including, without limitation, performance of all of the then pending obligations of the Borrower under the Loan Agreement and the other Loan Documents;

(b) all representations and warranties made by the Borrower to Lender in the Loan Agreement and otherwise in connection with the Loan continue to be accurate, except as disclosed to and approved by Lender in its reasonable discretion;

(c) no Event of Default has occurred under the Loan Agreement or under any Loan Document, and no event, circumstance or condition has occurred or exists which, with the passage of time or the giving of notice, would constitute a Event of Default under the Loan Agreement or under the other Loan Documents;

(d) the Borrower has received no notice and has no knowledge of any litigation, proceedings (including proceedings under Title 11 of the United States Code), liens or claims of lien, either filed or threatened against the Borrower, any of the Guarantors, the Project or the Contractor, the Property, except the liens of Lender and those which are specifically identified in writing to Lender;

(e) no event, circumstance or condition exists or has occurred which could delay or prevent the Substantial Completion of any Phase of the Project by its Completion Date or the Final Completion of the last Phase in any Neighborhood by its Final Completion Date;

(f) all disbursements advanced by Lender to the Borrower for labor, materials and/or services furnished prior to this draw request have been paid to the parties entitled to such payment, and all Loan proceeds so disbursed have been used for the purposes set forth in the Loan Agreement;

(g) all work and materials furnished to date for the Project conform with the Plans and Specifications, and the Borrower has approved all work and materials for which a payment is now due and for which this disbursement is being requested;

(h) the total amount of the requested disbursement pertaining to hard costs in connection with the construction of the Project represents the actual amount payable to the Contractor and/or subcontractors who have performed work on the Project, and all of the disbursement requested hereby will be used as payment for the work on the Project described on the attached documentation and for no other reason; and

(i) to the extent required by the Loan Documents (as defined in the Loan Agreement), all change orders or changes to the Plans and Specifications have been submitted to and approved by Lender.

4. Disbursement of the Loan proceeds requested hereby may be subject to (a) the receipt by Lender of a certificate from the issuing title company stating that no claims have been filed of record which adversely affect the title, and (b) approval from Lender's Construction Inspector.

5. The amount of change orders in dispute between the Borrower and the Contractor (or any subcontractor) is \$_____.

6. The Borrower hereby agrees and acknowledges that this affidavit is made for the purpose of inducing Lender to make a disbursement to the Borrower and, Lender is relying upon the accuracy of such matters in making such disbursement, and the Borrower certifies that the statements made herein and in any documents submitted herewith are true and correct.

7. The Borrower requests that this draw be funded and that the funds be disbursed pursuant to the terms of the Construction Loan Escrow Trust and Disbursing Agreement described in the Loan Agreement.

IN WITNESS WHEREOF, the Borrower has executed this Request for Advance as of _____, 200__.

LITTLETON CAMPUS, LLC, a Maryland
limited liability company

By: Erickson Retirement Communities, LLC,
Member

By: _____
Name: _____
Title: _____

SCHEDULE XI

ADDITIONAL REPRESENTATIONS AND WARRANTIES

1. No condition, circumstance, event, agreement, document, instrument, restriction, litigation or proceeding (or threatened litigation or proceeding or basis therefor) exists which could (a) adversely affect the validity or priority of the liens and security interests granted Lender under the Loan Documents; (b) adversely affect the ability of the Borrower to achieve Substantial Completion of the Project (or applicable portion thereof) prior to the Completion Date; (c) materially adversely affect the ability of the Borrower or any or the Guarantors to perform their obligations under the Loan Documents; or (d) constitute an Event of Default under any of the Loan Documents or an event which, with the giving of notice, passage of time, or both, would constitute such an Event of Default;

2. The Land, the present use and occupancy of the Land, the Plans and Specifications, the construction of the Project pursuant to the Plans and Specifications and the use and occupancy of the Property when the Project is completed, will not violate or conflict with any applicable law, statute, ordinance, rule, regulation or order of any kind, including, without limitation, Environmental Requirements, zoning, building, land use, noise abatement, occupational health and safety or other laws, any building permit or any condition, grant, easement, covenant, condition or restriction, whether recorded or not and if a third-party is required under any covenants, conditions and restrictions of record or any other agreement to consent to the construction, use and/or operation of the Project, Borrower has obtained such approval from such party. In addition, and without limiting the foregoing, the Borrower shall (a) ensure that no person or entity owns a controlling interest in or otherwise controls the Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, (b) not use or permit the use of any Loan proceeds to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended;

3. There are no facilities on the Property which are subject to reporting under any state laws or Section 312 of the Federal Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. Section 11022), and federal regulations promulgated thereunder. The Property does not contain any underground storage tanks;

4. This Agreement and all financial statements, budgets, schedules, opinions, certificates, confirmations, Contractor's statements, applications, rent rolls, affidavits, agreements, Construction Contracts, and other materials submitted to Lender in connection with or in furtherance of this Agreement by or on behalf of the Borrower or any of the Guarantors fully and fairly state the matters with which they purport to deal, and neither misstate any material fact nor, separately or in the aggregate, fail to state any material fact necessary to make the statements made not misleading;

5. Subject only to payment of fees reflected in the approved budget, all utility and municipal services required for the construction, occupancy and operation of the Property,

including, but not limited to, water supply, storm and sanitary sewage disposal systems, cable services, gas, electric and telephone facilities are available for use and tap-on at the boundaries of the Land, and written permission has been obtained from the applicable utility companies or municipalities to connect the Project into each of said services;

6. All governmental permits and licenses required by applicable law to construct, occupy and operate the Property and the Project have been validly issued and are in full force or, if the present stage of construction of the Project does not allow the issuance of all such permits and licenses, then as the construction progresses the Borrower shall promptly obtain such licenses and permits as and when they become available and the Borrower knows of no judicial or administrative proceeding in which groups, organizations or other persons are contesting the development, construction and/or use of the Project that would delay or prohibit the Project;

7. The storm and sanitary sewage disposal system, water system, drainage system and all mechanical systems of the Property do (or when constructed will) comply with all applicable laws, statutes, ordinances, rules and regulations, including, without limitation, all Environmental Requirements. The applicable environmental protection agency, pollution control board and/or other governmental agencies having jurisdiction of the Property have issued their permits for the construction, tap-on and operation of those systems required for the present stage of construction, and will do so as construction progresses for future Phases;

8. All utility, parking, access (including curb-cuts and highway access), construction, recreational and other permits and easements required for the construction and use of the Property have been granted and issued for the present stage of construction and will be issued as construction progresses for future Phases;

9. When completed in accordance with the Plans and Specifications, the Project will not encroach upon any building line, set back line, sideyard line, or any recorded or visible easement (or other easement of which the Borrower is aware or has reason to believe may exist) which exists with respect to the Property;

10. The Plans and Specifications have been or will be designed using generally accepted trade practices, including a provision for all improvements not on the Land which are required to be in place to make use of the Improvements;

11. In the aggregate, the Construction Contracts cover all labor, material and equipment required by the Plans and Specifications or necessary to complete the initial Phases of the Project;

12. The Loan, including interest rate, fees and charges as contemplated hereby, is a business loan; the Loan is an exempted transaction under the Truth In Lending Act, 12 U.S.C. §1601 et seq.; and the Loan does not, and when disbursed will not, violate the provisions of the usury laws of the State of Colorado, any consumer credit laws or the usury laws of any state which may have jurisdiction over this transaction, the Borrower or any property securing the Loan;

13. There are no leases for use or occupancy of any part of the Property other than as previously delivered to and approved by Lender; and

14. The Lease is in full force and effect; no defaults have occurred thereunder; except for sums due under the loan evidenced by the Community Documents, the Tenant has no right of set-off against payment of rent due thereunder; no events or circumstances exist which, with the passage of time or the giving of notice, or both, would constitute a default under the Lease; and enforcement of the Lease by the Borrower or by Lender pursuant to an exercise of Lender's rights under the Assignment of Rents and Leases of even date herewith given by the Borrower to Lender would be subject to no defenses of any kind.

SCHEDULE XII

COVENANT COMPLIANCE LETTER

[Date]

GMAC COMMERCIAL MORTGAGE CORPORATION
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606
Attention: Construction Loan Administration

RE: Littleton

Ladies and Gentlemen:

This letter is submitted in connection with quarterly financial statements required to be provided under Section 8.3 of the Construction Loan Agreement dated _____, 2006 (the "Loan Agreement") relating to Wind Crest Community. To the best knowledge of the undersigned, who is the chief financial officer of the entities submitting such financial statements, no Default, as defined in the Loan Agreement, has occurred and is continuing, and no Event of Default, as defined in the Loan Agreement, has occurred. [If a Default or Event of Default has occurred, detailed information with respect thereto must be supplied with this letter.] All original promissory notes evidencing advances under the Community Loan Documents have been delivered (or are being delivered herewith) to you.

(Signature of Chief Financial Officer)

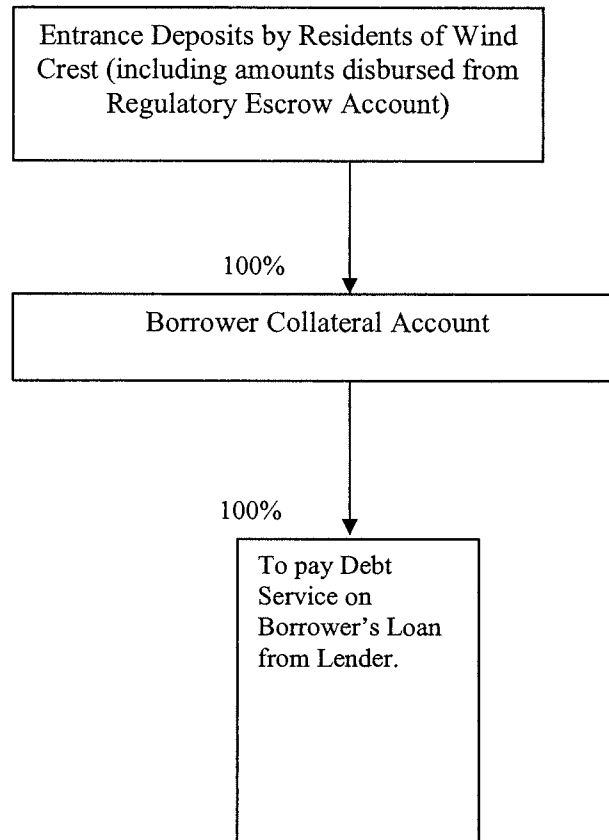
SCHEDULE XIII

LIST OF AGREEMENTS APPROVED BY THE LENDERS PROVIDING FOR PAYMENTS TO ERICKSON

1. Erickson Retirement Communities, LLC Third Amended and Restated Operating Agreement dated June 18, 1999.
2. Erickson Group, LLC Operating Agreement consisting of the following:
 - (a) Second Amended and Restated Operating Agreement dated as of March 2, 1999.
 - (b) Amendment dated March 18, 1999.
 - (c) Amendment dated December 31, 2000.
 - (d) Amendment dated March 3, 2000.
 - (e) Amendment dated October 31, 2002.
 - (f) Amendment dated December 31, 2003.
 - (g) Amendment dated December 20, 2004.
 - (h) Amendment dated May 4, 2005.
3. Compensation to be paid to John Erickson in an amount that is reasonable and customary for Chief Executive Officers of comparable sized companies in similar industries.

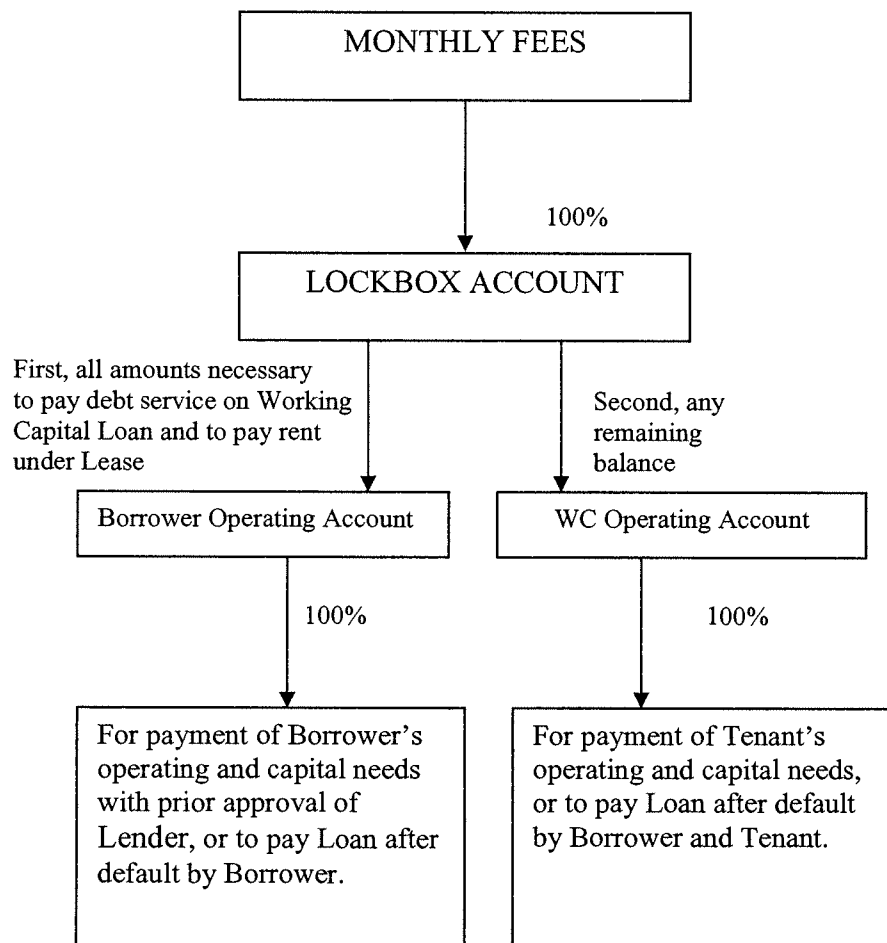
SCHEDULE XIV

FLOW OF ENTRANCE DEPOSITS



SCHEDULE XV

FLOW OF MONTHLY FEES



SCHEDULE XVI

LENDER REMEDIES UPON EVENT OF DEFAULT

1. Remedies Conferred upon Lender. Upon the occurrence of any Event of Default, Lender, in addition to all remedies conferred upon Lender by law and by the terms of the Note, the Deed of Trust and the other Loan Documents, may pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any others:

(a) Take possession of the Property and complete the construction and equipping of the Project and do anything required, necessary or advisable in Lender's sole judgment to fulfill the obligations of the Borrower hereunder, including the rights to avail itself of or procure performance of existing Construction Contracts, to let any contracts with the same contractors, subcontractors or others and to employ watchmen to protect the Property from injury. Without restricting the generality of the foregoing and for the purposes aforesaid, the Borrower hereby appoints and constitutes Lender as the Borrower's lawful attorney-in-fact with full power of substitution in the premises to perform the following actions following an Event of Default:

(i) to complete construction of the Project in the name of the Borrower;

(ii) to use unadvanced Loan proceeds or to advance funds in excess of the face amount of the Note to complete the Project;

(iii) to make changes in the Plans and Specifications which Lender deems necessary or appropriate to complete the Project;

(iv) to retain or employ new contractors, subcontractors, architects, engineers and inspectors;

(v) without inquiring into and without respect to the validity thereof, to pay, settle or compromise all existing bills and claims which may be liens, or to avoid such bills and claims becoming liens, against the Property or any portion of the Property or as may be necessary or desirable for the completion of the construction and equipping of the Project or for the clearance of title to the Property;

(vi) to prosecute and defend actions or proceedings in connection with the Property;

(vii) to take action and require such performance as Lender deems necessary or advisable under any of the bonds to be furnished hereunder and to make settlements and compromises with the surety or sureties thereunder, and in connection therewith, to execute instruments of release and satisfaction; and

(viii) to do any and every act which the Borrower might do in its own behalf with respect to the Property, it being understood and agreed that this power of attorney shall be a power coupled with an interest and cannot be revoked;

(b) Withhold further disbursement of the proceeds of the Loan and terminate any of its obligations to the Borrower;

(c) Declare the Note to be due and payable forthwith, without presentment, demand, protest or other notice of any kind, all of which Borrower hereby expressly waives;

(d) In addition to any rights of setoff that Lender may have under applicable law, Lender, without notice of any kind to the Borrower, may appropriate and apply to the payment of the Note or of any sums due under this Agreement any and all balances, deposits, credits, accounts, certificates of deposit, instruments or money of the Borrower then or thereafter in the possession of Lender; and

(e) Exercise or pursue any other remedy or cause of action permitted at law or in equity or under this Agreement or any other Loan Document, including, but not limited to, foreclosure of the Deed of Trust and enforcement of all Loan Documents.

2. Right of Lender to Make Advances to Cure Event of Defaults; Obligatory Advances. If the Borrower shall fail to perform any of its covenants or agreements herein or in any of the other Loan Documents contained, Lender may (but shall not be required to) perform any of such covenants and agreements, and any amounts expended by Lender in so doing, and any amounts expended by Lender pursuant to Section 1 hereof and any amounts advanced by Lender pursuant to this Agreement shall be deemed advanced by Lender under an obligation to do so regardless of the identity of the person or persons to whom said funds are disbursed. Loan proceeds advanced by Lender in the exercise of its judgment that the same are needed to complete the Project to protect its security for the Loan are obligatory advances hereunder and shall constitute additional indebtedness payable on demand and evidenced and secured by the Loan Documents.

3. Attorneys' Fees. The Borrower will pay Lender' reasonable attorneys' fees and costs in connection with the negotiation, preparation, administration and enforcement of this Agreement; without limiting the generality of the foregoing, if at any time or times hereafter Lender employs counsel for advice or other representation with respect to any matter concerning the Borrower, this Agreement, the Property or the Loan Documents or to protect, collect, lease, sell, take possession of, or liquidate any of the Property, or to attempt to enforce or protect any security interest or lien or other right in any of the Property or under any of the Loan Documents, or to enforce any rights of Lender or obligations of the Borrower or any other person, firm or corporation which may be obligated to Lender by virtue of this Agreement or under any of the Loan Documents or any other agreement, instrument or document, heretofore or hereafter delivered to Lender in furtherance hereof, then in any such event, all of the attorneys' fees arising from such services, and any expenses, costs and charges relating thereto (including reasonable attorneys' fees and time charges of attorneys

who may be employees of Lender or any affiliate of Lender shall constitute an additional indebtedness owing by the Borrower to Lender payable on demand and evidenced and secured by the Loan Documents.

4. No Waiver. No failure by Lender to exercise, or delay by Lender in exercising, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege. The rights and remedies provided in this Agreement and in the Loan Documents are cumulative and not exclusive of each other or of any right or remedy provided at law or in equity. No notice to or demand on the Borrower in any case, in itself, shall entitle the Borrower to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Lender to any other or further action in any circumstances without notice or demand.

5. Default Rate. From and after the date of any Event of Default until the date on which such Event of Default is cured or waived, interest on funds outstanding hereunder shall accrue at the Default Interest Rate and be payable on demand. The failure of Lender to charge interest at the Default Interest Rate shall not be evidence of the absence of an Event of Default or waiver of an Event of Default by Lender.

SCHEDULE XVII

INSURANCE

At all times while the Loan is outstanding, the Borrower will maintain, at its expense (and provide satisfactory evidence thereof to Lender) the following insurance coverages and policies with respect to the Mortgaged Property, which coverages and policies must be acceptable to Lender's insurance consultant in its sole discretion:

Prior to Substantial Completion

Builder's Risk Insurance. At all times that any amounts are guaranteed or owing by the Borrower under the Loan Documents and at all times during which structural construction, repairs or alterations are being made with respect to the improvements, the Borrower shall keep the Property insured for the benefit of the Borrower and Lender against loss or damage by all risks of loss to the Property customarily covered by so-called "All Risk" or "Special Perils Form" builder's risk policies as available in the insurance market at the Closing Date (and against such additional risks of loss as may be customarily covered by such policies after the Closing Date). Any Builder's Risk Insurance shall include an endorsement granting permission to occupy. Such insurance shall be written in amounts equal to the one hundred percent (100%) insurable replacement value of the Property (excluding land and foundations), or such other amount as may be approved by Lender. Such insurance shall be written in forms and by companies satisfactory to Lender, and the losses thereunder shall be payable to the Borrower and Lender, jointly. The policy or policies of such insurance shall, if requested by Lender, be delivered to and retained by Lender, and shall contain a standard lender clause showing the loss, if any, as payable to Lender and shall require the insurer to give Lender at least thirty (30) days' prior notice of its cancellation or non-renewal of the policy or policies. the Borrower shall provide Lender with receipt evidencing the payment of all premiums due on such policies. the Borrower shall give Lender prompt notice of any loss covered by such insurance, and Lender shall have the right (so long as no Event of Default has occurred) to adjust any loss covered by an insurance policy. All monies received as payment for a loss covered by an insurance policy ("Insurance Proceeds") shall be paid over to Lender to be applied, at the option of Lender, either to the prepayment of the indebtedness secured by the Deed of Trust or to the payment of other charges or expenses actually incurred by the Borrower in the restoration, reconstruction, repair, renovation or replacement of the Property. Such insurance shall cover at least the following perils: building collapse, fire, flood, hurricane, impact of vehicles and aircraft, lightning, malicious mischief, earth movement, terrorism, vandalism, water damage, and windstorm (earth movement and Flood shall have a sub-limit of not less than \$5,000,000 per occurrence and in the annual aggregate, or such other amount as is acceptable to Lender), and shall include loss of materials, equipment, machinery, and supplies which become part of the completed project whether on-site, in transit, or stored offsite; and, soft costs including coverage for loss of business income and/or rents due to delayed completion of the construction. Such insurance policy shall cover: (i) additional expense of demolition and increased cost of construction, including, without limitation, increased costs that arise from any changes in laws or other Legal Requirements with respect to such restoration in a minimum amount of \$1,000,000 or such other amount as is acceptable to Lender. Such insurance policy shall contain an agreed amount

endorsement or a coinsurance waiver and replacement cost value endorsement without reduction for depreciation and shall in no event be less than the outstanding balance of the Loan.

Borrower's Liability Insurance. the Borrower will at all times keep itself insured against liability for damages arising from any accident or casualty in or upon the Property by maintaining comprehensive general public liability insurance and excess liability coverage the minimum limits of which shall \$15,000,000 per occurrence and in the aggregate. Such insurance shall name the Lender as additional insured.

Contractors' Liability Insurance. During the construction of the improvements, the Borrower will cause the Contractor to obtain and keep in effect Commercial General Liability coverage, including products and completed operations, with no less than \$15,000,000 in limits per occurrence and in the annual aggregate and Automobile Liability insurance (including owned, hired and non-owned liability) with no less than \$15,000,000 in limits per occurrence. In addition Borrower shall ensure that all trade contractors provide similar liability insurance coverage with umbrella liability limits that are commensurate with the risks presented by their operations at the site as determined by the Contractor. All parties engaged in work on the Project or on any restoration of any portion of the Project shall maintain any Workers' Compensation and Employer's Liability insurance required by law in force for all workers on the job. A certificate of insurance shall be issued to Borrower and Lender, naming each as Additional Insured, and evidencing all insurance required in this Loan Agreement.

Architect's and Engineer's Professional Liability Insurance. Borrower shall cause third-party architects and engineers providing services to the project to provide Architect's and Engineer's professional liability insurance in at least the amount of \$1,000,000 per occurrence and aggregate, or such other amount as is acceptable to Lender.

Following Substantial Completion

Special Perils Property Insurance. Borrower shall maintain property insurance covering any improvements on the property against all risks of loss to the Property customarily covered by so-called "All Risk" or "Special Perils Form" policies as available in the insurance market at the Closing Date (and against such additional risks of loss as may be customarily covered by such policies after the Closing Date) (collectively, the "Special Perils Insurance"). Special Perils Insurance shall cover 100% of the insurable replacement cost value of the Improvements and shall cover at least the following perils: building collapse, fire, flood, hurricane, impact of vehicles and aircraft, lightning, malicious mischief, earth movement, terrorism, vandalism, water damage, and windstorm (Earth movement and Flood shall have a sub-limit of not less than \$5,000,000 per occurrence and in the annual aggregate, or such other amount as is acceptable to Lender). Special Perils Insurance shall also cover such other insurable perils as, under good insurance practices, other commercial property owners from time to time insure against for property and buildings similar to the Property in height, location, nature, type of construction, and use, ("Comparable Properties"). Each Special Perils Insurance policy shall cover the additional expense of demolition and increased cost of construction, including, without limitation, increased costs that arise from any changes in laws or other Legal Requirements with respect to such restoration in a minimum amount of \$1,000,000 or such other amount as is acceptable to Lender. Any Special Perils Insurance policy shall contain an agreed amount

endorsement or a coinsurance waiver endorsement and a replacement cost value endorsement without reduction for depreciation and shall in no event be less than the outstanding balance of the Loan.

Business Interruption. Borrower shall maintain business interruption income insurance for the Project in an amount of \$50,000,000 and containing a ninety day extended period of indemnity endorsement. Such insurance shall also include an agreed insurance amount endorsement waiving all co-insurance provisions.

Comprehensive Boiler and Machinery Insurance. Borrower shall maintain Comprehensive boiler and machinery insurance including property damage coverage and time element coverage in an amount equal to one hundred percent (100%) of the full replacement cost but not to exceed \$25,000,000, without deduction for depreciation, of the Project housing the machinery, if steam boilers, pipes, turbines, engines or any other pressure vessels are in operation with respect to the Project. Such insurance coverage shall include a "joint loss" clause if such coverage is provided by an insurance carrier other than that which provides the comprehensive "all risk" insurance described above.

Liability Insurance. Borrower shall maintain the following insurance for personal injury, bodily injury, death, accident and property damage (collectively, the "Liability Insurance"): public liability insurance, including commercial general liability insurance and umbrella liability insurance. Liability Insurance shall provide coverage of at least \$15,000,000 per occurrence and \$15,000,000 in the annual aggregate, per location. If any Liability Insurance also covers other location(s) with a shared aggregate limit, then the minimum Liability Insurance shall be increased to \$25,000,000. Liability Insurance shall include coverage for liability arising from premises and operations, elevators, escalators, independent contractors, contractual liability (including, without limitation, any liability assumed under any Leases), and products and completed operations. All Liability Insurance shall name Lender as an "Additional Insured" by an endorsement satisfactory to Lender.

Automobile Liability: Borrower shall maintain motor vehicle liability coverage for all owned, hired and non-owned vehicles used in connection with the operation of the Project containing a minimum per occurrence coverage amount of \$15,000,000 per occurrence.

Statutory Employees' Insurance. Borrower shall maintain workers' compensation and employers liability insurance as required by law and in accordance with all applicable Legal Requirements ("Statutory Employees' Insurance").

Fidelity. Borrower shall maintain a blanket fidelity bond against losses resulting from dishonest or fraudulent acts committed by (i) Borrower's personnel, and (ii) temporary contract employees or student interns.

Other Insurance. Borrower shall maintain such other insurance coverage as may be deemed necessary at any time during the term of the Loan and as shall be provided within such time periods as Lender may determine, in each case, in its commercially reasonable discretion.

All insurance policies shall have a term of not less than one year and shall be in the form and amount and with deductibles as, from time to time, shall be acceptable to Lender in its reasonable discretion. All such policies shall provide for loss payable solely to Lender and shall contain a standard "non-contributory mortgagee" endorsement or its equivalent relating, among other things, to recovery by Lender notwithstanding the negligent or willful acts or omissions of Borrower and notwithstanding (i) occupancy or use of the Project for purposes more hazardous than those permitted by the terms of such policy, (ii) any foreclosure or other action taken by Lender pursuant to the Security Instrument upon the occurrence of an Event of Default thereunder, or (iii) any change in title or ownership of the Project.

All insurance policies must be written by an insurance carrier with an A.M. Best rating of not less than A-. All liability insurance policies (including, but not limited to, general liability, professional liability and any applicable blanket and/or umbrella policies) must name "GMAC Commercial Mortgage Corporation and its successors and/or assigns as their interests may appear" as additional insureds, and all property insurance policies must name "GMAC Commercial Mortgage Corporation and its successors and/or assigns" as the named mortgage holder entitled to all insurance proceeds. Lender shall have the right, without Borrower's consent, by notice to the insurance company, to change the additional insured and named mortgagee endorsements in connection with any sale of the Loan. All insurance policies for the above required insurance must provide for thirty (30) days prior written notice of cancellation to Lender. The proceeds of any of the policies described above under the headings "Builder's Risk Insurance," "Special Perils Property Insurance," and "Comprehensive Boiler and Machinery Insurance" shall be payable by check and shall be payable jointly to Lender and Borrower and delivered to Lender, the check shall be endorsed to Lender by Borrower and such proceeds shall be applied by Lender, at its sole option, either (i) to the full or partial payment or prepayment of the Loan (without premium), or (ii) to the repair and/or restoration of the Improvements, Equipment and Inventory damaged or taken as more particularly described below. If the check for such proceeds is received by Borrower, it shall be held in trust for Lender and promptly delivered to Lender by Borrower with Borrower's endorsement to Lender.

Policies or binders, together with evidence of the above required insurance on ACORD Form 27 or 28 for property insurance and Acord 25 for liability insurance or their equivalents, must be submitted to Lender prior to setting the interest rate on the Loan.

With respect to insurance policies which require payment of premiums annually, not less than thirty (30) days prior to the expiration dates of the insurance policies obtained pursuant to this Agreement, Borrower shall pay such amount, except to the extent Lender is escrowing sums therefor pursuant to the Loan Documents. Not less than thirty (30) days prior to the expiration dates of the insurance policies obtained pursuant to this Agreement, originals or certified copies of renewals of such policies (or certificates evidencing such renewals) bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Lender of such payment, which premiums shall not be paid by Borrower through or by any financing arrangement, shall be delivered by Borrower to Lender at the address set forth in Section 10.7 hereof. Borrower shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Section 5.5. If the limits of any policy required hereunder are reduced or eliminated due to a covered loss, Borrower shall pay the additional premium, if any, in order to have the original limits of insurance reinstated, or

Borrower shall purchase new insurance in the same type and amount that existed immediately prior to the loss.

If Borrower fails to maintain and deliver to Lender the original policies or certificates of insurance required by this Agreement, Lender may, at its option, procure such insurance and Borrower shall pay or, as the case may be, reimburse Lender for, all premiums thereon promptly, upon demand by Lender, with interest thereon at the Default Interest Rate from the date paid by Lender to the date of repayment and such sum shall constitute a part of the Loan.

The insurance required by this Agreement may, at the option of Borrower, be effected by blanket and/or umbrella policies issued to Borrower or to an affiliate of Borrower covering the Project and the properties of such affiliate; provided that, in each case, the policies otherwise comply with the provisions of this Agreement and allocate to the Project, from time to time, the coverage specified by this Agreement, without possibility of reduction or coinsurance by reason of, or damage to, any other property (real or personal) named therein. If the insurance required by this Agreement shall be effected by any such blanket or umbrella policies, Borrower shall furnish to Lender original policies or certified copies thereof, with schedules attached thereto showing the amount of the insurance provided under such policies which is applicable to the Project.

Neither Lender nor its agents or employees shall be liable for any loss or damage insured by the insurance policies required to be maintained under this Agreement; it being understood that (a) Borrower shall look solely to its insurance company for the recovery of such loss or damage, (b) such insurance company shall have no rights of subrogation against Lender, its agents or employees, and (c) Borrower shall use its best efforts to procure from such insurance company a waiver of subrogation rights against Lender. If, however, such insurance policies do not provide for a waiver of subrogation rights against Lender (whether because such a waiver is unavailable or otherwise), then Borrower hereby agrees, to the extent permitted by law and to the extent not prohibited by such insurance policies, to waive its rights of recovery, if any, against Lender, its agents and employees, whether resulting from any damage to the Project, any liability claim in connection with the Project or otherwise. If any such insurance policy shall prohibit Borrower from waiving such claims, then Borrower must obtain from such insurance company a waiver of subrogation rights against Lender.

If Borrower is in default of insurance requirements set forth in this Schedule XVII, Borrower appoints Lender as Borrower's attorney-in-fact, which appointment shall be deemed irrevocable and coupled with an interest, to cause the issuance of an endorsement of any insurance policy to bring Borrower into compliance herewith and, as limited above, at Lender's sole option, to make any claim for, receive payment for, and execute and endorse any documents, checks or other instruments in payment for loss, theft, or damage covered under any such insurance policy; provided, however, that in no event will Lender be liable for failure to collect any amounts payable under any insurance policy.

Notwithstanding the foregoing to the contrary, Lender agrees that Lender shall make the net proceeds of insurance or condemnation (after payment of Lender's reasonable costs and expenses) available to Borrower for Borrower's repair, restoration and replacement of the Improvements, Equipment and Inventory damaged or taken if the following conditions are met:

the aggregate amount of all such proceeds shall not exceed the aggregate amount of all such Loan.

(a) at the time of such loss or damage and at all times thereafter while Lender is holding any portion of such proceeds, there shall exist no Default or Event of Default.

(b) the improvements, equipment, and inventory for which loss or damage has resulted shall be capable of being restored to their preexisting condition and utility in all material respects with a value equal to or greater than that which existed prior to such loss or damage and such restoration shall be capable of being completed prior to the earlier to occur of (i) the expiration of business interruption insurance as determined by the Inspector or (ii) the Maturity Date;

(c) within thirty (30) days from the date of such loss or damage Borrower shall have given Lender a written notice electing to have the proceeds applied for such purpose;

(d) within sixty (60) days following the date of notice under the preceding subsection (d) and prior to any proceeds being disbursed to Borrower, Borrower shall have provided to Lender all of the following:

(i) complete Plans for restoration, repair and replacement of the Improvements, Equipment and Inventory damaged to the condition, utility and value required by subsection (c) above,

(ii) builder's risk insurance for the full cost of construction with Lender named under a standard mortgagee loss-payable clause,

(iii) such additional funds, as in Lender's reasonable opinion are necessary, to complete such repair, restoration and replacement, and

(iv) copies of all permits and licenses necessary to complete the work in accordance with the Plans;

(e) Lender may, at Borrower's expense, retain an independent inspector to review and approve Plans and completed construction and to approve all requests for disbursement, which approvals shall be conditions precedent to release of proceeds as work progresses;

(f) no portion of such proceeds shall be made available by Lender for architectural reviews or for any purpose which is not directly attributable to the cost of repairing, restoring or replacing the Improvements, Equipment and Inventory for which a loss or damage has occurred unless the same is covered by such insurance;

(g) Borrower shall diligently pursue such work and shall complete such work prior to the earlier to occur of the expiration of business interruption insurance or the Maturity Date;

(h) each disbursement by Lender of such proceeds and deposits shall be funded subject to the conditions and in accordance with the terms hereof;

(i) Lender shall have a first lien and security interest in all building materials and completed repair and restoration work and in all fixtures and equipment acquired with such proceeds, and Borrower shall execute and deliver such mortgages, deeds of trust, security agreements, financing statements and other instruments as Lender shall request to create, evidence, or perfect such lien and security interest; and

(j) in the event and to the extent such proceeds are not required or used for the repair, restoration and replacement of the Improvements, Equipment and Inventory for which a loss or damage has occurred, or in the event Borrower fails to timely make the election to have insurance proceeds applied to the restoration of the Improvements, Equipment, or Inventory, or, having made such election, fails to timely comply with the terms and conditions set forth herein, or, if the conditions set forth herein for such application are otherwise not satisfied, then Lender shall be entitled without notice to or consent from Borrower to apply such proceeds, or the balance thereof, at Lender's option either (i) to the full or partial payment or prepayment of the Loan (without premium) in the manner aforesaid, or (ii) to the repair, restoration and/or replacement of all or any part of such Improvements, Equipment and Inventory for which a loss or damage has occurred.

SCHEDULE XVIII

PERMITS

1. AIA Contract between Littleton Campus, LLC and Erickson Construction, LLC for Sitework
2. Subcontract between Erickson Construction, LLC and Facilities Contracting - Temp Bridge
3. Subcontract between Erickson Construction, LLC and Scott Contracting - Permanent Bridge
4. Subcontract between Erickson Construction, LLC and Fiore & Sons, Inc. for Sitework
5. Planned Development Agreement with Douglas County - Resolution R-005-76
6. Planned Development Agreement with Douglas County - Resolution R-005-98 - Attainable Housing Agreement
7. City of Littleton - Subdivision Improvement Agreement (two Littleton Parcels)
8. Erickson Subdivision Plat for two Parcels located in Littleton
9. State Hwy Access Permit - Colorado Dept. of Transportation - Emergency Access
10. Special Use Permit - CO Dept. of Transportation - Erickson Blvd. Grading, Curb & Gutter, Paving
11. Utility Permit - CO Dept of Transportation - Storm Water Install
12. Utility Permit - CO Dept of Transportation - Erickson Blvd. Conduit Install & County Line Road
13. State of CO Storm Water Discharge Permit Erickson Blvd. & County Line Rd.
14. State of CO Storm Water Discharge Permit Permanent Bridge
15. State of CO Storm Water Discharge Permit Phase 1A
16. State of CO Storm Water Discharge Permit Marketing Center
17. Douglas County - Grading Erosion and Sediment Control Permit - Market Center Water Main
18. Douglas County - Grading Erosion and Sediment Control Permit - Market Center
19. Douglas County - Grading Erosion and Sediment Control Permit - Temporary Bridge
20. Douglas County - Grading Erosion and Sediment Control Permit - Permanent Bridge

21. Denver Water Pre-Easement Construction Permit - Permanent Bridge
22. Denver Water Pre-Easement Construction Permit - Two Twelve Inch Water Line Crossings
23. Douglas County Building Permit - Marketing Center
24. Littleton Fire Rescue Permit - Marketing Center
25. Certificate of Occupancy - Marketing Center
26. Douglas County - Grading, Erosion and Sediment Control Permit - Windcrest PH 1A

SCHEDULE XIX

ARTICLE XI THE AGENT AND THE LENDERS

Section 11.1 Definitions. For purposes of this Article XI only, the following definitions shall apply.

(a) "Advance" means any disbursement of the proceeds of the Loan made or to be made by the Lenders pursuant to the terms of this Agreement.

(b) "Agent" means GMAC Commercial Mortgage Corporation.

(c) "Agent's Counsel" means Ballard Spahr Andrews & Ingersoll, LLP or such other attorneys as may hereinafter be designated by Agent.

(d) "Assignment and Acceptance" has the meaning set forth in Section 11.15(a) hereof.

(e) "Eligible Assignee" means a Person that is (a) an institution that is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder, and is also any of (i) a commercial bank, savings and loan association, savings bank, finance company or Fund organized under the laws of the United States, or any State thereof or the District of Columbia, and having total assets in excess of \$1,000,000,000; (ii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development (the "OECD"), or a political subdivision of any such country, and having total assets in excess of \$1,000,000,000, provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; (iii) the central bank of any country which is a member of the OECD; (iv) any other bank, insurance company, commercial finance company or other financial institution or other Person approved by Borrower, with Borrower's approval not to be unreasonably withheld, conditioned or delayed; and (v) if, but only if, any Event of Default has occurred and is continuing, any other bank, insurance company, commercial finance company or other financial institution or other Person.

(f) "Lender" means GMAC Commercial Mortgage Corporation, a California corporation, and the lending institutions which are or may become parties hereto pursuant to this Article XI.

(g) "Notes" means the promissory note executed of even date herewith by Borrower in favor of GMAC Commercial Mortgage Corporation in the stated principal amount of \$83,000,000, as the same may be replaced from time to time in accordance with Section 11.14(d) hereof, and as otherwise amended, supplemented, extended, renewed, and/or restated from time to time in accordance with its terms.

(h) “Required Lenders” means the Lenders holding at least sixty-six and two-thirds percent (66.67%) of the outstanding principal amount of the Notes on such date.

Section 11.2 Appointment and Authorization of Agent. Each Lender hereby irrevocably designates and appoints Agent to act as the Agent as specified herein and in the other Loan Documents, and each such Lender hereby irrevocably authorizes the Agent to take such actions, exercise such powers and perform such duties as are expressly delegated to or conferred upon the Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. The Agent agrees to act as such upon the express conditions contained in this Article XI. The Agent shall not have any duties or responsibilities except those expressly set forth herein or in the other Loan Documents, nor shall it have any fiduciary relationship with any Lender, and no implied covenants, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Agent.

Section 11.3 Administration of Loan by Agent.

(a) The Agent shall be responsible for administering the Loan on a day-to-day basis. In the exercise of such administrative duties, the Agent shall use the same diligence and standard of care that is customarily used by the Agent with respect to similar loans held by the Agent solely for its own account.

(b) Lenders agree that, except to the extent otherwise expressly set forth below, Agent shall make all determinations as to whether any term or provision of this Agreement or any other Loan Document may be changed, waived, discharged or terminated, and whether to grant or withhold any consent required or permitted by this Agreement or any other Loan Document. Each Lender delegates to the Agent the full right and authority on its behalf to take the following specific actions in connection with its administration of the Loan:

(i) subject to the rights of Agent under Section 11.7, to fund the Loan in accordance with the provisions of the Loan Documents, but only to the extent of immediately available funds provided to the Agent by the respective Lenders for such purpose;

(ii) to receive all payments of principal, interest, fees and other charges paid by, or on behalf of, the Borrower and, except for fees to which the Agent is entitled pursuant to the Loan Documents or otherwise, to distribute all such funds to the respective Lenders as provided for hereunder;

(iii) to keep and maintain complete and accurate files and records of all material matters pertaining to the Loan, and make such files and records available for inspection and copying by each Lender and its respective employees and agents during normal business hours upon reasonable prior notice to the Agent;

(iv) Except as otherwise set forth below, to approve or reject any and all Change Orders; or

(v) to do or omit doing all such other actions as may be reasonably necessary or incident to the implementation, administration and servicing of the Loan and the rights and duties delegated hereinabove.

(c) Agent shall not, without first obtaining the consent of Required Lenders and, upon receiving the direction of the Required Lenders, shall, take any of the following actions:

(i) consent to Change Orders or any material changes to the Budget or the Plans, involving (A) an expenditure of more than \$2,500,000 as to any individual Change Order, and (B) as to the aggregate of all Change Orders approved by Agent only, an expenditure of more than \$10,000,000. This item (i) shall not apply to the Agent's decision of whether to consent to the reallocation of any savings in the Budget, the determination of which shall be made by Agent solely;

(ii) amend, supplement or otherwise modify in any material respect any of the Loan Documents, or waive compliance with or execute a written waiver of any material provision of the Loan Documents except to the extent that any provisions of the Loan Documents allow Agent to, or expressly provides that Agent may, waive, consent to or approve any obligations of Borrower or Guarantors, or any conditions, including, without limitation, conditions to Advances, set forth therein, and provided, further, that Agent, in its sole discretion and without consulting with or obtaining written approval of the Lenders, may (a) waive applicable late charges herein, and (b) grant extensions to cure periods (as set forth in the Loan Documents) as reasonably necessary in order for Borrower or Guarantors to remedy an event that has occurred which, with the lapse of the applicable cure period, would constitute an Event of Default under any of the Loan Documents. This item (ii) shall not apply to any amendment, supplement, modification or waiver that requires the consent of all Lenders under Section 11.3 (d) hereof.

(d) The unanimous written approval of all the Lenders (other than a Delinquent Lender) shall be required with respect to any proposed amendment, waiver, discharge, termination, or consent which:

(i) has the effect of (A) extending the Applicable Maturity Date (except as contemplated in Section 1.13(d)) or changing the conditions to the extension of the Initial Maturity Date as set forth in Section 1.13(d), (B) reducing the interest rate or extending the time of payment of interest on the Loan, (C) increasing or reducing the principal amount of the Loan (other than as a result of advances which Agent directs to be made after the occurrence of an Event of Default to protect the value of the Project), or (D) otherwise postponing or forgiving any indebtedness under the Loan or the Loan Documents;

(ii) releases or discharges any material portion of the Project other than in accordance with the express provisions of the Loan Documents;

(iii) amends, modifies or waives any provisions of this (d);

(iv) waives compliance with the restrictions on transfer contained in the Mortgage, or the restrictions on further encumbrance of the Property as contained in the Mortgage;

(v) reduces the percentage specified in the definition of Required Lenders contained in this Agreement;

(vi) except as otherwise provided in this Agreement, changes the amount of any Lender's Commitment or Commitment Percentage;

(vii) changes the amount of the Contract Deposit required for a Contract of Sale to be deemed a Qualified Contract of Sale;

(viii) releases, modifies or waives any material obligation of the Guarantor under the Guaranty; or

(ix) permits the Borrower to use any savings in the Budget initially allocated to Hard Costs to pay Borrower's overhead;

and provided, further, that without the consent of the Agent, no such action shall amend, modify or waive any provision of this Section or any other provisions of any Loan Document which relates to the rights or obligations of the Agent.

(e) With respect to any requested amendment, waiver, consent or other action which requires the approval of the Required Lenders or all of the Lenders, as the case may be, in accordance with the terms of this Agreement, or if the Agent is required hereunder to seek, or desires to seek, the approval of the Required Lenders or all of the Lenders, as the case may be, prior to undertaking a particular action or course of conduct, the Agent in each such case shall provide each Lender with written notice of any such request for amendment, waiver or consent or any other requested or proposed action or course of conduct, accompanied by such detailed background information and explanations as may be reasonably necessary to determine whether to approve or disapprove such amendment, waiver, consent or other action or course of conduct. The Agent may (but shall not be required to) include in any such notice, printed in capital letters of boldface type, a legend substantially to the following effect;

"THIS COMMUNICATION REQUIRES IMMEDIATE RESPONSE. FAILURE TO RESPOND WITHIN TEN (10) CALENDAR DAYS FROM THE RECEIPT OF THIS COMMUNICATION SHALL CONSTITUTE A DEEMED APPROVAL BY THE ADDRESSEE OF THE ACTION REQUESTED BY THE BORROWER OR THE COURSE OF CONDUCT PROPOSED BY THE AGENT AND RECITED ABOVE."

and if the foregoing legend is included by the Agent in its communication, a Lender shall be deemed to have approved or consented to such action or course of conduct for all purposes hereunder if such Lender fails to object to such action or course of conduct by written notice to the Agent within ten (10) calendar days of such Lender's receipt of such notice.

Section 11.4 Employees and Agents. The Agent may exercise its powers and execute its duties under this Agreement or any other Loan Document by or through employees,

agents or attorneys-in-fact, and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. The Agent may utilize the services of such Persons as the Agent in its sole discretion may reasonably determine, and all reasonable out-of-pocket fees and expenses of any such Persons shall be paid by the Borrower. The Agent shall not be responsible for the negligence or misconduct of any Persons selected by it with reasonable care.

Section 11.5 No Liability, Reliance by Agent. Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable to any of the Lenders for any action lawfully taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for its or their gross negligence or willful misconduct. Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any recital, statement, representation or warranty made by the Borrower or any of its officers or agents contained in this Agreement or the other Loan Documents or in any certificate or other document delivered in connection therewith; (ii) the performance or observance of any of the covenants or agreements contained in, or the conditions of this Agreement or the other Loan Documents; (iii) the state or condition of any properties of the Borrower or any other obligor hereunder constituting the Project or the obligations of the Borrower hereunder, or any information contained in the books or records of the Borrower; (iv) the validity, enforceability, collectibility, effectiveness or genuineness of this Agreement or any other Loan Document or any other certificate, document or instrument furnished in connection therewith; or (v) the validity, priority or perfection of any lien securing or purporting to secure the Loan or the value or sufficiency of the Project. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any notice, consent, certificate, affidavit, or other document or writing believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons, and upon the advice and statements of legal counsel (including, without limitation, counsel to the Borrower), independent accountants and other experts selected by the Agent. The Agent shall be fully justified as between it and the Lenders in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders as it deems appropriate and it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense which may be incurred by it by reason of the taking or failing to take any such action. The Agent shall in all cases be fully protected with respect to claims by the Lender in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with any written request of the Required Lenders and any action taken or failure to act by the Agent pursuant thereto, shall be binding upon all of the Lenders; provided, however, that the Agent shall not be required in any event to act, or to refrain from acting, in any manner which is contrary to the Loan Documents or to applicable law.

Section 11.6 No Representations. The Agent shall not be responsible for the execution or validity or enforceability of this Agreement, the Notes, any of the other Loan Documents or any instrument at any time constituting, or intended to constitute, collateral security for the Notes, or for the value of any such collateral security or for the validity, enforceability or collectibility of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of the

Borrower or the Guarantor, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or in any instrument at any time constituting, or intended to constitute, collateral security for the Notes. The Agent shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by the Borrower or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. The Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Lenders, with respect to the credit worthiness or financial condition of the Borrower or the Guarantor. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and investigation into the business, assets, operations, property and financial and other condition of the Borrower and Guarantor and has made its own decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in determining whether or not conditions precedent to closing or funding the Loan hereunder have been satisfied and in taking or not taking any action under this Agreement and the other Loan Documents. Each Lender expressly acknowledges that it has relied upon its own legal counsel in its consideration of its decision to enter into the Agreement and the other Loan Documents and will so rely in regard to the implementation of the transaction contemplated hereby and thereby and that it does not have any lawyer-client relationship with Agent's Counsel as counsel for any other Lenders with respect thereto.

Section 11.7 Respecting Loan and Payments

(f) Agent shall give written notice to each Lender of each Request for Advance, by facsimile transmission, other electronic means, hand delivery or overnight courier, not later than 11:00 a.m. (Eastern Time) three (3) Business Days prior to any Advance. Each such notice shall be accompanied by a written summary of the Request for Advance and shall specify (a) the date of the requested Advance, (b) the aggregate amount of the requested Advance, and (c) each Lender's Commitment Percentage of the amount of the requested Advance. Each Lender shall, before 11:00 a.m. (Eastern Time) on the date set forth in any such Request for Advance, make available to Agent, at an account to be designated by Agent, in same day funds, the amount of such Lender's Commitment Percentage of the amount of the requested Advance. After Agent's receipt of such funds and upon Agent's determination that the applicable conditions to making the requested Advance have been fulfilled, Agent shall make such funds available to Borrower (in the manner provided in Section 1.3 hereof) the aggregate amount of such funds received by Agent (or such lesser amount approved by the Agent).

(g) The obligations of the Lenders hereunder are several and not joint. Failure of any Lender to fulfill its obligations hereunder shall not result in any other Lender becoming obligated to advance more than its Commitment Percentage of the Loan, nor shall such failure release or diminish the obligations of any other Lender to fund its Commitment Percentage provided herein; provided, however, that if no Lender shall become an Electing Lender pursuant to Section 11.13, all of the non Delinquent Lenders shall fund the Delinquent Lender's Deficiency pro rata among the non Delinquent Lenders in the proportion that the amount of each such non Delinquent Lender's Commitment Percentage bears to the total

Commitment Percentages of all non Delinquent Lenders within three (3) Business Days after notice by Agent to Lenders that no Lender has become an Electing Lender provided further that (i) no Lender shall be required in any event to fund an aggregate amount of the Loan funds greater than the amount of its Commitment Percentage, (ii) no Lender shall be responsible for the failure of any other Lender to advance or to perform any of its other obligations in connection with the Loan and the Loan Documents; (iii) the obligation to fund a Delinquent Lender's Deficiency shall terminate on the sixtieth (60th) day next following the giving of the initial borrowing date for which a Deficiency first occurred as a result of a Delinquent Lender's failure to advance its share of the Advance in question; (iv) if the Delinquent Lender's default has not been cured, or Borrower and Agent, after using commercially reasonable efforts (but without increasing the Commitment Percentage of Agent or any of its affiliates as a Lender) to obtain an Eligible Assignee to replace Delinquent Lender as a Lender hereunder, has not replaced the Delinquent Lender within said sixty (60) day period, Borrower shall upon demand from the Agent deposit with Agent an amount equal to the aggregate amount of the Deficiencies funded by the non Delinquent Lenders. The amount so deposited by Borrower shall be advanced by Agent in lieu of an Advance by the non Delinquent Lenders until such time as the aggregate Costs to be paid no longer exceed the non Delinquent Lenders unfunded Commitment Percentages and, thereafter, Borrower shall continue to deposit with Agent each month an amount equal to that which would have been funded by the Delinquent Lender. Borrower agrees that Agent for the ratable benefit of Lenders shall have a lien on and security interest in any sums deposited by Borrower pursuant to this paragraph. If Borrower shall fail to make the deposits required to be made by it pursuant to this paragraph, the Lenders shall not be required to make any further Advances under the Loan and the Loan amount shall be permanently reduced by any and all Deficiencies unless and until a substitute lender that is an Eligible Assignee, reasonably acceptable to Agent other than the Delinquent Lender(s), pays such Deficiency(ies) (including those funded by the other Lenders and/or Borrower) to the Agent who shall distribute same pro rata to the Persons who funded such Deficiency(ies) (including, if applicable and after the Lenders (other than the Delinquent Lender) have been fully reimbursed for the respective amounts of such Deficiency(ies) funded by them, to Borrower) and assumes the obligations of the Delinquent Lender to fund its ratable share of the balance of the Loan subject to and in accordance with this Agreement and the other Loan Documents. Delinquent Lender shall be required to execute an Assignment and Acceptance in favor of such substitute lender provided such substitute lender executes the same as well. Notwithstanding anything contained in this Section to the contrary, if the Delinquent Lender's default has not been cured and the Delinquent Lender has not been replaced with an Eligible Assignee within said sixty (60) day period, then the Borrower may provide a replacement Lender without first obtaining Agent's consent provided that (i) such replacement Lender is an Eligible Assignee, and (ii) if such replacement Lender is a subsidiary or affiliate of the Borrower, then such replacement Lender shall be treated as a "Delinquent Lender" in that it shall have no right to participate in the administration of, or decision-making rights related to, the Loan, this Agreement or the other Loan Documents.

(h) The Agent, Lenders and the Borrower acknowledge, and agree that the failure or refusal by a Lender to make available its Commitment Percentage of requested Advance due to a Default for which notice to Borrower has been delivered, monetary Default, or Event of Default shall not result in such Lender being a Delinquent Lender and the Agent shall not be required to disburse any funds made available to the Agent by the other Lenders until

such Default for which notice to Borrower has been delivered, monetary Default, or Event of Default is cured.

(i) The Agent may, unless notified to the contrary by any Lender prior to a date of any Advance, assume that such Lender has made available to the Agent on such date the amount of such Lender's Commitment Percentage of the Advance to be made, and the Agent may (but it shall not be required to), in reliance upon such assumption, make available to the Borrower a corresponding amount. If any Lender makes available to the Agent such amount on a date after the date that an Advance is made, such Lender shall pay to the Agent on demand an amount equal to the product of (i) the average computed for the period referred to in clause (iii) below, of the weighted average interest rate paid by the Agent for federal funds acquired by the Agent during each day included in such period, times (ii) the amount of such Lender's Commitment Percentage for such Advance, times (iii) a fraction, the numerator of which is the number of days that elapse from and including the date of the Advance to the date on which the amount of such Lender's Commitment Percentage of such Advance shall become immediately available to the Agent, and the denominator of which is 365. A statement of the Agent submitted to such Lender with respect to any amounts owing under this paragraph shall be prima facie evidence of the amount due and owing to the Agent by such Lender.

(j) Within a reasonable period of time following the making of each Advance, but in no event later than ten (10) Business Days following such Advance, Agent shall deliver to each Lender a copy of Borrower's Request for Advance. Promptly after receipt by Agent of written request from any Lender, Agent shall deliver to the requesting Lender the accompanying certifications and such other instruments, documents, certifications and approvals delivered by or on behalf of Borrower to Agent in support of the requested Advance.

(k) All payments of principal of and interest on the Loans or the Notes shall be made to the Agent by the Borrower or any other obligor or guarantor for the account of the Lenders in immediately available funds as provided in the Notes and this Agreement. The Agent agrees promptly to distribute to each Lender, by the next Business Day after the date upon which each such payment is made, if possible, such Lender's proportionate share of each such payment in immediately available funds, except as otherwise expressly provided herein. The Agent shall upon each distribution promptly notify each Lender of the amounts distributed to it applicable to principal of, and interest on, the proportionate share of the Loan held by the applicable Lender. Each payment to the Agent under the first sentence of this Section 8.6(f) shall constitute a payment by the Borrower to each Lender in the amount of such Lender's proportionate share of such payment, and any such payment to the Agent shall not be considered outstanding for any purpose after the date of such payment by the Borrower to the Agent without regard to whether or when the Agent makes distribution thereof as provided above. If any payment received by the Agent from the Borrower is insufficient to pay both all accrued interest and all principal then due and owing, the Agent shall first apply such payment to all outstanding interest until paid in full and shall then apply the remainder of such payment to all principal then due and owing, and shall distribute the payment to each Lender accordingly.

(l) Subject to the terms and conditions hereof, the Agent shall distribute all Liquidation Proceeds in the order and manner set forth below:

- First: To the Agent, towards any fees and any expenses for which the Agent is entitled to reimbursement under this Agreement or the other Loan Documents not theretofore paid to the Agent.
- Second: To all applicable Lenders in accordance with their proportional share based upon their respective Commitment Percentages until all Lenders have been reimbursed for all expenses, costs and other amounts (but excluding principal and interest on the Loan) due under the Loan Documents which such Lenders have previously paid to the Agent and not theretofore been repaid.
- Third: To all Lenders in accordance with their proportional share based upon their respective Commitment Percentages until all Lenders have been paid in full all interest and principal due to such Lenders under the Loan, with each Lender applying such proceeds for purposes of this Agreement first against accrued interest due and then to the outstanding principal balance due to such Lender under the Loan. For purposes of this provision only, "interest" shall be deemed to include any breakage fee or other liability of Borrower to any Lender (including Agent as a Lender) or any affiliate of any Lender under any Interest Rate Hedge if one is entered into between Borrower and a Lender or an affiliate of a Lender with respect to the Loan and the Commitment Percentages of all Lenders shall be adjusted to include in the Lender providing the Interest Rate Hedge the then applicable breakage fee or other liability of Borrower.
- Fourth: To all applicable Lenders in accordance with their proportional share based upon their respective Commitment Percentages until all Lenders have been paid in full all other amounts due to such Lenders under the Loan including, without limitation, any costs and expenses incurred directly by such Lenders to the extent such costs and expenses are reimbursable to such Lenders by the Borrower under the Loan Documents.
- Fifth: To the Borrower or such third parties as may be entitled to claim Liquidation Proceeds.

(m) If, after Agent has paid each Lender's proportionate share of any payment received or applied by Agent in respect of the Loan, that payment is rescinded or must otherwise be returned or paid over by Agent, whether pursuant to any bankruptcy or insolvency law, sharing of payments clause of any loan agreement or otherwise, such Lender shall, at Agent's request, promptly return its proportionate share of such payment or application to Agent, together with the Lender's proportionate share of any interest or other amount required to be paid by Agent with respect to such payment or application.

(n) If any Lender (including the Agent), acting in its individual capacity, shall exercise any right of setoff against a deposit balance or other account of the Borrower held by such Lender on account of the obligations of the Borrower under this Agreement, such Lender shall remit to the Agent all such sums received pursuant to the exercise of such right of setoff, and the Agent shall apply all such sums for the benefit of all of the Lenders hereunder in accordance with the terms of this Agreement.

(o) If in the opinion of the Agent distribution of any amount received by it in such capacity hereunder or under the Notes or under any of the other Loan Documents might involve any liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction or has been resolved by the mutual consent of all Lenders. In addition, the Agent may request full and complete indemnity, in form and substance satisfactory to it, prior to making any such distribution. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Agent is to be repaid, each person to whom any such distribution shall have been made shall either repay to the Agent its proportionate share of the amount so adjudged to be repaid or shall pay over to the same in such manner and to such persons as shall be determined by such court.

(p) The Required Lenders may direct the Agent in writing as to the method and the extent of any sale of all or any portion of the Project or other disposition and all of the Lenders shall indemnify and hold the Agent harmless from all liabilities incurred in respect to all actions taken or omitted in accordance with such directions provided that Agent need not comply with any such directions to the extent Agent reasonably believes the Agent's compliance with such directions would constitute a violation of the obligations undertaken by the Agent and/or Lenders under the Loan Documents, or will constitute a violation of any statute, ordinance or regulation applicable to the Agent.

Section 11.8 Holders of Notes. The Agent may deem and treat the payee of any Note as the absolute owner or purchaser thereof for all purposes hereof. Any request, authority or consent of any person or entity who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee or endorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

Section 11.9 Indemnity. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to their respective Commitment Percentages for (i) any amounts not reimbursed by the Borrower for which the Agent is entitled to reimbursement by the Borrower under this Agreement or the other Loan Documents, (ii) any other expenses incurred by the Agent on behalf of the Lenders in connection with the preparation, execution, delivery, administration, amendment, waiver and/or enforcement of this Agreement and the other Loan Documents, and (iii) any liabilities, obligations, losses, damages, penalties, action, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement or the other Loan Documents or any other document delivered in connection therewith or any transaction contemplated thereby, or the enforcement of any of the terms hereof or thereof, provided that no Lender shall be liable for any of the foregoing to the extent that they arise from the gross negligence or willful misconduct of the Agent. If any indemnity furnished

to Agent for any purpose shall, in the opinion of the Agent, be insufficient or become impaired, the Agent may call for additional indemnity and cease, or not commence, to do the action indemnified against until such additional indemnity is furnished.

Section 11.10 Agent as Lender. With respect to its Commitment as a Lender, and the loans made by it and the Note issued to it, the Agent shall have the same rights and powers hereunder and under any other Loan Document as any Lender and may exercise the same as though it were not the Agent, and the term " Lender" or " Lenders" shall, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent may lend money to, and generally engage in any kind of trust business with the Borrower or any subsidiary or affiliate of the Borrower as if it were not the Agent hereunder.

Section 11.11 Resignation. The Agent may resign at anytime by giving thirty (30) days' prior written notice thereof to the Lenders and the Borrower. Upon any such resignation the Required Lenders shall have the right to appoint a successor Agent. Unless an Event of Default shall have occurred and be continuing, Borrower shall have the right to consent to any successor Agent, such consent not to be unreasonably withheld, conditioned or delayed. If no successor Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of the Lenders, appoint a successor Agent, which shall be a Lender or which meets the requirements of an Eligible Assignee. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After any retiring Agent's resignation, the provisions of this Agreement and the other Loan Documents shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

Section 11.12 Notification of Defaults and Events of Default. Each Lender hereby agrees that, upon learning of the existence of a Default or an Event of Default, it shall promptly notify the Agent thereof. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Event of Default unless the Agent has actual knowledge of the same or has received notice from a Lender or the Borrower referring to this Agreement describing such Event of Default and stating that such notice is a "notice of default." In the event that the Agent obtains such actual knowledge or receives such a notice, the Agent shall give prompt notice thereof to each of the Lenders. The Agent shall take such action with respect to such Event of Default as shall be reasonably directed by the Required Lenders. Unless and until the Agent shall have received such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Event of Default as it shall deem advisable in the best interest of the Lenders, provided, however, that the Agent shall not accelerate the indebtedness under this Agreement without the prior written consent of the Required Lenders.

Section 11.13 Duties in the Case of Enforcement. In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Loan shall have occurred, the Agent shall, if (a) so requested by the Required Lenders and (b) the Lenders have provided to the Agent such additional indemnities and assurances against expenses and

liabilities as the Agent may reasonably request, proceed to enforce the provisions of this Agreement and the other Loan Documents respecting the foreclosure of the Mortgage, the sale or other disposition of all or any part of the Project and exercise all or any such other legal and equitable and other rights or remedies as it may have in respect of any collateral for the Loan. The Agent shall be fully protected in so acting or refraining from acting upon the instruction of the Required Lenders, and such instruction shall be binding upon all of the Lenders. The Required Lenders may direct the Agent in writing as to the method and the extent of any such sale or other disposition, the Lenders hereby agreeing to indemnify and hold the Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions, provided that the Agent need not comply with any such direction to the extent that the Agent reasonably believes the Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction. The Agent may, in its discretion but without obligation, in the absence of direction from the Required Lenders, take such interim actions as it believes necessary to preserve the rights of the Lenders hereunder and in and to the Project and any other collateral securing the Loan, including but not limited to petitioning a court for injunctive relief, appointment of a receiver or preservation of the proceeds of the Project and any other collateral. Each of the Lenders acknowledges and agrees that no individual Lender may separately enforce or exercise any of the provisions of any of the Loan Documents, including without limitation the Notes, other than through the Agent.

Section 11.14 Delinquent Lender. If for any reason any Lender shall fail or refuse to abide by its obligations under the Agreement, including without limitation its obligation to make available to Agent its pro rata share of the Loan, expenses or setoff (the delinquent Lender, a "Delinquent Lender"; the portion of the Loan not made available, a "Deficiency") and such failure is not cured within ten (10) days of receipt from the Agent of written notice thereof, then, in addition to the rights and remedies that may be available to Agent, the other Lenders, the Borrower or any other party at law or in equity, and not at limitation thereof, (i) such Delinquent Lender's right to participate in the administration of, or decision-making rights related to, the Loan, this Agreement or the other Loan Documents shall be suspended during the pendency of such failure or refusal, and (ii) a Delinquent Lender shall be deemed to have assigned any and all payments due to it from the Borrower, whether on account of the outstanding Loan, interest, fees or otherwise, to the remaining non delinquent Lenders for application to, and reduction of, their proportionate shares of the outstanding Loan until, as a result of application of such assigned payments the Lenders' respective pro rata shares of the outstanding Loan shall have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency. The Delinquent Lender's decision-making and participation rights to payments as set forth in clauses (i) and (ii) above shall be restored only upon the payment by the Delinquent Lender of its pro rata share of the Loan or expenses as to which it is delinquent, together with interest thereon at the Default Rate from the date when originally due until the date upon which any such amounts are actually paid.

The non-delinquent Lenders shall also have the right, but not the obligation, in their respective, sole and absolute discretion, to acquire for no cash consideration (pro rata, based on the respective Commitments of those Lenders electing to exercise such right) (each electing Lender, an "Electing Lender") the Delinquent Lender's Commitment to fund the Deficiency and any future advances of the Loan (collectively, the "Future Commitment"). Upon any such

purchase of the pro rata share of any Delinquent Lender's Future Commitment, the Delinquent Lender's share in any future Loan and its rights under the Loan Documents with respect thereto shall terminate on the date of purchase, and the Delinquent Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest, including, if so requested, an Assignment and Acceptance. Each Delinquent Lender shall indemnify Agent and each non-delinquent Lender from and against any and all loss, damage or expenses, including but not limited to reasonable attorneys' fees and funds advanced by Agent or by any non-delinquent Lender, on account of an Delinquent Lender's failure to timely fund its pro rata share of a Loan Advance or to otherwise perform its obligations under the Loan Documents.

Section 11.15 Assignment and Participation.

(a) Except as provided herein, each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment Percentage and Commitment and the same portion of the Loan at the time owing to it and the Notes held by it), upon satisfaction of the following conditions: (i) each such assignment shall be of a constant, and not a varying, percentage of all the assigning Lender's rights and obligations under this Agreement, (ii) so long as no Event of Default has occurred and is continuing, each assignment shall be in an amount that is at least Five Million Dollars (\$5,000,000.00) and is a whole multiple of One Million Dollars (\$1,000,000.00), (iii) the parties of such assignment shall execute and deliver to the Agent, for recording in the Register (as hereinafter defined), an Assignment and Acceptance, substantially in the form of Schedule "XX" hereto (an "Assignment and Acceptance"), together with any Notes subject to such assignment, (iv) the assignee shall execute and deliver a fully completed certificate in the form of Schedule "XXI" to the Borrower and Guarantor confirming that the prospective assignee satisfies at least one of the criteria established therein, and (v) Agent (in its capacity as a Lender) may not syndicate or assign the Loan to more than eight (8) additional Lenders (excluding itself and its affiliates). Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Lender hereunder, and (y) the assigning Lender shall, to the extent provided in such assignment and upon payment to the Agent of the registration fee referred to in Section 11.14(c), be released from its obligations under this Agreement.

(b) By executing and delivering an Assignment and Acceptance, the parties to the assignment thereunder confirm to and agree with each other and the other parties hereto as follows:

(i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Lender makes no representation or warranty, express or implied, and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, the other Loan Documents or any other

instrument or document furnished pursuant hereto or the attachment, perfection or priority of any security interest or mortgage;

(ii) the assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower and Guarantor, or the performance or observance by the Borrower or Guarantor of any of their obligations under this Agreement or any of the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto;

(iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statement provided by the Borrower as required by the terms of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance;

(iv) such assignee will, independently and without reliance upon the assigning Lender, the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement;

(v) such assignee represents and warrants that (to the extent required herein) it is an Eligible Assignee;

(vi) such assignee appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Agent by the terms hereof or thereof, together with such powers as are reasonably incidental thereto;

(vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender; and

(viii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance.

(c) The Agent shall maintain a copy of each Assignment and Acceptance delivered to it and a register or similar list (the "Register") for the recordation of the names and addresses of the Lenders and the Commitment Percentage of, and principal amount of the Loan owing to the Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Agent and the Lenders may treat each person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and the Lenders at any reasonable time and from time to time upon reasonable prior notice. Upon each such recordation, the assigning Lender agrees to pay to the Agent a registration fee in the sum of Two Thousand Five Hundred and No/100 Dollars (\$2,500.00).

(d) Upon its receipt of an Assignment and Acceptance executed by the parties to such assignment, together with each Note subject to such assignment, the Agent shall

(a) record the information contained therein in the Register, and (b) give prompt notice thereof to the Borrower and the Lenders (other than the assigning Lender). Within five (5) Business Days after receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Agent, in exchange for each surrendered Note, a new Note to the order of such assignee in an amount equal to the amount assumed by such assignee pursuant to such Assignment and Acceptance and, if the assigning Lender has retained some portion of its obligations hereunder, a new Note to the order of the assigning Lender in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes, shall be in an aggregate principal amount equal to the aggregate principal amount of the surrendered Notes, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be substantially in the form set forth on Schedule "XXII" attached hereto.

(e) Each Lender may sell participations to one or more banks or other financial institutions in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents; provided that (i) each such participation shall be in a minimum amount of Five Million Dollars (\$5,000,000.00), (ii) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder to the Borrower, and (iii) participations may not be made unless the prospective participant shall have executed and delivered a fully completed certificate in the form of Schedule "XXI" to the Borrower and Guarantor confirming that the prospective participant satisfies at least one of the criteria established therein. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Any assigning Lender shall retain its rights to be indemnified pursuant to this Agreement with respect to any claims or actions arising prior to the date of such assignment. If any assignee Lender is not incorporated under the laws of the United States of America or any state thereof, it shall, prior to the date on which any interest or fees are payable hereunder or under any of the other Loan Documents for its account, deliver to the Borrower and the Agent a certification as to such assignee Lender's exemption from deduction or withholding of any United States federal income taxes. Any Lender may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of the Note) to any of the twelve Federal Reserve Banks organized under § 4 of the Federal Reserve Act, 12 U.S.C. §341. No such pledge or the enforcement thereof shall release the Lender from its obligations hereunder or under any of the other Loan Documents.

(g) The Borrower agrees that in addition to disclosures made in accordance with standard and customary banking practices and orders issued by a court of law the Agent and the Lenders may disclose information obtained by the Agent and the Lenders pursuant to this Agreement including, without limitation, all budgets and financial statements, to assignees or participants or potential assignees or participants hereunder without any notice to the Borrower; provided that such assignees or participants or potential assignees or participants shall agree (x) to treat in confidence such information unless such information becomes public knowledge, (y) not to disclose such information to a third party, except as required by law or

legal process and (c) not to make use of such information for purposes of transactions unrelated to such contemplated assignment or participation.

(h) Except as otherwise expressly provided in this Section 11.15, no Lender may assign all or a portion of its interests, rights and obligations under this Agreement, the Notes and/or the other Loan Documents without the prior written consent of Agent and, provided that no Event of Default then exists, the Borrower.

(i) Notwithstanding anything to the contrary contained in this Agreement, no Lender may assign or participate any interest in the Loan held by it hereunder to the Borrower or Guarantor, or any of their respective affiliates.

(j) Notwithstanding anything to the contrary contained in this Agreement, GMAC Commercial Mortgage Corporation may assign all or a portion of its Commitment to GMAC Commercial Mortgage Corporation (in its capacity as a Lender) provided that at the time of such assignment GMAC Commercial Mortgage Corporation is a wholly-owned subsidiary of GMAC Commercial Mortgage Corporation, but whether or not GMAC Bank constitutes an Eligible Assignee at such time.

and provided, further, that without the consent of the Agent, no such action shall amend, modify or waive any provision of this Section or any other provisions of any Loan Document which relates to the rights or obligations of the Agent.

Section 11.16 Syndication of the Loan. Agent in cooperation with the Borrower, will manage all aspects of the syndication of the Loan, including, without limitation, decisions as to the selection of financial institutions to be approached, when such financial institutions will be approached and any titles offered to proposed financial institutions, the final allocation of Commitments and the final distribution of fees, and Agent may, on behalf of the Borrower, accept commitments from other financial institutions. The Borrower agrees to reasonably cooperate with the syndication of the Loan (including assignments and participations as described in Section 11.15) and the Borrower will provide all information (including the financial statements required to be delivered pursuant to Section 3.22 hereof) reasonably requested by the Agent in a form reasonably satisfactory to the Agent. The Borrower will also make its management and its advisors available at reasonable times on reasonable notice to meet with potential lenders in connection with the syndication or assignment or administration of the Loan or lender syndicate. Borrower agrees that, prior to and during the syndication of Loan, Borrower will not permit any offering, placement of Borrower or any competing issues of debt securities or commercial bank facilities of Borrower or any of its affiliates. Borrower hereby agrees to amend this Agreement, the Notes, the Mortgage, and/or any of the other Loan Documents from time to time to the extent requested by Agent in connection with the syndication of the Loan and to execute and deliver to Agent any document reflecting such amendment as requested by Agent, provided that such proposed amendments do not materially and adversely affect the rights or obligations of Borrower hereunder or thereunder. The Borrower agrees to pay (promptly upon the rendering of such a bill and delivery thereof to Borrower) all reasonable out-of-pocket expenses incurred by the Agent in connection with each syndication, assignment and/or participation of the Loan as contemplated in this Section 11.16,

including, without limitation, \$15,000 for reimbursement to Agent for the costs associated with a syndication group meeting.

SCHEDULE XX

FORM OF ASSIGNMENT AND ACCEPTANCE

Dated: _____, 200__

Reference is made to the Construction Loan Agreement dated February ____, 2005 (as amended and in effect from time to time, the "Loan Agreement"), among Littleton Campus, LLC, a Maryland limited liability company, having an address at c/o _____, Attn: _____, (the "Borrower"), the lending institutions referred to therein as Lenders (the "Lenders"), and GMAC Commercial Mortgage Corporation, as agent (the "Agent") for the Lenders. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Loan Agreement.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, an _____% interest in and to all of the Assignor's rights and obligations under the Loan Documents as of the Effective Date (as hereinafter defined). The amount of the Assignor's Commitment being purchased by and assigned to the Assignee as of the Effective Date is \$_____.

2. The Assignor (i) represents that as of the date hereof, its Commitment Percentage (without giving effect to assignments thereof which have not yet become effective) is _____%, and the outstanding balance of the Loan owing to the Assignor under the Note held by the Assignor (unreduced by any assignments thereof which have not yet become effective) is \$_____; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Loan Documents or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any other instrument or document furnished pursuant thereto, other than that the Assignor is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, or any other person which may be primarily or secondarily liable in respect of the Loan or the performance or observance by the Borrower, or any other person primarily or secondarily liable in respect of any of the obligations under any of the Loan Documents or any other instrument or document delivered or executed pursuant thereto; and (iv) attaches the Note delivered to it under the Loan Agreement and requests that the Borrower exchange such Note for a new Note payable to each of the Assignor and the Assignee as follows:

Note Payable to the Order of:

Amount of Note

(\$_____)

(\$_____)

3. The Assignee (i) represents and warrants that it is legally authorized to enter into this Assignment and Acceptance; (ii) confirms that it has received a copy of the Loan Documents, together with copies of the most recent financial statements delivered pursuant to Sections 3.22 and 3.24 of the Loan Agreement and such other documents and information as the Assignee has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (iii) agrees that it will, independently and without reliance upon the Assignor, any other Lender or the Agent and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; (iv) confirms that it is an Eligible Assignee; (v) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers as are reasonably incidental thereto pursuant to the terms of the Loan Documents; (vi) agrees that it will perform all the obligations which by the terms of the Loan Documents are required to be performed by the Assignee as a Lender in accordance with the terms of the Loan Documents; (vi) specifies as to its address for notices the office set forth beneath its name on the signature page hereof; and (vii) certifies that: (a) it has sought independent legal counsel in connection with its purchase of a Commitment under the foregoing Construction Loan Agreement, (b) is properly licensed or exempt from licensing under Colorado law, or is not subject to the licensing requirements of Colorado law by reason of its acquisition of an interest in the Loan in the manner contemplated by this Assignment and Acceptance Agreement, and (c) if required to be licensed, is in compliance with the provisions of Colorado law. The undersigned Assignee hereby covenants not to sue the Agent and the other Lenders under the Loan Agreement for any loss or damage suffered or incurred by the undersigned as a result of any of the foregoing certifications being false. Notwithstanding anything to the contrary contained in the Construction Loan Agreement, the undersigned agrees that (i) its right to receive payments under the Construction Loan Agreement, including Liquidation Proceeds, shall be reduced by the amount of the Loan rendered unenforceable by reason of the undersigned's failure to comply with Colorado law regarding mortgage brokers, and (ii) the other Lenders shall have no obligation, as a result of the undersigned's failure to comply with Colorado law regarding mortgage brokers, to repay or disgorge or in any other way share with the undersigned any payments received by the other Lenders.

4. The effective date for this Assignment and Acceptance shall be _____, 200__ (the "Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Agent for acceptance and recording in the Register by the Agent. Upon such recordation, and prior to such assignment being effective the Assignee shall pay the Agent (for the Agent's own account) a registration fee in the sum of \$2,500.00.

5. Upon such acceptance and recording, from and after the Effective Date, (i) the Assignee shall be a party to the Loan Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder, and (ii) the Assignor shall, with respect to that portion of its interest under the Loan Documents assigned hereunder relinquish its future rights and be released from its future obligations under the Loan Documents but shall remain liable for all obligations which arose prior to such assignment.

6. Upon such acceptance and recording, from and after the Effective Date, the Agent shall make all payments in respect of the rights and obligations assigned hereby (including payments of principal, interest, fees and other amounts) to the Assignee. The

Assignor and Assignee shall make all appropriate adjustments in payments for periods prior to the Effective Date by the Agent or with respect to the making of this assignment directly between themselves.

7. THIS ASSIGNMENT AND ACCEPTANCE IS INTENDED TO TAKE EFFECT AS A SEALED INSTRUMENT TO BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF COLORADO.

IN WITNESS WHEREOF, intending to be legally bound, each of the undersigned has caused this Assignment and Acceptance to be executed on its behalf by its officer thereunto duly authorized, as of the date first above written.

ASSIGNOR:

By:
Name:
Title:

ASSIGNEE:

By:
Name:
Title:

Notice Address:

Attn:
Telephone No. :
Telecopier No.:

SCHEDULE XXI

FORM OF ELIGIBLE TRANSFEREE'S CERTIFICATE

CERTIFICATE

In connection with the purchase being made by the undersigned of a participation interest in or assignment of the loan (the "Loan") made by GMAC Commercial Mortgage Corporation, a California corporation, to Littleton Campus, LLC, a Maryland limited liability company (the "Borrower") as evidenced by a Promissory Note dated _____ and pursuant to a Construction Loan Agreement dated _____ (the "Loan Agreement"), the undersigned represents, warrants and covenants as follows:

- (1) The undersigned either:
- (a) is a "qualified institutional buyer" as defined in paragraph (a) of Rule 144A under the Securities Act of 1933, acting for its own account, the account of another "qualified institutional buyer", or the account of a "qualified purchaser" as defined in paragraph (b)(i)(2) below; provided that if the undersigned is a dealer described in paragraph (a)(1)(ii) of Rule 144A, the undersigned owns and invests on a discretionary basis at least \$25 million in securities of issuers that are not affiliated persons of such dealer, all within the meaning of Rule 2a51-1(g)(1) under the Investment Company Act of 1940 (the "Act"). (For purposes of making this determination, a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A, or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, is not deemed to be acting for its own account if investment decisions with respect to the plan are made by the beneficiaries of the plan, except with respect to investment decisions made solely by the fiduciary, trustee or sponsor of such plan.)

OR

- (b) (i)(1) is acting for its own account or (2) is acting for the account of individuals or entities each of which is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Act and the rules promulgated thereunder; (ii) owns and invests on a discretionary basis at least \$25,000,000 in "investments" (as defined in Section 2(a)(51)(A) of the Act and the rules promulgated thereunder), after deducting the amount of any outstanding indebtedness incurred to acquire or for the purpose of acquiring such investments; and (iii) was not formed for the specific purpose of acquiring an interest in the Loan.

OR

- (c) is a company (other than a trust) formed for the specific purpose of acquiring an interest in the Loan all the securities of which are beneficially owned by "qualified purchasers" as defined in paragraph (b)(i)(2) above.

(2) The undersigned acknowledges and agrees that the interest in the Loan is being purchased by the undersigned for its own account and not pursuant to a public offering and that such interest may only be sold or transferred in a manner that does not constitute a public offering to another entity that can deliver to the Borrower a certification to the effect set forth in paragraphs 1(a), (b) or (c) and 2 of this Certificate and otherwise in accordance with the Loan Agreement.

[Name of Proposed Transferee]

By: _____

Name: _____

Title: _____

SCHEDULE XXII

REPLACEMENT PROMISSORY NOTE

\$ _____ .00

Littleton, Colorado
_____, 200__

FOR VALUE RECEIVED, the undersigned LITTLETON CAMPUS, LLC, a Maryland limited liability company, having an address at 701 Maiden Choice Lane, Catonsville, MD 21228 (the "Borrower"), hereby promises to pay to the order of _____, having an address at _____, together with its successors and assigns or, if this Note has then been endorsed "to bearer", to the bearer of this Note (collectively the "Lender"), at Lender's said address or at such other place or to such other person as may be designated in writing to Borrower by Lender, the principal sum of _____ and 00/100 Dollars (\$ _____ .00) (the "Loan") or so much thereof as shall be advanced or re-advanced and remains outstanding (provided such outstanding principal balance of the Loan shall never exceed \$ _____) pursuant to the terms of a certain construction loan agreement of even date herewith by and between Borrower and Lender (the "Loan Agreement"), together with interest on the unpaid balance thereof at the rate hereinafter set forth. This Note is given in replacement of that certain Promissory Note dated March 29, 2006 from Borrower to GMAC COMMERCIAL MORTGAGE CORPORATION in the amount of \$83,000,000.

ON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

Section 1. Interest Rate.

1.1 Initial Note Rate and Initial Payment. Interest shall accrue on the outstanding principal balance of the Loan from and after the date hereof ("**Closing Date**") at the rate of seven and five eights percent (7.625%) per annum ("**Initial Note Rate**") until the last day of the month prior to the first Note Rate Adjustment Date (as defined below). Interest for the period beginning on the Closing Date and ending on and including the last day of the month in which this Note is dated shall be due and payable on the date hereof ("**Initial Interest Period**").

1.2 Calculation Basis; Interest Accrual Period. Interest on the outstanding principal balance of the Loan shall be calculated utilizing a 365 day year and shall be paid for the actual number of days elapsed for any whole or partial month in which interest is being calculated. Except for the Initial Interest Period, interest shall accrue at the Note Rate, from the period beginning on the first (1st) day of the month prior to the Payment Date (defined in Section 2.1 below), through and including the last day of the month immediately prior to such Payment Date (each an "**Interest Accrual Period**").

1.3 Default Interest Rate. If Borrower fails to make any payment of principal, interest or fees on the date on which such payment becomes due and payable (taking into account any applicable grace, notice and/or cure periods) whether at maturity or by acceleration, or if an

Event of Default exists, the Note Rate then payable on the Loan shall immediately increase to the Note Rate plus five hundred (500) basis points (the “**Default Rate**”) and shall continue to accrue at the Default Rate until full payment is received or such Event of Default is cured or waived in writing by Lender. Interest at the Default Rate shall also accrue on any judgment obtained by Lender in connection with collection of the Loan or enforcement of any obligations due under the Loan Documents until such judgment is paid in full.

1.4 Note Rate and Note Rate Adjustment Dates. The “**Note Rate**” shall mean an interest rate which is the average of London Interbank Offered Rates (“**LIBOR**”), in U.S. dollar deposits, for a term of one month determined solely by Lender on each Note Rate Adjustment Date (defined below) plus two and three quarters percent (2.75%) (“**Margin**”), which combined figure shall be rounded upwards to the nearest one-eighth percent (.125%). On each Note Rate Adjustment Date, Lender will obtain the close-of-business LIBOR from “Page 3750” on the Telerate Service (or such other page as may replace Page 3750 on that service) on the Note Rate Adjustment Date. If Telerate Service ceases publication or ceases to publish LIBOR, Lender shall select a comparable publication to determine the LIBOR and provide notice thereof to Borrower. LIBOR may or may not be the lowest rate based upon the market for U.S. dollar deposits in the London Interbank Eurodollar Market at which Lender prices loans on the date on which LIBOR is determined by Lender as set forth above. Adjustments to the Note Rate in connection with changes in LIBOR shall be determined two (2) Business Days prior to the beginning of any Interest Accrual Period and shall become effective at the beginning of such Interest Accrual Period (each “**Note Rate Adjustment Date**”) except that the Initial Note Rate shall be determined two (2) Business Days prior to the Closing Date.

1.5 Adjustments due to Calculation Errors. This Note shall bear interest at the Initial Note Rate and Note Rate as determined in accordance with the provisions hereof; provided, however, that, if Lender at any time determines, in the sole but reasonable exercise of its discretion that it has miscalculated the amount of the monthly payment of principal and/or interest (whether because of a miscalculation of the Initial Note Rate, the Note Rate or otherwise), Lender shall give notice to Borrower of the corrected amount of such monthly payment (and the corrected amount of the Note Rate, if applicable) and (a) if the corrected amount of such monthly payment represents an increase thereof, Borrower shall, within ten (10) calendar days after the date of such notice, pay to Lender any sums that Borrower would have otherwise been obligated under this Note to pay to Lender had the amount of such monthly payment not been miscalculated or (b) if the corrected amount of such monthly payment represents a decrease thereof, and Borrower is not in breach or default under any of the terms and provisions of the Note, the Loan Agreement or any of the other Loan Documents, Borrower shall, within ten (10) calendar days thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of such monthly payment not been miscalculated.

1.6 LIBOR Unascertainable. Lender’s obligation to maintain interest based on LIBOR shall be suspended and the Note Rate shall be based on the Interest Rate Index (as defined below) plus Margin upon Lender’s determination, in good faith, that adequate and reasonable means do not exist for ascertaining LIBOR or that a contingency has occurred which materially and adversely affects the London Interbank Eurodollar Market at which Lender prices loans (which determination by Lender shall be conclusive and binding on Borrower in the

absence of manifest error). Computation of the Note Rate based on the Interest Rate Index shall continue until Lender determines that the circumstances giving rise to Lender's substitution of the Interest Rate Index for LIBOR no longer exists and Lender shall promptly notify Borrower of such determination. For purposes hereof "**Interest Rate Index**" shall mean the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board forty-five (45) days prior to each Note Rate Adjustment Date.

1.7 Adjustment for Impositions on Loan Payments. All payments made by Borrower under the Loan Documents shall be made free and clear of, and without deduction or withholding for or on account of, any income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, hereafter imposed, levied, collected, withheld or assessed by any governmental or taxing authority (other than taxes on the overall net income or overall gross receipts of Lender imposed as a result of a present or former connection between Lender and the jurisdiction of the government or taxing authority imposing such taxes, provided, however, that this exclusion shall not apply to a connection arising solely from Lender's having executed, delivered, performed its obligations under, received a payment under, or enforced any of the Loan Documents). If any such amounts are required to be withheld from amounts payable to Lender, the amounts payable to Lender under these Loan Documents shall be increased to the extent necessary to yield to Lender, after payment of such amounts, interest or any such other amounts payable at the rates or in the amounts specified herein. If any such amounts are payable by Borrower, Borrower shall pay all such amounts by their due date and shall promptly send Lender a certified copy of an original official receipt showing payment thereof. If Borrower fails to pay such amounts when due or to deliver the required receipt to Lender, Borrower shall indemnify Lender for any incremental taxes, interest or penalties that may become payable by Lender as a result of any such failure.

1.8 Increased Costs of Maintaining Interest. Borrower shall pay to Lender all Funding Losses (as hereinafter defined) incurred from time to time by Lender upon demand. Lender shall deliver to Borrower a statement for any such sums to which Lender is entitled to receive pursuant to this Section 1.8, which statement shall be binding and conclusive absent manifest error. Payment of Funding Losses hereunder shall be in addition to any obligation to pay any other fee in circumstances where such fee(s) would be due and owing under the Loan Documents. For purposes hereof, "**Funding Losses**" shall mean the reduction of any amounts received or receivable from Borrower, in either case, due to the introduction of, or any change in, law or applicable regulation or treaty (including the administration or interpretation thereof), whether or not having the force of law, or due to the compliance by Lender with any directive, whether or not having the force of law, or request from any central bank or domestic or foreign governmental authority.

1.9 Acceleration. Notwithstanding anything to the contrary contained herein, if Borrower is prohibited by law from paying any amount due to Lender under Section 1.7 or Section 1.8 hereof, Lender may elect to declare the unpaid principal balance of the Loan, together with all unpaid interest accrued thereon and any other amounts due hereunder, due and payable within one hundred twenty (120) days of Lender's written notice to Borrower. Lender's delay or failure in accelerating the Loan upon the discovery or occurrence of an event under

Section 1.7 or Section 1.8 shall not be deemed a waiver or estoppel against the exercise of such right.

1.10 Interest Rate Hedge. Unless Borrower (or one of its affiliates on behalf of Borrower) has otherwise purchased an interest rate cap as protection against interest rate fluctuations under the Loan reasonably acceptable to Lender, at Lender's request at any time during the term of the Loan, Borrower shall obtain, and shall assign for the benefit of Lender, an interest rate cap as protection against interest rate fluctuations under the Loan which (1) will be in effect for a term approved by Lender and shall provide for payments whenever LIBOR exceeds a strike price determined by Lender in its sole discretion, (2) shall be in a notional amount equal to the original stated principal amount of the Note and (3) shall otherwise satisfy all interest rate cap requirements of Lender then in effect.

Section 2. Note Payments, Repayment and Prepayment Rights.

2.1 Payment Dates. Commencing on May 1, 2006 and continuing on the first day of each month thereafter (each a "Payment Date"), through and including the Payment Date immediately prior to the Maturity Date, Borrower shall pay (x) monthly payments of interest at the Note Rate (in effect as of the immediately preceding Note Rate Adjustment Date) based on principal outstanding during the Interest Accrual Period immediately prior to the applicable Payment Date and (y) any amounts due under the Loan Documents including, without limitation, those amounts described in Section 2.2 below. If any Payment Date is not a Business Day, such payment shall be due and payable on the immediately preceding Business Day.

2.2 Repayments. The outstanding principal amount of this Note shall be repaid, on the fifteenth (15th) day and thirtieth (30th) day of each calendar month, from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits as described in the Loan Agreement, and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. Except as otherwise set forth above, Borrower may only repay the Loan in whole or in part on any Payment Date so long as each of the following conditions are satisfied:

- (A) Borrower provides at least ten (10) days written notice to Lender of its intent to repay prior to the intended repayment date which must be a Payment Date.
- (B) Borrower pays with such repayment all accrued interest through the end of the current Interest Accrual Period and all other outstanding amounts then due and unpaid under the Loan Agreement and the other Loan Documents.
- (C) Borrower pays with such repayment all costs and expenses incurred by Lender in connection with such repayment, as determined by Lender in its sole discretion, and any other costs and expenses due and payable by Borrower under the Loan Documents.

Section 3. Application of Payments. Payments made by Borrower on account hereof shall be applied, first, toward any Late Fees (defined in Section 8.3 below) or other fees and charges due hereunder, second, toward payment of any interest due at the Default Rate, third, toward payment of any interest due at the then applicable Note Rate set forth in Section 1.4 above, and fourth, toward payment of principal. Notwithstanding the foregoing, if any advances made by Lender under the terms of any instruments securing this Note have not been repaid, any payments made may, at the option of Lender, be applied, first, to repay such advances and interest thereon, with the balance, if any, applied as set forth in the preceding sentence.

Section 4. Maturity Date. Anything in this Note to the contrary notwithstanding, the entire unpaid balance of the principal amount hereof and all interest accrued thereon through the end of the current Interest Accrual Period and including interest accruing at the Default Rate, to and including the Maturity Date (as defined below) together with all fees, costs and amounts due and payable under the Loan Documents shall, unless sooner paid, and except to the extent that payment thereof is sooner accelerated, shall be and become due and payable on March ____, 2009, (the “**Maturity Date**”), provided that if the Maturity Date is not a Business Day, such payment shall be due and payable on the immediately preceding Business Day

Section 5. Extension of Maturity Date.

- (i) Extension Option. Borrower has the right to extend the Maturity Date of the Loan for two (2) additional terms (each an “**Extension Term**”), with the first additional term having twenty-four (24) months (“**First Extension Term**”) and extending the Maturity Date to March ____, 2011 (“**First Extended Maturity Date**”), and the second additional term having twenty-four (24) months (“**Second Extension Term**”) and extending the First Extended Maturity Date to March ____, 2013 (“**Second Extended Maturity Date**”). Upon Borrower’s proper and timely exercise of its rights under this Section 5, the term “**Maturity Date**” shall be deemed to be the First Extended Maturity Date and, as applicable, the Second Extended Maturity Date.
- (ii) Conditions Precedent to Maturity Date Extension. Each of the following conditions must be satisfied in a manner acceptable to Lender (or waived in writing by Lender) as a condition precedent to extension of the Maturity Date:
 - (A) Borrower delivers written notice to Lender not more than sixty (60) days and not less than thirty (30) days prior to the expiring Maturity Date advising that Borrower is exercising its Extension Option.
 - (B) Construction of each Construction Phase (as described in the Loan Agreement) has been or is being completed in accordance with the Plans and Specifications (as described in the Loan Agreement) and Projected Completion Costs

(as described in the Loan Agreement) as approved in all respects by Lender and the Construction Inspector (as defined in the "Loan Agreement").

- (C) Borrower has timely satisfied all requirements and conditions for the final advance for each Construction Phase as more particularly described in Article V and Schedule II of the Loan Agreement.
 - (D) No Event of Default exists and no event or condition exists that would be an Event of Default if notice had been given or applicable grace/cure periods had expired (or both), as of the date Borrower exercises such extension option and as of the commencement date of the relevant Extension Term.
 - (E) Borrower provides evidence, acceptable to Lender, that the sum of all Initial Entrance Deposits (as defined in Section 2.2 above) received by Borrower on or before the Maturity Date is no less than ninety percent (90%) of the sum of Initial Entrance Deposits at the Maturity Date shown on Borrower's final cash flow pro-forma projections for the Project (as defined in the Loan Agreement) as submitted and approved by Lender on or prior to the date hereof.
 - (F) Borrower executes and delivers to Lender an amendment to this Note, acceptable to Lender in all respects, which confirms the date to which the Maturity Date has been extended, the principal and interest amounts payable during the Extension Term, payment of the Usage Fee (described in Section 11 below) and such other matters as Lender may require.
 - (G) Borrower reimburses Lender for all costs reasonably incurred by Lender in processing the extension request, including, without limitation, reasonable legal fees.
- (iii) Commencing on the first Payment Date occurring during the Extension Term and continuing on each Payment Date thereafter, through and including the Payment Date immediately prior to the Maturity Date, Borrower shall make monthly payments consisting of accrued interest at the applicable Note Rate based on principal outstanding during the Interest Accrual Period, except for purposes of calculating the Note Rate for the Extension Term, the Margin shall be adjusted to reflect Lender's underwriting and pricing criteria then in effect for new loan originations as determined by Lender in its sole discretion.

Section 6. Delivery of Payments. All payments due to Lender under the Loan Documents are to be paid in immediately available funds to Lender at Lender's office located at 200 Witmer Road, P.O. Box 809, Horsham, Pennsylvania 19044, Attn: Servicing - Accounting Manager, or at such other place as Lender may designate to Borrower in writing from time to time. All amounts due under the Loan Documents shall be paid without setoff, counterclaim or any other deduction whatsoever. No payment due under this Note or any of the other Loan Documents shall be deemed paid to Lender until received by Lender at its designated office on a Business Day prior to 2:00 p.m. Eastern Standard Time. Any payment received after the time established by the preceding sentence shall be deemed to have been paid on the immediately following Business Day. Each payment that is paid to Lender within ten (10) days prior to the date on which such payment is due, and prior to its scheduled Payment Date, shall not be deemed a prepayment and shall be deemed to have been received on the Payment Date solely for the purpose of calculating interest due. If any payment received by Lender is deemed by a court of competent jurisdiction to be a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, and is required to be returned by Lender, then the obligation to make such payment shall be reinstated, notwithstanding that the Note may have been marked satisfied and returned to Borrower or otherwise canceled, and such payment shall be immediately due and payable upon demand.

Section 7. Security.

The debt evidenced by this Note is to be secured by, among other things, (a) a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (collectively, the **"Deed of Trust"**) of even date herewith by Borrower for the benefit of Lender, and intended to be recorded in the office of the land records of, Douglas County, Colorado, covering certain real property which is described in Exhibit "A" to the Deed of Trust, and (b) a Guaranty (Full Payment and Performance) of even date herewith (the **"Guaranty Agreement"**), given by Erickson Retirement Communities, LLC, a Maryland limited liability company and Erickson Group, LLC, a Maryland limited liability company (individually and collectively, the **"Guarantor"**), for the benefit of Lender.

Section 8. Default.

8.1 Events of Default. Anything in this Note to the contrary notwithstanding, on the occurrence of any of the following events (each of which is referred to herein, together with each of the Events of Default defined and described in the Loan Agreement and the Deed of Trust as an **"Event of Default"**), Lender may, in the exercise of its sole and absolute discretion, accelerate the debt evidenced by this Note, in which event the entire outstanding principal balance and all interest and fees accrued thereon shall immediately be and become due and payable without further notice:

8.1.1 Failure to Pay or Perform. If (a) any payment of principal and interest is not paid in full on or before the Payment Date on which such payment is due, and such failure continues for five (5) days after the applicable Payment Date, (b) if unpaid principal, accrued but unpaid interest and all other amounts outstanding under the Loan Documents (defined below) are not paid in full on or before the Maturity Date or (c) there exists an uncured default under any

other document or instrument evidencing or securing the Loan (collectively, the “**Loan Documents**”) which has been executed by Borrower and/or Guarantor or any other party to the Loan Documents, and such default is not cured within the grace or cure period, if any, provided in any of such Loan Documents.

8.1.2 Bankruptcy.

(a) If Borrower or Guarantor (i) applies for or consents to the appointment of a receiver, trustee or liquidator of Borrower or Guarantor, as the case may be, or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with creditors or seeking to take advantage of any insolvency law, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against Borrower or Guarantor in any bankruptcy, reorganization or insolvency proceeding; or

(b) if (i) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating Borrower or Guarantor a bankrupt or an insolvent, or approving a receiver, trustee or liquidator of Borrower or Guarantor or of all or a substantial part of its assets, or (ii) there otherwise commences with respect to Borrower or Guarantor or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or like law or statute, and if such order, judgment, decree or proceeding continues unstayed for any period of sixty (60) consecutive days after the expiration of any stay thereof.

8.1.3 Judgments. If any judgment for the payment of money in excess of \$100,000.00 hereafter awarded against Borrower or Guarantor by any court of competent jurisdiction remains unsatisfied or otherwise in force and effect for a period of thirty (30) days after the date of such award.

8.2 No Impairment of Rights. Nothing in this Section shall be deemed in any way to alter or impair any right which Lender has under this Note or the Deed of Trust, or any other Loan Documents, or at law or in equity, to accelerate such debt on the occurrence of any other Event of Default provided herein or therein, whether or not relating to this Note.

8.3 Late Fees. Without limiting the generality of the foregoing provisions of this Section, if any payment due on a Payment Date is not received in full on or before the Payment Date, Borrower shall pay to Lender, immediately and without demand, a late payment charge, for each month during which such payment delinquency exists, equal to five percent (5%) of such amount (“**Late Fees**”) to defray the expenses incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of use of such delinquent payment.

Section 9. Costs of Enforcement. Borrower shall pay to Lender on demand the amount of any and all expenses incurred by Lender (a) in enforcing its rights hereunder or under the Deed of Trust and/or the Loan Documents, (b) as the result of the occurrence of an Event of

Default by Borrower in performing its obligations under this Note, including but not limited to the expense of collecting any amount owed hereunder, and of any and all reasonable attorneys' fees incurred by Lender in connection with such default, whether suit be brought or not, and (c) in protecting the security for the Loan and Borrower's obligations under the Loan Documents. Such expenses shall be added to the principal amount hereof, shall be secured by the Deed of Trust and shall accrue interest at the Default Rate.

Section 10. Borrower's Waiver of Certain Rights. Borrower and any endorser, guarantor or surety hereby waives the exercise of any and all exemption rights which it holds at law or in equity with respect to the debt evidenced by this Note, and of any and all rights which it holds at law or in equity to require any valuation, appraisal or marshalling, or to have or receive any presentment, protest, demand and notice of dishonor, protest, demand and nonpayment as a condition to Lender's exercise of any of its rights under this Note or the Loan Documents.

Section 11. Usage Fee. Commencing with the third (3rd) year of the Loan and continuing during each Extension Term, Borrower shall pay to Lender, on an annual basis in arrears, an amount equal to one eighth of one percent (.125%) of the outstanding principal balance of the Loan ("Usage Fee") and Lender's calculation of such Usage Fee shall be deemed conclusive absent manifest error.

Section 12. General.

12.1 Applicable Law. This Note shall be given effect and construed by application of the laws of the State of Colorado (without regard to the principles thereof governing conflicts of laws), and any action or proceeding arising hereunder, and each of Lender and Borrower submits (and waives all rights to object) to non-exclusive personal jurisdiction in the State of Colorado, for the enforcement of any and all obligations under the Loan Documents except that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Colorado or any successor federal court having original jurisdiction.

12.2 Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

12.3 Construction. As used herein, (a) the term "**person**" means a natural person, a trustee, a corporation, a limited liability company, a partnership and any other form of legal entity, and (b) all references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (iii) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Note.

12.4 Severability. No determination by any court, governmental body or otherwise that any provision of this Note or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision or (b) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

12.5 No Waiver. Lender shall not be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing. No delay or omission by Lender in exercising any such right (and no allowance by Lender to Borrower of an opportunity to cure a default in performing its obligations hereunder) shall be deemed a waiver of its future exercise. No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Further, acceptance by Lender of all or any portion of any sum payable under, or partial performance of any covenant of, this Note, the Deed of Trust or any of the other Loan Documents, whether before, on, or after the due date of such payment or performance, shall not be a waiver of Lender's right either to require prompt and full payment and performance when due of all other sums payable or obligations due thereunder or hereunder or to exercise any of Lender's rights and remedies hereunder or thereunder.

12.6 Waiver of Jury Trial; Service of Process; Court Costs. **BORROWER AND LENDER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH BORROWER AND LENDER MAY BE PARTIES ARISING OUT OF, IN CONNECTION WITH, OR IN ANY WAY PERTAINING TO, THIS NOTE AND/OR ANY OF THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER, UPON CONSULTATION WITH COUNSEL OF BORROWER'S CHOICE, AND BORROWER HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. BORROWER FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. BORROWER HEREBY IRREVOCABLY DESIGNATES THE CORPORATION COMPANY, AS THE TRUE AND LAWFUL ATTORNEY OF BORROWER FOR THE PURPOSE OF RECEIVING SERVICE OF ALL LEGAL NOTICES AND PROCESS ISSUED BY ANY COURT IN THE STATE OF COLORADO AS WELL AS SERVICE OF ALL PLEADINGS AND OTHER DOCUMENTS RELATED TO ANY LEGAL PROCEEDING OR ACTION ARISING OUT OF THIS NOTE. BORROWER AGREES THAT SERVICE UPON THE CORPORATION COMPANY SHALL BE VALID REGARDLESS OF BORROWER'S WHEREABOUTS AT THE TIME OF SUCH SERVICE AND**

REGARDLESS OF WHETHER BORROWER RECEIVES A COPY OF SUCH SERVICE, PROVIDED THAT LENDER SHALL HAVE MAILED A COPY TO BORROWER IN ACCORDANCE WITH THE NOTICE PROVISIONS HEREIN. BORROWER AGREES TO PAY ALL COURT COSTS AND REASONABLE ATTORNEY'S FEES INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY PROVISION OF THIS NOTE. NOTWITHSTANDING THE FOREGOING, LENDER AGREES TO USE REASONABLE EFFORTS TO PROVIDE BORROWER WITH NOTICE OF THE FILING OF ANY LAWSUIT BY LENDER AGAINST BORROWER.

12.7 Offset. Upon the occurrence of an Event of Default, Lender may set-off against any principal and interest owing hereunder, any and all credits, money, stocks, bonds or other security or property of any nature whatsoever on deposit with, or held by, or in the possession of, Lender, to the credit of or for the account of Borrower, without notice to or consent of Borrower or Guarantor.

12.8 Non-Exclusivity of Rights and Remedies. None of the rights and remedies herein conferred upon or reserved to Lender is intended to be exclusive of any other right or remedy contained herein or in any of the other Loan Documents and each and every such right and remedy shall be cumulative and concurrent, and may be enforced separately, successively or together, and may be exercised from time to time as often as may be deemed necessary or desirable by Lender.

12.9 Incorporation by Reference. All of the agreements, conditions, covenants and provisions contained in each of the Loan Documents are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. Borrower covenants and agrees to keep and perform, or cause to be kept and performed, all such agreements, conditions, covenants and provisions strictly in accordance with their terms.

12.10 Joint and Several Liability. [INTENTIONALLY DELETED]

12.11 Business Purpose. Borrower represents and warrants that the Loan evidenced by this Note is being obtained solely for the purpose of acquiring or carrying on a business, professional or commercial activity and is not for personal, agricultural, family or household purposes.

12.12 Interest Limitation. Notwithstanding anything to the contrary contained herein or in the Deed of Trust or in any other of the Loan Documents, the effective rate of interest on the obligation evidenced by this Note shall not exceed the lawful maximum rate of interest permitted to be paid. Without limiting the generality of the foregoing, in the event that the interest charged hereunder results in an effective rate of interest higher than that lawfully permitted to be paid, then such charges shall be reduced by the sum sufficient to result in an effective rate of interest permitted and any amount which would exceed the highest lawful rate already received and held by Lender shall be applied to a reduction of principal and not to the payment of interest. Borrower agrees that for the purpose of determining highest rate permitted by law, any non-principal payment (including, without limitation, Late Fees and other fees) shall be deemed, to the extent permitted by law, to be an expense, fee or premium rather than interest.

12.13 Modification. This Note may be modified, amended, discharged or waived only by an agreement in writing signed by the party against whom enforcement of such modification, amendment, discharge or waiver is sought.

12.14 Time of the Essence. Time is strictly of the essence of this Note.

12.15 Negotiable Instrument. Borrower agrees that this Note shall be deemed a negotiable instrument, even though this Note may not otherwise qualify, under applicable law, absent this paragraph, as a negotiable instrument.

12.16 Interest Rate After Judgment. If judgment is entered against Borrower on this Note, the amount of the judgment entered (which may include principal, interest, fees, Late Fees and costs) shall bear interest at the Default Rate, to be determined on the date of the entry of the judgment.

12.17 Relationship. Borrower and Lender intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Note or in any of the other Loan Documents shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between Borrower and Lender.

12.18 Waiver of Automatic Stay. **BORROWER HEREBY AGREES THAT, IN CONSIDERATION OF LENDER'S AGREEMENT TO MAKE THE LOAN AND IN RECOGNITION THAT THE FOLLOWING COVENANT IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN, IN THE EVENT THAT BORROWER SHALL (A) FILE WITH ANY BANKRUPTCY COURT OF COMPETENT JURISDICTION OR BE THE SUBJECT OF ANY PETITION UNDER ANY SECTION OR CHAPTER OF TITLE 11 OF THE UNITED STATES CODE, AS AMENDED (THE "BANKRUPTCY CODE")**, OR SIMILAR LAW OR STATUTE; **(B) BE THE SUBJECT OF ANY ORDER FOR RELIEF ISSUED UNDER THE BANKRUPTCY CODE OR SIMILAR LAW OR STATUTE; (C) FILE OR BE THE SUBJECT OF ANY PETITION SEEKING ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR OTHER RELIEF FOR DEBTORS; (D) HAVE SOUGHT OR CONSENTED TO OR ACQUIESCED IN THE APPOINTMENT OF ANY TRUSTEE, RECEIVER, CONSERVATOR, OR LIQUIDATOR; OR (E) BE THE SUBJECT OF AN ORDER, JUDGMENT OR DECREE ENTERED BY ANY COURT OF COMPETENT JURISDICTION APPROVING A PETITION FILED AGAINST ANY BORROWER FOR ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY OR RELIEF FOR DEBTORS, THEN, TO THE EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO COURT APPROVAL, LENDER SHALL THEREUPON BE ENTITLED, AND BORROWER HEREBY IRREVOCABLY CONSENTS TO, AND WILL NOT CONTEST, AND AGREES TO STIPULATE TO, RELIEF FROM ANY AUTOMATIC STAY OR OTHER INJUNCTION IMPOSED BY SECTION 362 OF THE BANKRUPTCY CODE OR**

SIMILAR LAW OR STATUTE (INCLUDING, WITHOUT LIMITATION, RELIEF FROM ANY EXCLUSIVE PERIOD SET FORTH IN SECTION 1121 OF THE BANKRUPTCY CODE) OR OTHERWISE, ON OR AGAINST THE EXERCISE OF THE RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO LENDER AS PROVIDED IN THE LOAN DOCUMENTS, AND AS OTHERWISE PROVIDED BY LAW, AND BORROWER HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO OBJECT TO SUCH RELIEF.

12.19 “Business Day”. Any reference to the term Business Day in this Note shall mean any day other than a Saturday, a Sunday, or days when Federal Banks located in the State of New York or Commonwealth of Pennsylvania are closed for a legal holiday or by government directive. When used with respect to the Note Rate Adjustment Date, “Business Day” shall mean a day upon which United States dollar deposits may be dealt in on the London and New York City interbank markets and commercial banks and foreign exchange markets are open in London and New York City.

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IN WITNESS WHEREOF, Borrower has executed and sealed this Note or caused it to be executed and sealed on its behalf by its duly authorized representatives, the day and year first above written, and the obligations under this Note shall be binding upon Borrower's successors and assigns.

BORROWER:

LITTLETON CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a
Maryland limited liability company,
Member

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

ACKNOWLEDGED BY GUARANTOR THIS
_____ day of _____, 200__:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: _____
Gerald F. Doherty
Executive Vice President

ERICKSON GROUP, LLC, a Maryland limited liability company

By: _____
Jeffery A. Jacobson
Treasurer

SUBORDINATION AGREEMENT
(John and Nancy Erickson)

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of the 29th day of March, 2006 in favor of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Lender"), by LITTLETON CAMPUS, LLC, a Maryland limited liability company (the "Borrower"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("ERC"), ERICKSON GROUP, LLC, a Maryland limited liability company ("EG") (ERC and EG being hereinafter collectively referred to as the "Guarantors"), and EG, JOHN C. ERICKSON and NANCY A. ERICKSON, residents of West Palm Beach, Florida (collectively, the "Creditors") (EG being both a Guarantor and a Creditor for purposes of all provisions in which those terms are used herein).

RECITALS

A. The Borrower has requested a revolving construction loan up to \$83,000,000.00 (the "Loan") from Lender, pursuant to the terms of a Construction Loan Agreement between Lender and the Borrower dated of even date herewith (the "Loan Agreement"). The Loan is evidenced by a Promissory Note from the Borrower dated of even date herewith (the "Note"), is guaranteed by the Guarantors pursuant to a Guaranty Agreement of even date herewith (the "Guaranty") and is secured by, among other things, a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Deed of Trust") upon property located in Douglas County, Colorado and commonly known as 3330 West County Line Road, Highlands Ranch, Colorado (the "Land") owned by the Borrower. The Borrower intends to use the proceeds of the Loan to fund the construction of a retirement community (the "Retirement Community") on the Land. The Land is leased to Wind Crest, Inc., a Maryland non-profit corporation ("WC") by the Borrower, and WC has entered into an agreement with ERC for management of the Retirement Community. Construction services with respect to the Retirement Community will be provided by Erickson Construction, LLC, a Maryland limited liability company, pursuant to an agreement with Borrower. As used in this Agreement, (i) the term "Obligations" means all past, present, and future indebtedness, liabilities, and obligations of any nature whatsoever of the Borrower or any of the Guarantors to Lender in connection with the Loan pursuant to the terms of the Loan Agreement, the Note, the Guaranty and the "Loan Documents"; and (ii) the term "Loan Documents" shall have the meaning set forth in the Loan Agreement, and shall include, without limitation, the Loan Agreement, the Note, the Guaranty and the Deed of Trust. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditors, the Borrower and the Guarantors have various contracts, leases, loans, obligations and credit arrangements among themselves. As used in this Agreement, (i) the term "Subordinated Indebtedness" means all past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing by the Borrower or any of the Guarantors

to any of the Creditors, whether as a member or otherwise; and (ii) the term "Subordinated Documents" means collectively any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

C. As a condition of making the Loan, Lender has required that the Creditors agree to subordinate their rights under the Subordinated Documents in accordance with the terms and conditions set forth herein.

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

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Creditors by the Borrower and/or any of the Guarantors under the Subordinated Documents, including but not limited to any amounts or claims of the type described in Section 8.10 of the Loan Agreement, shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to Lender under the Loan Documents, and the Creditors agree that all claims of Lender shall be paid in full before any payment may be made on all or any portion of the Subordinated Indebtedness; provided, however, that so long as (a) no Default has occurred and is continuing under the Loan Documents, and (b) no Event of Default has occurred under the Loan Documents, and except as may be otherwise prohibited in the Loan Agreement, the Borrower may: (i) make payments when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been approved by Lender, any payments permitted under the Loan Agreement and any others as may be reviewed and approved by Lender after the date hereof, in writing; and (ii) pay compensation to John Erickson in an amount that is reasonable and customary for Chief Executive Officers of comparable size companies in similar industries. Upon the occurrence of a Default which is continuing under the Loan Documents, or upon the occurrence of an Event of Default under the Loan Documents, the Creditors agree not to bring or take any action to enforce any claim or claims under the Subordinated Documents or to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Borrower and the Guarantors agree not to pay to any of the Creditors, any such claim or claims. All sums received by the Creditors from the Borrower or Guarantors following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantors under the Subordinated Documents, and/or (y) proceeds realized from the Creditors' exercise of their remedies under the Subordinated Documents, shall be delivered to Lender, if delivered prior to the occurrence of an Event of Default, until an Event of Default has occurred under the Loan Documents, and after the occurrence of an Event of Default to be applied first to the Obligations; provided that if any sums are delivered to Lender prior to the cure of a curable Default under the Loan Documents, Lender shall return such funds to the party entitled thereto after such Default has been cured in accordance with the terms of the Loan Documents and unless another Default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Creditors further agree that the Subordinated Documents and all liens and security interests created thereby are and shall be subordinate and inferior to the Loan Documents and all liens and security interests created thereby in favor of Lender.

3. Collateral Assignment. For the sole purpose of securing the performance by the Creditors of the provisions of this Agreement, the Creditors assign, pledge, and grant to Lender a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of Lender, the Creditors shall endorse, assign, and deliver to Lender, in a manner acceptable to Lender all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Subordinated Indebtedness. In the event of the failure of any of the Creditors to make any such endorsement, assignment, or delivery, Lender, or any of its officers or employees, is hereby appointed attorney-in-fact of the Creditors and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the death or disability of any of the Creditors.

4. Primacy of Lender's Claims as Against the Creditors. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Borrower or any of the Guarantors under any bankruptcy or insolvency law or other laws relating the relief of debtors, Lender's claims against the assets of the Borrower and the Guarantors shall be paid in full before any payment is made by or on behalf of the Borrower or any of the Guarantors to any of the Creditors. The Creditors, the Borrower and the Guarantors agree that the Lender may collect the Creditors' claims directly from any trustee appointed in such proceeding. The Creditors agree to furnish all assignments, powers or other documents requested by Lender to facilitate such direct collection by Lender.

5. Collection of Claims of the Creditors. The Creditors agree to pay over to Lender on account of the claim or claims of Lender against the Borrower and the Guarantors any funds that may be received by any of the Creditors from the Borrower and/or the Guarantors, or for or on behalf of the Borrower and/or the Guarantors, at any time the Creditors are not allowed to receive and hold the same under Section 1 of this Agreement. The Creditors further agree not to sell, assign, transfer, or endorse any of their claims under the Subordinated Documents or any of their interests in and to the Subordinated Indebtedness to anyone without the prior written consent of Lender, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements, or to take any lien or security on any of the Borrower's or Guarantors' property at any time (other than any liens or security taken as of the date hereof).

6. Continuance of Agreement. This Subordination Agreement and the obligations of the Creditors, the Borrower and the Guarantors and the rights and privileges of Lender hereunder shall continue until payment in full of all amounts due under the Loan Documents. This Subordination Agreement shall be binding upon the personal representatives, successors and assigns of the Creditors, the Borrower and the Guarantors and shall inure to the benefit of the successors, assigns and participants of Lender.

7. Waiver. Lender shall have uncontrolled power and discretion, without notice to the Creditors, to deal in any manner with any indebtedness, liability, interest, costs and expenses

payable by the Borrower and/or the Guarantors to Lender, and any security and guarantees therefor, including but not limited to release, surrender, extension, renewal, acceleration, compromise, or substitution. The Creditors hereby waive and agree not to assert against Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Creditors to be deemed a guarantor or surety.

8. Prepayment; Revision of Payment Terms. The Creditors shall not accept any prepayment, in whole or in part, of any amounts due to them in connection with the Subordinated Indebtedness and shall not revise the payment terms under the Subordinated Documents without the prior written consent of Lender.

9. Notice. The Creditors agree to notify Lender within ten (10) days after the occurrence of any breach or default under the Subordinated Documents.

10. Insolvency. The insolvency or bankruptcy of the Borrower or any of the Guarantors shall not affect this Subordination Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Creditors to Lender of any funds or property payable to the Creditors from the Borrower's and/or the Guarantors' assets not previously assigned to Lender.

11. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Subordinated Documents, the provisions contained in this Subordination Agreement shall govern.

12. Colorado Law. This Subordination Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance.

13. Counterparts. This document may be executed in Counterparts.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

LENDER:

GMAC COMMERCIAL MORTGAGE CORPORATION,
a California corporation

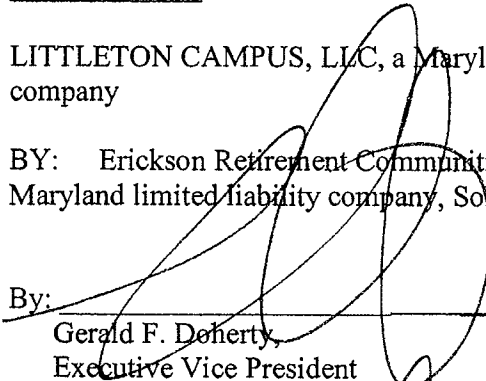
By: Catherine D. Hilbush
Catherine D. Hilbush
Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

BORROWER:

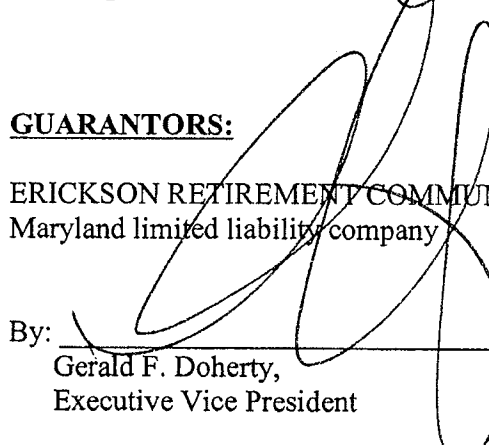
LITTLETON CAMPUS, LLC, a Maryland limited liability company

BY: Erickson Retirement Communities, LLC, a Maryland limited liability company, Sole Member

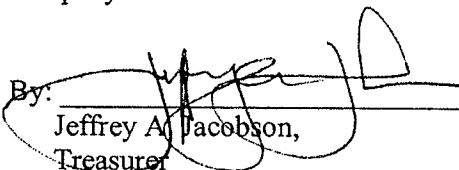
By: 
Gerald F. Doherty,
Executive Vice President

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company

By: 
Gerald F. Doherty,
Executive Vice President

ERICKSON GROUP, LLC, a Maryland limited liability company

By: 
Jeffrey A. Jacobson,
Treasurer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CREDITORS:

By: _____

John C. Erickson, Individually

By: _____

Nancy A. Erickson, Individually

[Creditors' Signatures Continued From Previous Page]

CREDITORS:

ERICKSON GROUP, LLC, a Maryland limited liability
company

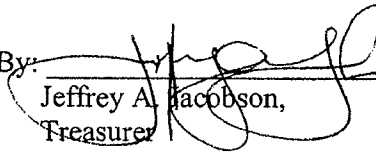
By:  _____
Jeffrey A. Jacobson,
Treasurer

EXHIBIT A

"Subordinated Documents which have been approved by Lender"

1. Erickson Retirement Communities, LLC Third Amended and Restated Operating Agreement dated June 18, 1999.
2. Erickson Group, LLC Operating Agreement consisting of the following:
 - (a) Second Amended and Restated Operating Agreement dated as of March 2, 1999.
 - (b) Amendment dated March 18, 1999.
 - (c) Amendment dated December 31, 2000.
 - (d) Amendment dated March 3, 2000.
 - (e) Amendment dated October 31, 2002.
 - (f) Amendment dated December 31, 2003.
 - (g) Amendment dated December 20, 2004.
 - (h) Amendment dated May 4, 2005.

EXHIBIT Q

SUBORDINATION AGREEMENT
(Wind Crest, Inc.)

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of the 29th day of March, 2006 in favor of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Lender"), by LITTLETON CAMPUS, LLC, a Maryland limited liability company (the "Borrower"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("ERC"), and ERICKSON GROUP, LLC, a Maryland limited liability company ("EG"), (Erickson and EG being hereinafter collectively referred to as the "Guarantors"), and WIND CREST, INC., a Maryland nonstock corporation ("WC") (WC being hereinafter sometimes referred to as the "Creditor").

RECITALS

A. The Borrower has requested a revolving construction loan up to \$83,000,000.00 (the "Loan") from Lender, pursuant to the terms of a Construction Loan Agreement between Lender and the Borrower dated of even date herewith (the "Loan Agreement"). The Loan is evidenced by a Promissory Note from the Borrower dated of even date herewith (the "Note"), is guaranteed by the Guarantors pursuant to a Guaranty Agreement of even date herewith (the "Guaranty") and is secured by, among other things, a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Deed of Trust") upon property located in Douglas County, Colorado and commonly known as 3330 West County Line Road, Highlands Ranch, Colorado (the "Land") owned by the Borrower. The Borrower intends to use the proceeds of the Loan for construction of a retirement community (the "Retirement Community") on the Land. The Land is leased to WC by the Borrower, and WC has entered into an agreement with ERC for management of the Retirement Community. As used in this Agreement, (i) the term "Obligations" means all past, present, and future indebtedness, liabilities, and obligations of any nature whatsoever of the Borrower or either of the Guarantors to Lender in connection with the Loan pursuant to the terms of the Loan Agreement, the Note, the Guaranty and the "Loan Documents"; and (ii) the term "Loan Documents" shall have the meaning set forth in the Loan Agreement, and shall include, without limitation, the Loan Agreement, the Note, the Guaranty and the Deed of Trust. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditor, the Borrower and the Guarantors have various contracts, leases, loans, obligations and credit arrangements among themselves, including, but not limited to, those certain loans to be made by Creditor to the Borrower pursuant to a Community Loan Agreement dated of even date herewith (the "Community Loan Agreement") and secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing on the land executed by Borrower in favor of Creditor and dated of even date herewith. As used in this Agreement, (i) the term "Subordinated Indebtedness" means all past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise,

including any and all loan advances, distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing by the Borrower or any of the Guarantors to the Creditor, whether as a member or otherwise, including, but not limited to, the obligations contained in the Community Loan Documents (as that term is defined in the Community Loan Agreement); and (ii) the term "Subordinated Documents" means collectively any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

C. As a condition of making the Loan, Lender has required that the Creditor agree to subordinate its rights under the Subordinated Documents in accordance with the terms and conditions set forth herein.

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

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Creditor by the Borrower and/or any of the Guarantors under the Subordinated Documents shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to Lender under the Loan Documents, and the Creditor agrees that all claims of Lender shall be paid in full before any payment may be made on all or any portion of the Subordinated Indebtedness; provided, however, that so long as (a) no Default has occurred and is continuing under the Loan Documents, and (b) no Event of Default has occurred under the Loan Documents, and except as may be otherwise prohibited in the Loan Agreement, the Borrower may (i) make payments to the Creditor when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been approved by Lender and any others as may be reviewed and approved by Lender and (ii) make payments to the Creditor for services rendered in the ordinary course of business, and which are not reflected in Subordinated Documents which have been reviewed and approved by Lender, provided such services are rendered at arms-length charges. Upon the occurrence of a Default which is continuing under the Loan Documents, or upon the occurrence of an Event of Default under the Loan Documents, the Creditor agrees not to bring or take any action to enforce any claim or claims under the Subordinated Documents or to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Borrower and the Guarantors agree not to pay to the Creditor, any such claim or claims. All sums received by the Creditor from Borrower or the Guarantors following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantors under the Subordinated Documents, and/or (y) proceeds realized from the Creditor's exercise of its remedies under the Subordinated Documents, shall be delivered to Lender, if delivered prior to the occurrence of an Event of Default, until an Event of Default has occurred under the Loan Documents, and after the occurrence of an Event of Default to be applied first to the Obligations; provided that if any sums are delivered to Lender prior to the cure of a curable Default under the Loan Documents, Lender shall return such funds to the party entitled thereto after such Default has been cured in

accordance with the terms of the Loan Documents and unless another Default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Creditor further agrees that the Subordinated Documents and all liens and security interests created thereby are and shall be subordinate and inferior to the Loan Documents and all liens and security interests created thereby in favor of Lender.

3. Collateral Assignment. For the sole purpose of securing the performance by the Creditor of the provisions of this Agreement, the Creditor assigns, pledges, and grants to Lender a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of Lender, the Creditor shall endorse, assign, and deliver to Lender in a manner acceptable to Lender all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Subordinated Indebtedness. In the event of the failure of the Creditor to make any such endorsement, assignment, or delivery, Lender, or any of its officers or employees, is hereby appointed attorney-in-fact of the Creditor and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the death or disability of the Creditor.

4. Primacy of the Lender's Claims as Against the Creditor. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Borrower or any of the Guarantors under any bankruptcy or insolvency law or other laws relating to the relief of debtors, Lender's claims against the assets of the Borrower and the Guarantors shall be paid in full before any payment is made by or on behalf of the Borrower or any of the Guarantors to the Creditor. The Creditor, the Borrower and the Guarantors agree that Lender may collect the Creditor's claims directly from any trustee appointed in such proceeding. The Creditor agrees to furnish all assignments, powers or other documents requested by Lender to facilitate such direct collection by Lender.

5. Collection of Claims of the Creditor. The Creditor agrees to pay over to Lender on account of the claim or claims of Lender against the Borrower and the Guarantors any funds that may be received by the Creditor from the Borrower and/or the Guarantors, or for or on behalf of the Borrower and/or the Guarantors, at any time the Creditor is not allowed to receive and hold the same under Section 1 of this Agreement. The Creditor further agrees not to sell, assign, transfer, or endorse any of its claims under the Subordinated Documents or any of its interests in and to the Subordinated Indebtedness to anyone without the prior written consent of Lender, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements, or to take any lien or security on any of the Borrower's or Guarantors' property at any time (other than any liens or security taken as of the date hereof).

6. Continuance of Agreement. This Subordination Agreement and the obligations of the Creditor, the Borrower and the Guarantors and the rights and privileges of Lender hereunder shall continue until payment in full of all amounts due under the Loan Documents. This Subordination Agreement shall be binding upon the personal representatives, successors and assigns of the Creditor, the Borrower and the Guarantors and shall inure to the benefit of the successors, assigns and participants of Lender.

7. Waiver. Lender shall have uncontrolled power and discretion, without notice to the Creditor, to deal in any manner with any indebtedness, liability, interest, costs and expenses payable by the Borrower and/or the Guarantors to Lender, and any security and guarantees therefor, including but not limited to release, surrender, extension, renewal, acceleration, compromise, or substitution. The Creditor hereby waives and agrees not to assert against Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Creditor to be deemed a guarantor or surety.

8. Prepayment; Revision of Payment Terms. The Creditor shall not accept any prepayment, in whole or in part, of any amounts due to them in connection with the Subordinated Indebtedness and shall not revise the payment terms under the Subordinated Documents without the prior written consent of Lender.

9. Notice. The Creditor agrees to notify Lender within ten (10) days after the occurrence of any breach or default under the Subordinated Documents.

10. Insolvency. The insolvency or bankruptcy of the Borrower or any of the Guarantors shall not affect this Subordination Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Creditor to Lender of any funds or property payable to the Creditor from the Borrower's and/or the Guarantors' assets not previously assigned to Lender.

11. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Subordinated Documents, the provisions contained in this Subordination Agreement shall govern.

12. Colorado Law. This Subordination Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance.

13. Agreement of Borrower and Guarantors. The Borrower and Guarantors join in this Agreement to evidence their consent hereto and agree to be bound by the terms hereof. The Borrower and Guarantors shall not take any action which would violate the provisions of this Agreement.

14. Counterparts. This document may be executed in Counterparts.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed his Subordination Agreement as of the date set forth above.

LENDER:

GMAC COMMERCIAL MORTGAGE
CORPORATION, a California corporation

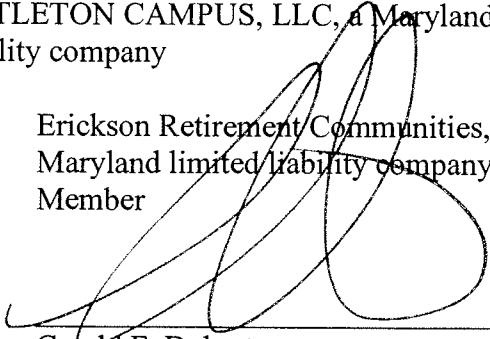
By: Catherine D. Hilbush
Catherine D. Hilbush
Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

BORROWER:

LITTLETON CAMPUS, LLC, a Maryland limited liability company

BY: Erickson Retirement Communities, LLC, a Maryland limited liability company, Sole Member

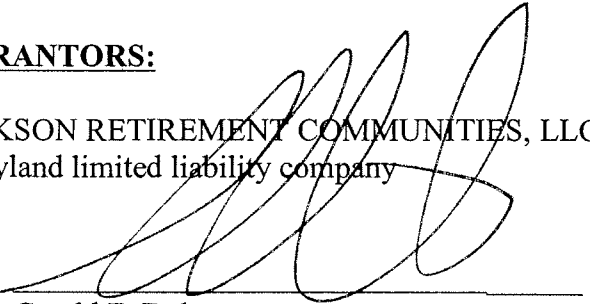
By: 
Gerald F. Doherty,
Executive Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

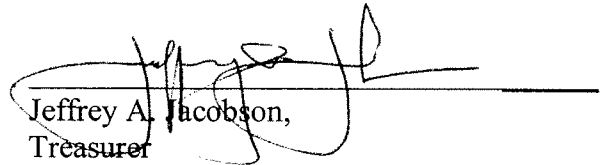
By:

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end.

Gerald F. Doherty,
Executive Vice President

ERICKSON GROUP, LLC, a Maryland limited
liability company

By:

A handwritten signature in black ink, featuring a large, circular loop at the beginning and a long horizontal stroke extending to the right.

Jeffrey A. Jacobson,
Treasurer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CREDITOR:

WIND CREST, INC., a Maryland nonstock
corporation

By: Ronald E. Walker
Ronald E. Walker,
President

EXHIBIT A

“Subordinated Documents which have been approved by Lender”

1. Community Loan Agreement dated as of March 29, 2006 between Wind Crest, Inc., as lender, and Littleton Campus, LLC, as borrower, and related loan documents.

EXHIBIT P

STATE OF MARYLAND
DEPT OF ASSESSMENTS AND TAXATION
CUST ID:0001762623
WORK ORDER:0001205661
DATE:03-31-2006 11:30 AM
AMT. PAID:\$75.00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

6

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR Wind Crest, Inc.

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

701 Maiden Choice Lane

CITY

Catonsville

STATE

MD

POSTAL CODE

21228

COUNTRY

USA

1d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
corporation

1f. JURISDICTION OF ORGANIZATION
Maryland

1g. ORGANIZATIONAL ID#, if any
MD D10778684

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME OF TOTAL ASSIGNEE of ASSIGNOR SP) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

701 Maiden Choice Lane

CITY

Catonsville

STATE

MD

POSTAL CODE

21228

COUNTRY

USA

4. The FINANCING STATEMENT covers the following collateral:

All assets of Debtor located on the land described in Exhibit A attached hereto.

MAR 31 2006

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSOR/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILO ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(s) on Debtor(s) (OPTIONAL FEE) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation

FC660143650

DOC #2.14(b)

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/28/98)

DMEAST #9488202 v4

2006 APR 3 AM 10 35

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGEMENT

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

CUST ID: 0001763352
WORK ORDER: 0001206400
DATE: 04-03-2006 10:43 AM
AMT. PAID: \$150.00

1a. INITIAL FINANCING STATEMENT FILE #

181261858

2. ☐ TERMINATION: Effectiveness of the Financing Statement Identified above is for Statement.

3. ☐ CONTINUATION: Effectiveness of the Financing Statement Identified above with continued for the additional period provided by applicable law.

4. ☒ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 6.

5. ☐ AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of the two boxes.

Also check one of the following three boxes and provide appropriate information in item 6a or 6b:

☐ CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.
☐ DELETE name: Give record name to be deleted in item 6a or 6b.
☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

GMAC Commercial Mortgage Corporation

7b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7c. MAILING ADDRESS

200 Wilmer Road

CITY

Horsham

STATE

PA

POSTAL CODE

19044

COUNTRY

USA

7d. TAX ID #: SSN OR EIN

ADDL INFO RE
ORGANIZATION
DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any

☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral: ☐ deleted or ☐ added, or give entire ☐ related collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment); if this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

Littletton Campus, LLC

9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

10. OPTIONAL FILER REFERENCE DATA

File with: MD State Department of Assessments and Taxation

Debtor: Wind Crest

Doc #2.15(b)

13160643650

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 07/20/05)

DMEAST #9487704 v3

UCC APPROVAL SHEET

**** EXPEDITED SERVICE ****

**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE

FEES REMITTED

☒ Expedited Fee \$50.00

☐ UO - Original Financing Statement \$25.00

☐ UOA - Original Financing Statement With Assignment \$25.00

☐ UOTU - Original Financing Statement Transmitting Utility \$25.00

☐ UMA - Amendment \$25.00

☐ UMDA - Amendment - Debtor Added \$25.00

☐ UMDC - Amendment - Debtor Name Change \$25.00

☐ UMDD - Amendment - Debtor Deleted \$25.00

☐ UMSA - Amendment - Secured Party Added \$25.00

☐ UMSC - Amendment - Secured Party Name Change \$25.00

☐ UMSD - Amendment - Secured Party Deleted \$25.00

☒ UMC - Amendment - Continuation \$25.00

☐ UMT - Amendment - Termination \$25.00

☒ UMZ - Amendment - Assignment \$25.00

☐ UMZP - Amendment - Partial Assignment \$25.00

☐ UMCS - Amendment - Correction Statement \$25.00

☐ UOMH - Manufactured Home - Original Financing Statement \$25.00

☐ UOPF - Public Finance - Original Financing Statement \$25.00

☐ Documents Nine (9) Pages or More \$75.00

☐ Certified Copies

☐ Plain Copies

TOTAL FEES: **750.00**



1000361992789663

RECORDED ON 04/03/2006 AT 10:35 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001206400 ACK # 1000361992789663
ORIGINAL FILE NUMBER: 0000000181261858
LIBER: U00438 FOLIO: 0204 PAGES: 0002
RECORDING FEE: 25.00
EXPEDITED FEE: 50.00

Other Change(s)

Code

Attention:

Mail to Address:

NO FEE TRANSACTION TYPES

☐ URC - Copies

☐ UNCP - Void - Non-Payment

☐ UCC - Cancellation

☐ UCR - Reinstatement

☐ UCO Departmental Action

☐ UCREF - Refund Recordation Tax

☐ UCIS - Incorrect ID Number

☐ KOVRU - UCC Overrides

☐ UMFC - Filing Office Correction Statement

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST.
BALTIMORE MD 21202-3219

METHOD OF PAYMENT

Cash ☐ Check ☒ Credit Card ☐

Number of Checks 1

COMMENT(S):

Stamp Work Order and Customer Number

CUST ID: 0001763362
WORK ORDER: 0001206400
DATE: 04-03-2006 10:43 AM
AMT. PAID: \$150.00

EXHIBIT O

SECURITY AGREEMENT, PLEDGE AND
COLLATERAL ASSIGNMENT OF LICENSES AND
RESIDENCE AND CARE AGREEMENTS
(Wind Crest, Inc. to Littleton Campus, LLC)

THIS SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS (this "Security Agreement") is made as of the 29th day of March, 2006 in favor of LITTLETON CAMPUS, LLC, a Maryland limited liability company ("LC") (LC is sometimes referred to hereinafter as the "Secured Party") by WIND CREST, INC., a Maryland nonstock corporation ("WC") (WC is sometimes referred to hereinafter as the "Grantor").

The Grantor agrees with the Secured Party as follows in order to secure (a) the prompt payment of the "Obligations," which term as used herein shall mean and include all past, present and future indebtedness, liabilities and obligations of any kind and nature whatsoever of the Grantor to LC, including, without limitation, such indebtedness, liabilities and obligations of the Grantor to LC, both now existing and hereafter arising under, in connection with, or as a result of a certain (i) Master Lease and Use Agreement by and between LC and WC dated March 29, 2006 (the "Lease"), (ii) the Community Loan Agreement by and between WC and LC dated March 29, 2006 (the "Community Loan Agreement"), pursuant to which WC agreed to make certain loans to LC from the proceeds of the Entrance Deposits received by WC in connection with the operation of Wind Crest (the "Retirement Community") on the property described in the Lease, and (iii) the Working Capital Loan Agreement dated March 29, 2006 by and between LC and WC (the "Working Capital Loan Agreement"), (as any of the foregoing leases or agreements may be amended, restated, supplemented, or otherwise modified) and under any of the "Documents" (as defined below); and (b) the performance of all of the terms, conditions, and provisions of each of the "Documents," which term as used herein shall mean and include this Security Agreement, the Community Loan Agreement, the Working Capital Loan Agreement, the Lease, and any other security agreement, pledge agreement, guaranty, mortgage, deed of trust, loan agreement, credit or financing agreement, hypothecation agreement, subordination agreement, indemnity agreement, letter of credit application, assignment, or any other document or agreement previously, simultaneously or hereafter executed and delivered by the Grantor and/or by any other person, singly or jointly with another person or persons, evidencing, securing, guarantying or in connection with any of the Obligations (collectively, as the same may from time to time be amended, restated, supplemented or otherwise modified, the "Documents"):

1. Collateral. The Grantor hereby pledges and assigns to the Secured Party, and grants to the Secured Party a security interest in, and lien on, all of the assets of the Grantor of every kind whatsoever, including but not limited to each item of property of the Grantor described below, and in all cash and non-cash proceeds and products thereof, including the Designated Tenant Account (as hereinafter defined) and all funds at any time on deposit therein, and all proceeds of all insurance policies covering all or any part of such property (collectively, the "Collateral"):

a. Inventory. All of the Grantor's inventory (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, embedded software, wherever located, both now owned and hereafter acquired, and as the same may now and hereafter from time to time be constituted, together with all cash and non-cash proceeds and products thereof.

b. Accounts. All of the Grantor's accounts (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all notes, notes receivable, amounts due to the Grantor under any leases, drafts, acceptances and similar Instruments and documents both now owned and hereafter acquired, (including all accounts receivable and notes receivable and related collateral or security interests arising from loans made, service agreements or leases entered into between the Grantor or with any of its affiliates or affiliates of the Secured Party), all receivables arising out of the use of a credit or charge card or information contained on or for use with the card, all "health-care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), all Supporting Obligations, letter-of-credit rights and letters of credit given by any person with respect to any of the foregoing, and all books and records in whatever media (paper, electronic or otherwise) recorded or stored, with respect to any or all of the foregoing and all equipment and general intangibles necessary to retain, access and/or process the information contained in those books and records, together with (i) all cash and non-cash proceeds thereof, and (ii) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to an account and all cash and non-cash proceeds and products of all such goods. Notwithstanding the foregoing, the Collateral shall not include the "Note" or "Deed of Trust" evidencing and securing loans to be made by Grantor to LC in an amount not to exceed \$556,770,000.00 pursuant to the Community Loan Agreement.

c. General Intangibles. All of the Grantor's general intangibles (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all things in action, contractual rights, goodwill, literary rights, rights to performance, copyrights, trademarks, servicemarks, patents, judgments, and awards, general and limited partnership interests, membership interests in limited liability companies, tax refunds, rights or claims with respect to taxes paid, commercial tort claims, payment intangibles and Supporting Obligations, both now owned and hereafter acquired, together with all cash and non-cash proceeds and products thereof. The Grantor's general intangibles shall include all of the Grantor's rights under the Documents. The Grantor may not amend or alter, or give any consent or waiver under the terms of, the Documents without the prior written consent of the Secured Party.

d. Chattel Paper. All of the Grantor's chattel paper (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) both now owned and hereafter existing, acquired or created, and including, without limitation, all records (including, without limitation, electronic chattel paper) which evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, or a lease of specific goods, together with (i) all moneys due and to become due thereunder, (ii) all Supporting Obligations with respect thereto, (iii) all cash and non-cash proceeds thereof, and (iv) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to chattel paper and all cash and non-cash proceeds and

products of all such goods. Additionally, the Grantor assigns and grants to the Secured Party a security interest in all property and goods both now owned and hereafter acquired by the Grantor which are sold, leased, secured, serve as security for, are the subject of, or otherwise covered by, the Grantor's chattel paper, together with all rights incident to such property and goods and all cash and non-cash proceeds thereof.

e. Equipment and Fixtures. All of the Grantor's equipment (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and fixtures, both now owned and hereafter acquired, including, without limitation, embedded software, together with (i) all additions, parts, fittings, accessories, special tools, attachments and accessions now and hereafter affixed thereto and/or used in connection therewith; (ii) all replacements thereof and substitutions therefore; and (iii) all cash and non-cash proceeds and products thereof.

f. Licenses. Except to the extent prohibited under applicable law and by the terms of the Licenses (as hereinafter defined), all right, title and interest of the Grantor in, to and under the Licenses, together with all rights, privileges and entitlements thereunder; provided, however, that nothing contained herein shall impose upon the Secured Party any of the obligations or liabilities of the Grantor under the Licenses, and provided further that the Secured Party shall not exercise any rights under such Licenses unless and until an Event of Default has occurred. For the purposes hereof, "Licenses" shall mean and include any and all licenses, certificates of need, certificates or orders of registration, operating permits, franchises, and other governmental authorizations and approvals, now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, and any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, all "health care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Medicare and Medicaid provider agreements issued to the Grantor and the Retirement Community and managed care plans, together with all additions to, modifications of and substitutions for any of the foregoing. The Licenses include those items listed on Exhibit A hereto.

g. Residence and Care Agreements. All of the Grantor's right, title and interest in and to all Residence and Care Agreements (together with all annexes, schedules and ancillary agreements related thereto, the "Residence and Care Agreements") with residents of the Retirement Community, including any collateral rights of the Grantor therein.

h. Cash and Deposits. All cash, cash equivalents, credits, securities, notes, and Instruments, and all "deposit accounts" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, all bank accounts, savings accounts, investment accounts, money market accounts and other such accounts of any nature and all funds, investments and securities on deposit therein, whether held by the Secured Party or by any other person or institution (collectively, "Funds"). All such Funds shall be deemed to be held for the benefit of the Secured Party, or, if held by another party, by such party as agent for the

Secured Party for the purpose of perfecting the Secured Party's pledge of and security interest therein. The Funds shall include, without limitation, all of the interests of the Grantor in each of the "Bank Accounts", including, without limitation, the "Borrower Collateral Account", the "Lockbox Account" and the "Borrower Operating Account", and the "WC Operating Account" described in the Construction Loan Agreement of even date herewith (the "Loan Agreement") between LC and GMAC Commercial Mortgage Corporation, a California corporation ("Lender"). The Grantor agrees that the said Bank Accounts and the WC Operating Account shall at all times be established and operated in accordance with the description of the said Bank Accounts and WC Operating Account contained in the Loan Agreement and other Loan Documents referred to therein. Lender, to which the Secured Party's rights hereunder are being assigned, shall at all times have such dominion and control over the said Bank Accounts and WC Operating Account as provided in the Loan Agreement, and the Grantor shall have no rights to withdraw funds from any of the said Bank Accounts or the WC Operating Account except as provided in the Loan Agreement. The rights of the Secured Party hereunder, which have been assigned to Lender, shall revert to the Secured Party once Lender's rights have expired under the terms of the Loan Agreement and other Loan Documents referred to therein.

i. Documents, Goods, Motor Vehicles. All of the Grantor's now and hereafter existing documents, documents of title or receipts covering, evidencing or representing any Inventory, goods, motor vehicles or other property both now and hereafter owned or purchased by the Grantor or for which the Grantor has contracted to purchase.

j. Instruments. All of the Grantor's instruments (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and including, without limitation, all letters of credit issued to or for the benefit of the Grantor, both now and hereafter owned, existing or acquired.

k. Investment Property. All of the Grantor's investment property (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all securities (whether certificated or uncertificated), security entitlement securities, account commodity contracts and commodity accounts, and all proceeds (cash and non-cash proceeds) of and Supporting Obligations with respect to the foregoing.

l. Supporting Obligations. All supporting obligations (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all letter of credit rights, secondary obligations and obligations of a secondary obligor, and secondary obligations that support the payment or performance of an Account, Chattel Paper, a Document, a General Intangible, an Instrument, or Investment Property.

2. Payment and Performance. The Grantor will pay the Obligations to be paid by the Grantor as and when due and payable and will perform, comply with, and observe the terms and conditions of the Documents to be performed, complied with and observed by the Grantor.

3. Representations and Warranties. (a) The Grantor represents and warrants that it is the owner of the Collateral and has good and marketable title to the Collateral free and clear of all liens, charges, security interests and other encumbrances except for those in favor of the

Secured Party and those previously disclosed in writing to the Secured Party and permitted by the Loan Agreement. Upon request of the Secured Party, the Grantor shall deliver to the Secured Party all certificates of title, certificates of origin or other evidence of the Grantor's ownership of the Collateral as may be required by the Secured Party.

(a) The Grantor represents and warrants to the Secured Party as of the date hereof and as of the date any future Licenses are issued to, or acquired by, the Grantor that:

(i) the licenses and permits listed on Exhibit A attached hereto, together with those listed on Exhibit A of the Security Agreement, Pledge and Collateral Assignment of Licenses and Residence and Care Agreements of even date herewith granted by the Secured Party (and others) to Lender (the "Related Security Agreement") constitute all material Licenses required to operate the Retirement Community and to provide the range of services and care as conducted or intended to be conducted at the Retirement Community;

(ii) all of the Licenses have been issued in the name of the Grantor, except as otherwise indicated on Exhibit A;

(iii) there has been no breach of any condition to the issuance, maintenance, renewal and/or continuance of any of the Licenses, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute such a breach;

(iv) the Grantor has paid all fees, charges and other expenses, has provided all information and has otherwise complied with all material conditions precedent to the issuance, maintenance, renewal, and continuance of all of the Licenses issued in its name;

(v) the Grantor has not received any notice from any governmental authority of any actual, pending or threatened, suspension, revocation, restriction or imposition of any probatory use of any of the Licenses, or any material amendments or modifications to the Licenses;

(vi) except for the assignment provisions of the Lease, the Community Loan Agreement and the Working Capital Loan Agreement, this Security Agreement is the only assignment of any of the Licenses made by WC;

(vii) the Licenses are free and clear of all liens, security interests and other encumbrances except liens in favor of the Secured Party and Lender;

(viii) none of the Licenses has been or is expected to be issued for a period of less than twelve (12) months unless such license is normally issued for a period of less than twelve (12) months in which case, such License has been or is expected to be issued for a period the duration of which is customary for such License; and

(ix) the Grantor has the full power and authority to execute and deliver this Assignment and to perform and comply with the terms and conditions hereof, all of which have been duly authorized.

4. Further Assurances. The Grantor will defend its title to the Collateral against all persons and will upon request of the Secured Party, promptly (a) furnish such further assurances of title as may be required by the Secured Party; and (b) deliver, execute and/or authorize the filing of or cause to be delivered and executed, in form and content satisfactory to the Secured Party, any financing, continuation, amendment, termination or security interest filing statement, security agreement or other document as the Secured Party may request in order to perfect, preserve, maintain or continue the perfection of the Secured Party's security interest in the Collateral and/or its priority. The Grantor will pay the costs of filing any and all financing, continuation, termination or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. The Grantor hereby covenants to save harmless and indemnify the Secured Party from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, and recording costs incurred by the Secured Party in connection with this Security Agreement, which covenant shall survive the termination of this Security Agreement and the payment of the Obligations. A carbon, photographic or other reproduction of a financing statement is sufficient as a financing statement. This Security Agreement (and reproductions thereof) shall also constitute, and may be filed among the records of any jurisdiction as, a financing statement. Without implying any limitation on the foregoing, with respect to the Collateral that may be perfected by control, the Grantor shall take such steps as the Secured Party may require in order that Secured Party may have such control. To the extent that the proceeds of any of the Accounts are expected to become subject to the control of, or in the possession of, a party other than the Grantor or the Secured Party, the Grantor shall cause all such parties to execute and deliver on the date of this Security Agreement and from time to time hereafter security documents, financing statements or other documents as requested by the Secured Party and as may be necessary to evidence and/or perfect the security interest of the Secured Party in those proceeds. The Grantor hereby irrevocably appoints the Secured Party as the Grantor's attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of the Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantor and without notice to the Grantor, to execute and deliver any and all of the Instruments and other documents and take any action which the Secured Party may require pursuant the foregoing provisions of this Section, but only in order to further assure the lien, priority and perfection of the security interests created under this Security Agreement. Further, except to the extent prohibited by applicable laws, the Secured Party may file, without the Grantor's signature, one or more financing statements or other notices disclosing the Secured Party's liens and other security interests. All financing statements and notices may describe the Secured Party's collateral as all assets or all personal property of Grantor. Notwithstanding the filing of such "all assets" financing statements, the scope of the Secured Party's liens and security interests with respect to the Collateral shall be governed by the granting language of the Loan Documents. Furthermore, notwithstanding the provisions of this Security Agreement regarding control, the Grantor shall not be obligated to obtain or provide documentation of control with respect to any funds now or hereafter held by Lender, as Escrow Agent under the Wind Crest Escrow Agreement dated October 10, 2005 by and among the Grantor, the said Escrow Agent and Erickson Retirement Communities, LLC, as manager, unless and until such funds are released from such Escrow Agreement in accordance with the terms thereof.

5. Transfer and Other Liens. Except as otherwise expressly permitted in the Loan Agreement, the Grantor will not sell, lease, transfer, exchange or otherwise dispose of the

Collateral, or any part thereof or interest therein, without the prior written consent of the Secured Party, and will not permit any lien, security interest or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of the Secured Party or those permitted by the Secured Party in writing, except that the Grantor may, in the ordinary course of its business, and in the absence of an Event of Default hereunder, collect its Accounts and Chattel Paper and sell its Inventory, and grant purchase money liens to secure the purchase price of newly acquired equipment and vehicles.

6. Consents. Without notice to and further consent of the Grantor, without in any way waiving any of the provisions of this Security Agreement and without in any way releasing all or any part of the Obligations and/or of the Collateral, the Grantor hereby consents (a) to any extension of time for payment of any of the Obligations; (b) to any renewal, modification, waiver or release of any of the Obligations and of any of the Documents; (c) to the addition to or release of, the Grantor or of any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations and of any of the Documents; (d) to the addition to or release of all or any part of the collateral and security for any of the Documents and all or any part of the Collateral hereunder; and (e) to any indulgence and/or waiver given to the Grantor or to any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations.

7. Books and Records. The Grantor will (a) at all times maintain, in accordance with generally accepted accounting principles, accurate and complete books and records pertaining to the operation, business and financial condition of the Grantor and pertaining to the Collateral and any contracts and collections relating to the Collateral; (b) furnish to the Secured Party promptly upon request and in the form and content and at the intervals specified by the Secured Party, such financial statements, reports, schedules and other information with respect to the operation, business, affairs and financial condition of the Grantor as the Secured Party may from time to time reasonably require; (c) at all reasonable times and without hindrance and delay, permit the Secured Party or any person designated by the Secured Party to enter any place of business of the Grantor or any other premises where any books, records and other data concerning the Grantor and/or the Collateral may be kept and to examine, audit, inspect and make extracts from and photocopies of any such books, records and other data; (d) furnish to the Secured Party promptly upon request and in the form and content specified by the Secured Party lists of account debtors, lists of purchasers of inventory, aging of Accounts, aggregate cost or wholesale market value of inventory, schedules of equipment and other data concerning the Collateral as the Secured Party may from time to time specify; and (e) mark its books and records in a manner satisfactory to the Secured Party so that the Secured Party's rights in and to the Collateral will be shown.

8. Name of Grantor, Place(s) of Business and Organization of Grantor and Location of Collateral. The Grantor represents and warrants that its correct legal name is as specified on Schedule I attached hereto and each legal or trade name of the Grantor used during the previous five (5) years (if different from the Grantor's current legal name) is as specified on Schedule I attached hereto. Without prior notice to the Secured Party, the Grantor will not change its name. The Grantor warrants that the Grantor is organized and existing under the laws of the State set forth on Schedule I attached hereto, and that the address of the Grantor's chief executive office and the address of each other place of business of the Grantor are as specified below the

signature lines of this Security Agreement. The Collateral and all books and records pertaining to the Collateral have been for the previous four (4) months (unless acquired by the Grantor during the previous four (4) months), are and will be located only at the locations listed on Schedule I attached hereto. The Grantor will immediately advise the Secured Party in writing of the opening of any new place of business or the closing of any of its existing places of business, and of any change in the State of its organization, the location of its chief executive office and the places where the Collateral, or any part thereof, or the books and records concerning the Collateral, or any part thereof, are kept.

9. Care of Collateral. The Grantor will maintain the Collateral in good condition and will not do or permit anything to be done to the Collateral that may impair its value or that may violate the terms of any insurance covering the Collateral or any part thereof. The Secured Party shall have no duty to, and the Grantor hereby releases the Secured Party from all claims for loss or damage caused by the failure to, collect or enforce any Account, General Intangible, Supporting Obligation or Chattel Paper or to preserve rights against prior parties to the Collateral.

10. Insurance. The Grantor will insure such of the Collateral as specified by the Secured Party against such casualties and risks in such form and amount as may from time to time be required by the Secured Party. All insurance proceeds shall be payable to the Secured Party and all policies or certificates of insurance shall be furnished to the Secured Party. The Grantor will pay all premiums due or to become due for such insurance and hereby assigns to the Secured Party any returned or unearned premiums which may be due upon cancellation of insurance coverage. The Secured Party is hereby irrevocably (a) appointed the Grantor's attorney-in-fact to endorse in the name of the Grantor and/or the Secured Party any draft or check which may be payable to the Grantor in order to collect such returned or unearned premiums or the proceeds of insurance upon the occurrence of an Event of Default; and (b) authorized to apply such insurance proceeds upon the occurrence of an Event of Default, in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to Section 22 hereof.

11. Taxes. The Grantor will pay or cause to be paid as and when due and payable all taxes, levies, license fees, assessments and other impositions levied on the Collateral or any part thereof or for its use and operation, subject to any right to contest provided in the Loan Documents (which term, as used herein, shall have the meaning ascribed to it in the Loan Agreement).

12. Equipment not Fixtures. The Grantor warrants that all equipment which constitutes a part of the Collateral is personalty and is not and will not be affixed to real estate in such manner as to become a fixture or part of such real estate. If, in the opinion of the Secured Party, any such equipment is or may become part of any real estate, the Grantor will furnish to the Secured Party a written waiver by the record owner of such real estate of all interest in such equipment and a written subordination to the Secured Party's security interest and lien by any person (other than Lender) who has a lien on or security interest in such real estate which is or may be superior to the Secured Party's security interest hereunder.

13. Specific Security Agreements or Assignments. Promptly, upon request by the Secured Party, the Grantor will execute and deliver to the Secured Party written security agreements, assignments, endorsements and/or schedules, in form and content satisfactory to the Secured Party, of specific items of Collateral, including specific Chattel Paper, General Intangibles, Supporting Obligations and Accounts or groups of Chattel Paper, General Intangibles, Supporting Obligations and Accounts, but the security interest of the Secured Party hereunder shall not be limited in any way by such assignments. Such specific assignments are to secure payment of the Obligations and performance of the Documents and are not intended to evidence a sale to the Secured Party whether or not any assignments thereof which is separate from this Security Agreement, is in form absolute.

14. Delivery, etc. of Chattel Paper and Other Collateral. The Grantor will promptly upon request by the Secured Party, deliver, assign and endorse to the Secured Party all Chattel Paper and all other documents held by the Grantor in connection therewith, and any other Collateral in which a security interest must be perfected by possession.

15. Government Contracts. If any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Grantor shall immediately notify the Secured Party thereof in writing and execute any instruments or take any steps required by the Secured Party in order that all moneys due or to become due under such contract or contracts shall be assigned to the Secured Party and notice thereof given under the Federal Assignment of Claims Act.

16. Designated Tenant Account. The Grantor will deposit or cause to be deposited to the Designated Tenant Account described in the Loan Agreement (the "Designated Tenant Account"), all amounts required to be deposited therein under the provisions of the Loan Agreement (all such amounts being herein collectively referred to as "items of payment"). The Grantor shall deposit such items of payment for credit to the Designated Tenant Account, as and when required by the Loan Agreement, and in precisely the form received, except for the endorsement of the Grantor where necessary to permit the collection of such items of payment, which endorsement the Grantor hereby agree to make. Pending such deposit, the Grantor will not commingle any such items of payment with any of their other funds or property, but will hold them separate and apart. Lender will apply the collected funds credited to the Designated Tenant Account in accordance with the provisions of the Loan Documents. When Lender's rights under its Loan Documents expire, the rights of the Secured Party under this Agreement, which have been assigned to Lender pursuant to the Loan Documents, shall revert to the Secured Party.

17. Rights of Secured Party and Duties of Grantor. If all or any part of the Collateral at any time consists of Inventory, Accounts, General Intangibles, Supporting Obligations or Chattel Paper: (a) the Secured Party may upon the occurrence of an Event of Default at any time and from time to time, and the Grantor hereby irrevocably appoints the Secured Party as its attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of the Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantor and without notice to the Grantor, (i) notify the account debtors obligated on any of the Collateral to make payments thereon directly to the Secured Party, and to take control of the cash and non-cash proceeds of any such Collateral; (ii) charge against and set off from any obligation owing to the Grantor by the Secured Party any item of payment credited to the

Designated Tenant Account which is dishonored by the drawee or maker thereof; (iii) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iv) release, make exchanges, substitutions, or surrender, all or any part of the Collateral; (v) remove from the Grantor's place of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral or without cost or expense to the Secured Party, make such use of the Grantor's place(s) of business as may be reasonably necessary to administer, control and collect the Collateral; (vi) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor; (vii) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Collateral; (viii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (ix) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto; (x) endorse the name of the Grantor upon any items of payment relating to the Collateral or upon any Proof of Claim in Bankruptcy against an account debtor; and (xi) receive and open all mail addressed to the Grantor and, if an Event of Default exists hereunder, notify the Post Office authorities to change the address for the delivery of mail to the Grantor to such address as the Secured Party may designate; and (b) the Grantor will (i) make no material change to the terms of any lease or of any Account, General Intangible, Supporting Obligation or Chattel Paper without the prior written permission of the Secured Party; and (ii) on demand, make available in form acceptable to the Secured Party documents and receipts evidencing any transaction giving rise to any lease, Account, General Intangible, Supporting Obligation or Chattel Paper, completion certificates or other proof of the satisfactory performance of services which gave rise to an Account, a General Intangible, Supporting Obligation or Chattel Paper, and the Grantor's copy of any written contract or order from which a lease, an Account, a General Intangible, Supporting Obligation or Chattel Paper arose.

18. Covenants Relating to the Licenses. The Grantor hereby covenants and agrees as follows:

(a) The Grantor shall take any and all steps necessary to renew the Licenses in accordance with all applicable laws, rules and regulations and shall fully, promptly and faithfully comply with and perform its obligations and duties under the Licenses in accordance with the terms thereof, including, without limitation, (i) the payment of any and all issuance, renewal or other fees, charges, assessments and other expenses assessed by any issuing governmental authority in connection with any of the Licenses, (ii) the filing of any and all reports, surveys, schedules, certificates, applications and other items required by any issuing governmental authority as a condition precedent to any renewal, issuance, or continuance of any of the Licenses, and (iii) the operation and maintenance of the Retirement Community in compliance with all laws, rules and regulations imposed upon and governing retirement communities, assisted living facilities and comprehensive care facilities in general, and the Retirement Community in particular.

(b) The Grantor shall not (i) request any changes or amendments to any of the Licenses that are not customarily made in the ordinary course of business, or (ii) terminate, restrict, or cancel any of the Licenses, to the extent any such changes, amendments, termination, restriction or cancellation could have a materially adverse effect on the financial condition or operations of the Grantor or the Retirement Community.

(c) The Grantor will promptly (i) furnish to the Secured Party evidence of the issuance, renewal or continuance of any of the Licenses, and evidence of compliance with all of the conditions under which any of the Licenses exists, and (ii) inform the Secured Party of any notices received relating to the threatened or actual revocation, restriction, suspension or expiration of any of the Licenses, including any proposed or actual admission ban or restriction.

(d) The Grantor will promptly notify the Secured Party in writing of the happening of any of the following events: (i) any modification of any of the Licenses, if such modification would substantially affect such License, (ii) failure or inability of the Grantor to comply with any of the conditions of the Licenses, (iii) any receipt of any notice of the threatened or pending revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses or any pending or threatened revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses, and (iv) as a consequence of any sanction of a governmental authority, the issuance or threatened issuance of any of the Licenses for a period of less than twelve (12) months from the date of issuance.

(e) The Grantor will keep the Licenses free and clear of all liens, security interests and other encumbrances, other than those in favor of Lender and the Secured Party, and other subordinate liens permitted by, and assigned to, Lender.

19. Covenants Related to Residence and Care Agreements.

(a) To the extent that the Grantor has any authority or rights with respect to the Residence and Care Agreements, the Grantor shall not, without the prior written consent of the Secured Party, enter into, or take or fail to take any action pursuant to, or give any consent under the terms of, any Residence and Care Agreement which materially reduces or delays the amount (taken in the aggregate) or the timing of payment of any of the fees or charges payable by any resident as shown or described in the form delivered to Secured Party at closing, or which would in any other manner result in a reduction or delay in the amount or timing of payments under the Lease or the Documents, or in the amounts available to the Grantor for such purposes. Upon request of the Secured Party, the Grantor shall provide to Secured Party copies of executed Residence and Care Agreements, schedules regarding the same in form and substance acceptable to the Secured Party, and such other information regarding the Residence and Care Agreements and the residents of the Retirement Community as the Secured Party may reasonably require, including any information the Secured Party deems pertinent to evaluate the financial condition and business affairs of the Grantor.

(b) The Grantor hereby agrees that all Entrance Deposits shall be held as provided in Section 8.19 of the Loan Agreement. Except to the extent prohibited by law, the Grantor hereby assigns to Secured Party, and grants to Secured Party a security interest in, all of the Grantor's interest (if any) in the Entrance Deposits (which term shall include all similar deposits, payments or entrance fees charged by Grantor and relating to the occupation of living units in the Retirement Community), whether now in escrow or received after the date hereof. Except to the extent prohibited by applicable law, the Secured Party shall be entitled to exercise its remedies as secured party under the applicable Uniform Commercial Code, and all other rights and remedies available to the Secured Party, against the Entrance Deposits without being obligated to assume any of the obligations of the Grantor under the Residence and Care

Agreements, and the Grantor shall continue to be liable for all obligations of the Grantor thereunder. The Grantor hereby agrees to use its best efforts to satisfy the conditions precedent to permit the release of the Entrance Deposits from escrow.

20. Performance by Secured Party. If the Grantor fails to perform, observe, or comply with any of the conditions, terms or covenants contained in this Security Agreement, the Secured Party, without notice to or demand upon the Grantor and without waiving or releasing any of the Obligations or any default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms or covenants for the account and at the expense of the Grantor, and may enter upon any place of business or other premises of the Grantor for that purpose and take all such action thereon as the Secured Party may consider necessary or appropriate for such purpose. All sums paid or advanced by the Secured Party in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") shall be paid by the Grantor to the Secured Party on demand and shall constitute and become a part of the Obligations secured hereby.

21. Event of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Security Agreement: (a) any failure of Grantor to perform, observe or comply with any of the provisions of this Security Agreement which is not cured within ten (10) days after notice from the Secured Party; (b) the occurrence of an Event of Default under any of the Documents; (c) if any information furnished by the Grantor, or by any other person acting on behalf of an Grantor in connection with the Loan, the Collateral, or with any of the Documents shall prove untrue or misleading in any material respect; (d) the filing of any petition under the Bankruptcy Code or any similar federal or state statute by or against the Grantor, or the failure of the Grantor generally to pay debts as such debts become due; (e) the filing of an application for the appointment of a receiver for, the making of a general Security Agreement for the benefit of creditors by, or the insolvency of, the Grantor; or (f) the dissolution, merger, consolidation, or reorganization of the Grantor.

22. Rights and Remedies Upon an Event of Default. In the event of an Event of Default hereunder (and in addition to all of its rights, powers and remedies under this Security Agreement), the Secured Party may, at its option, declare the unpaid balance of all or any part of the Obligations to be immediately due and payable, and the Secured Party shall have all of the rights and remedies of a Secured Party under the applicable Uniform Commercial Code and other applicable laws. The Grantor, upon demand by the Secured Party, shall assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party which is mutually convenient to both parties. The Secured Party or its agents may enter upon the Grantor's premises with or without judicial process or proceedings to take possession of the Collateral, to remove it, to render it unusable or to sell or otherwise dispose of it.

Additionally, upon the occurrence of an Event of Default hereunder, the Secured Party may, by written notice to the Grantor and to any of such Grantor's account debtors, direct that any and all future payments in respect of such accounts shall be made directly to the Secured Party.

Subject to the provisions of this Security Agreement, upon or at any time after the occurrence of an Event of Default under the Documents, the Secured Party may, without notice and without regard to the adequacy of security for the Obligations under the Documents, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court, enforce any and all rights and remedies of the Grantor under and in connection with any of the Licenses, except to the extent prohibited by law, and subject to the provisions of this Security Agreement or any of the other Documents, make, cancel, enforce, transfer or modify any of the Licenses and do any acts that the Secured Party deems proper to protect the security hereof. The Grantor agrees to take all actions necessary to enable the Secured Party to fully exercise its rights hereunder, including, but not limited to assisting the Secured Party to obtain any required governmental agency approval. The Grantor shall cooperate to the fullest extent possible in arranging for the transfer or issuance to the Secured Party or its designee or assignee of all licenses, permits, approvals and authorizations, and all governmental and private reimbursement agreements of any kind, necessary or useful to the operation of the Retirement Community, under applicable federal, state or local law. The cooperation required under this agreement shall include the execution, delivery and filing with appropriate governmental entities and private party health care reimbursers of all applications, petitions, requests, assignments and other documents or instruments of any kind, including but not limited to a surrender or termination of any existing operating license, provider agreement or other reimbursement agreement if requested by the Secured Party to facilitate the issuance of new licenses or provider agreements in the name of the Secured Party or its designee or assignee. The Secured Party shall have the right, and the Grantor hereby irrevocably designates and appoints the Secured Party and its designees as the attorney-in-fact of the Grantor, with power of substitution and with power and authority in the Grantor's name, the Secured Party's name or otherwise and for the use and benefit of the Secured Party to take control of, change the terms of, release, exchange, substitute, extend, renew or otherwise deal with, the Licenses in any manner as the Secured Party may deem advisable, should any Grantor fail to cooperate as required above.

Any written notice of the sale, disposition or other intended action by the Secured Party with respect to the Collateral which is required by applicable laws and is sent by regular mail, postage prepaid, to the Grantor at the address of the Grantor's chief executive office specified below, or such other address of the Grantor which may from time to time be shown on the Secured Party's records, at least ten (10) days prior to such sale, disposition or other action, shall constitute reasonable notice to the Grantor. The Grantor shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of the Secured Party (a) in enforcing the Obligations, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting or otherwise disposing of, the Collateral. All of such costs and expenses (collectively, the "Enforcement Costs") shall be paid by the Grantor to the Secured Party on demand and shall constitute and become a part of the Obligations secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by the Secured Party to the payment of Enforcement Costs and Expense Payments, and any balance of such proceeds (if any) will be applied by the Secured Party to the payment of the remaining Obligations (whether then due or not), at such time or times and in such order and manner of application as the Secured Party may from time to time in its sole discretion determine.

In addition to, and without limitation of, any rights of the Secured Party under applicable laws, if Grantor becomes insolvent, however evidenced, or any Event of Default occurs, the Secured Party may at any time and from time to time thereafter, without notice to the Grantor, set-off, hold, segregate, appropriate and apply at any time and from time to time thereafter all such indebtedness, deposits, credits, balances (whether provisional or final and whether or not collected or available), monies, securities and other property toward the payment of all or any part of the Obligations in such order and manner as the Secured Party in its sole discretion may determine and whether or not the Obligations or any part thereof shall then be due or demand for payment thereof made by the Secured Party.

23. Remedies Cumulative. Each right, power and remedy of the Secured Party as provided for in this Security Agreement or in the other Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Security Agreement or in the Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Secured Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Secured Party of any or all such other rights, powers or remedies.

24. Waiver. No failure or delay by the Secured Party to insist upon the strict performance of any term, condition, covenant or agreement of this Security Agreement or of the other Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Secured Party from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, the Secured Party shall not be deemed to have waived the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to effect such payment of any such other Obligations. No course of dealing between the Secured Party and the Grantor shall be effective to amend, modify or change any provision of this Security Agreement or the other Documents, and the Secured Party shall have the right at all times to enforce the provisions of this Security Agreement and any of the other Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Secured Party in refraining from so doing at any time or times. No modification, change, waiver or amendment of this Security Agreement shall be deemed to be made by the Secured Party unless in writing signed by the Secured Party, and each such waiver if any, shall apply only with respect to the specific instance involved. The Grantor waives presentment, notice of dishonor and notice of non-payment with respect to Accounts, General Intangibles, Supporting Obligations and Chattel Paper.

25. Governing Law. This Security Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance.

26. Miscellaneous. The paragraph headings of this Security Agreement are for convenience only, and shall not limit or otherwise affect any of the terms hereof. Neither this Security Agreement nor any term, condition, covenant or agreement hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party

against whom enforcement of the change, waiver, discharge or termination is sought. In conjunction with the sale, assignment or transfer of all or any part of the Obligations and of the Documents to any person or persons, the Secured Party may, without notice to or consent of the Grantor, at any time and from time to time sell, assign and transfer all or any part of this Security Agreement and the Collateral hereunder and each such purchaser, assignee and transferee shall have all of the rights, remedies and benefits of the Secured Party hereunder, provided that the Secured Party shall continue to have its rights, remedies and benefits hereunder as to so much of the Obligations and Documents that it has not sold, assigned or transferred. This Security Agreement shall be binding upon the personal representatives, successors and assigns of the Grantor and shall inure to the benefit of the successors, assigns and participants of the Secured Party. In the event any one or more of the provisions of this Security Agreement shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Security Agreement operate or would prospectively operate to invalidate this Security Agreement, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Security Agreement and the remaining provisions of this Security Agreement shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a limited liability company, a trust and an organization. Unless varied by this Security Agreement, all terms used herein which are defined by the applicable Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the applicable Uniform Commercial Code as now or hereafter in effect. The terms "sign," "signed" and "signatures" shall have their ordinary meanings except that, to limited extent the Secured Party in an authenticated record expressly agrees otherwise from time to time in the exercise of its sole and absolute discretion, the terms may also include other methods used to authenticate. The term "Obligations" as used herein shall be liberally construed to include, without limitation, the obligations, indebtedness and liabilities of the Grantor to the Secured Party for, arising under, or in connection with, any and all future loans, credit facilities and financial accommodations by the Secured Party to the Grantor whether or not the same may be presently contemplated by the Documents existing on or about the date hereof. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Working Capital Loan Agreement. If any provision hereof relating to the maintenance of books and records or insurance conflicts with any provision of the Loan Agreement or the Deed of Trust (as defined therein), the provisions of the Loan Agreement or Deed of Trust (as the case may be) shall control. This Security Agreement may be executed in counterparts.

27. Notices. All notices, requests and demands upon the respective parties hereto shall be deemed to have been given or made when delivered against hand receipt or five (5) days after deposit in the United States mail, postage prepaid, and addressed as follows:

(1) If to Secured Party:	Littleton Campus, LLC c/o Erickson Retirement Communities, LLC 701 Maiden Choice Lane Catonsville, Maryland 21228 Attention: Chief Financial Officer
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and

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: General Counsel

(2) If to the Grantor:

Wind Crest, Inc.
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: President

and

Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: General Counsel

or to such other address and addressee in respect of any party as such party shall notify the others in writing.

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the signature and seal of the Grantor is subscribed to this Security Agreement as of the day and year written above.

WIND CREST, INC., a Maryland nonstock
corporation

By: Ronald E. Walker
Ronald E. Walker
President

SCHEDULE I

Information Regarding Wind Crest, Inc.:

1. Form of organization (i.e., corporation, partnership, limited liability company): nonstock corporation
2. State of organization, if a registered organization (i.e., corporation, limited partnership or limited liability company): Maryland
3. Principal residence, if a natural person or general partnership: N/A
4. Address of chief executive office, including the County: 701 Maiden Choice Lane, Catonsville, Maryland 21228 (Baltimore County).
5. EIN, if not a natural person: 51-0549976
6. SSN, if a natural person: N/A
7. Organization ID# (if any exists): MD D10776664
8. Address for books and records, if different: Same as #4 above.
9. Address of other Collateral locations, including Counties, for the past five (5) years: (1) 3330 West County Line Road, Highlands Ranch, Colorado (Douglas County); and (2) 701 Maiden Choice Lane, Catonsville, Maryland 21228 (Baltimore County) .
10. Name and address of landlord or owner if location is not owned: Littleton Campus, LLC, 701 Maiden Choice Lane, Catonsville, Maryland 21228
11. Other names or tradenames now or formerly used: N/A

EXHIBIT A

LIST OF LICENSES

1. Life care institution permits to be issued in favor of Wind Crest, Inc. and/or Littleton Campus, LLC
2. All other health care, certificate of need, regulatory or other permits or approvals issued in favor of Wind Crest, Inc. and/or Littleton Campus, LLC.
3. All licenses for operation of a continuing care retirement community issued by the Colorado State Department of Public Health and Environment or other competent authority in favor of Wind Crest, Inc. and/or Littleton Campus, LLC for facilities at Wind Crest Retirement Community.

EXHIBIT N

WIND CREST

WORKING CAPITAL LOAN AGREEMENT

THIS WORKING CAPITAL LOAN AGREEMENT (this "Loan Agreement") is made as of this 24th day of March, 2006, by and between WIND CREST, INC., a Maryland nonstock corporation ("WC"), having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228, and LITTLETON CAMPUS, LLC, a Maryland limited liability company ("LC"), having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

LC is the owner of certain property located in Highlands Ranch, Colorado (the "Property"), which LC intends to develop as a continuing care retirement community (the "Retirement Community").

WC and LC have entered into a Master Lease and Use Agreement of even date herewith (the "Master Lease"); pursuant to which WC shall lease the Property.

Under the Master Lease, WC is or shall be obligated to, inter alia, purchase insurance for the Property, pay taxes on the Property, and to otherwise make any and all valid, operating expenditures necessary or desirable for maintaining the Property.

The parties have determined that WC shall borrow from LC from time to time certain sums as a loan to enable WC to perform its aforementioned obligations pursuant to the Master Lease.

To secure WC's obligations under the Loan, WC has executed a Lockbox Account Agreement dated of even date herewith (the "Lockbox Agreement").

The parties intend that the aggregate loan made by LC to WC shall not exceed at any one time an amount equal to Thirty-Seven Million Six Hundred Forty-One Thousand Dollars (\$37,641,000).

As evidence of the loan, WC has executed a Working Capital Promissory Note in the form attached hereto as Exhibit C (the "Note").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

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

Capital Budget - The annual budget prepared by WC setting out all capital repairs and replacements WC is obligated to perform pursuant to the terms of the Master Lease, which budget shall be prepared by WC and submitted to LC no later than February 15 of each year.

Construction Financing - The loan or loans made by a bank or other financial institution to LC to finance the construction of the Retirement Community.

Continuing Care Unit - The residential unit of a Resident at the Retirement Community, including independent living units, assisted living units, and nursing units.

Disbursement Date - The date on which Loan advances shall be disbursed from LC to WC.

Disbursement Request - The written request by WC to LC for an advance of the Loan.

LC – Littleton Campus, LLC, a Maryland limited liability company authorized to do business in Colorado, and its successors and assigns under this Loan Agreement.

Loan - The funds advanced by LC to WC pursuant to this Loan Agreement and the Note.

Loan Agreement - This Working Capital Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

Loan Documents - All notes, certificates, financing statements, security instruments and any other documents or agreements executed and delivered by WC in connection with the Loan, including, but not limited to, that certain Lockbox Account Agreement dated of even date herewith by and between WC and LC.

Master Lease - That certain Master Lease and Use Agreement by and between LC and WC dated as of the date of this Loan Agreement, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

Note - The Working Capital Promissory Note of even date herewith, executed by WC, evidencing the Loan, as the same may be amended, restated, supplemented or otherwise modified in writing from time to time.

Operating Budget - The annual budget prepared by WC setting forth WC's costs and income with respect to the operation of the Retirement Community, which operating budget shall be prepared and submitted to LC for review and approval no later than February 15 of each year.

Operating Deficiency – The excess of WC's Total Operating Expenses over WC's Operating Revenues for any period.

Operating Revenues – The sum of WC's gross resident and patient service revenues plus other operating revenues and non-operating revenues, but excluding contractual allowances and provisions for uncollectible accounts, free care and discounted care, amortization of resident deposits, unrealized investment income, non-cash gains and any other non-cash items.

Premises - The Property, together with all improvements located thereon, leased to WC pursuant to the Master Lease.

Property - The real property of LC located in Highlands Ranch, Colorado which Property is more particularly described in Exhibit A attached hereto.

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

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

Retirement Community - The continuing care retirement community located on the Premises.

Total Operating Expenses – For any period the sum of all expenses of WC for such period, exclusive of items that do not require the expenditure of cash (including, without limitation, depreciation and amortization), including management fees, determined in accordance with generally accepted accounting principles consistently applied and in accordance with the Operating Budget.

WC – Wind Crest, Inc., a Maryland corporation authorized to do business in Colorado, and its successors and assigns under this Loan Agreement.

2. The Loan. Upon and subject to the terms and conditions set forth herein, LC agrees to lend to WC, and WC agrees to borrow from LC the Loan, in an aggregate principal amount outstanding at any one time not to exceed Thirty-Seven Million Six Hundred Forty-One Thousand Dollars (\$37,641,000), to be disbursed as set forth herein. Notwithstanding any term to the contrary herein, LC shall not be obligated to lend to WC any sums in excess of Thirty-Seven Million Six Hundred Forty-One Thousand Dollars (\$37,641,000).

3. Loan Disbursement. Not more often than once a month, WC shall send to LC a Disbursement Request for the amount of any proposed advance under the Loan. Such written request shall include supporting documentation, acceptable to LC in LC's sole discretion, to evidence that the Loan advances shall be used for valid operating expenditures for the operation of the Retirement Community, pursuant to an Operating Budget and a Capital Budget that LC has reviewed and approved in accordance with the Master Lease. Subject to the provisions of Article 8 of this Loan Agreement, LC shall disburse to WC the Loan advances within ten (10) business days of receipt of the Disbursement Request and supporting documentation acceptable to LC.

4. The Note. As evidence of the Loan, WC has executed and delivered the Note to LC in the original principal balance of Thirty-Seven Million Six Hundred Forty-One Thousand Dollars (\$37,641,000).

5. Interest. Accrued interest on the aggregate amount of Loan advances outstanding shall be payable monthly in accordance with the terms and conditions of the Note.

6. Repayment of Principal. The entire principal amount outstanding under the Loan, unless sooner accelerated or paid, shall be due and payable on the maturity date of the Note. WC may prepay or repay all or any portion of the principal amount of the Loan at any time, without penalty.

7. Representations, Covenants, and Warranties.

7.1 WC hereby represents, covenants, and warrants that:

7.1.1. WC has been duly established as a Maryland corporation, is authorized to do business in and is in good standing in the State of Colorado, has full power and authority to own its assets, to conduct the activities in which it is engaged, and is in compliance in all material respects with all laws, regulations, ordinances, orders and other requirements of all governmental bodies or agencies applicable to it or its business activities.

7.1.2. The borrowing evidenced by this Loan Agreement and the Note is duly within the power of WC, has been duly authorized, has received all necessary governmental approvals, and will not violate any provision of law, order of court or governmental agency, or any indenture, agreement or other instrument to which WC or any of its members is party or is bound. This Loan Agreement, the Loan Documents and the Note, when executed and delivered by WC, shall constitute the legal, valid, and binding obligations of WC according to their terms.

7.1.3. All Loan advances disbursed pursuant to this Loan Agreement shall be used by WC solely for valid operating expenditures for the Retirement Community, pursuant to the Operating Budget and the Capital Budget.

7.1.4. The Articles of Incorporation and By-Laws of WC forwarded by WC to LC are true, correct and complete, and unmodified as of the date hereof.

7.2 Contemporaneous with the execution of this Loan Agreement, LC shall deliver to WC:

7.2.1. A copy of the Articles of Organization and the Operating Agreement of LC;

7.2.2. Certificate of the Maryland State Department of Assessments and Taxation as to the good standing of LC; and

7.2.3. A resolution executed by the members of LC consenting to the lending of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement by LC.

8. Conditions Precedent to Disbursement. In addition to any other condition stated herein, the following shall be conditions precedent to the disbursement of any proceeds of the Loan:

8.1. Contemporaneous with the execution of this Loan Agreement, WC shall deliver to LC:

8.1.1. A copy of the Articles of Incorporation and By-Laws of WC;

8.1.2. Certificate of the Maryland State Department of Assessments and Taxation as to the good standing of WC;

8.1.3. Certificate of the State of Colorado as to the registration or qualification of WC to transact business in Colorado;

8.1.4. A resolution executed by the Board of Directors of WC consenting to the borrowing of the funds evidenced by the Loan and the execution and delivery of this Loan Agreement and the Note by WC;

8.1.5. The Note, fully executed by WC;

8.1.6. All other Loan Documents, fully executed by WC.

8.2. All representations and warranties of WC shall be true and correct in all material respects on the date of each disbursement.

8.3. There shall not have occurred and be continuing any Event of Default in the performance or observance of any of the covenants, agreements or conditions to be performed or observed by WC under this Loan Agreement, the Note, or the Master Lease, nor shall there have occurred and be continuing any event, fact or circumstance which, with the passage of time, the giving or notice, or both, could constitute such a default.

8.4. Until the Construction Financing has been satisfied and released, LC shall have received an advance under the Construction Financing equivalent to any such proposed Loan disbursement that is authorized to be disbursed to WC under the Loan.

9. Default.

9.1. WC shall be deemed to be in default of this Loan Agreement in the event of any one or more of the following occurrences:

9.1.1. WC fails to make any payment of interest or principal under this Loan Agreement or the Note within ten (10) days following the due date thereof;

9.1.2. WC fails to perform any of its covenants and obligations other than the payment of interest or principal pursuant to this Loan Agreement, the Note or the Lockbox Agreement and fails to either cure said default within ten (10) days of written notice from LC specifying the failure or, if the default is of a nature that cannot be cured within ten (10) days, commence curing said default within such time;

9.1.3. WC fails to perform or satisfy any of its covenants or obligations under the Master Lease and fails to cure said default within the time provided in the Master Lease (if any);

9.1.4. WC uses any of the disbursed Loan advances for any purpose other than valid operating expenses of the Retirement Community;

9.1.5. WC is adjudicated to be bankrupt or insolvent;

9.1.6. WC makes an assignment for the benefit of its creditors;

9.1.7. WC consents or applies for the appointment of a trustee or receiver for WC;

9.1.8. Any voluntary or involuntary petition is filed by or against WC under any section or chapter of the United States Bankruptcy Code, or any similar federal or state statute, and in the event of an involuntary filing, such filing is not vacated within thirty (30) days; or

9.1.9. WC fails to maintain its status as a 501(c)(3) corporation after first qualifying as such, pursuant to a final and unappealable adjudication by a competent authority.

9.2. Upon a default by WC under this Loan Agreement, LC's obligation to disburse Loan advances shall immediately terminate. LC may also, at its sole discretion, declare the Note to be immediately due and payable in full, together with any accrued interest thereunder, and bring an action therefor, without necessity for presentment, demand, notice, or protest, all of which are waived by WC. LC's rights upon default are in addition to any rights which LC may have at law or in equity.

10. Entire Agreement. This Loan Agreement, the Loan Documents and the Note constitute the entire agreement between the parties in respect of the Loan and there are no oral agreements between the parties in connection herewith. This Loan Agreement, the Loan Documents and the Note may be amended only in writing upon execution of both parties.

11. Assignment. WC shall not assign its rights and obligations under this Loan Agreement or the Note without the prior written consent of LC.

12. Survival of Covenants. All representations, covenants, and warranties made herein shall survive the making of the Loan and the delivery of the Note.

13. Governing Law. This Loan Agreement and the Note shall be governed by the law of the State of Maryland, and venue for all proceedings under this Loan Agreement, the Note or the Loan shall be in the State of Maryland.

14. Severability. In the event that any provision of this Loan Agreement or the Note is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder

of the Loan Agreement or the Note which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

15. Consent to Representation. The parties hereto consent to multiple representation by the attorney(s) drafting this Loan Agreement or the Note, or any amendments thereto and waive any claim of conflict of interest.

16. Successors and Assigns. The covenants herein shall be binding upon, and the rights hereunder shall inure to the benefit of the parties, their personal representatives, successors and assigns.

17. Waiver. No delay on the part of LC in exercising any of its rights under this Loan Agreement or the Note shall operate as a waiver thereof, and no single or partial exercise of any such rights (including acceptance of late payments by LC) shall preclude other or further exercise thereof, or the exercise of any other rights. Waiver by LC of any default by WC, or any other party, shall not constitute a waiver of any subsequent defaults but shall be restricted to the default so waived.

18. Notices. Any notice required or permitted by this Loan Agreement or the Note, to be given by either party to the other, may be either personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties set forth on Exhibit B hereof, unless another address shall have been substituted for such address by notice in writing, the date of personal delivery being taken as the date of the giving of such notice.

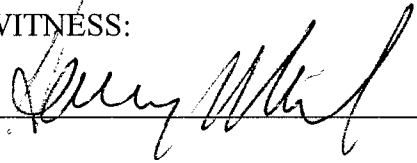
19. Security. As collateral security for WC's obligations hereunder, WC herewith assigns and sets over to LC all of its right, title and interest in and to all Residence and Care Agreements entered into with respect to Continuing Care Units in the Property, and particularly all payments due thereunder, and grants to LC a security interest therein. WC will, on request, execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents, including a collateral assignment, as may be necessary or appropriate to perfect such security interest. In the event of default by WC in any of its obligations under this Loan Agreement, LC shall have the right to exercise all rights of WC under such Residence and Care Agreements, including the right to collect all payments due thereunder, to set fees and charges payable to all future periods, and to enter into such modifications, terminations or amendments thereof as LC may deem appropriate (provided the rights of Residents to occupy the Continuing Care Units within their respective Residence and Care Agreements are not impaired) all without notice to or concurrence of WC. In such event, WC will give notice to each resident subject to a Residence and Care Agreement assigned hereunder that LC has succeeded to WC's rights thereunder. In addition, WC herewith assigns and sets over to LC all of its right, title and interest in, to and under all licenses, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses

and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, and any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, and any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Medicare and Medicaid provider agreements issued to WC and the Retirement Community, together with all additions to, modifications of and substitutions for any of the foregoing.

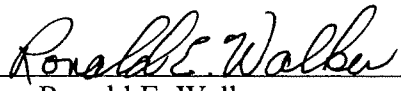
20. Limitation on Liability of Members/Partners. The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Loan Agreement, if any judicial proceedings to enforce the obligations of either party is brought by any party, such proceedings shall be limited to the property and assets of the party. No judgment or suit shall be sought or obtained by any party against the members or partners of the parties, or any officer, director or employee of a member or partner of the parties or their assets. Nothing herein contained shall limit or impair the liability of a member or partner of a party for any obligation arising independently of their status as a member or partner of such party.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the date first above written.

WITNESS:



WIND CREST, INC.

By:  (Seal)
Ronald E. Walker
President

WITNESS:

LITTLETON CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

**APPROVED AS TO LEGAL
SUFFICIENCY** _____

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed as of the date first above written.


WITNESS:

WIND CREST, INC.

By: _____ (Seal)

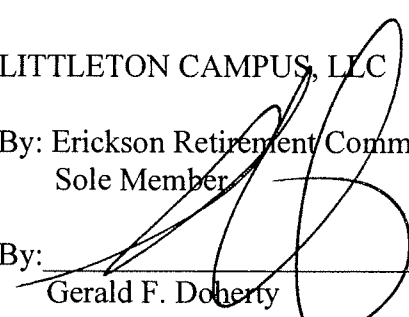
Ronald E. Walker
President

WITNESS:

_____

LITTLETON CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: _____

Gerald F. Doherty
Executive Vice President

**APPROVED AS TO LEGAL
SUFFICIENCY** _____

WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
WIND CREST, INC.
AND
LITTLETON CAMPUS, LLC

EXHIBIT A

Property Description

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF-WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH $89^{\circ}28'38''$ WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;

THENCE NORTH $01^{\circ}08'14''$ EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;

2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;

2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);

3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);

5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;

6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);

7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);

9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH $89^{\circ}28'38''$ WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;
THENCE NORTH $01^{\circ}08'14''$ EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;

2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;

2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);

3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);

5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;

6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);

7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);

9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH $89^{\circ}28'38''$ WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;
THENCE NORTH $01^{\circ}08'14''$ EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;

2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;

2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);

3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);

5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;

6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);

7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);

9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;

2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);

3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;

4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);

5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;

6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);

7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;

8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);

9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
WIND CREST, INC.
AND
LITTLETON CAMPUS, LLC

EXHIBIT B

Notice Addresses

Notice shall be given as follows:

LC: Littleton Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Legal Department

WC: Wind Crest, Inc.
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: President

With a copy to:

Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1400
Baltimore, Maryland 21202-1626

WORKING CAPITAL LOAN AGREEMENT
BY AND BETWEEN
WIND CREST, INC.
AND
LITTLETON CAMPUS, LLC

EXHIBIT C

FORM OF PROMISSORY NOTE

March ____, 2006

\$ 37,641,000

WORKING CAPITAL PROMISSORY NOTE

FOR VALUE RECEIVED, WIND CREST, INC. ("WC") promises to pay to the order of LITTLETON CAMPUS, LLC ("LC") at LC's offices at 701 Maiden Choice Lane, Baltimore, Maryland, 21228, the principal sum of Thirty-Seven Million Six Hundred Forty-One Thousand Dollars (\$37,641,000) (or so much thereof as has been advanced hereunder from time to time), together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder of this Note by WC, on the eighth (8th) anniversary date of the date of this Note (the "Maturity Date"). The following terms shall apply to this Note:

1. Interest Rate. For the period from the date of this Note until the Maturity Date, interest shall accrue on the outstanding principal of this Note at the floating rate obtained by adding one percentage point (1 %) to the prime rate of interest, such rate to be adjusted based on the interest rate in effect as of the last business day of each month during the term hereof. The prime rate as used herein refers to that interest rate declared by GMAC Commercial Mortgage Corporation, from time to time.

2. Repayment. Interest accrued hereunder shall be paid to LC over the term hereof monthly in arrears, beginning on April 1, 2006 and continuing on the first date of each succeeding calendar month until the Maturity Date, at which time the entire outstanding principal amount hereof together with any accrued and unpaid interest, as well as any other fees and charges due hereunder, shall be due and payable in full in a single lump sum payment.

3. Calculation of Interest. Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by LC and billed to WC for each appropriate period; provided, however, that failure of LC to bill WC shall not relieve WC's payment obligations hereunder.

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

5. Prepayment. WC may prepay or repay all or any portion of the principal amount of this Note at any time without penalty.

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

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

8. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not suit has been filed, WC shall pay all of LC's costs, fees (including reasonable attorneys' fees) and expenses resulting from such referral.

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

10. Waiver of Jury Trial. WC and LC hereby voluntarily and intentionally waive any right they may have to a trial by jury in any action, proceeding or litigation directly or indirectly arising out of or under or in connection with this Note. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Note. This waiver is knowingly, intentionally, and voluntarily made by WC, which acknowledges that it has been represented in the execution of this Note and in the making of this waiver by legal counsel and that it has had the opportunity to discuss this waiver with counsel. WC further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

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

WITNESS:

WIND CREST, INC.

By: _____ (Seal)

Name: Ronald E. Walker

Title: President

**APPROVED AS TO LEGAL
SUFFICIENCY _____**

EXHIBIT M

WHEN RECORDED, RETURN TO:

Kelly M. Wrenn, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street, NW, Suite 1000 South
Washington, DC 20005-3807

ASSIGNMENT OF DEED OF TRUST

(COMMUNITY LOAN)

THIS ASSIGNMENT OF DEED OF TRUST (this "Assignment") given as of the 29th day of March, 2006, by WIND CREST, INC. a Maryland nonstock corporation ("WC") to GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Lender").

RECITALS

WHEREAS, WC is the beneficiary named in that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated of even date herewith, by and between Littleton Campus, LLC, a Maryland limited liability company ("LC"), as grantor and WC, as beneficiary (the "Subordinated Deed of Trust"), which Subordinated Deed of Trust is about to be recorded in the Office of the Clerk in and for Douglas County, Colorado immediately following the Senior Deed of Trust (defined below) and encumbers the real property located in Douglas County, Colorado and described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, pursuant to a Subordination Agreement of even date herewith (the "Subordination Agreement") WC has agreed to subordinate payment under a Community Loan Note from LC to WC (the "Subordinated Note") and other obligations referred to in the Subordinated Deed of Trust (with the Subordinated Note, the "Subordinated Indebtedness") to the payment of a certain loan made by Lender to LC, in the maximum principal amount of Eighty Three Million and 00/100 (\$83,000,000.00) Dollars, which loan is evidenced by a Promissory Note from LC to Lender of even date herewith (the "Senior Note"); and

WHEREAS, LC has secured its obligations in connection with the Senior Note by, among other things, a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing of even date herewith by and between LC and Lender (the "Senior Deed of Trust"), which Senior Deed of Trust is about to be recorded in the Office of the Clerk in and for Douglas County, Colorado immediately prior to the Subordinate Deed of Trust and also encumbers the Property; and

WHEREAS, as collateral for its obligations under the Subordination Agreement, WC has pledged and granted to Lender a security interest in the Subordinated Indebtedness; and

WHEREAS, the parties now desire to record this Assignment to evidence the fact that Lender is holder of the Subordinated Indebtedness and all rights related thereto, including all rights under the Subordinated Deed of Trust.

NOW, THEREFORE, THIS ASSIGNMENT WITNESSETH, that for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby stipulate and agree as follows:

1. WC has transferred, assigned, granted and conveyed to Lender, and by these presents hereby transfers, assigns, grants and conveys to Lender, all interest of WC in and under the Subordinated Deed of Trust, as the beneficiary thereof and thereunder, and the Subordinated Note, together with all other rights and interests arising with respect to the Subordinated Indebtedness.

2. Upon full payment of the Senior Note, and the performance of all other obligations owing to Lender under the Loan Documents described in the Senior Deed of Trust, Lender will retransfer, reassign, regrant and reconvey to WC all interests in, to and under the Subordinated Deed of Trust.

3. This Assignment shall be governed by and construed in accordance with the laws of the State of Colorado.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

WITNESS the following hands and seals.

WIND CREST, INC., a Maryland nonstock
corporation

By: Ronald E. Walker
Ronald E. Walker,
President

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

This instrument was acknowledged before me on the 23rd day of March, 2006 by
RONALD E. WALKER, President of Wind Crest, Inc., a Maryland non-profit corporation.

Witness my hand and official seal.

My Commission Expires: 6-1-2008

Patricia O. Keller
Notary Public

(SEAL)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

GMAC COMMERCIAL MORTGAGE
CORPORATION, a California corporation

By: Catherine D. Hilbush
Name: Catherine D. Hilbush
Title: Vice President

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

This instrument was acknowledged before me on the 28th day of March, 2006 by CATHERINE D. HILBUSH, a Vice President of GMAC Commercial Mortgage Corporation, a California corporation.

Witness my hand and official seal.

My Commission Expires: 12/1/06

Lori A. Nicolle, Notary Public
City of Baltimore
State of Maryland
My Commission Expires Dec. 1, 2006

Lori A. Nicolle
Notary Public

(SEAL)

EXHIBIT A

The Property

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY
OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED
AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET TO THE WESTERLY
RIGHT-OF WAY LINE OF THE HIGHLINE CANAL RECORDED IN THE DOUGLAS
COUNTY CLERK AND RECORDERS OFFICE IN BOOK 34 AT PAGE 45 AND THE
POINT OF BEGINNING;

THENCE SOUTH 89°28'38" WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 5;
THENCE NORTH 01°08'14" EAST, ALONG THE WEST LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO A POINT ON THE
EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN SANTA FE
RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2)
COURSES:

1) NORTH 40°58'48" EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF
19°14'46", A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF 498.05 FEET,
(CHORD BEARS NORTH 31°21'25" EAST, A DISTANCE OF 495.71 FEET), TO A POINT
ON THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;
- 2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

- 1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);
- 3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;
- 4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);
- 5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);
- 7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);
- 9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH $18^{\circ}23'37''$ WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH 89°29'33" WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;

THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE

EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN (15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;
- 10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH $83^{\circ}45'03''$ EAST, A DISTANCE OF 223.27 FEET);
- 11) NORTH $54^{\circ}57'19''$ EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}56'54''$, A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH $26^{\circ}00'15''$ EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE
OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER

)

EXHIBIT L

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Gerald F. Doherty, Esq.
Wind Crest, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228

**DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING
(COMMUNITY LOAN)**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is made as of March ^{29th} 2006, by LITTLETON CAMPUS, LLC, a Maryland limited liability company, whose mailing address and chief executive office is located at 701 Maiden Choice Lane, Baltimore, Maryland 21228, hereinafter called "Grantor," to the Public Trustee of the County of Douglas, State of Colorado ("Trustee") for the benefit of WIND CREST, INC., a Maryland nonstock corporation, whose mailing address is 701 Maiden Choice Lane, Baltimore, Maryland 21228, hereinafter called "Beneficiary."

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

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

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

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

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

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

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

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

(h) “Indebtedness” means (a) the principal of, interest on, or other sums evidenced by the Note or the Community Loan Agreement; (b) any other amounts, payments, or premiums payable under the Community Loan Agreement or any of the other Loan Documents; (c) such additional or future sums (whether or not obligatory), with interest thereon, as may hereafter be borrowed or advanced from Beneficiary, its successors or assigns, by the then record owner of the Mortgaged Property, when evidenced by a promissory note which, by its terms, is secured hereby (it being contemplated by Grantor and Beneficiary that such future indebtedness may be incurred); and (d) any and all other indebtedness, obligations, and liabilities of any kind or character of Grantor to Beneficiary, now or hereafter existing, absolute or contingent, due or not due, arising by operation of law or otherwise, or direct or indirect, primary or secondary, joint, several, joint and several, fixed or contingent, secured or unsecured by additional or different security or securities, including indebtedness, obligations, and liabilities to Beneficiary of Grantor as a member of any partnership, joint venture, trust or other type of business association, or other group, and whether incurred by Grantor as principal, surety, endorser, guarantor, accommodation party or otherwise, and any and all renewals, modifications, amendments, restatements, rearrangements, consolidations, substitutions, replacements, enlargements, and extensions thereof, it being contemplated by Grantor and Beneficiary that Grantor may hereafter become indebted to Beneficiary in further sum or sums. Notwithstanding the foregoing provisions of this definition, this Deed of Trust shall not secure any such other loan, advance, debt, obligation or liability with respect to which Beneficiary is by applicable law prohibited from obtaining a lien on real estate, nor shall this definition operate or be effective to constitute or require any assumption or payment by any person, in any way, of any debt or obligation of any other person to the extent that the same would violate or exceed the limit provided in any applicable usury or other law.

(i) “Land” means the real property located in the County of Douglas, State of Colorado and more particularly described in Exhibit A attached hereto, together with all existing and future easements and rights affording access to it.

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

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

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

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

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

(i) the Land,

(ii) the Improvements,

(iii) all existing and future appurtenances, privileges, easements, franchises and tenements of the Land, including, without limitation, all minerals, oil, gas, other hydrocarbons and associated substances which may be in, under or produced from any part of the Land, all development rights and credits, air rights, water, water rights (whether riparian, appropriate or otherwise, and whether or not appurtenant) and water stock, and any land lying in the street, roads or avenues, open or proposed, in front of or adjoining the Land and Improvements;

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

(v) all goods, materials, supplies, chattels, furniture, Fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land

and Improvements, whether stored on the Land or elsewhere, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust;

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

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

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

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

(x) all proceeds, including, without limitation, all claims to and demands for them, of the voluntary or involuntary conversion of any of the Land, Improvements or the other property described above into cash or liquidated claims, including, without limitation, proceeds of all present and future fire, hazards or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including, without limitation, causes of action arising in tort, contract, fraud or concealment of a material fact;

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

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

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

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

(o) “Note” means that certain Community Loan Note of even date herewith in the stated principal amount of \$556,770,000, incorporated herein by this reference, executed by Grantor and payable to the order of Beneficiary, evidencing the Loan and secured by, among other things, this Deed of Trust; and any and all renewals, modifications, amendments, rearrangements, consolidations, reinstatements, enlargements, or extensions of such promissory note or of any promissory note or notes given in renewal, substitution or replacement therefor. The entire unpaid principal balance, all accrued and unpaid interest and all other amounts payable shall be due and payable on March 30, 2036.

(p) “Obligation(s)” means the payment of all amounts due under and the performance of all agreements, obligations, conditions, covenants, provisions and stipulations of Grantor to Trustee or Beneficiary now existing or hereafter arising or incurred under this Deed of Trust, the Community Loan Agreement or any Loan Documents as each may from time to time be amended, whether individually or collectively, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising thereunder or hereunder by contract, operation of law or otherwise. This Deed of Trust secures future advances up to the total maximum principal amount of \$1,113,540 and shall be effective to secure payment of all advances under the Note, both obligatory and optional, up to such amount, to the same extent and with the same effect and priority as if such total amount had been fully disbursed on or before the date of recording of this Deed of Trust.

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

(r) “Rents” means income, receipts, revenues, rents, issues and profits now or hereafter arising from or out of the Leases or from or out of the Mortgaged Property or any part thereof, including, without limitation, room rents, minimum rents, additional rents, percentage rents, occupancy and user fees and charges, license fees, parking and maintenance charges and

fees, tax and insurance contributions, proceeds of the sale of utilities and services, cancellation premiums, claims for damages arising from any breach of the Leases, proceeds from any sale or other disposition of all or any portion of the Mortgaged Property, and all other benefits arising from the use or enjoyment of, or the lease, sale or other disposition of, all or any portion of the Mortgaged Property, together with the immediate and continuing right to receive all of the foregoing.

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

Section 3. Certain Covenants and Conditions.

(a) Waiver and Modification. Whether or not for additional interest or other consideration paid or payable to the Beneficiary, no forbearance on the part of the Beneficiary or extension of the time for the payment of the whole or any part of the Obligations secured hereby, whether oral or in writing, or any other indulgence given by the Beneficiary to Grantor or to any other part claiming any interest in or to the Mortgaged Property, shall operate to release or in any manner affect the original liability of Grantor, or the priority of this Deed of Trust, or to limit, prejudice or impair any right of the Beneficiary, including, without limitation, the right to realize upon the security, or any part thereof, for the Obligations secured hereby or any of them, notice of any such extension, forbearance or indulgence being hereby waived by Grantor and all those claiming by, through or under Grantor. No consent or waiver, express or implied, by the Beneficiary to or of any default by Grantor shall be construed as a consent or waiver to or of any further default in the same or any other term, condition, covenant or provision of this Deed of Trust or of the Obligations secured hereby.

Section 4. Security Agreement.

(a) Security Interest. This Deed of Trust (a) shall be construed as a Deed of Trust on real property, and (b) shall also constitute and serve as a "Security Agreement" on personal property within the meaning of, and shall constitute until the grant of this Deed of Trust shall terminate as provided in Section 2 hereof, a first and prior security interest under the Code

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

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

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

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

Section 5. Assignment of Rents.

(a) To facilitate and secure payment and performance of the Obligations, Grantor hereby absolutely and presently transfers and assigns to Beneficiary all right, title and interest of Grantor in and to all Leases and all Rents arising from or out of the Leases or from or

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

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

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

(d) Neither the assignment of rents and leases contained herein or in any separate assignment nor the exercise by Beneficiary of any of its rights or remedies thereunder or in connection therewith, prior to Beneficiary obtaining actual possession of the Property, shall constitute Beneficiary a "mortgagee in possession" or otherwise make Beneficiary responsible or liable in any manner with respect to the Property or the occupancy, operation or use thereof.

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

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

(b) Foreclosure; Power of Sale. Foreclose this Deed of Trust, insofar as it encumbers the Property, either by judicial action or through Trustee. If this Deed of Trust encumbers more than one parcel of real estate, foreclosure may be by separate parcel or en masse, as Beneficiary may elect in its sole discretion. Foreclosure through Trustee will be initiated by Beneficiary's filing of its notice of election and demand for sale with Trustee. Upon

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

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

(d) Rents. Without regard to the adequacy of any security for the Obligations or the solvency of Grantor or any other person or entity, send notifications to any and all lessees

and tenants under the Leases that all Rents shall be paid to Beneficiary. All Rents collected by Beneficiary may be applied in any manner that Beneficiary deems advisable.

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

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

Section 8. Miscellaneous.

(a) Maximum Interest. It is expressly stipulated and agreed to be the intent of Grantor and Beneficiary at all times to comply strictly with the applicable Colorado law governing the maximum rate or amount of interest payable on the Note or the Indebtedness (or applicable United States federal law to the extent that it permits Beneficiary to contract for, charge, take, reserve or receive a greater amount of interest than under Colorado law). If the applicable law is ever judicially interpreted so as to render usurious any amount (i) contracted for, charged, taken, reserved or received pursuant to the Note, Community Loan Agreement or any of the other Loan Documents or any other communication or writing by or between Grantor and Beneficiary related to the transaction or transactions that are the subject matter of the Community Loan Agreement or any of the other Loan Documents, (ii) contracted for, charged or received by reason of Beneficiary's exercise of the option to accelerate the maturity of the Note and/or the Indebtedness, or (iii) Grantor will have paid or Beneficiary will have received by reason of any voluntary prepayment by Grantor of the Note and/or the Indebtedness, then it is Grantor's and Beneficiary's express intent that all amounts charged in excess of the Maximum Lawful Rate shall be credited on the principal balance of the Note and/or the Indebtedness (or, if the Note and all Indebtedness have been or would thereby be paid in full, refunded to Grantor), and the provisions of the Note, Community Loan Agreement or any other Loan Documents immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

(b) Release. If the Indebtedness is paid in full in accordance with the terms of this Deed of Trust, the Note, the Community Loan Agreement or any of the other Loan Documents, and if Grantor shall well and truly perform each and every of the Obligations to be performed and discharged in accordance with the terms of this Deed of Trust, the Note, the Community Loan Agreement or any of the other Loan Documents, then this conveyance shall become null and void and be released at Grantor's request and expense, and Beneficiary shall

have no further obligation to make advances under and pursuant to the provisions hereof or in the Community Loan Agreement or any of the other Loan Documents.

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

Grantor: Littleton Campus, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Chief Financial Officer
Phone: (410) 242-2880
Fax: (410) 737-8828

with copies to: Erickson Retirement Communities, LLC
Attn: General Counsel
701 Maiden Choice Lane
Baltimore, Maryland 21228
Phone: (410) 737-8864
Fax: (410) 737-8828

Beneficiary: Wind Crest, Inc.
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attention: Legal Department
Phone: (410) 242-2880
Fax: (410) 737-8828

with copies to: Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
Seven Saint Paul Street, Suite 1400
Baltimore, Maryland 21202-1626
Phone: (410) 347-8704
Fax: (410) 223-3484

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

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

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

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

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

(j) Subordination. Pursuant to that certain Subordination Agreement between Beneficiary and GMAC Commercial Mortgage Corporation, a California corporation ("GMAC"), dated the date hereof, this Deed of Trust is and shall at all times be subordinate and inferior to that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing to the Public Trustee for the benefit of GMAC, in the principal amount of \$83,000,000.00, encumbering the Mortgaged Property, dated the date hereof, and to all amounts secured thereby and future advances made thereunder, on the terms and conditions set forth in said Subordination Agreement."

[Signatures to Follow]

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

LITTLETON CAMPUS, LLC,
a Maryland limited liability company

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

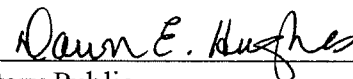
By: 
Gerald F. Doherty,
Executive Vice President

STATE OF MARYLAND §

COUNTY OF Anne Arundel §

The foregoing instrument was acknowledged before me this 27th day of March, 2006, by Gerald F. Doherty, Executive Vice President of Erickson Retirement Communities, LLC, a Maryland limited liability company, the sole member of Littleton Campus, LLC, a Maryland limited liability company.

Witness my hand and official seal.


Notary Public

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

[SEAL]

EXHIBIT A
Land Description

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF-WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH $89^{\circ}28'38''$ WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;
THENCE NORTH $01^{\circ}08'14''$ EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;

2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;

2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);

3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);

5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;

6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);

7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);

9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF-WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH $89^{\circ}28'38''$ WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;
THENCE NORTH $01^{\circ}08'14''$ EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

- 1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;
- 2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

- 1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);
- 3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;
- 4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);
- 5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);
- 7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);
- 9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF-WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH 89°28'38" WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;
THENCE NORTH 01°08'14" EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH 40°58'48" EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF 19°14'46", A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH 31°21'25" EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

- 1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;
- 2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

- 1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);
- 3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;
- 4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);
- 5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);
- 7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);
- 9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

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PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

EXHIBIT B

Permitted Exceptions

CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY SCHEDULE B - PART 1

Policy Id: PROFORMA F204607

Office File Number: F204607

This policy does not insure against loss or damage by reason of the following:

1. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
2. Taxes and assessments for the year 2006 and subsequent years, a lien, not yet due or payable.
3. Reservation of all mineral lands should any such be found in the tracts aforesaid, but this exclusion and exception according to the terms of the statute, shall not be construed to include "Coal and Iron land", contained in Patent recorded September 20, 1883, in Book M at Page 316.
4. Right of way for Estlacks, Babcock's and Marcy's Ditch now known as Keystone Ditch as evidenced by instrument recorded April 8, 1886 in Book Q at page 267.
5. Right of Way for Legere Ditch as evidenced in instrument recorded June 1, 1886 in Book Q at Page 312.
6. A right of way for Linhart Ditch and Linhart Reservoir as evidenced by instrument recorded May 2, 1888 in Book S at Page 440.
7. Terms, conditions, provisions, agreements and obligations specified under the Deed and Agreement, which was recorded August 17, 1884 in Book S at Page 185.
8. The right of the proprietor of a vein or lode to extract or remove his ore, should the same be found to penetrate or intersect the premises thereby granted and rights-of-way for ditches and canals as reserved in United States Patent recorded December 18, 1896, in Book X at Page 458, and any and all assignments thereof or interests therein.
9. An easement for Wolhurst Ditch No. 1 and Wolhurst Ditch No. 2 as evidenced in instrument recorded in Book 1 at Page 509.
10. Reservation of rights of way as contained in Deed recorded in Book 34 at Page 45, as follows:
 - (a) A strip of land 30 feet in width along the West side of said land for a roadway, also reserving rights of way for public highways and irrigating ditches now established on the premises.
 - (b) A strip of land 100 feet in width through and across said land for a ditch as described in said instrument.
11. Easements, together with the terms, conditions, provisions, agreements and obligations specified under the Right of Way Agreement, which was recorded March 23, 1972 in Book 229 at Page 255.
12. An easement for utility lines and incidental purposes granted to Public Service Company of Colorado by the instrument recorded July 18, 1977 in Book 311 at Page 467.
13. Easements, together with the terms, conditions, provisions, agreements and obligations specified under the Grant of Water and Sewer Line Easement, which was recorded March 26, 1981 in Book 408 at Page 985.
14. Easements, together with the terms, conditions, provisions, agreements and obligations specified under

CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY

SCHEDULE B - PART 1

(Continued)

the Grant of Water and Sewer Line Easement, which was recorded March 26, 1981 in Book 408 at Page 998.

15. Easements, together with the terms, conditions, provisions, agreements and obligations specified under the Grant Water and Sewer Line Easement, which was recorded March 26, 1982 in Book 408 at Page 1004.
16. An easement for one or more water pipelines and incidental purposes granted to City and County of Denver, acting by and through its Board of Water Commissioners by the instrument recorded March 2, 1983 in Book 467 at Page 335.
17. No right of rights of access to and from the highway described in Rule and Order recorded January 17, 1985 in Book 558 at Page 587.
18. Terms, conditions, provisions, agreements and obligations specified under the Agreement, which was recorded April 25, 1986 in Book 636 at Page 396.
19. Terms, conditlons, provisions, agreements and obligations specified under the Wastewater Service Agreement, which was recorded July 29, 1986 in Book 655 at Page 384.
20. The effect of the inclusion of the subject property in the Highlands Ranch Metropolitan District No. 3, as disclosed by the instrument recorded December 17, 1990 in Book 943 at Pages 997, 999 and 1001.
21. Easements, together with the terms, conditlons, provlsions, agreements and obligatlons specified under the Permanent Roadway Purposes and Utility easement, which was recorded September 1, 1996 in Book 1369 at Page 1674.
22. Terms, agreements, provisions conditions and obligations of a Memorandum of Site lease with Option, executed by Bowen Farms, Inc., as lessor(s), and U S West NewVector Group, Inc., as lessee(s), recorded February 9, 1999 in Book 1666 at Page 1112, and any and all parties claiming by, through or under said lessee(s).

Note: Notice of Exercise of Option recorded March 29, 1999 in Book 1686 at Page 1198.
23. An easement for utility lines and incidental purposes granted to Public Service Company of Colorado by the instrument recorded December 9, 1996 in Book 1392 at Page 1911.
24. An easement for utility lines and incidental purposes granted to Public Service Company of Colorado by the instrument recorded April 7, 1997 in Book 1421 at Page 284.
25. An easement for communication faculties and incidental purposes granted to Qwest Communication Corporation by the instrument recorded April 15, 1997 in Book 1422 at Page 2354.
26. Terms, conditions, provisions, agreements and obligations specified under the Memorandum of Agreement In favor of Western PCS III License Corporation, which was recorded October 21, 1996 in Book 1379 at Page 2148 and Memorandum of License recorded March 9, 1999 at Reception No. A9039883 (Arapahoe Records).
27. The effect of the inclusion of the subject property in the Littleton Fire District, as disclosed by the instrument recorded November 5, 1999 in Book 1774 at Page 1495.
28. Terms, conditions, provislons, agreements and obligations specified under the Map of Western Wireless,

CHICAGO TITLE INSURANCE COMPANY

LOAN POLICY SCHEDULE B - PART 1 (Continued)

which was recorded October 10, 1996 at Reception No. A6131417.

29. The following matters as disclosed by ALTA/ASCM Land Title Survey No. 040302 PHI, dated March 21, 2006, prepared by Harris Kocher Smith:
 - (a) Right of way for overhead electric lines and poles over various portions of subject property.
 - (b) The encroachment of the chainlink fence across the Easterly property line.
30. An easement for one or more water pipelines and incidental purposes granted to City and County of Denver, acting by and through its Board of Water Commissioners by the instrument recorded March, 2, 1983 in Book 467 at Page 330.
31. All items set forth on the Plat of Erickson Subdivision recorded November 29, 2005 at Reception No. 2005113790.
32. Terms, conditions, provisions, agreements and obligations specified under the Erickson Planned Development, which was recorded August 1, 2005 at Reception No. 2005070640.
33. Terms, conditions, provisions, agreements and obligations specified under the Subdivision Improvement Agreement, which was recorded November 29, 2005 at Reception No. 2005113791.
34. Pending disbursement of the full proceeds of the loan secured by the Deed of Trust set forth under Schedule A hereof, this policy insures only to the extent of the amount actually disbursed, but increases as each disbursement is made in good faith and without knowledge of any defects in, or objections to, the title, up to the face amount of the policy.

CHICAGO TITLE INSURANCE COMPANY

This Specimen (Pro Forma) Policy is furnished at the request of the proposed insured and it is understood and agreed that this Specimen Policy does not reflect the present state of title. The furnishing of the coverage set forth herein is contingent upon all of the Company's requirements being satisfied at or prior to closing.

Issued at: DENVER, COLORADO

EXHIBIT K

WIND CREST

COMMUNITY LOAN AGREEMENT

THIS COMMUNITY LOAN AGREEMENT (this "Loan Agreement") is made as of this 29th day of March 2006 by and between WIND CREST, INC., a Maryland nonstock corporation ("WC") located at 701 Maiden Choice Lane, Baltimore, Maryland 21228, and LITTLETON CAMPUS, LLC, a Maryland limited liability company ("LC"), located at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

Pursuant to the terms of the Master Lease (all capitalized terms herein being defined in Section 1 below) between WC and LC, WC is in possession of the Retirement Community located in Highlands Ranch, Colorado. WC has entered or shall enter into Residence and Care Agreements with the prospective Residents of the Retirement Community and has or shall receive Entrance Deposits from such Residents, based upon the Schedule of Anticipated Entrance Deposits set forth in Exhibit A attached and incorporated hereto (as may be amended from time to time).

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

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

The parties intend that the aggregate Loan of all Entrance Deposits loaned by WC to LC shall not exceed Five Hundred Fifty-Six Million Seven Hundred Seventy Thousand Dollars (\$556,770,000). However, in the event that the outstanding principal sum of the Loan at any time meets or exceeds the aggregate Loan amount stated in this Loan Agreement, from time to time, WC and LC agree to execute an amendment to this Loan Agreement and to any other Loan Documents, increasing the maximum permitted outstanding principal amount to Two Hundred percent (200%) of the then stated maximum permitted outstanding principal amount, or to such lesser sum as WC and LC may agree upon.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LC and WC agree as follows:

1. Definitions. For the purposes of this Loan Agreement and the Loan Documents, the

following terms shall have the indicated meanings:

Continuing Care Unit - The residential unit of a Resident at the Retirement Community, including independent living units, assisted living units and nursing units.

Date of Settlement - The date on which a Resident and WC settle upon a Residence and Care Agreement for a Continuing Care Unit, which shall be the date when the Resident is authorized to take possession of the Continuing Care Unit.

Development Loan - The loans and other credit facilities extended to LC for the purpose of financing, directly or through credit support facilities, the acquisition, development, improvement and/or construction of the Property and the Retirement Community.

Disbursement Date - The date that any funds to be advanced to LC under this Loan Agreement come into possession of WC, free of Regulatory Escrow Requirements.

Entrance Deposit - The deposit received from a Resident of the Retirement Community to secure the performance of such Resident's obligations under his or her Residence and Care Agreement.

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

Initial Move-In Period - The period for each Phase beginning with substantial completion of construction for such Residential Building and ending with the achievement of ninety-five percent (95%) occupancy of such Phase. Completion of the Initial Move-In Period shall be the achievement of the ninety-five percent (95%) occupancy level.

Interest Payment Date - The first day of each calendar month, on which date accrued interest on the Loan is due and payable.

LC – Littleton Campus, LLC, a Maryland limited liability company authorized to do business in Colorado.

Loan - The aggregate funds advanced from time to time by WC to LC pursuant to this Loan Agreement and the other Loan Documents.

Loan Agreement - This Loan Agreement.

Loan Documents - A term sometimes used to refer collectively to this Loan Agreement, the Note, the Mortgage, and any other documents evidencing or securing the Loan.

Master Lease - The Master Lease and Use Agreement of even date herewith between WC and LC.

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

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

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

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

Regulatory Escrow - The escrow account (if any) established by WC to hold Entrance Deposits pursuant to applicable Regulatory Escrow Requirements.

Regulatory Escrow Requirements - The state and local laws, regulations and orders (if any) applicable to the Retirement Community which require that Entrance Deposits (or any portion thereof) be deposited into escrow during the development and/or construction phases of the Retirement Community.

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

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

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

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

WC - Wind Crest, Inc., a Maryland nonstick corporation authorized to do business in Colorado.

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

3. Loan Disbursement. The Loan advance disbursed on each Disbursement Date shall

be confirmed by written notice from WC to LC. The Loan shall be disbursed as follows:

3.1. WC agrees to disburse to LC on each Disbursement Date the Loan advance, consisting of the Initial Entrance Deposits, or any portion thereof, which are either (i) released from the Regulatory Escrow after the immediately preceding Disbursement Date, or (ii) if not required to be deposited upon receipt from each Resident into the Regulatory Escrow, received by WC from each Resident occupying a Continuing Care Unit pursuant to a Residence and Care Agreement which has been settled after the immediately preceding Disbursement Date.

3.2. If, on the Date of Settlement of his or her Residence and Care Agreement, a Resident has not paid the required Initial Entrance Deposit in full, then WC shall require such Resident to execute and deliver to WC a promissory note with a maturity date of not more than twelve months from such Date of Settlement and bearing interest of not less than five percent (5%) per annum for the unpaid balance of the Initial Entrance Deposit. Upon payment of any interest and/or principal to WC, WC shall either (i) if required by Regulatory Escrow Requirements, deposit such payment into Regulatory Escrow or (ii) if not required to be deposited, disburse such payment to LC as a Loan advance.

4. Interest Payments.

4.1. During the Initial Move-In Period for each Phase, LC agrees to pay interest monthly on the aggregate Loan advances disbursed for such Phase at the rate of one-twelfth (1/12) of four and four-tenths percent (4.4%) per annum. The interest shall be payable to WC monthly in arrears on the Interest Payment Date.

4.2. Upon the completion of the Initial Move-In Period for a Phase, the aggregate amount of the Loan shall be increased by the amount equal to the sum of the then applicable Initial Entrance Deposits for all of the remaining unsettled Continuing Care Units in such Phase, plus the amounts outstanding, if any, of the Resident's promissory notes referenced in Section 3.2 above applicable to such Phase. Upon completion of the Initial Move-In Period for each Phase, the monthly payment for such Phase shall be calculated as if the aggregate amount of principal attributed to such Phase is amortized in equal monthly installments over a thirty (30) year term at the rate of four and four-tenths percent (4.4%), per annum (even though the full face amount of such Note and the entire principal attributed to such Phase have not been advanced). Due to the fact that the principal amount outstanding under the Note may increase due to the disbursement of certain Loan advances subsequent to the completion of the Initial Move-In Period for a Phase, the portion of such monthly payment allocated to the payment of interest under the Note for such Phase will increase upon LC's receipt of such additional Loan advances. Thereafter, as WC receives the Initial Entrance Deposits on the remaining unsettled Continuing Care Units and payments of principal and interest on Residents' promissory notes evidencing all or any portion of an Initial Entrance

Deposit for such Phase, WC shall disburse to LC such sums received as advances on the Loan, and such advances shall be confirmed by written notice from WC to LC. Interest shall be due and payable on such Loan advances only from the date of such Loan advance.

4.3. WC acknowledges and agrees that in the event that WC fails to pay to LC any sums as and when due under the Master Lease, LC may offset against payments due under the Note an amount equal to such sums not paid by WC. In addition, WC and LC acknowledge and agree that payments due from WC to LC under this Loan Agreement shall be credited against sums due WC from LC pursuant to the Master Lease.

5. The Note.

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

5.2. LC agrees to maintain accurate and complete books and records reflecting all sums advanced under the Loan, all payments thereunder, and the proper application of each monthly payment under the Note to principal and interest under the Note. LC further agrees to provide to WC, upon request, a written statement of the principal amount due under the Note, and the application of monthly payments under the Note.

6. Security by WC.

6.1. The parties acknowledge that LC is relying on the commitment of WC to advance funds in accordance with the terms of this Loan Agreement, and that in the event WC defaults in such obligation, LC will suffer material adverse consequences. Consequently, as collateral security for WC's obligations hereunder, WC herewith assigns and sets over to LC all of its right, title and interest in and to (i) the Residence and Care Agreements; and (ii) the Entrance Deposits; and grants to LC a security interest therein. WC will, on request, execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents, including a collateral assignment, as may be necessary or appropriate to perfect such security interest. In the event of default by WC in any of its obligations under this Loan Agreement, LC shall have the right to exercise all rights of WC under the Residence and Care Agreements, including the right to enter into such modifications, terminations or amendments thereof as LC may deem appropriate (provided the rights of Residents to occupy the Continuing Care Units subject to their respective Residence and Care Agreements, and to receive the health care services provided for therein, are not impaired, and provided LC satisfies any laws, rules and regulations applicable to LC exercising such rights), all without notice to or concurrence of WC.

6.2. As additional security for all of WC's obligations hereunder, and to the extent not prohibited by law, WC assigns and sets over to LC all of WC's right, title and interest in, to and under (i) all licenses, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community; (ii) any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities; (iii) any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Certificate of Registration, Medicare and Medicaid provider agreements issued to WC and the Retirement Community; and (iv) any and all personalty of WC located on the Property and utilized in connection with the operation or maintenance of the Retirement Community; together with all additions to, modifications of and substitutions for any of the foregoing. WC will, on request, execute and cause to be filed in appropriate record offices, any financing statements, continuation statements or other documents including a collateral assignment, as may be necessary or appropriate to perfect such security interest.

6.3. WC acknowledges and agrees that LC may collaterally assign this Loan Agreement and the other Loan Documents to any lender providing financing for construction of all or any part of the Retirement Community (the "Bank"), as security for any Development Loan made by the Bank to LC. WC agrees to recognize the Bank and its successors or assigns rights to Loan advances upon WC's receipt of written notice from the Bank that LC is in default under such Development Loan, and to execute and deliver such documents as the Bank may reasonably request to confirm such assignment.

7. Representations, Covenants and Warranties.

7.1. LC hereby represents, covenants and warrants as follows:

7.1.1. LC has been duly established as a Maryland limited liability company, is validly existing and authorized to do business and is in good standing in the State of Maryland; is qualified to do business in the State of Colorado; has full power and authority to own its assets and to conduct the activities in which it is engaged; and is in compliance in all material respects with all laws, regulations, ordinances, orders and other requirements of all governmental bodies or agencies applicable to it or its business activities. The copies of the Articles of Organization and the Operating Agreement submitted by LC to WC are true and correct.

7.1.2. The borrowings evidenced by this Loan Agreement and the Note are duly within the power of LC, have been duly authorized, have received all necessary governmental approvals, and will not violate any provision of law, order of court or

governmental agency, or any indenture, agreement or other instrument to which LC or any of its members is a party or is bound. This Loan Agreement and the Note, when executed and delivered by LC, shall constitute legal, valid, and binding obligations of LC, enforceable against LC according to their terms.

7.1.3. LC has an insurable title in the Property described in the Mortgage, free and clear of all mortgages, security interests, liens and encumbrances, except for liens to secure the Development Loans and except for such items as are set forth on Exhibit D attached hereto.

7.2. Contemporaneous with the execution of this Loan Agreement, WC covenants to deliver to LC:

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

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

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

8. Conditions Precedent to Disbursement. In addition to any other condition stated herein, the following shall be conditions precedent to the initial disbursement of the Loan:

8.1. Contemporaneous with the execution of this Loan Agreement, LC shall deliver to WC:

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

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

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

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

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

8.2. All representations and warranties of LC contained in this Loan Agreement shall be true and correct in all material respects.

8.3. There shall not have occurred and be continuing any default in the performance or observance of any of the covenants, agreements or conditions to be performed or observed by LC under any of the Loan Documents or the Master Lease nor shall there have occurred and be continuing any event, fact or circumstance which, with the passage of time, the giving or notice, or both, would constitute such a default.

9. Default.

9.1. Upon any failure by LC to make any payment of principal or interest under this Loan Agreement or the Note within ten (10) days after the due date thereof, WC, at WC's option may elect to terminate this Loan Agreement, in which event WC's obligation to disburse Loan advances shall immediately terminate. WC may also, in such event and at its sole discretion, declare the Note to be immediately due and payable in full, and bring an action therefor, without necessity for presentment, demand, notice or protest, all of which are waived by LC.

9.2. Upon default by either party of its obligations under the Loan Documents, the other party shall have the right to seek damages or the remedy of specific performance.

10. Subordination. WC agrees that it will subordinate the Mortgage to the operation and effect of any current or future mortgages, deeds of trust and security interests which LC has imposed or may impose on the Property in accordance with the Master Lease, including liens to secure Development Loans, and to consent to and recognize any pledge by LC to any holder of any Development Loans LC's interest in the Loan as security for such Development Loans.

11. Entire Agreement. This Loan Agreement and the other Loan Documents constitute the entire agreement between the parties in respect of the Loan, and there are no oral agreements between the parties in connection herewith. This Loan Agreement and the other Loan Documents may be amended only in writing executed by both parties.

12. Assignment. The rights and obligations of LC under the Loan Documents may be (i) assigned to any entity which becomes the landlord under the Master Lease or master tenant under any master lease which may replace the Master Lease and (ii) pledged to secure any Development Loans; however, neither WC nor LC shall otherwise assign or pledge any of their respective rights or obligations hereunder without the prior written consent of the other party. Notwithstanding the foregoing, in order to enable the Residents to receive refunds of their Entrance Deposits upon their departure from the Retirement Community, the following assignments shall occur without the necessity of any additional documentation:

(a) WC shall conclusively be deemed to have assigned its rights and obligations

hereunder, including its rights to receive repayment of the Loan, to any successor (either by voluntary or involuntary act or by operation of law) to its rights, title and interest under the Master Lease; and

(b) In the event the Master Lease is terminated for any reason, WC shall conclusively be deemed to have assigned its rights and obligations hereunder, including its rights to receive repayment of the Loan, (i) to the entity legally responsible for the obligation to refund the Entrance Deposits to Residents upon their departure from the Retirement Community, or, in the event no entity or entities are legally responsible, then (ii) to LC. LC and WC agree to execute and deliver such documents as may be requested by either party hereto to evidence, secure and assure the assignments contemplated by this Section.

13. Survival of Covenants. All representations, covenants and warranties made herein shall survive the making of the Loan and the delivery of the Note and other Loan Documents.

14. Governing Law. This Loan Agreement and all of the other Loan Documents shall be governed by the law of the State of Colorado, and venue for any proceedings under this Loan Agreement shall be in the State of Colorado.

15. Severability. In the event that any provision of this Loan Agreement or any other Loan Document is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of this Loan Agreement and other Loan Documents, which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

16. Limitation on Liability of Members/Partners. The parties hereby agree and confirm that upon the occurrence of any default under any provision of this Loan Agreement or any other Loan Document, if any judicial proceedings to enforce the obligations of either party are brought by the other party, such proceedings shall be limited to the property and assets of the party against whom enforcement is being sought (which, in the case of WC, includes but is not limited to the Entrance Deposits in WC's possession or control, to the extent not prohibited by Regulatory Escrow Requirements and other applicable law). No judgment or suit shall be sought or obtained by any party against the members, partners or any officer, director or employee of a member or partners of the other party or against the assets of such persons or entities. Nothing herein contained shall limit or impair the liability of a member or partner of a party for any obligation arising independently of their status as a member or partner of such party.

17. Successors and Assigns. The covenants herein shall be binding upon, and the rights hereunder shall inure to the benefit of, the parties, their personal representatives, successors and assigns.

18. Waiver. No delay on the part of WC in exercising any of its rights under this Loan Agreement or the Note shall operate as a waiver thereof, and no single or partial exercise of any such rights (including acceptance of late payments by WC) shall preclude other or further exercise thereof

or the exercise of any other rights. Waiver by WC of any default by LC, or any other party, shall not constitute a waiver of any subsequent defaults but shall be restricted to the default so waived.

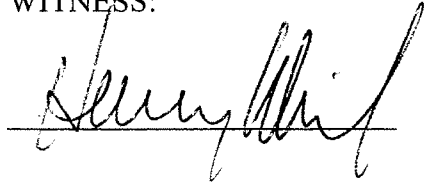
19. Notices. Any notice required or permitted by this Loan Agreement or the other Loan Documents, to be given by either party to the other, may be either personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties set forth in Exhibit B hereof, unless another address shall have been substituted for such address by notice in writing, the date of so depositing or of personal delivery being taken as the date of the giving of such notice.

20. Exhibits. The following Exhibits are attached hereto and are hereby made a part hereof:

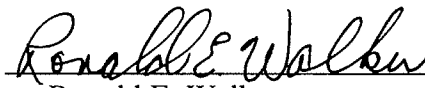
Exhibit A - Schedule of Anticipated Entrance Deposits
Exhibit B - Notice Addresses
Exhibit C - Form of Promissory Note
Exhibit D – Title Exceptions

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

WITNESS:



WIND CREST, INC.

By:  (SEAL)
Ronald E. Walker
President

WITNESS:

LITTLETON CAMPUS, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

**APPROVED AS TO LEGAL
SUFFICIENCY** _____

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

WITNESS:

WIND CREST, INC.

By: _____ (SEAL)

Ronald E. Walker
President

WITNESS:



LITTLETON CAMBUS, LLC
By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

**APPROVED AS TO LEGAL
SUFFICIENCY** 

WIND CREST
COMMUNITY LOAN AGREEMENT

EXHIBIT A

SCHEDULE OF ANTICIPATED ENTRANCE DEPOSITS

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.1

Opening Date Apr-07

			Base Year 2007 Deposit \$	RB 1.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	16	2,800,000
1 BR	Berkeley	C1h	174,000	4	696,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Easton	C11	219,000	2	438,000
2 BR-1B	Falmont	E2	252,000	12	3,024,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-2B	McHenry	F14	264,000	1	264,000
2 BR-2B	Kingston	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	7	2,289,000
2 BR-2B	Jackson	G6	316,000	21	6,636,000
2 BR-2B Large	Manchester	F4	385,000	12	4,620,000
2 BR-2B with Den	Worthington	F8	355,000	7	2,485,000
2 BR-2B Large	Parkton	F13	360,000	2	720,000
2 BR-2B Large		F13m	364,000	5	1,820,000
2 BR-2B Large	Wentworth	F15	436,000	4	1,744,000
2 BR-2B Large		F18	457,000	1	457,000
2 BR-2B Large	Lancaster	H1	433,000	12	5,196,000
2 BR-2B Large	Williamsburg	K1	516,000	5	2,580,000
Total:				147	46,039,000

Amenities

25% of Units * \$5,000	25%	183,750
	147	183,750

Total with Amenities	147	46,222,750
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Projected Deposits without Amenities (Inflated)	0.00%	147	46,039,000
Total Amenities			183,750
Total Projected Deposits			46,222,750

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.2

Opening Date Jun-07

			Base Year 2007 Deposit \$	RB 1.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	2	350,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	5	1,040,000
Large 1 BR	Fremont	C4	217,000	4	868,000
Large 1 BR	Dulaney	C22m	191,000	1	191,000
Large 1 BR		C23	191,000	1	191,000
Large 1 BR		C24	191,000	4	764,000
1 BR-(1-1/2)B	Hamilton	G10	240,000	6	1,440,000
1 BR & Den	Georgetown	D1	239,000	5	1,195,000
1 BR & Den	Gilbert	D2	239,000	2	478,000
1 BR & Den	Gilmore	D2m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den		D1.5m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	4	1,060,000
2 BR-1B	Fairmont	E2	252,000	8	2,016,000
2 BR-1B	Harrison	G4	267,000	6	1,602,000
2 BR-1B		G4m	267,000	1	267,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	10	2,650,000
2 BR-2B	Hawthorne	F2	264,000	12	3,168,000
2 BR-2B	Kingston	F3	336,000	10	3,360,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	5	1,580,000
2 BR-2B		G6m	316,000	3	948,000
2 BR-2B with Den	Worthington	F8	355,000	5	1,775,000
2 BR-2B Large	Wyeth	J6	448,000	8	3,584,000
2 BR-2B Large	Westwood	J7	417,000	3	1,251,000
Total:				123	34,638,000

Amenities

25% of Units * \$5,000	25%	153,750
	123	153,750

Total with Amenities	123	34,791,750
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Projected Deposits without Amenities (Inflated)	0.00%	123	34,638,000
Total Amenities			153,750
Total Projected Deposits			34,791,750

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.3

Opening Date Apr-08

			Base Year 2007 Deposit \$	RB 1.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	6	1,050,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	6	1,248,000
Large 1 BR	Fremont	C4	217,000	6	1,302,000
Large 1 BR	Easton	C11	219,000	5	1,095,000
1 BR-(1-1/2)B	Heritage	H2	317,000	1	317,000
1 BR & Den	Gilbert	D2	239,000	6	1,434,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	6	1,488,000
2 BR-1B	Flagstaff	E1	240,000	6	1,440,000
2 BR-1B	Fairmont	E2	252,000	10	2,520,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Oxford	F5	327,000	12	3,924,000
2 BR-2B	Jackson	G6	316,000	8	2,528,000
2 BR-2B Large	Patterson	F12	457,000	6	2,742,000
2 BR-2B Large	Lancaster	H1	433,000	10	4,330,000
2 BR-2B Large	Washington	J3	448,000	6	2,688,000
2 BR-2B Large	Williamsburg	K1	516,000	6	3,096,000
Total:				140	42,096,000

Amenities

25% of Units * \$5,000	25%	175,000
	140	175,000

Total with Amenities	140	42,271,000
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Projected Deposits without Amenities (Inflated)	3.00%	140	43,358,880
Total Amenities			175,000
Total Projected Deposits			43,533,880

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.4

Opening Date Apr-09

			Base Year 2007 Deposit \$	RB 1.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	12	2,100,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	7	1,456,000
Large 1 BR	Easton	C11	219,000	1	219,000
1 BR & Den	Gilbert	D2	239,000	6	1,434,000
1 BR & Den	Gibson	D6	251,000	5	1,255,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	7	1,736,000
2 BR-1B	Fallston	E1m	235,000	5	1,175,000
2 BR-1B	Fairmont	E2	252,000	10	2,520,000
2 BR-1B	Harrison	G4	267,000	2	534,000
2 BR-(1-1/2)B	Hastings	E4	282,000	28	7,896,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	5	1,625,000
2 BR-2B	Hawthorne	F2	264,000	12	3,168,000
2 BR-2B	Kingston	F3	336,000	7	2,352,000
2 BR-2B	Oxford	F5	327,000	12	3,924,000
2 BR-2B	Jackson	G6	316,000	17	5,372,000
2 BR-2B Large	Manchester	F4	385,000	14	5,390,000
2 BR-2B Large	Lancaster	H1	433,000	5	2,165,000
2 BR-2B Large	Wyeth	J6	448,000	7	3,136,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				171	51,487,000

Amenities

25% of Units * \$5,000	25%	213,750
	171	213,750

Total with Amenities	171	51,700,750
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Projected Deposits without Amenities (Inflated)	6.09%	171	54,622,558
Total Amenities			213,750
Total Projected Deposits			54,836,308

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.1

Opening Date Apr-10

Base Year		
2007	RB 2.1	Deposit
Deposit \$	Units	\$

Unit categories:

1 BR	Brighton	C1	175,000	4	700,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Dover	C3	208,000	4	832,000
Large 1 BR	Fenwick	C7	209,000	1	209,000
1 BR & Den	Gilbert	D2	239,000	8	1,912,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	8	1,984,000
2 BR-1B	Fairmont	E2	252,000	14	3,528,000
2 BR-1B	Harrison	G4	267,000	6	1,602,000
2 BR-(1-1/2)B	Hastings	E4	282,000	18	5,076,000
2 BR-2B	Oxford	F5	327,000	9	2,943,000
2 BR-2B	Jackson	G6	316,000	29	9,164,000
2 BR-2B Large	Manchester	F4	385,000	10	3,850,000
2 BR-2B Large	Williamsburg	K1	516,000	10	5,160,000

Total:			124	37,587,000
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Amenities

25% of Units * \$5,000	25%	155,000
	124	155,000

Total with Amenities	124	37,742,000
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Projected Deposits without Amenities (Inflated)	9.27%	124	41,072,330
Total Amenities			155,000
Total Projected Deposits			41,227,330

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.2

Opening Date May-10

			Base Year 2007 Deposit \$	RB 2.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	9	1,575,000
Large 1 BR	Dawson	C8	209,000	2	418,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	5	1,240,000
2 BR-1B	Fairmont	E2	252,000	6	1,512,000
2 BR-(1-1/2)B	Hastings	E4	282,000	17	4,794,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	2	650,000
2 BR-2B	Kingston	F3	336,000	10	3,360,000
2 BR-2B	Jackson	G6	316,000	17	5,372,000
2 BR-2B with Den	Worthington	F8	355,000	5	1,775,000
2 BR-2B Large	Linwood	H6	410,000	3	1,230,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Williamsburg	K1	516,000	4	2,064,000
Total:				84	25,722,000

Amenities

25% of Units * \$5,000	25%	105,000
	84	105,000

Total with Amenities	84	25,827,000
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Projected Deposits without Amenities (Inflated)	9.27%	84	28,107,124
Total Amenities			105,000
Total Projected Deposits			28,212,124

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.3

Opening Date Sep-11

			Base Year 2007 Deposit \$	RB 2.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	11	1,925,000
Large 1 BR	Dawson	C8	209,000	3	627,000
1 BR & Den	Gilmore	D2m	248,000	7	1,736,000
2 BR-1B	Fairmont	E2	252,000	16	4,032,000
2 BR-1B	Harrison	G4	267,000	18	4,806,000
2 BR-(1-1/2)B	Hastings	E4	282,000	30	8,460,000
2 BR-2B	Jackson	G6	316,000	18	5,688,000
2 BR-2B Large	Williamsburg	K1	516,000	11	5,676,000

Total:

114 32,950,000

Amenities

25% of Units * \$5,000

25% 142,500
114 142,500

Total with Amenities

114 33,092,500

Projected Deposits without Amenities (Inflated)

12.55% 114 37,085,515

Total Amenities

142,500

Total Projected Deposits

37,228,015

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.4

Opening Date Apr-12

			Base Year 2007 Deposit \$	RB 2.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	14	2,450,000
Large 1 BR	Dawson	C8	209,000	2	418,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	6	1,488,000
2 BR-1B	Fairmont	E2	252,000	12	3,024,000
2 BR-(1-1/2)B	Hastings	E4	282,000	46	12,972,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	6	1,950,000
2 BR-2B	Jackson	G6	316,000	27	8,532,000
2 BR-2B with Den	Worthington	F8	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	7	3,031,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				133	39,607,000

Amenities

25% of Units * \$5,000	25%	166,250
	133	166,250

Total with Amenities	133	39,773,250
Projected Deposits without Amenities (Inflated)	15.93%	133 45,915,368
Total Amenities		166,250
Total Projected Deposits		46,081,618

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.1

Opening Date Apr-13

			Base Year 2007 Deposit \$	RB 3.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	10	1,750,000
1 BR	Bradford	C5	163,000	5	815,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Fremont	C4	217,000	5	1,085,000
1 BR-(1-1/2)B	Heritage	H2	317,000	2	634,000
1 BR & Den	Gilmore	D2m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	11	2,915,000
1 BR-(1-1/2)B & Den	Griffin	D8	268,000	11	2,948,000
2 BR-1B	Fairmont	E2	252,000	13	3,276,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	5	1,325,000
2 BR-(1-1/2)B	Hastings	E4	282,000	23	6,486,000
2 BR-2B	Kingslon	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	19	6,004,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Washington	J3	448,000	5	2,240,000
2 BR-2B Large	Williamsburg	K1	516,000	6	3,096,000
Total:				143	41,219,000

Amenities

25% of Units * \$5,000	25%	178,750
	143	178,750

Total with Amenities	143	41,397,750
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Projected Deposits without Amenities (Inflated)	19.41%	143	49,217,642
Total Amenities			178,750
Total Projected Deposits			49,396,392

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.2

Opening Date May-13

			Base Year 2007 Deposit \$	RB 3.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	13	2,275,000
Large 1 BR	Dawson	C8	209,000	3	627,000
1 BR-(1-1/2)B	Hamilton	G10	240,000	6	1,440,000
1 BR & Den	Gilmore	D2m	248,000	6	1,488,000
1 BR-(1-1/2)B & Den		D1.5+	248,000	6	1,488,000
2 BR-1B	Fairmont	E2	252,000	17	4,284,000
2 BR-1B	Harrison	G4	267,000	11	2,937,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	6	1,590,000
2 BR-(1-1/2)B	Hastings	E4	282,000	13	3,666,000
2 BR-2B	Jackson	G6	316,000	8	2,528,000
2 BR-2B Large		F8+	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	7	3,031,000
2 BR-2B Large	Washington	J3	448,000	7	3,136,000
2 BR-2B Large	Williamsburg	K1	516,000	13	6,708,000
Total:				122	37,328,000

Amentities

25% of Units * \$5,000	25%	152,500
	122	152,500

Total with Amenities	122	37,480,500
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Projected Deposits without Amenities (Inflated)	19.41%	122	44,571,584
Total Amenities			152,500
Total Projected Deposits			44,724,084

**Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits**

Residential Building 3.3

Opening Date Aug-14

			Base Year 2007 Deposit \$	RB 3.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	9	1,575,000
1 BR	Bradford	C5	163,000	4	652,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Fremont	C4	217,000	4	868,000
1 BR & Den	Gibson	D6	251,000	4	1,004,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	4	992,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	4	1,060,000
1 BR-(1-1/2)B & Den	Griffin	D8	268,000	4	1,072,000
2 BR-1B	Fallston	E1m	235,000	4	940,000
2 BR-1B	Fairmont	E2	252,000	9	2,268,000
2 BR-1B	Harrison	G4	267,000	3	801,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	4	1,060,000
2 BR-(1-1/2)B	Hastings	E4	282,000	9	2,538,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Kingston	F3	336,000	4	1,344,000
2 BR-2B	Oxford	F5	327,000	5	1,635,000
2 BR-2B	Jackson	G6	318,000	15	4,740,000
2 BR-2B with Den	Worthington	F8	355,000	4	1,420,000
2 BR-2B Large	Washington	J3	448,000	4	1,792,000
Total:				107	29,028,000

Amenities

25% of Units * \$5,000	25%	133,750
	107	133,750

Total with Amenities	107	29,161,750
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Projected Deposits without Amenities (Inflated)	22.99%	107	35,700,779
Total Amenities			133,750
Total Projected Deposits			35,834,529

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.4

Opening Date Apr-15

			Base Year 2007 Deposit \$	RB 3.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	5	875,000
1 BR	Bradford	C5	163,000	6	978,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Dover	C3	208,000	6	1,248,000
Large 1 BR	Fremont	C4	217,000	6	1,302,000
1 BR & Den	Gilbert	D2	239,000	5	1,195,000
1 BR & Den	Gilmore	D2m	248,000	7	1,736,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	11	2,728,000
2 BR-1B	Fairmont	E2	252,000	15	3,780,000
2 BR-1B	Harrison	G4	267,000	5	1,335,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	6	1,590,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	1	325,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Kingston	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	13	4,108,000
2 BR-2B Large	Manchester	F4	385,000	14	5,390,000
2 BR-2B with Den	Worthington	F8	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Washington	J3	448,000	7	3,136,000
2 BR-2B Large	Westwood	J7	417,000	6	2,502,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				179	53,715,000

Amenities

25% of Units * \$5,000	25%	223,750
	179	223,750

Total with Amenities	179	53,938,750
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Projected Deposits without Amenities (Inflated)	26.68%	179	68,044,555
Total Amenities			223,750
Total Projected Deposits			68,268,305

WIND CREST
COMMUNITY LOAN AGREEMENT

EXHIBIT B

NOTICE ADDRESSES

Notice shall be given as follows:

WC: Wind Crest, Inc.
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: President

With a Copy to: Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1400
Baltimore, Maryland 21202

LC: Littleton Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

WIND CREST
COMMUNITY LOAN AGREEMENT

EXHIBIT C

FORM OF PROMISSORY NOTE

March ___, 2006

\$556,770,000

COMMUNITY LOAN NOTE

FOR VALUE RECEIVED, Littleton Campus, LLC ("LC") promises to pay to the order of Wind Crest, Inc. ("WC") at WC's offices 701 Maiden Choice Lane, Baltimore, Maryland 21228, the aggregate principal sum of Five Hundred Fifty-Six Million Seven Hundred Seventy Thousand Dollars (\$556,770,000), or such portion thereof as may have been advanced, from time to time, together with interest thereon at the rate hereinafter provided and any and all other sums which may be owing to the holder this Note by LC, on the "Maturity Date" (as hereinafter defined). The following terms shall apply to this Note:

1. **Interest Rate.** For the period from the date of this Note until the Maturity Date, interest shall accrue on the outstanding principal of this Note at the rate of four and four-tenths percent (4.4%) per annum of the outstanding principal of the Note.

2. **Repayment.** During the Initial Move-In Period for each Phase, as defined in the Community Loan Agreement by and between WC and LC dated as of even date herewith, (the "Community Loan Agreement"), LC agrees to pay WC interest monthly in arrears on the first calendar day of the month on the aggregate Loan advances disbursed for such Phase at the rate of one twelfth (1/12) of four and four-tenths percent (4.4%) per annum. Upon completion of the Initial Move-In Period for a Phase, LC agrees to pay to WC equal monthly installments of principal and interest in an amount to be calculated based on amortizing the aggregate principal amount attributable to such Phase at 4.4% per annum over thirty (30) years (even though the full face amount of this Note or such principal has not been advanced as of the date hereof.) If additional Loan advances are made pursuant to the terms of the Community Loan Agreement for such Phase, the monthly payments shall not increase, but the portion of such payment allocated to the payment of interest shall increase. To the extent required above, the payments of principal and interest for each Phase shall commence on the first day of the first Calendar Month following the date Loan proceeds are first advanced by WC to LC under the Community Loan Agreement, and continue thereafter on the same day of each succeeding calendar month until the earlier to occur of (i) payment in full of all sums due under this Note, or (ii) the 360th month thereafter (such date as calculated in this Clause 2(ii) shall be the "Maturity Date"), at which time the entire remaining principal balance, together with accrued but unpaid principal and interest thereon, shall be due and payable.

3. **Calculation of Interest.** Interest shall be calculated on the basis of a three hundred sixty (360) days per year factor applied to the actual days on which there exists an unpaid principal balance. Interest shall be calculated by WC and billed to LC for each appropriate period; provided, however, that failure of WC to bill to LC shall not relieve LC's payment obligations hereunder.

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

5. **Prepayment.** LC may prepay or repay all or any portion of the principal amount of this Note at any time without penalty or premium.

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

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

8. Expenses of Collection. Should this Note be referred to an attorney for collection, whether or not judgment has been confessed or suit has been filed, LC shall pay all of WC's costs, fees (including reasonable attorney's fees) and expenses resulting from such referral.

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

10. Waiver of Jury Trial. LC and WC hereby voluntarily and intentionally waive any right they may have to a trial by jury in any action, proceeding or litigation directly or indirectly arising out of or under or in connection with this Note. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Note. This waiver is knowingly, intentionally, and voluntarily made by LC who acknowledges that it has been represented in the execution of this Note and in the making of this waiver by legal counsel and that it had the opportunity to discuss the waiver with counsel. LC further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

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

12. Assignment. The rights and obligations of WC shall be assigned pursuant to the terms and provisions of the Community Loan Agreement.

13. Limitation of Liability of Members/Partners. The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Note, if any judicial proceedings to enforce the obligations of either party are brought by any party, such proceedings shall be limited to the property and assets of the party (which, in the case of WC, includes but is not limited to the Entrance Deposits in WC's possession or control, to the extent not prohibited by Regulatory Escrow Requirements and other applicable law). No judgment or suit shall be sought or obtained by any party against the members or partners of the parties, or any officer,

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

WITNESS:

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

By: _____
Gerald F. Doherty
Executive Vice President

STATE OF MARYLAND)
) ss
COUNTY OF BALTIMORE)

I hereby certify that on the _____ day of March, 2006, personally appeared before me, a Notary Public of the State of Maryland, Gerald F. Doherty, known to me or satisfactorily proven to be the person whose name is subscribed in the foregoing instrument, and acknowledged that he executed the same in the capacity therein contained and for the purpose therein contained.

Notary Public
My commission expires:

COMMUNITY LOAN AGREEMENT

EXHIBIT D

TITLE EXCEPTIONS

EXHIBIT J

(Erickson-Littleton Campus)

MEMBER INTEREST PLEDGE AGREEMENT

This MEMBER INTEREST PLEDGE AGREEMENT (this "Agreement"), is dated as of March 29, 2006 and entered into by and between ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("Erickson" or "Pledgor"), and GMAC COMMERCIAL MORTGAGE CORPORATION, a California Corporation (together with its successors, assigns and participants, collectively, the "Lender" or the "Secured Party").

RECITALS

A. Littleton Campus, LLC, a Maryland limited liability company (the "Company") has acquired the real property (the "Land") located in Douglas County, Colorado and commonly known as 3330 West County Line Road, Highlands Ranch, Colorado (the "Property").

B. Pledgor is the legal and beneficial owner of the member interests (the "Pledged Interests") described in Schedule I annexed hereto and incorporated herein by this reference and issued by the Company.

C. The Lender has entered into a Loan Agreement dated of even date herewith (as such Loan Agreement may hereafter be amended, supplemented or otherwise modified from time to time, being the "Loan Agreement") with the Company, pursuant to which the Lender has agreed, subject to the terms and conditions set forth in the Loan Agreement, to make a revolving loan to the Company up to Eighty-Three Million and 00/100 (\$83,000,000.00) Dollars (the "Loan"), for the purposes described in the Loan Agreement. All initially-capitalized terms not otherwise defined herein (including the term "Event of Default") shall have the meanings given such terms in the Loan Agreement.

D. Pledgor has agreed to guaranty, among other things, repayment of the Loan, pursuant to that certain Guaranty (Payment and Performance) of even date herewith executed by Pledgor and Erickson Group, LLC, a Maryland limited liability company for the benefit of Lender.

E. It is a condition precedent to the extension of credit by the Lender under the Loan Agreement that the Pledgor shall have granted the security interests and undertaken the obligations contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Lender to make the Loan under the Loan Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Pledgor hereby agrees with the Secured Party as follows:

Section 1. Pledge of Security. Pledgor hereby pledges to the Secured Party and hereby grants to the Secured Party a security interest in, all of Pledgor's right, title and interest in and to the following (the "Pledged Collateral"):

(a) the Pledged Interests and any certificates representing the Pledged Interests and any interest of Pledgor in the entries on the books of any financial intermediary pertaining to the Pledged Interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests;

(b) all additional interests in, and all securities convertible into and warrants, options and other rights to purchase or otherwise acquire, interests in any issuer of the Pledged Interests from time to time acquired by Pledgor in any manner (which interests shall be deemed to be part of the Pledged Interests), the certificates or other instruments representing such additional interests, securities, warrants, options or other rights and any interest of Pledgor in the entries on the books of any financial intermediary pertaining to such additional interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional interests, securities, warrants, options or other rights; and

(c) to the extent not covered by clauses (a) and (b) above, all proceeds of any or all of the foregoing Pledged Collateral. For purposes of this Agreement, the term "proceeds" includes whatever is receivable or received when Pledged Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, proceeds of any indemnity or guaranty payable to Pledgor or the Secured Party from time to time with respect to any of the Pledged Collateral.

Section 2. Security for Obligations. This Agreement secures, and the Pledged Collateral is collateral security for, the prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a)), of the Loan and all obligations and liabilities of every nature of the Company now or hereafter existing under or arising out of or in connection with the Loan Agreement and the other Loan Documents and all extensions or renewals thereof, whether for principal, interest (including without limitation interest that, but for the filing of a petition in bankruptcy with respect to the Company, would accrue on such obligations), fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Party as a preference, fraudulent transfer or otherwise (all such obligations and liabilities being the "Underlying Debt"), and all obligations of every nature of the Pledgor now or hereafter existing under this Agreement (all such obligations of the Pledgor, together with the Underlying Debt, being the "Secured Obligations").

Section 3. Delivery of Pledged Collateral. All certificates or instruments representing or evidencing the Pledged Collateral shall be delivered to and held by or on behalf of the Secured Party pursuant hereto and shall be in suitable form for transfer by delivery or, as applicable, shall be accompanied by Pledgor's endorsement, where necessary, or duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Secured Party. The Secured Party shall have the right, at any time in its discretion and without notice to any Pledgor, to transfer to or to register in the name of the Secured Party or any of its nominees any or all of the Pledged Collateral, subject only to the revocable rights specified in Section 7(a). In addition, the Secured Party shall have the right at any time to exchange certificates or instruments representing or evidencing Pledged Collateral for certificates or instruments of smaller or larger denominations.

Section 4. Representations and Warranties. Pledgor represents and warrants, with respect to itself and the Pledged Collateral listed opposite its name on Schedule I attached hereto, as follows:

(a) Due Authorization, etc. of Pledged Collateral. All of the Pledged Interests held by Pledgor have been duly authorized and validly issued and are fully paid and non-assessable.

(b) Ownership of Pledged Collateral. Pledgor is the legal, record and beneficial owner of the Pledged Collateral free and clear of any Lien except for the security interest created by this Agreement.

(c) Perfection. The pledge of the Pledged Collateral pursuant to this Agreement, together with the recording of the financing statements executed by the Pledgor in connection herewith among the UCC records of the Maryland State Department of Assessments and Taxation, creates a valid and perfected first priority security interest in the Pledged Collateral, securing the payment of the Secured Obligations.

(d) Description of Pledged Interests. The Pledged Interests constitute one hundred percent (100%) of the issued and outstanding member interests in the Company, and there are no outstanding warrants, options or other rights to purchase, or other agreements outstanding with respect to, or property that is now or hereafter convertible into, or that requires the issuance or sale of, any Pledged Interests, except as set forth in the Company's Operating Agreement. None of the Pledged Interests are now or shall at any time hereafter be certificated or represented by any instrument possession of which would be required to perfect the Secured Party's lien.

Section 5. Transfers and Other Liens; Additional Pledged Collateral; Etc.

(a) Pledgor shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Pledged Collateral, or (ii) create or suffer to exist any Lien upon or with respect to any of the Pledged Collateral, or (iii) permit the Company to merge or consolidate unless all of the outstanding member interests in the surviving or resulting company are, upon such merger or consolidation, pledged hereunder and

no cash, securities or other property is distributed in respect of the outstanding member interests or shares of any other constituent corporation or limited liability company;

(b) Pledgor shall (i) cause the Company not to issue any member interests or other securities in addition to or in substitution for the Pledged Interests, except to the Pledgor, and (ii) notwithstanding the foregoing clause (i), pledge hereunder, immediately upon its acquisition (directly or indirectly) thereof, any and all additional member interests or other securities of the Company which may be issued at any time;

(c) Pledgor shall promptly notify the Secured Party of any event of which Pledgor becomes aware causing a material loss or depreciation in the value of the Pledged Collateral;

(d) Pledgor shall promptly deliver to the Secured Party all written notices received by it with respect to the Pledged Collateral; and

(e) Pledgor shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon, and all claims against, the Pledged Collateral, except to the extent the validity thereof is being contested in good faith; provided that Pledgor shall in any event pay such taxes, assessments, charges, levies or claims not later than five days prior to the date of any proposed sale under any judgment, writ or warrant of attachment entered or filed against Pledgor or any of the Pledged Collateral as a result of the failure to make such payment.

Section 6. Further Assurances; Pledge Amendments.

(a) Pledgor agrees that from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Secured Party may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Secured Party to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor will: (i) execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Secured Party may request, in order to perfect and preserve the security interests granted or purported to be granted hereby and (ii) at the Secured Party's request, appear in and defend any action or proceeding that may affect Pledgor's title to or the Secured Party's security interest in all or any part of the Pledged Collateral. Without implying any limitation on the foregoing, the Pledgor shall take such steps as the Secured Party may require and which may be necessary in order that the Secured Party may have "control" (to the extent control is permitted) with respect to the Pledged Collateral in accordance with the applicable Uniform Commercial Code. Further, to the extent permitted by applicable laws, the Secured Party may file, without the Pledgor's signature, one or more financing statements or other notices disclosing the Secured Party's liens and other security interests. The terms "sign," "signed" and "signatures" shall have their ordinary meanings except that, to the limited extent the Secured Party in an authenticated record expressly agrees otherwise from time to time in the exercise of its sole and absolute discretion, the terms may also include other methods used to authenticate.

(b) Pledgor further agrees that it will, upon obtaining any additional member interests or other securities required to be pledged hereunder as provided in Section 5(b), promptly (and in any event within five Business Days) deliver to the Secured Party a Pledge Amendment, duly executed by Pledgor, in substantially the form of Schedule II annexed hereto and incorporated herein by this reference (a "Pledge Amendment"), in respect of the additional Pledged Interests to be pledged pursuant to this Agreement. Pledgor hereby authorizes the Secured Party to attach each Pledge Amendment to this Agreement and agrees that all Pledged Interests listed on any Pledge Amendment delivered to the Secured Party shall for all purposes hereunder be considered Pledged Collateral; provided that the failure of Pledgor to execute a Pledge Amendment with respect to any additional Pledged Interests pledged pursuant to this Agreement shall not impair the security interest of the Secured Party therein or otherwise adversely affect the rights and remedies of the Secured Party or the Lender hereunder with respect thereto.

Section 7. Voting Rights; Dividends; Distributions; Etc.

(a) So long as no Event of Default shall have occurred and be continuing:

(i) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement, the Loan Agreement or any other Loan Document; and

(ii) Pledgor shall be entitled to receive and retain, and to utilize free and clear of the lien of this Agreement, only the dividends, distributions and interest permitted under the terms of the Loan Agreement and other Loan Documents.

(b) Upon the occurrence and during the continuation of an Event of Default:

(i) upon written notice from the Secured Party to Pledgor, all rights of such Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 7(a)(i) shall cease, and all such rights shall thereupon become vested in the Secured Party who shall thereupon have the sole right to exercise such voting and other consensual rights;

(ii) all rights of Pledgor to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 7(a)(ii) shall cease, and all such rights shall thereupon become vested in the Secured Party who shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments; and

(iii) all dividends, distributions, principal and interest payments which are received by Pledgor contrary to the provisions of paragraph (ii) of this Section 7(b) shall be received in trust for the benefit of the Secured Party, shall be

segregated from other funds of Pledgor and shall forthwith be paid over to the Secured Party as Pledged Collateral in the same form as so received (with any necessary endorsements).

(c) In order to permit the Secured Party to exercise the voting and other consensual rights which it may be entitled to exercise pursuant to Section 7(b)(i) and to receive all dividends and other distributions which it may be entitled to receive under Section 7(a)(ii) or Section 7(b)(ii), Pledgor shall promptly execute and deliver (or cause to be executed and delivered) to the Secured Party all such proxies, dividend or distribution payment orders and other instruments as the Secured Party may from time to time reasonably request.

Section 8. The Secured Party Appointed Attorney-in-Fact. Pledgor hereby irrevocably appoints the Secured Party as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor, the Secured Party may, from time to time in the Secured Party's discretion, take any action and execute any instrument that the Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including without limitation:

(a) to file one or more financing or continuation statements, or amendments thereto, relative to all or any part of the Pledged Collateral without the signature of Pledgor;

(b) to ask, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for money due and to become due under or in respect of any of the Pledge Collateral;

(c) to receive, endorse and collect any instruments made payable to Pledgor representing any dividend, principal or interest payment or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same; and

(d) to file any claims or take any action or institute any proceedings that the Secured Party may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of the Secured Party and the Lenders with respect to any of the Pledged Collateral.

The Secured Party shall not take any of the actions described in paragraphs (b), (c) or (d) until after the occurrence of an Event of Default.

Section 9. The Secured Party May Perform. If Pledgor fails to perform any agreement contained herein, the Secured Party may itself perform, or cause performance of, such agreement, and the expenses of the Secured Party and the Lender incurred in connection therewith shall be payable by Pledgor under Section 13(b).

Section 10. Standard of Care. The powers conferred on the Secured Party hereunder are solely to protect the its interest in the Pledged Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. Except for the exercise of reasonable care in the custody of any Pledged Collateral in its possession and the accounting for moneys actually received by it hereunder, the Secured Party shall have no duty as to any Pledged

Collateral, it being understood that the Secured Party shall have no responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Pledged Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters, (b) taking any necessary steps (other than steps taken in accordance with the standard of care set forth above to maintain possession of the Pledged Collateral) to preserve rights against any parties with respect to any Pledged Collateral, (c) taking any necessary steps to collect or realize upon the Secured Obligations or any guarantee therefore, or any part thereof, or any of the Pledged Collateral, or (d) initiating any action to protect the Pledged Collateral against the possibility of a decline in market value. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of Pledged Collateral in its possession if such Pledged Collateral is accorded treatment substantially equal to that which the Secured Party accords its own property consisting of similar securities.

Section 11. Remedies.

(a) If any Event of Default shall have occurred and be continuing, the Secured Party may exercise in respect of the Pledged Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party on default under the Uniform Commercial Code as in effect in any relevant jurisdiction (the "Code") (whether or not the Code applies to the affected Pledged Collateral), and the Secured Party may also in its sole discretion, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any exchange or broker's board or any of the Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable, irrespective of the impact of any such sales on the market price of the Pledged Collateral. The Secured Party may be the purchaser of any or all of the Pledged Collateral at any such sale and the Secured Party shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Pledged Collateral sold at any such public sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Pledged Collateral payable by the Secured Party at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of Pledgor, and Pledgor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days notice to Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Pledgor hereby waives any claims against the Secured Party arising by reason of the fact that the price at which any Pledged Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Secured Party accepts the first offer received and does not offer such Pledged Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Pledged Collateral are insufficient to pay all the Secured Obligations, Pledgor

shall be liable for the deficiency and the fees of any attorneys employed by the Secured Party to collect such deficiency.

(b) Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act of 1933, as from time to time amended (the "Securities Act"), and applicable state securities laws, the Secured Party may be compelled, with respect to any sale of all or any part of the Pledged Collateral conducted without prior registration or qualification of such Pledged Collateral under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Pledged Collateral for their own account, for investment and not with a view to the distribution or resale thereof. Pledgor acknowledges that any such private sales may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, Pledgor agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Secured Party shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged Collateral for the period of time necessary to permit the insurer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it.

(c) If the Secured Party determines to exercise its rights to sell any or all of the Pledged Collateral, upon written request, Pledgor shall cause each issuer of any Pledged Interests to be sold hereunder from time to time to furnish to the Secured Party all such information as the Secured Party may request in order to determine the number of shares, interest and other instruments included in the Pledged Collateral which may be sold by the Secured Party in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

Section 12. Application of Proceeds. Except as expressly provided elsewhere in this Agreement, all proceeds received by the Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Pledged Collateral may, in the discretion of the Secured Party, be held by the Secured Party as Pledged Collateral for, and/or then, or at any time thereafter, applied in full or in part by the Secured Party against, the Secured Obligations in the following order of priority:

FIRST: To the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to the Secured Party and its agents and counsel, and all other expenses, liabilities and advances made or incurred by the Secured Party in connection therewith, and all amounts for which the Secured Party is entitled to indemnification hereunder and all advances made by the Secured Party hereunder for the account of the Pledgor, and to the payment of all costs and expenses paid or incurred by the Secured Party in connection with the exercise of any right or remedy hereunder, all in accordance with Section 13;

SECOND: To the payment of all other Secured Obligations in such order as the Secured Party shall elect; and

THIRD: To the payment to or upon the order of the Pledgor, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

Section 13. Indemnity and Expenses.

Pledgor agrees to indemnify the Secured Party from and against (i) the cost of enforcement of this Agreement, and (ii) any loss due to inaccuracy or breach of the representations and warranties contained in Section 4 hereof.

Section 14. Suretyship Waivers by Pledgor, etc.

(a) Pledgor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than indefeasible payment in full of the Underlying Debt. In furtherance of the foregoing and without limiting the generality thereof, Pledgor agrees as follows (to the extent not prohibited by applicable law): (i) the Secured Party may from time to time, without notice or demand and without affecting the validity or enforceability of this Agreement or giving rise to any limitation, impairment or discharge of Pledgor's liability hereunder, (A) renew, extend, accelerate or otherwise change the time, place, manner or terms of payment of the Underlying Debt, (B) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Underlying Debt or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations, (C) request and accept guaranties of the Underlying Debt and take and hold other security for the payment of the Underlying Debt, (D) release, exchange, compromise, subordinate or modify, with or without consideration, any other security for payment of the Underlying Debt, any guaranties of the Underlying Debt, or any other obligation of any Person with respect to the Underlying Debt, (E) enforce and apply any other security now or hereafter held by or for the benefit of the Secured Party in respect of the Underlying Debt and direct the order or manner of sale thereof, or exercise any other right or remedy that the Secured Party may have against any such security, as the Secured Party in its discretion may determine consistent with the Loan Agreement and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right or reimbursement or subrogation or other right or remedy of Pledgor against the Company or any other security for the Underlying Debt, and (F) exercise any other rights available to the Secured Party under the Loan Documents, at law or in equity; and (ii) this Agreement and the obligations of Pledgor hereunder shall be valid and enforceable and shall not be subject to any limitation, impairment or discharge for any reason (other than indefeasible payment in full of the Underlying Debt), including without limitation the occurrence of any of the following, whether or not Pledgor shall have had notice or knowledge of any of them: (A) any failure to assert or enforce or agreement not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Underlying Debt or any agreement relating thereto, or with respect to any guaranty of or other security for the payment of the Underlying Debt, (B) any waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions

(including without limitation provisions relating to events of default) of the Loan Agreement, any of the other Loan Documents or any agreement or instrument executed pursuant thereto, or any guaranty or other security for the Underlying Debt, (C) the Underlying Debt, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect, (D) the application of payments received from any source to the payment of indebtedness other than the Underlying Debt, even though the Secured Party might have elected to apply such payment to any part or all of the Underlying Debt, (E) any failure to perfect or continue perfection of a security interest in any other collateral which secures any of the Underlying Debt, (F) any defenses, set-offs or counterclaims which Borrower may allege or assert against the Secured Party in respect of the Underlying Debt, including but not limited to failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury, and (G) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of Pledgor as an obligor in respect of the Underlying Debt.

(b) Pledgor hereby waives, for the benefit of the Secured Party: (i) any right to require the Secured Party, as a condition of payment or performance by Pledgor, to (A) proceed against the Company, any guarantor of the Underlying Debt or any other Person, (B) proceed against or exhaust any other security held from the Company, any guarantor of the Underlying Debt or any other Person, (C) proceed against or have resort to any balance of any deposit account or credit on the books of the Secured Party or any Lender in favor of the Company or any other Person, or (D) pursue any other remedy in the power of the Secured Party whatsoever; (ii) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of the Company including, without limitation, any defense based on or arising out of the lack of validity or the unenforceability of the Underlying Debt or any agreement or instrument relating thereto or by reason of the cessation of the liability of the Company from any cause other than indefeasible payment in full of the Underlying Debt; (iii) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (iv) any defense based upon the Secured Party's errors or omissions in the administration of the Underlying Debt, except behavior which amounts to bad faith; (v) (A) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Agreement and any legal or equitable discharge of Pledgor's obligations hereunder (B) the benefit of any statute of limitations affecting Pledgor's liability hereunder or the enforcement hereof, (C) any rights to set-offs, recoupments and counterclaims, and (D) promptness, diligence and any requirement that the Secured Party protect, secure, perfect or insure any other security interest or lien or any property subject thereto; (vi) notices, demands, presentments, protests, notices of dishonor and notices of any action or inaction, notices of default under the Loan Agreement or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Underlying Debt or any agreement related thereto, notices of any extension of credit to the Company and notices of any of the matters referred to in the preceding paragraph and any right to consent to any thereof; and (vii) to the fullest extent permitted by law, any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of this Agreement.

(c) Until the Underlying Debt shall have been indefeasibly paid in full, Pledgor shall withhold exercise of (i) any right of subrogation, (ii) any right of contribution Pledgor may have against any guarantor of the Underlying Debt, and (iii) any benefit of, and any right to participate in, any other security now or hereafter held by the Secured Party. Pledgor further agrees that, to the extent the waiver of its rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Pledgor may have against the Company or against any other collateral or security, and any rights of contribution Pledgor may have against any such guarantor, shall be junior and subordinate to any rights the Secured Party may have against the Company, to all right, title and interest the Secured Party may have against the Company, to all right, title and interest the Secured Party may have in any such other collateral or security, and to any right the Secured Party may have against such guarantor.

(d) The Secured Party shall not have any obligation to disclose or discuss with Pledgor its assessment of the financial condition of the Company. Pledgor has adequate means to obtain information from the Company on a continuing basis concerning the financial condition of the Company and its ability to perform its obligations under the Loan Documents, and Pledgor assumes the responsibility for being and keeping informed of the financial condition of the Company and all of the circumstances bearing upon the risk of nonpayment of the Underlying Debt. Pledgor hereby waives and relinquishes any duty on the part of the Secured Party to disclose any matter, fact or thing relating to the business, operations or condition of the Company now known or hereafter known by the Secured Party.

Section 15. Continuing Security Interest; Transfer of Loan. This Agreement shall create a continuing security interest in the Pledged Collateral and shall (a) remain in full force and effect until the indefeasible payment in full of all Secured Obligations, (b) be binding upon Pledgor, its successors and assigns, and (c) inure, together with the rights and remedies of the Secured Party hereunder, to the benefit of the Secured Party and its successors, transferees, assigns and participants. Without limiting the generality of the foregoing clause (c), the Secured Party may assign or otherwise transfer the Note (or any interest therein) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Secured Party herein or otherwise, provided that such assignment or transfer shall not affect the benefits or rights granted to the Secured Party herein or otherwise. Upon the indefeasible payment in full of all Secured Obligations, the security interest granted hereby shall terminate and all rights to the Pledged Collateral shall revert to the Pledgor. Upon any such termination the Secured Party will, at Pledgor's expense, execute and deliver to Pledgor such documents as Pledgor shall reasonably request to evidence such termination and Pledgor shall be entitled to the return, upon its request and its expense, against receipt and without recourse to the Secured Party, of such of the Pledged Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof.

Section 16. Amendments; Etc. No amendment or waiver of any provision of this Agreement, or consent to any departure by Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Secured Party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 17. Notices. All notices required or permitted hereunder shall be in writing and made by addressing the same to the party to whom directed at the following addresses by registered or certified mail, return receipt requested:

If to the Lender: GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, Pennsylvania 19044
Attention: Construction Lending Department

with a copy to: Kelly M. Wrenn, Esq.
Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street, Suite 1000 South
Washington, DC 20005

If to Pledgor: Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: Chief Financial Officer

with a copy to: General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228

Any party may change the address to which notices are to be sent by a writing directed to the other party in the manner aforesaid. Unless otherwise specifically provided, all notices hereunder given by mail, as aforesaid, shall be deemed delivered on the fifth (5th) business day after the date on which the same are deposited in a United States Post Office, general or branch, or an official mail depository, maintained by the U.S. Postal Service, enclosed in a registered or certified prepaid wrapper, with postage prepaid, addressed as above provided, except notice of change of address shall be deemed served when received.

Section 18. Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of the Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 19. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 20. Headings. Section and subsection headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect.

Section 21. Governing Law; Terms. THIS AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF COLORADO (EXCLUDING PRINCIPLES OF CONFLICTS OF LAW). Unless otherwise defined herein or in the Loan Agreement, terms used in Article 9 of the Uniform Commercial Code in the State of Colorado are used herein as therein defined.

Section 22. Consent to Jurisdiction and Service of Process. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST PLEDGOR ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF COLORADO, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. Pledgor designates and appoints Jeffrey A. Jacobson, Esquire, at the address set forth in Section 17 above, and such other Persons as may hereafter be selected by Pledgor irrevocably agreeing in writing to so serve, as its agent to receive on its behalf service of all process in any such proceedings in any such court, such service hereby acknowledged by Pledgor to be effective and binding service in every respect. A copy of any such process so served shall be mailed by registered mail to Pledgor as provided in this Agreement; provided that, unless otherwise provided by applicable law, any failure to mail such copy shall not affect the validity of service of such process. If any agent appointed by Pledgor refuses to accept service, Pledgor hereby agrees that service of process sufficient for personal jurisdiction in any action against Pledgor in the State of Colorado may be made by registered or certified mail, return receipt requested, to Pledgor as provided in this Agreement, and Pledgor hereby acknowledges that such service shall be effective and binding in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Secured Party to bring proceedings against Pledgor in the courts of any other jurisdiction.

Section 23. Waiver of Jury Trial. Pledgor hereby waives all rights to a jury in any action, counterclaim, or proceeding based upon, or related to, this Agreement or any of the Loan Documents. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Agreement. This waiver is knowingly, intentionally, and voluntarily made by Pledgor who acknowledges that it has been represented in the execution of this Agreement and in the making of this waiver by independent legal counsel, selected of its own free will, and that it has had the opportunity to discuss this waiver with counsel. Pledgor further acknowledges that it has read and understands the meaning and ramifications of this waiver provision.

Section 24. Counterparts. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

IN WITNESS WHEREOF, the Pledgor and the Secured Party have caused this Agreement to be duly executed and delivered as of the date first written above.

PLEDGOR:

ERICKSON RETIREMENT COMMUNITIES,
LLC, a Maryland limited liability company

By: _____

Gerald F. Doherty
Executive Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

SECURED PARTY:

GMAC COMMERCIAL MORTGAGE
CORPORATION, a California corporation

By: Catherine D. Hilbush
Catherine D. Hilbush
Vice President

SCHEDULE I

(Pledgor holds all issued/outstanding member interests)

Company: Littleton Campus, LLC, a Maryland limited liability company

<u>Member</u>	<u>Class of Interest</u>	<u>Percentage Interest</u>
Erickson Retirement Communities, LLC	Member	100%

SCHEDULE II

PLEDGE AMENDMENT

This Pledge Amendment, dated _____, 20____, is delivered pursuant to Section 6(b) of the Member Interest Pledge Agreement referred to below. The undersigned hereby agrees that this Pledge Amendment may be attached to the Member Interest Pledge Agreement dated as of March as of 29, 2006, between Erickson Retirement Communities, LLC, as Pledgor, and GMAC Commercial Mortgage Corporation, a California corporation, in its capacity as Secured Party (the "Member Interest Pledge Agreement," capitalized terms defined therein being used herein as therein defined) and that the Pledged Interests listed on this Pledge Amendment shall be deemed to be part of the Pledged Interests and shall become part of the Pledged Collateral and shall secure all Secured Obligations.

<u>Issuer</u>	<u>Class of Interests</u>	<u>Certificate Nos.</u>	<u>Par Value</u>	<u>Number of Interests</u>
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MEMBERSHIP INTEREST TRANSFER POWER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, the entire membership interest in Littleton Campus, LLC, a Maryland limited liability company owned by the undersigned on the books of the Company, and does irrevocably constitute and appoint _____, for and on behalf of GMAC Commercial Mortgage Corporation, a California corporation, secured party under the Member Interest Pledge Agreement dated as of March 29, 2006, attorney to transfer the said membership interest with full power of substitution in the premises.

Dated: _____

**ERICKSON RETIREMENT COMMUNITIES,
LLC**, a Maryland limited liability company

By: _____
Name: Gerald F. Doherty
Title: Executive Vice President

EXHIBIT I

WIND CREST, INC.
MASTER LEASE AND USE AGREEMENT

THIS MASTER LEASE AND USE AGREEMENT (this "Lease"), is made as of this 29th day of March, 2006 by and between LITTLETON CAMPUS, LLC, a Maryland limited liability company, hereinafter called "LC," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228; and WIND CREST, INC., a Maryland nonstock corporation, hereinafter called "WC," having an address at 701 Maiden Choice Lane, Baltimore, Maryland 21228.

RECITALS

R.1. LC is the owner of certain real property located in Highlands Ranch, Colorado (the "Property"), a legal description of which is attached hereto as Exhibit A.

R.2. LC intends to lease the Property, together with all improvements and personalty located thereon, to WC. LC and WC intend that this Lease shall set forth the general conditions and provisions for WC's use of the Property.

R.3. Subject to feasibility and other factors to be determined by LC, the parties intend that LC shall develop the Property by Phases.

NOW THEREFORE, for and in consideration of the payment of the rentals, and performance of the covenants and agreements hereinafter mentioned and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by the parties hereto, LC demises and leases unto WC, and WC hereby hires from LC, the right to occupy and use the Premises, on the following terms and conditions:

1. DEFINITIONS

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

Accepted Premises – That portion of the Premises that have been substantially completed by LC and accepted by WC.

Additional Rent - The additional expenses to be paid by WC as Rent pursuant to this Lease.

Annual Rent - The total Rent for the Premises on a per annum basis.

Assisted Living Unit - A room accommodation for a Resident who is unable to perform normal functions necessary to live in an Independent Living Unit, but who needs a lesser degree of medical care, personal care and service than is provided in the Nursing Units.

Building - Any residential building, community building, chapel, pool building, garage, maintenance building or other structure located within the premises and designed to permit occupancy by human beings.

Capital Budget - A budget setting forth the anticipated capital repairs and renovations for the Premises for the projected twelve month period, which will show the source of funds for the items referenced in the Capital Budget.

Care Center - The structure(s) in which Nursing Units are located.

Commencement Date – Shall have the meaning given such term in Subsection 4.1.1. of this Lease.

Common Areas - The areas of the Premises not consisting of Units.

Community Building - A building constructed on the Property in which dining, recreational, retail and offices uses are located.

Community Loan - Amounts loaned from time to time by WC to LC pursuant to the Community Loan Agreement of even date herewith.

Community Loan Agreement - That certain Loan Agreement dated of even date herewith by and between WC, as lender and LC, as borrower, together with all amendments, extensions and modifications thereto.

Date of Settlement - The date when a Resident is first authorized to take possession of a Unit pursuant to a Residence and Care Agreement.

Entrance Deposit - The entrance deposit required to be paid (either in cash or by promissory note) to WC by Residents on or before the Date of Settlement for the Resident's Unit, which includes the Application Deposit, the New Apartment Building Deposit, the Signing Deposit, and the Move-In Deposit.

Environmental Claim – means all claims arising under Environmental Requirements.

Environmental Requirements - All applicable laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, common law rulings and decrees, now or hereafter enacted, adopted, promulgated, or amended, of the United States, the states, the counties, the cities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Premises, the Premises or the use of the Premises relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the

environment (including, without limitation, ambient air, surface water, ground water or land or soil).

Hazardous Materials - Any substance which is or contains (i) any "hazardous substance" as now or hereafter defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.) ("CERCLA") or any regulations promulgated under CERCLA; (ii) any "hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42.U.S.C. §§ 6901 et seq.) ("RCRA") or regulations promulgated under RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or regulated under Environmental Requirements. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property requires reporting, investigation or remediation under Environmental Requirements.

Improvements - The buildings, appurtenances, and personalty built or to be built on the Property or supplied by LC for lease to WC, and all replacements thereto.

Independent Living Unit - An accommodation at the Community for a Resident who is able to live independently within WC's guidelines.

Initial Commencement Date - The Commencement Date for the first Residential Building.

Initial Move-In Period - The period for each Phase beginning with the substantial completion of construction for such Residential Building and ending with the achievement of ninety-five percent (95%) occupancy of such Residential Building. Completion of the Initial Move-In Period shall be the achievement of the ninety-five percent (95%) occupancy level in such Residential Building.

LC – Littleton Campus, LLC and its successors and assigns under this Lease.

Lease - This Master Lease and Use Agreement.

Lease Term - The duration of this Lease as defined in Article 4 of this Lease.

Nursing Unit - A room accommodation for a Resident who is unable to perform normal functions necessary to live in an Independent Living Unit or Assisted Living Unit and who needs the degree of medical care, personal care and service that is provided in the Nursing Facility.

Operating Budget - A budget for the projected twelve month period which will indicate operating cash flow sufficient to meet the cash flow needs of the Community (including costs

for maintenance and refurbishment of the Premises), when combined with proceeds from the Working Capital Loan. The Operating Budget shall show the source of funds by line item for the disbursements referred in the Operating Budget.

Option Notice Period - The thirty (30) day period commencing one hundred and eighty (180) days prior to the expiration of the then current Lease Term and ending one hundred and fifty (150) days prior to the end of the then current Lease Term.

Phase - An interval of development of the Retirement Community, consisting of a Building, and/or other Improvements, such interval of development to be determined by LC in its sole discretion.

Premises - The Property and Improvements leased and demised to WC by LC pursuant to this Lease.

Property - The real property located in Highlands Ranch, Colorado described in Exhibit A attached hereto.

Release -- means any presence, emission, spill, seepage, leak, escape, leaching, discharge, injection, pumping, pouring, emptying, dumping, disposal, migration, or release of Hazardous Materials from any source into or upon the environment, including the air, soil, improvements, surface water, groundwater, the sewer, septic system, storm drain, publicly owned treatment works, or waste treatments, storage, or disposal systems.

Rent - The rental, including all Additional Rent, paid by WC to LC on the Premises.

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

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

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

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

Site Plan - The plan attached hereto as Exhibit C detailing the lay-out of the Premises when completed as approved (as may be amended from time to time by LC without the requirement of consent by WC).

Test Period - The nine (9) month period prior to the respective Option Notice Period.

Unit - The residential unit of a Resident at the Retirement Community, which may be an Independent Living Unit, an Assisted Living Unit, or a Nursing Unit.

WC – Wind Crest, Inc., and its successors and assigns under this Lease.

Working Capital Loan - That loan made by LC to WC in the amount up to Thirty-Seven Million Six Hundred Forty-One Thousand Dollars (\$37,641,000) pursuant to that Working Capital Loan Agreement dated of even date herewith, to provide WC with a line of working capital to fund WC's purchase of the fixtures, furnishings, and equipment necessary for operation of the Premises and to fund WC's short-term operating costs with advances as needed.

Working Capital Loan Note - The note to be executed by WC evidencing the Working Capital Loan.

2. PREMISES

2.1. WC and LC acknowledge and agree that LC hereby leases to WC the Premises, and WC hereby leases from LC, the Premises, effective as of the date of this Lease, and any and all Improvements hereinafter constructed on the Property during the Term of this Lease. LC and WC acknowledge that the Premises, if fully completed by LC, are intended to include all of the Improvements as more fully depicted in the Site Plan attached hereto as Exhibit C. WC expressly acknowledges and agrees that LC has no obligation to complete construction of the Retirement Community or to construct the Retirement Community in accordance with the Site Plan.

3. USE AND OPERATION

3.1. The Premises shall be used as a facility for the continuing life care of Residents, including all residential, medical, recreational, commercial and other uses incidental thereto, and for no other purpose. Any use of the Premises by WC or by any other person or entity which is not specifically shown on the Site Plan shall require LC's prior written consent.

3.2. WC shall provide or shall cause to be provided all services required to be provided by WC under Residence and Care Agreements, in the form that has been attached hereto as Exhibit B. All proposed material alterations to the Residence and Care Agreements must be approved in advance in writing by LC.

3.3. The proposed initial Entrance Deposits for Units are set forth on Exhibit D attached hereto. Any changes in the Entrance Deposits must be approved by LC.

3.4. WC agrees to use its best efforts to cause Entrance Deposits charged to new residents of Units previously occupied under prior Residence and Care Agreements to be in an amount sufficient to refund in full the Entrance Deposit paid by the previous Resident of the Unit, plus the cost of marketing the Unit to a new resident. In addition to the above requirement,

WC shall use its best efforts to cause the schedule of the Entrance Deposits for all Units that become available for occupancy each year to be increased annually by at least fifty percent (50%) of the increase in the Consumer Price Index (All Items) for the Highlands Ranch, Colorado Metropolitan Area for the previous calendar year, unless an Entrance Deposit schedule with smaller increases is approved in writing by LC.

4. TERM

4.1. The rights and obligations of the parties shall be effective as of the date of this Lease; provided, however, that WC's possessory interest in the Premises shall not commence until the Initial Commencement Date.

4.1.1. The Commencement Date for each Phase shall be the date that the Phase is accepted by WC and first occupied by WC for its intended use. The Lease Term for all Phases shall be coterminous, and shall terminate on the twenty (20) year anniversary date from the Initial Commencement Date.

4.1.2. WC shall have the option to extend the Lease Term for three (3) additional ten (10) year terms by giving written notice to LC of WC's election to extend the Lease Term, which notice must be given during the Option Notice Period, provided, however, that in the event WC does not extend the Lease Term during the Option Notice Period, LC shall give WC written notice of such failure to extend, and WC shall have an additional thirty (30) days following receipt of such notice in which to extend the Lease Term.

5. RENT OBLIGATION

5.1. As of the Initial Commencement Date, WC hereby agrees to pay to LC as Rent for the Premises the sums set forth in Exhibit E attached hereto. Such Rent shall be payable in advance on the first day of each month during the Lease Term and shall not be reduced or abated except in accordance with the terms of Article 18 of this Lease. WC covenants, without any previous demand therefor and without set-off, counterclaim, or deduction, to pay the Rent at the times and in the manner provided.

5.2. LC and WC acknowledge and agree that this Lease is intended to be absolutely "net" to LC, except as expressly provided otherwise in this Lease. Therefore, WC agrees to pay to LC promptly upon demand all sums payable by or assessed against LC as a result of LC's entry into this Lease or as a result of LC's ownership of such portion of the Premises as have been accepted by WC, except to the extent that LC is expressly liable for such cost or expense pursuant to the terms of this Lease. LC expressly agrees that LC is responsible for all taxes and assessments allocable to those portions of the Premises that have not yet been accepted by WC.

6. TAXES

6.1. For the purpose of this Lease, "Tax Period" shall mean the fiscal year of each jurisdiction levying taxes on the Premises and "Applicable Taxes" shall mean ad valorem real and personal property taxes assessed and levied against the Premises and any personal property located on the Premises as of the tax status day next preceding each of the said fiscal years.

6.2. WC shall, as Additional Rent, remit to LC WC's proportional share of all Applicable Taxes becoming due and payable during the Lease Term irrespective of any law or regulation which may impose such Applicable Taxes on LC. Applicable Taxes for the Tax Periods in which the Lease Term begins or terminates shall be apportioned in proportion to the number of days the Lease Term exists within each of such Tax Periods bears to the total number of days in such Tax Period.

6.3. Special assessments which become due in full or any part thereof and all installments of special assessments which become due during the Lease Term (whether or not such assessments or the first of such installments become due prior to the Initial Commencement Date) shall be borne by WC as Additional Rent and shall be remitted by WC either (i) to the appropriate collecting authority, or (ii) to LC, if not payable by WC to the collecting authority. For purposes of this Subsection, payment in installments over the longest possible term will be deemed to have been elected in any instance where a determinable option to pay existed or may exist, even though an assessment may have been or may hereafter be paid in full, and WC shall bear the expense of only such installments as would have become due, payable and delinquent during the Lease Term had the installment option been elected.

6.4. WC shall remit or cause to be remitted directly to the appropriate taxing authority all personal property taxes on WC's personal property located upon the Premises.

6.5. WC shall not have the right to contest the amount or validity, in whole or in part, of Applicable Taxes or special assessments, or to withhold any portion of the Applicable Taxes beyond the date on which such Applicable Taxes are due, unless WC shall have obtained the prior written consent of LC thereto. If LC elects to contest the amount or validity, in whole or in part, of the Applicable Taxes or special assessments, WC shall cooperate fully with LC in such contest.

7. INSURANCE AND USE FEES

7.1. WC shall maintain comprehensive public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Accepted Premises and the streets and alleys adjoining the Accepted Premises, affording protection of at least \$3,000,000 single limit per occurrence of loss or damage, subject to such deductibles as LC may permit. If during the Lease Term changed conditions or other pertinent factors, in the reasonable judgment of LC, should render inadequate the insurance limits referred to above, WC shall furnish on demand such additional coverage as may be reasonably required by LC. All such insurance shall be:

- (i) primary and noncontributory to any other insurance maintained by LC, and
- (ii) effected at WC's expense under valid and enforceable policies issued by insurers of recognized responsibility which are qualified to do business in the state in which the Property is located; and which have a rating of A or better and a financial size rating of X or larger from Best's Key Rating Guide and Supplemental Service, Property/Casualty (or comparable insurance rating service) and are acceptable to LC.

7.2. All policies shall name WC as insured and, as additional insureds, LC and any lender providing construction financing for all or any part of the Retirement Community, as their interests may appear, and shall, to the extent obtainable, contain an agreement by the insurer that such policies shall not be canceled or substantially modified without at least thirty (30) days' prior written notice to LC. Certificates of insurance evidencing coverage of such policies shall be delivered by WC to LC and any lender providing construction financing for all or any part of the Retirement Community, as their interests may appear, prior to the Initial Commencement Date, and similar replacement certificates shall be delivered by WC to such entities at least fifteen (15) days prior to the expiration dates of expiring policies. If WC does not provide such evidence of valid liability insurance coverage, then LC, at its option, may provide said coverage at any time and without notice to WC. The cost thereof will be charged to WC as Additional Rent and shall be payable upon demand.

7.3. WC shall obtain and maintain throughout the Lease Term fire and special form insurance covering the Accepted Premises in an amount not less than 100% of the then replacement cost of such Improvements on the Premises, being the cost of replacing such Improvements, subject to such deductibles as LC shall permit, in LC's reasonable discretion from time to time.

7.4. All such fire and special form insurance shall be effected at WC's expense under valid and enforceable policies issued by insurers approved by LC. Such policies shall name LC or LC's designee and any lender providing construction financing for all or any part of the Retirement Community as sole loss payee as trustee for the proceeds and shall insure LC, WC and any construction lender as their respective interests may appear. Each policy or certificate shall, to the extent obtainable, contain an agreement by the insurer that such

policies shall not be canceled or substantially modified without at least thirty (30) days' prior notice to LC. Memoranda of such policies shall be delivered by WC to LC prior to the Initial Commencement Date, and similar replacement policies shall be delivered by WC to such entities and at least fifteen (15) days prior to the expiration dates of expiring policies. If WC does not provide such evidence to LC of valid liability insurance coverage, then LC, at its option, may provide said coverage at any time and without notice to WC. The cost thereof will be charged to WC as Additional Rent and shall be payable upon demand.

7.5. WC, at its sole cost and expense, shall carry such additional or other insurance as customarily is maintained by operators of similar property, or as reasonably may be required by LC from time to time for its protection against any loss, hazard, or liability to which LC may be exposed. In addition, LC shall be named as an insured on any excess or umbrella insurance policies maintained by WC.

7.6. WC covenants that it will not do nor permit to be done, nor keep nor permit to be kept upon the Accepted Premises, anything which will contravene the policy or policies of insurance against loss by fire or other causes. WC covenants that under no circumstances will it keep or permit to be kept, do or permit to be done in or about the Accepted Premises, anything of a character so hazardous as to render it difficult, impracticable or impossible to secure insurance in companies acceptable to LC, and further, immediately upon notice, to remove from the Accepted Premises and/or to desist from any practice deemed by the insurance companies or the Association of Fire Underwriters as so affecting the insurance risk.

7.7. LC and WC hereby release and relieve the other and waive their respective rights of recovery and subrogation against the other for loss or damage arising out of or incident to any insured casualty which occurs on or about the Premises, whether due to the negligence of either party, their servants, agents, and employees.

7.8. Notwithstanding anything to the contrary contained in this Lease, for the first seven (7) years following the Initial Commencement Date LC agrees to reimburse to WC, annually, a sum equal to (i) all insurance costs paid, per annum, for public liability insurance or comparable insurance required to be carried by WC pursuant to Section 7.1 of this Lease or to be paid by WC under the Management Agreement for any other agreement, in excess of (ii) the average insurance costs paid per annum at continuing care retirement communities managed by Erickson Retirement Communities, LLC (the "Baseline Communities"). Insurance costs shall include but are not necessarily limited to, premiums and deductibles and costs of self-insurance or other risk management programs. The amounts set forth in clause (ii) shall be adjusted so that they are comparable basis with WC's insurance costs, taking into account the number of types of units at WC's community and the Baseline Communities and the types of coverage at such communities, the purpose of such payment by LC being to reflect any increased insurance costs arising from the insurance market in Colorado as opposed to the insurance costs in other parts of the United States where the Baseline

Communities are located. Prior to the Initial Commencement Date, the parties shall establish a protocol for computing the amounts in clauses (i) and (ii).

The terms of this Section 7.8 shall survive the termination of this Lease.

8. UTILITIES; PERMITS

8.1. WC agrees to pay or cause to be paid all charges and taxes incurred by WC or others claiming under or through WC for or on account of water, sewer, gas, electricity, light, heat and power and for telephone and other communication services, including protective devices, and all other public or private utility services which may be used, rendered or supplied upon, to or in connection with the Accepted Premises or any part thereof at any time during the Lease Term.

8.2. LC shall make application for and obtain the necessary permits and licenses for construction and development of the Improvements. WC agrees to thereafter make application for and obtain all licenses and permits necessary for the use and operation of the Premises as a Retirement Community, and LC agrees to execute and deliver to WC such applications as are necessary and are requested by WC to obtain such licenses and permits, provided LC is not obligated to incur any cost, expense or liability in connection therewith.

9. MAINTENANCE; ENVIRONMENTAL MATTERS; COOPERATION

9.1. WC agrees to keep and use the Accepted Premises in a safe, clean, orderly and sanitary manner. WC shall provide security services for the Accepted Premises. WC will keep all sidewalks, driveways and parking areas included in the Accepted Premises and subject to the Lease free of ice, snow and debris.

9.1.1. WC shall, during the Lease Term, keep the interior and exterior of the Accepted Premises, including those Improvements which are subject to the Lease, and appurtenances (including plumbing, heating, electrical, elevator, sprinkler and air conditioning systems thereof) in good order and condition and will make all necessary repairs and replacements thereto, including repairs to any damage caused by normal wear and tear, or by any waste, misuse or neglect of said Accepted Premises, its apparatus or appurtenances by WC, its agents, servants or employees or by any Resident or any invitee of any Resident, at WC's own expense. WC is obligated to prepare, for LC's written approval, a Capital Budget and an Operating Budget for the renovation and refurbishment of the Improvements on a regular basis. Such plan shall be based on the anticipated useful life of such Improvements. After the Capital Budget and Operating Budget are approved in writing by LC, WC shall be obligated to comply with such budgets and to cause such renovation and refurbishment to be done, unless LC consents in writing to a deviation from such plan, which consent may be refused in LC's sole discretion.

9.1.2. All such replacements shall be and remain the property of LC throughout the term of this Lease, and upon expiration of this Lease. WC agrees to execute and deliver to LC such documents as LC may reasonably request to confirm LC's ownership of such replacements.

9.1.3. WC will, at the expiration of the Lease Term or at the sooner termination thereof by forfeiture or otherwise, deliver up the Premises in the same good order and condition as they were upon the Commencement Date for each Phase of the Premises, reasonable wear and tear, permitted alterations, refurbishments, renovations and changes excepted. WC shall be charged with the protection of its own fixtures and personal property, and in no event shall LC be liable for any damage to such property by reason of fire, other casualty or the elements, leakage of water or steam or the acts or neglect of LC or any other person.

9.2. (a) LC shall, at its expense, remove or remediate in accordance with Environmental Requirements, Hazardous Materials located on the Property as of the date of this Lease that are known to LC, including any matters revealed in the environmental investigations of the Property prepared for LC and its affiliates (the "Environmental Reports"). WC shall neither take any action nor utilize the Premises in such a manner which would contaminate the Premises with Hazardous Materials. Should WC or persons under its control use any Hazardous Material on the Premises during the term of the Lease, such Hazardous Material shall be handled in accordance with all Environmental Requirements and manufacturers' requirements.

(b) Notwithstanding any provisions of this Agreement, WC shall indemnify, defend, and hold harmless LC from claims, losses penalties, sanctions, orders, damages or other costs, including reasonable attorneys' fees, incurred should contamination or other Environmental Claim arise from WC's use and operation of the Premises hereunder.

(c) Notwithstanding any other provision of this Agreement, LC shall indemnify, defend, and hold harmless WC from claims, losses, penalties, sanctions, orders, damages or other costs, including reasonable attorneys' fees incurred should contamination or other Environmental Claim arise from (i) facts, circumstances, conditions or Releases existing, initiated or occurring at the Property on or prior to the date of this Lease, to the extent known to LC (including the matters revealed in the Environmental Reports), or (ii) LC's development or use of the Property, unless and to the extent caused by WC's use and operation of the Premises hereunder. NO LENDER (OTHER THAN LC) HOLDING ANY SECURITY INTEREST IN THE PREMISES SHALL BE LIABLE TO WC UNDER THIS SUBSECTION (C), WHETHER BY VIRTUE OF ANY COLLATERAL ASSIGNMENT OF THIS LEASE BY LC, OR OTHERWISE.

(d) Notwithstanding any other provision of this Lease, the provisions of Section 9.2(b) and (c) shall survive any expiration or termination of this Lease.

9.3. WC shall use reasonable efforts to cooperate, at no cost or liability to WC, with LC in the development of each of the Phases.

9.4. Except as provided in Section 9.3, WC shall be responsible for: (i) all repairs and replacements (whether or not such would, in accordance with generally acceptable accounting principles, be deemed to be "capital" in nature) to the roofs, roads and parking areas in the Accepted Premises, and to the plumbing, heating, electrical, elevator, sprinkler and air conditioning systems in the Accepted Premises; and (ii) all improvements or additions to the Property and Improvements required to be made by any laws, rules, regulations, orders or other governmental requirements, now or hereafter in effect.

10. ALTERATIONS; COMPLIANCE WITH LAWS

10.1. LC covenants that, as of the Commencement Date for each Phase, the Phase to be leased to WC as part of the Premises shall be constructed in a good and workmanlike manner, be in material compliance with all applicable federal, state and local laws, ordinances, and regulations, as well as the requirements of the Association of Fire Underwriters, or similar governing insurance body then in effect. WC acknowledges and agrees that WC's sole remedy for a failure by LC to comply with the terms of this Section 10.1 shall be to seek specific performance and/or to pursue actual damages incurred by WC in performing LC's obligations under this Section 10.1.

10.2. WC covenants that it will not make any alterations, refurbishments, renovations, or changes of any kind to the Premises, including any change required to comply with Laws (as hereinafter defined), without first securing the written consent of LC, after submission of the plans therefor, such consent not to be unreasonably withheld. WC will, in making any such alterations, as well as in its use of the Premises, fully comply with all federal, state and local laws, ordinances, and regulations, as well as the requirements of the Association of Fire Underwriters, or similar governing insurance body (collectively, the "Laws"), all at WC's expense.

10.3. WC covenants promptly to comply with and do all things required by any notice served upon it or upon LC in relation to the Premises or any part thereof, from any applicable government or governmental agency, if the same shall be caused by WC's use or occupancy of the Premises, or any alteration, addition or change to the Premises performed by WC or by any change or addition to any Laws.

10.4. All alterations, changes, and improvements made by WC, whether at WC's behest or for the compliance with local, state, and U.S. laws or regulations, shall be made at WC's expense.

10.5. WC covenants that no liens, including mechanic's liens, shall attach to the Premises by virtue of any alteration, refurbishment, renovation or change made by WC, and that if any

such lien is filed WC will cause the same to be removed within thirty (30) days after such filing and shall indemnify and hold harmless LC from any damages resulting from such liens.

11. SIGNS AND APPEARANCE

WC shall not place or permit any signs in or about the Premises without the written permission of LC, such consent not to be unreasonably withheld. WC agrees that it will do nothing to change the uniform architecture, paint or appearance of the Improvements, including but not limited to the paint, covering of windows, or decoration of the Improvements, without the written consent of LC, such consent not to be unreasonably withheld.

12. SUBLETTING OR ASSIGNMENT

WC covenants that WC's interest in the Premises, or any part thereof, shall not be leased or sublet to any person, or a license, operating or concession arrangement granted, without the prior written consent of LC. WC further covenants that this Lease shall not be assigned to any person or entity without the prior written consent of LC. Any lawful levy or sale on execution or other legal process, and also any assignment or sale in bankruptcy, or insolvency, or under any compulsory procedure, or the appointment of a Receiver by a State or Federal court, shall be classified as an assignment within the meaning of this Lease. The decision to allow WC to sublet or to assign this Lease shall be in LC's sole discretion. If LC consents in writing to a subletting or an assignment of the Lease, WC hereunder shall remain liable for the performance of all the covenants and conditions of this Lease. Notwithstanding the provisions of this Article 12, WC need not obtain LC's consent for use of the Premises by its employees, agents, and contractors or for entering into Residence and Care Agreements with qualified Residents of the Retirement Community. LC shall be entitled to review and approve the terms of all subleases or licenses for any sublease or license of a portion of the Premises to retail or medical establishments entered into by WC, which approval will not be unreasonably withheld. LC expressly acknowledges and agrees that such retail and medical subleases and licenses are often entered into to provide necessary services to the Retirement Community, and are not always intended to create economic benefit for WC or to the Retirement Community.

13. INDEMNITY

13.1. WC shall and will save, hold and keep harmless and indemnify LC from and against any and all claims for damages whatsoever, and the costs of defending against the same, of any kind or nature, including personal injuries, arising in any manner or under any circumstances through the exercise by WC of any right granted or conferred hereby, or the performance or non-performance of any of its obligations hereunder, or any other act or omission of WC, its employees, residents, or invitees, whether such damage, including personal injury, be sustained by LC or its officers, agents, employees, residents, or invitees by residents of the Premises, or by other persons or corporations which seek to hold LC liable.

13.2. LC will save, hold, keep harmless and indemnify WC from and against any and all costs of repairs and claims for damages whatsoever and the cost of defending against same, of any kind or nature, including personal injuries, to the extent arising out of the negligent or faulty construction of the improvements and occurring prior to the time the improvements become part of the Accepted Premises; whether such costs or damage, including personal injury, be sustained by WC or its officers, agents, employees, residents; or invitees by residents of the Premises; or by other persons or corporations who seek to hold WC liable.

14. QUIET ENJOYMENT; SUBORDINATION TO MORTGAGE

14.1. LC covenants that WC shall quietly enjoy possession of the Premises during the Lease Term, so long as WC shall not be in default hereunder.

14.2. LC agrees that all Residence and Care Agreements entered into with Residents of the Premises shall be honored by LC, even in the event of termination of this Lease, and that any holder of any security interest in the Premises claiming under LC will not disturb the possessory rights of such Residents under Residence and Care Agreements so long as such Residents are not in default thereunder. LC's obligation of non-disturbance under this Subsection 14.2. in event of any termination of this Lease for any reason is conditioned upon all rent and other fees and assessments with respect to each Unit subject to such a non-disturbance agreement continuing to be paid by the Resident of such Unit, pursuant to the terms of such Resident's Residence and Care Agreement.

14.3. WC and LC hereby agree that in event of any termination of this Lease, WC shall, at the election of LC, assign over to LC or LC's designee, absolutely and free of any claim or right of WC, all of WC's rights and privileges under each of the Residence and Care Agreements then in existence with respect to any and all Units in the Premises, and, to the extent required under the Community Loan Agreement, all of WC's rights and privileges under the Community Loan. LC or LC's designee (as the case may be) will assume all of the obligations of WC under each of the assigned Residence and Care Agreements and the Community Loan arising subsequent to the date of such assignment.

14.4. Following an Event of Default, WC shall assign to LC all of WC's rights under any subleases, licenses, contracts and operating agreements with respect to the Premises requested by LC to be assigned to LC, subject to assumption by LC of all obligations of WC under each agreement so assigned, arising subsequent to the date of such assignment.

14.5. WC agrees that this Lease is and shall be subordinate to all mortgages and deeds of trust that are now, or may hereafter be, placed upon the Premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided, however, WC shall have entered into a non-disturbance agreement with LC's lender, which non-disturbance agreement shall provide that in the event of the enforcement by the trustee, mortgagee or beneficiary under any such lien documents of the remedies provided for by law or by such lien documents, any entity succeeding to the

interest of LC as a result of such enforcement will not terminate this Lease nor disturb WC in the possession and use of the Premises pursuant to this Lease and WC's rights hereunder (except as provided for in this Lease or on such other terms as may be agreed upon between WC and LC's lender). WC also agrees that any such trustee, mortgagee or beneficiary may elect to have this Lease constitute a prior lien to its mortgage or deed of trust, and in the event of such election and upon notification by such trustee, mortgagee or beneficiary to WC to that effect, this Lease shall be deemed prior in lien to such mortgage or deed of trust, whether this Lease is dated prior to or subsequent to the date of said mortgage or deed of trust. WC agrees that upon the request of LC, or any mortgagee or beneficiary, WC shall execute whatever instruments may be required to carry out the intent of this Section. Notwithstanding any other provision of this Section 14.5 to the contrary, pursuant to that certain Tenant Subordination Agreement between WC and GMAC Commercial Mortgage Corporation, a California corporation ("GMAC"), dated the date hereof, this Lease is and shall at all times be subordinate and inferior to that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing to the Public Trustee for the benefit of GMAC, in the principal amount of \$83,000,000.00, encumbering the Property, dated the date hereof, and to all amounts secured thereby and future advances made thereunder, on the terms and conditions set forth in said Tenant Subordination Agreement

14.6. In the event any proceedings are brought for the foreclosure of, or in the event of the conveyance by deed in lieu of foreclosure of, or in the event of exercise of the power of sale under, any mortgage or deed of trust made by LC covering the Premises, WC hereby attorns to, and covenants and agrees to execute instrument in writing reasonably satisfactory to the new owner, whereby WC attorns to such successor in interest and recognizes such successor as LC under this Lease.

15. INSPECTION OF PREMISES

WC agrees that LC and any agents designated by it shall have the right to inspect the Premises at all reasonable times during business hours, or at any time in case of emergency provided, however, that LC's right to inspect occupied Independent Living Units, Assisted Living Units and Nursing Units shall be restricted in accordance with the terms of the Residence and Care Agreement of Residents occupying such Units. LC shall give WC reasonable notice of any inspection; provided, however, that in the case of emergency, LC need not give such notice.

16. RESTORATION

16.1. In the event the Premises are damaged or destroyed by fire, storm, the elements, act of God, unavoidable accident, the public enemy or other insured casualty, but not to such an extent in LC's judgment as to render up to fifty percent (50%) of the gross square footage of any Building unavailable, then WC shall restore such Building as speedily as possible, and Rent shall abate proportionately on such Building until the repairs are substantially completed. For purposes of such restoration, any and all insurance proceeds to be obtained by WC in accordance with Article 7 of this Lease payable on account of such loss (excluding

any rental loss insurance) shall be made available to WC to cover the cost of such restoration. Any proceeds from rental loss insurance shall be paid to LC. Any insurance deductible payment shall be paid by WC. Such restoration shall provide substantially equivalent facilities to those damaged or destroyed, to the extent of available insurance proceeds.

16.2. In the event the Premises are damaged or destroyed by fire, storm, the elements, act of God, unavoidable accident, the public enemy or other insured casualty, to such an extent in LC's judgment as to render more than fifty percent (50%) of the gross square footage of any Building unavailable, then LC shall restore such Building as speedily as possible, and Rent shall abate proportionately on such Building until the repairs are substantially completed. For purposes of such restoration, any and all insurance proceeds to be obtained by WC in accordance with Article 7 of this Lease payable on account of such loss (excluding any rental loss insurance) shall be made available to LC, and any lender providing construction financing for all or any part of the Retirement Community, to cover the cost of such restoration. Any insurance deductible payment and payment of all costs of restoration in excess of such insurance proceeds shall be paid by WC. Such restoration shall provide substantially equivalent facilities to those damaged or destroyed, to the extent of available insurance proceeds.

16.3. If WC fails to obtain and timely pay for casualty insurance premiums as provided in Article 7 of this Lease, then, notwithstanding the terms set forth in Sections 16.1 and 16.2 hereinabove, WC, at WC's own expense, shall be responsible for the restoration of the Premises as speedily as possible, and there shall be no abatement of Rent.

16.4. Prior to making any restoration pursuant to the terms of this Article, WC must obtain the consent of LC to the plans and specifications for such restoration, such consent not to be unreasonably withheld.

17. CONDEMNATION

17.1. If the whole or any part of the Premises shall be taken under the power of eminent domain, or shall be sold by LC under threat of condemnation proceedings, then this Lease shall terminate as to the part so taken or sold on the day when WC is required to yield possession thereof. LC shall make such repairs and alterations as may be necessary in order to restore the part not taken or sold to useful condition but in such event the Rent shall not be reduced or abated. Such restoration shall provide substantially equivalent facilities, but only to the extent of proceeds received or anticipated to be received by LC as a result of such taking or sale.

17.2. If the amount of the Premises so taken or sold is such as to impair substantially the future usefulness of the Premises as a Retirement Community, as agreed in writing by both LC and WC, then this Lease shall terminate as of the date when WC is required to yield possession.

17.3. LC shall have the sole right to bring a claim or receive compensation for any such taking or sale of the fee and the leasehold, or any part thereof. WC shall have the right to bring a claim or receive compensation for relocation of its operations, for the taking of the fixtures, furnishings, and equipment owned by WC, provided that such award does not diminish any award receivable by LC as a result of such taking. LC shall notify WC within ten (10) days of receipt of notice of the taking or condemnation.

18. DEFAULT BY WC

18.1. The following events shall be deemed an "Event of Default":

- (i) appointment of a receiver or trustee for WC in any court, which appointment is not vacated within thirty (30) days;
- (ii) if WC is adjudicated bankrupt or insolvent or makes an assignment for the benefit of creditors;
- (iii) any voluntary or involuntary petition shall be filed by or against WC under any section or chapter of the United States Bankruptcy Code or any similar federal or state statute, and in the event of an involuntary filing against WC, such filing is not vacated within thirty (30) days;
- (iv) WC fails to pay the Rent reserved hereunder within ten (10) days of the due date thereof, LC provides written notice to WC of such failure, and WC fails to pay such Rent within five (5) business days following receipt of notice from LC;
- (v) WC fails to comply with any of the requirements of Article 7 relating to its obligation to maintain insurance; or
- (vi) violation of any of the other covenants, terms or conditions of this Lease by WC, which violation shall remain uncured for a period of thirty (30) days after notice thereof in writing, provided, however, that in the event such default cannot reasonably be cured through the use of diligent efforts within thirty (30) days, WC shall be afforded an additional thirty (30) days to diligently pursue such cure.

18.2. If an Event of Default shall occur, LC may, at its option, but subject to the requirement set forth in Section 14.2 hereinabove that LC honor the rights of Residents of Units in the Premises, under Residence and Care Agreements:

- (i) terminate this Lease, in which event LC shall be entitled to the benefit, without further notice (all statutory notice requirements being hereby expressly waived), of all the provisions of law for summary possession of the Premises now in force or which may hereafter be enacted; or

- (ii) re-enter the Premises and operate the same to the exclusion of WC, for the account of WC, in which event LC may carry out, amend, terminate or modify any and all contracts and agreements previously entered into by WC with respect to the Premises including the Residence and Care Agreements and the Community Loan (so long as the rights of Residents under Residence and Care Agreements are not impaired thereby), make all management decisions with respect to the Premises, collect income, incur expenses, and otherwise operate the Premises, all for the account of WC, until such time as all prior defaults under the Lease have been cured and the Premises is operating on a sound financial basis, upon which time LC shall, unless LC has previously terminated the Lease on account of default, return the Premises to WC, accounting for all income received and expenses incurred; or
- (iii) set off against sums due and owing by LC to WC under the Community Loan any sums due and payable by WC to LC under this Lease, to the extent such sums are not received by LC when due; or
- (iv) exercise any other remedy available to LC at law or in equity.

18.3. LC's rights under this Article 18 to enter upon and operate the Premises as a Retirement Community are subject to all laws and regulations governing continuing care providers in the State of Colorado. In the event that LC declares an Event of Default and re-enters the Premises, LC may grant or assign WC's rights and obligations under this Lease, the Residence and Care Agreements and the Community Loan to Erickson Retirement Communities, LLC or to another registered continuing care provider, or may retain such rights to itself.

18.4 WC covenants and agrees to cooperate with LC with respect to any threatened or attempted appointment of a receiver for the Retirement Community by WC or by any other governmental or quasi-governmental entity exercising regulatory or oversight control over continuing care retirement communities in Colorado.

19. WC HOLDING OVER

If WC shall not immediately surrender possession of the Premises at the expiration of the Lease Term or the sooner termination of this Lease, WC shall become a tenant from month to month, provided the Rent shall be paid to and accepted by LC, in advance, at a rate of one hundred and fifty percent (150%) of the Rent payable just prior to the termination of this Lease; but unless and until LC shall accept such Rent from WC, LC shall continue to be entitled to re-take possession of the Premises without any prior notice whatever to WC. If WC shall fail to surrender possession of the Premises immediately upon the expiration of the Lease Term or the sooner termination of the Lease, WC hereby agrees that all of the obligations of WC and all rights of LC applicable during the Lease Term shall be equally applicable during such period of subsequent occupancy, regardless of the type of tenancy created.

20. WAIVER

Any waiver of any covenant or condition of this Lease shall be in writing signed by the party waiving the right, shall extend to the particular case only, and only in the manner specified, and shall not be construed as applying to or in any way waiving any further or other rights hereunder. The exercise of any of the options aforesaid shall not be construed as a waiver of LC's right to recover actual damages for any breach in an action at law, or to restrain any breach or threatened breach in equity or otherwise.

21. SECURITY FOR WC'S PERFORMANCE

21.1. Within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year during the Lease Term, and within ninety (90) days after the end of each fiscal year during the Lease Term, including any renewal terms, WC will submit to LC statements of income and expenses in reasonable detail, reflecting operations of the Retirement Community and the Premises for the respective quarterly and annual periods, and, with the fiscal year end statement, a balance sheet reflecting WC's assets, liabilities and net worth, all in accordance with sound accounting principles, consistently applied. WC shall, at its own expense, contract with and pay for an independent certified public accountant(s) to prepare such financial statements.

21.2. WC will submit to LC annually, not later than sixty (60) days prior to the beginning of each of WC's fiscal years, a budget of anticipated expenses based upon the previous year's operations, and income projected to cover such expenses, (including fees payable to WC or its successors and assigns under the Residence and Care Agreements) plus appropriate contingency factors and reserves for that fiscal year (provided that this obligation shall not apply during the first year of operation of the Retirement Community). In addition, WC shall supply to LC, as promptly as reasonably possible, such other information as LC may reasonably request, from time to time, including, without limitations, marketing, sales and operating reports, additional backup or breakdowns of operating expenses, and/or information of any threatened or pending litigation.

21.3. [Reserved.]

21.4. As collateral security for WC's obligations hereunder, WC assigns and sets over to LC all of WC's right, title and interest in and to all Residence and Care Agreements entered into with respect to Units in the Premises, (including, but not limited to, all payments due to WC thereunder), and grants to LC a security interest therein. WC will, on request, execute and cause to be filed in appropriate record offices any financing statements, continuation statements or other documents, including a collateral assignment, as may be necessary or appropriate to perfect LC's security interest in the Residence and Care Agreements. In event of default by WC in any of its obligations under this Lease, LC shall have the right to exercise all rights of WC under such Residence and Care Agreements, including, if applicable, the right to collect all payments due thereunder, to set fees and charges payable

for all future periods, and to enter into such modifications, terminations or amendments thereof as LC may deem appropriate (provided the rights of Residents to occupy the Units under their respective Residence and Care Agreements are not terminated) all without notice to or concurrence of WC. In such event, WC will give notice to each Resident subject to a Residence and Care Agreement assigned hereunder that LC has succeeded to WC's rights thereunder. WC agrees that LC, as security for any indebtedness of LC, may assign its interest in such assignments.

21.5. As additional security for all of WC's obligations hereunder, and to the extent not prohibited by law, WC assigns and sets over to LC all of WC's right, title and interest in, to and under (i) all licenses, certificates of need, operating permits, franchises and other governmental authorizations and approvals now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of the Retirement Community, including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community; (ii) any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities; (iii) any and all third-party payment contracts under which payment may be made for services rendered at the Retirement Community, including, but not limited to, Certificate of Registration, Medicare and Medicaid provider agreements issued to WC and the Retirement Community; and (iv) any and all personalty of WC located on the Property and utilized in connection with the operation or maintenance of the Retirement Community; together with all additions to, modifications of and substitutions for any of the foregoing. WC will, on request, execute and cause to be filed in appropriate record offices, any financing statements, continuation statements or other documents including a collateral assignment, as may be necessary or appropriate to perfect such security interest. WC shall, upon request, execute a Collateral Assignment of Residence and Care Agreements and Assignment of Licenses to evidence these assignments. WC agrees that LC, as security for any indebtedness of LC, may assign its interest in such documents.

21.6. WC's accounts and books of record maintained by LC with respect to the operation of the Premises shall be subject to examination and audit by LC at any time during the Lease Term and any renewals hereof. In the Event of Default by WC in furnishing any of the financial statements provided for in Article 21.1 of this Lease, all costs of such examination and/or audit shall be borne by WC and shall be payable by WC as Additional Rent due hereunder promptly upon submission by LC of any bill or bills therefor.

21.7. As LC's security hereunder may be impaired hereunder unless Entrance Deposits are collected in full, WC agrees that it shall enforce collection of all sums due and owing to WC under any promissory note given by a Resident in payment of his or her Entrance Deposit.

21.8. WC acknowledges and agrees that in the event that this Lease terminates or expires prior to the satisfaction of the Community Loan that the provisions of Section 12(b) of the

Community Loan Agreement dated as of the date hereof, as such document may hereafter be amended or modified, shall control the disposition of WC's interest in the Community Loan.

22. COMMON AREAS/ RESERVATIONS

22.1 LC hereby reserves the right and any easements as it deems necessary to enter onto and use the Common Areas for the following purposes:

- (i) ingress and egress to and from areas adjacent to the Premises;
- (ii) construction of future Phases;
- (iii) parking, signage, and reciprocal easements;
- (iv) construction and installation of utilities and stormwater management facilities;
- (v) perform LC's rights or obligations under this Lease
- (vi) perform grading; and
- (vii) such other purposes as LC may reasonably deem necessary.

Upon the request of LC, WC will execute any and all documents necessary to evidence such rights and easements as LC may request.

22.2 WC agrees to execute and deliver to LC such easements, grants, licenses, leases or other agreements relating to the Premises as LC may request that are necessary or desirable for the construction or development of the Retirement Community, provided such documents do not impose any material obligation or liability on WC.

22.3 LC for itself and for its agents, and contractors, reserves the right to enter the Premises to complete the development work on the Premises and this Lease of the Premises shall be subject to the right to enter and access the entrance road into the Retirement Community, to enter and access the interior Retirement Community roads, the utility easements, and the rights of way for the purposes of completing the work.

23. NOTICES

Any notice required or permitted by this Lease, to be given by either party to the other, may be either personally delivered or sent by certified mail, properly addressed and prepaid, to the addresses of the parties set forth on Exhibit F hereto, unless another address shall have been substituted for such address by notice in writing, the date of personal delivery being taken as the date of the giving of such notice

24. MISCELLANEOUS

24.1. WC hereby warrants and represents to LC that WC is a corporation, validly existing under the laws of the State of Maryland and that it has full power and authority to enter into this Lease and perform under the terms of this Lease. LC hereby warrants and represents to WC that LC is a limited liability company, validly existing and in good standing under the laws of the State of Maryland, and that it has full power and authority to enter into this Lease and perform under the terms of this Lease.

24.2. This Lease constitutes the entire agreement between the parties in respect of the Premises, and there are no oral agreements between the parties in connection herewith.

24.3. This Lease shall be governed by the law of the State of Colorado and venue for all proceedings with respect to this Lease shall be in the State of Colorado.

24.4. In the event that any provision of this Lease is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the remainder of the Lease which shall remain in full force and effect and shall be construed as though they had not contained the invalid or unenforceable provision.

24.5. The covenants herein shall be binding upon, and the rights hereunder shall inure to the benefit of the parties, their personal representatives, successors and assigns, except that WC's rights shall inure only to those assigns for which WC has obtained LC's prior written consent in accordance with Article 12 of this Lease.

24.6. The failure or delay by LC to exercise any of its rights or remedies under this Lease or at law or in equity shall not constitute a waiver of such rights and remedies. The remedies provided in this Lease are in addition to those remedies available to LC at law or in equity.

24.7. The provisions of this Lease shall not be construed to create a joint venture or partnership between LC and WC.

24.8. In the event of a default by LC of its obligations under this Lease, WC hereby waives any recourse to which WC may be entitled, at law or in equity, against the members of LC.

24.9. WC shall, within five (5) days of request therefor by LC, execute and deliver to LC or, at LC's request, to any prospective purchaser, assignee, or any lien holder, an instrument in recordable form certifying: (a) that this Lease is in full force and effect; (b) the dates through which the Rent, including any Additional Rent, and other charges arising hereunder have been paid; (c) the amount of any prepaid Rent or credit due to WC hereunder; (d) that WC has accepted possession of the Premises; (e) as to whether, to the best knowledge, information, and belief of the signer of the certificate, LC or WC is then in default hereunder and the nature of the default; (f) as to any other fact or condition reasonably requested by LC

or such other addressee; and (g) that the statements contained in the certificate may be relied upon by LC or such other addressee.

24.10. LC and WC agree that neither this Lease nor any memorandum thereof shall be recorded without the consent of both parties hereto.

24.11. LC and WC acknowledge and agree that, in the event that LC hereafter acquires WC's interest in this Lease, this Lease, at LC's option, shall not be terminated due to merger and shall continue in full force and effect, and LC may at any time thereafter transfer or assign WC's interest in this Lease to any qualified provider of continuing care services under the laws of the State of Colorado.

24.12. The section headings are for reference purposes only and shall not be used in the interpretation of this Lease.

24.13. In the event that Landlord shall assign this Lease to a new landlord or in the event that a lien holder, for whom WC has executed a subordination agreement pursuant to Section 14 of this Lease, shall foreclose on the Premises, WC agrees to attorn to the new landlord or lien holder, as the case may be, and shall execute and deliver, upon request therefor, a written agreement of attornment confirming that WC is and remains bound under the terms and provisions of this Lease.

24.14 WC and LC hereby voluntarily and intentionally waive any right they may have to a trial by jury in any action, proceeding or litigation directly or indirectly arising out of, under or in connection with this Lease. This waiver applies to all claims against all parties to such actions and proceedings, including parties who are not parties to this Lease. This waiver is knowingly, intentionally, and voluntarily made by WC and LC who acknowledge that they have been represented in the execution of this Lease and in the making of this waiver by independent legal counsel, selected of their own free will, and that they have had the opportunity to discuss this waiver with counsel. WC and LC further acknowledge that they have read and understand the meaning and ramifications of this waiver provision.

25. LIMITATION ON LIABILITY OF MEMBERS/PARTNERS.

The parties hereby agree and confirm that upon the occurrence of any default and/or Event of Default under any provision of this Agreement, if any judicial proceedings to enforce the obligations of either party is brought by any party, such proceedings shall be limited to the property and assets of the party. No judgment or suit shall be sought or obtained by any party against the partners or members of the parties, or any officer, director or employee of a partner or member or their assets. Nothing herein contained shall limit or impair the liability of a partner or member of a party for any obligation arising independently of their status as a partner or member of such party.

26. LANDLORD WORKING CAPITAL LOAN TO WC

LC shall provide the Working Capital Loan to WC on such terms as are acceptable to LC and WC. The terms and conditions of the loan and disbursement of the advances shall be set forth in the Working Capital Loan Agreement of even date herewith by and between LC and WC and the Working Capital Loan Note. WC acknowledges that it has undertaken such studies and investigations as it has deemed appropriate to determine the feasibility on the Project, including the costs and expenses associated therewith, and that, although it has received certain projections from LC, WC hereby expressly disclaims any reliance on such projections.

27. WC'S OPTION TO BUY

WC shall have a Purchase Option for the Premises upon the occurrence of the tenth (10th) anniversary of the date of this Lease, upon the expiration of the Lease Term and again at the end of each ten (10) year extension of the Lease Term, if the same is exercised, upon the following terms and conditions:

27.1 During the Option Notice Period, WC shall give LC written notice of its desire to exercise its Purchase Option to buy the Premises. The purchase agreement for the Premises shall be executed by the parties not less than forty-five (45) days prior to the expiration of the then current Lease Term.

27.2 The Closing of the Purchase Option shall occur on the date following the expiration of the respective Lease Term or, if such date shall be a Saturday, Sunday, or legal holiday, the next business day following. LC and WC agree that the conveyance of the Premises shall be "as is", and that Rent under this Lease shall continue to be due and payable until title to the Premises passes to WC. WC and LC agree to deliver such documents as are customarily delivered in similar transactions, including evidence of due execution and authorization of such documents. All costs of such conveyance, exclusive of LC's attorney's fees but inclusive of title insurance premiums and recordation and transfer taxes, shall be borne by WC.

27.3 The purchase price, as determined in accordance with the provisions set forth below in this Article 27, shall be paid in currently available funds at Closing. The then balance of any current loans which have been made by WC to LC shall be repaid at Closing or credited against the purchase price for the Premises. Adjustment of real estate taxes, metropolitan district charges, and other like charges shall be made to the Closing date.

27.4 This Purchase Option shall be void and of no further force and effect in the event WC shall have defaulted under the terms of this Lease.

27.5 The parties agree and acknowledge that the purchase price to be paid by WC at such time as WC exercises its Purchase Option for the Premises shall be the Fair Market Value of the Premises. Because it is difficult to predict the future value of the Premises, the parties agree that the following methods will determine the Fair Market Value, and therefore, the purchase price, of the Premises for purposes of WC's Purchase Option.

27.5.1. If during the Test Period, the average occupancy rate for the Independent Living Units on the Premises is 95% or more, then the Purchase Price shall be the aggregate amount of the products obtained by multiplying the Entrance Deposits of each Unit type, as listed in the approved Retirement Community marketing material as of the commencement of the respective Option Notice Period, times the total number of Units in the Premises of each Unit type.

27.5.2. If the average occupancy rate during the Test Period is less than 95%, then the Purchase Price of the Premises shall equal the Fair Market Value (defined in the following sentence) of the Premises. "Fair Market Value" of the Premises shall be determined by independent appraisal by a Member, Appraisal Institute ("MAI") qualified appraiser in Colorado selected by LC from a list of not less than four such appraisers submitted by WC. In the event LC refuses to select any of the appraisers submitted by WC, within ten (10) days of such refusal, LC and WC shall each select a MAI qualified appraiser in Colorado ("MAI Appraiser"), and those two MAI Appraisers shall mutually select a third MAI Appraiser. The MAI appraiser(s) shall not use the Market Comparable approach but rather utilize only the Replacement Cost and the Income Capitalization approaches. The Income Capitalization approach valuation shall be based on the Rents generated by the Premises and the Replacement Cost approach valuation shall be based on the cost of development and construction of comparable square footage of usable space of comparable quality of construction. The MAI appraiser(s) shall weigh the valuations of these two approaches in his or her professional opinion to determine the Fair Market Value. The MAI appraiser(s) shall also, to the extent practicable, disregard value attributable to new capital facilities constructed by WC during the Lease Term but not capital replacements made by WC as required under the terms of this Lease. The MAI appraiser(s) shall complete the appraisal and render a determination of the Fair Market Value not less than sixty (60) days prior to the expiration of the then current Lease Term. In the event the three MAI Appraisers are involved, the determination of Fair Market Value shall be that Fair Market Value as determined by the MAI Appraiser which is the middle of the three values.

27.5.3. LC and WC agree that the determination of Fair Market Value shall specifically exclude any office or retail leases for space within the Premises that are for less than market terms. LC and WC acknowledge and agree that such leases will be entered into as an amenity for the Residents, and do not adversely affect the Fair Market Value of the Premises.

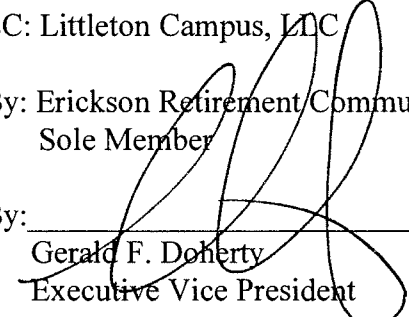
IN WITNESS WHEREOF, the parties hereto have caused this Master Lease and Use Agreement to be executed and delivered as of the date first written above.

WITNESS:



LC: Littleton Campus, LLC

By: Erickson Retirement Communities, LLC
Sole Member

By: 
Gerald F. Doherty
Executive Vice President

WITNESS:

WC: Wind Crest, Inc.

By: _____(SEAL)
Ronald E. Walker
President

**APPROVED AS TO LEGAL
SUFFICIENCY** 

IN WITNESS WHEREOF, the parties hereto have caused this Master Lease and Use Agreement to be executed and delivered as of the date first written above.

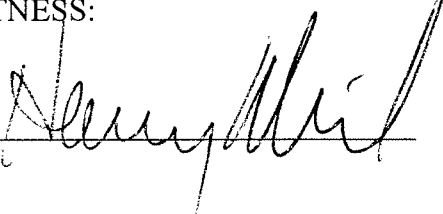
WITNESS:

LC: Littleton Campus, LLC

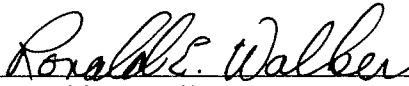
By: Erickson Retirement Communities, LLC
Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

WITNESS:



WC: Wind Crest, Inc.

By:  (SEAL)
Ronald E. Walker
President

**APPROVED AS TO LEGAL
SUFFICIENCY** _____

TABLE OF EXHIBITS

Exhibit A:	Legal Description of the Property
Exhibit B:	Residence and Care Agreement
Exhibit C:	Site Plan
Exhibit D:	Fees and Deposits
Exhibit E:	Rent
Exhibit F:	Notices

**WIND CREST RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT**

**EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY**

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN,
COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET
TO THE WESTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL
RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE IN
BOOK 34 AT PAGE 45 AND THE POINT OF BEGINNING;

THENCE SOUTH $89^{\circ}28'38''$ WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID
SECTION 5;
THENCE NORTH $01^{\circ}08'14''$ EAST, ALONG THE WEST LINE OF THE
NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO
A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
TWO (2) COURSES:

1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
(2) COURSES:

1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;

2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;

2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);

3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);

5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;

6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);

7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);

9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;

2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);

3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;

4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);

5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;

6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);

7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;

8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);

9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

PARCEL ONE:

LOT 1, BLOCK 1,
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ERICKSON SUBDIVISION,
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A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON
NORTHERN SANTA FE RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING
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1) NORTH $40^{\circ}58'48''$ EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
ANGLE OF $19^{\circ}14'46''$, A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF
498.05 FEET, (CHORD BEARS NORTH $31^{\circ}21'25''$ EAST, A DISTANCE OF 495.71
FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE
HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO
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9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

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2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL
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2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;

2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);

3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);

5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;

6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);

7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;

8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);

9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN

ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

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PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;

2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);

3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;

4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);

5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;

6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);

7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;

8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);

9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH 83°45'03" EAST, A DISTANCE OF 223.27 FEET);

11) NORTH 54°57'19" EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

**WIND CREST RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT**

**EXHIBIT B
RESIDENCE AND CARE AGREEMENT**

***WIND CREST
RESIDENCE AND CARE AGREEMENT***

October 2005

THIS MATTER INVOLVES A SUBSTANTIAL FINANCIAL INVESTMENT AND A LEGALLY BINDING CONTRACT. IN EVALUATING THE DISCLOSURE STATEMENT AND THE CONTRACT PRIOR TO ANY COMMITMENT, IT IS RECOMMENDED THAT YOU CONSULT WITH AN ATTORNEY AND FINANCIAL ADVISOR OF YOUR CHOICE, IF YOU SO ELECT, WHO CAN REVIEW THESE DOCUMENTS WITH YOU.

TABLE OF CONTENTS

Section 1.	<u>DESCRIPTION OF COMMUNITY</u>	1
1.1	Independent Living Units	1
1.2	Renaissance Gardens.....	1
Section 2.	<u>TERM</u>	2
Section 3.	<u>LIVING ACCOMMODATIONS</u>	2
3.1	Resident's Right to Occupy	2
3.2	Joint Residents	2
3.3	Rights of New Spouse	2
3.3	Resident's Obligation to Furnish Unit.....	3
3.4	Customized Improvements	3
Section 4.	<u>SERVICES TO RESIDENTS</u>	3
4.1	Independent Living Services	3
4.2	Assisted Living Services	4
4.3	Nursing Services	4
Section 5.	<u>ANCILLARY SERVICES</u>	5
5.1	Services Available through WIND CREST.....	5
5.2	Services Available through Outside Providers	5
5.3	Services Not Provided.....	5
Section 6.	<u>OTHER RESIDENT RIGHTS</u>	6
6.1	Residents' Association	6
6.2	Resident Guests.....	6
6.3	Physicians and Other Professionals	6
Section 7.	<u>ENTRANCE DEPOSIT</u>	6
7.1	Payment of Entrance Deposit	6
7.2	Escrow of Entrance Deposit.....	6
7.3	Adjustments to Entrance Deposit.....	7
7.4	Refund of Entrance Deposit Prior to Occupancy	7
7.5	Refund of Entrance Deposit After Occupancy	7
7.6	Limitation on Amount of Refund.....	8
Section 8.	<u>MONTHLY SERVICE PACKAGES</u>	8
8.1	Monthly Service Package	8
8.2	Monthly Service Package for Joint Residents.....	9
8.3	Adjustments to the Monthly Service Package.....	9
8.4	Monthly Service Package in the Event of a Temporary Transfer	9
8.5	Monthly Service Packages in the Event of a Permanent Transfer to a Different Living Unit.....	10
8.6	Monthly Service Package in the Event of a Termination of Agreement ..	10
Section 9.	<u>OTHER FEES, PERIODIC CHARGES, AND COSTS</u>	10
9.1	Processing Fee	10
9.2	Ancillary Services	10
9.3	Other Services	11
9.4	Refurbishing Fee.....	11

9.5	Medical and Other Insurance.....	11
9.6	Funeral Arrangements and Burial Expenses	11
9.7	Non-Solicitation of Employees.....	11
Section 10.	<u>FINANCIAL INABILITY TO PAY</u>	11
Section 11.	<u>TRANSFERS</u>	13
11.1	Temporary and Permanent Transfers	13
11.2	Transfer at the Election of Resident	13
11.3	Transfer at the Election of WIND CREST - Non-Emergency	13
11.4	Transfer at the Election of WIND CREST - Emergency	14
11.5	Use of Living Unit	14
Section 12.	<u>TERMINATION</u>	15
12.1	Termination Prior to Occupancy	15
12.2	Termination by Resident.....	15
12.3	Termination by WIND CREST.....	15
12.4	Vacating the Living Unit.....	16
Section 13.	<u>RIGHTS OF WIND CREST</u>	16
13.1	Community Rules and Regulations.....	16
13.2	Access to Living Units at the Community	16
13.3	Property Rights.....	16
13.4	Limitation of Liability	17
13.5	Unauthorized Transfers of Property	17
13.6	Religious Affiliation and Sponsorship	17
Section 14.	<u>MISCELLANEOUS PROVISIONS</u>	17
14.1	Documents Incorporated by Reference	17
14.2	Rules of Construction	17
14.3	Non-Waiver	18
14.4	Entire Agreement.....	18
14.5	Amendment	18
14.6	Legal Remedies of Resident and WIND CREST	18
14.7	Severability	18
14.8	Paragraph Headings.....	18
14.9	Venue	18
14.10	Assignment	18
Section 15.	<u>DEFINITIONS</u>	19

SCHEDULE I	-	SCHEDULE OF FEES
SCHEDULE II	-	ACKNOWLEDGMENT OF DELIVERY OF DISCLOSURE STATEMENT
SCHEDULE III	-	DOCUMENTS INCORPORATED

WIND CREST
RESIDENCE AND CARE AGREEMENT

This Residence and Care Agreement (the "Agreement") is made and entered into the ____ day of _____, ____ by and between WIND CREST, INC. (referred to in this Agreement as "WIND CREST") and _____ (referred to in this Agreement as the "Resident(s)").

RECITALS

R.1 Wind Crest Retirement Community (the "Community") is a continuing care retirement community located in Highlands Ranch, Colorado, developed in phases to offer various living accommodations and services to seniors, as described herein.

R.2 WIND CREST is a registered continuing care provider under the laws of the State of Colorado. WIND CREST desires to provide certain services listed in this Agreement to Resident and Resident desires to receive such services.

AGREEMENT

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

Section 1. DESCRIPTION OF COMMUNITY

The Community is being developed in phases over a period of approximately seven (7) years, subject to obtaining all necessary or required governmental approvals and licenses. The Community will consist of Independent Living Units, Assisted Living Units and Nursing Units. The Community is planned to include a bank, a beauty salon, a convenience store, guest rooms, classrooms, a full-service outpatient Medical Center and a pool.

1.1 Independent Living Units. The Community is planned to have approximately 1587 Independent Living Units within three (3) residential neighborhoods. Each residential neighborhood will be comprised of at least four or five residential buildings containing Independent Living Units and one club house. Each club house includes dining options, classrooms, cardrooms, lounges and other common areas. Each residential neighborhood is planned to include at least one unique facility, such as the Medical Center, the swimming pool, health club, auditorium, conference center, or the like.

1.2 Renaissance Gardens. Renaissance Gardens refers to the Community's on-site health care neighborhood. Renaissance Gardens will house both the Assisted Living Units and the Nursing Units. Each floor of Renaissance Gardens will include a dining room, a resident lounge, activity rooms and a bathing core. Renaissance Gardens will be constructed in several phases and will not be available at the opening of the Community.

1.2.1 Assisted Living Units. Renaissance Gardens is planned to include a total of approximately 96 Assisted Living Units upon completion. It is expected that the aggregate number of Assisted Living Units planned for the Community will adequately serve the needs of Community residents. However, in the unusual circumstance that the Assisted Living Units are fully occupied, the Medical Director, or his or her designee, first will arrange for Ancillary Services to be offered in Resident's Independent Living Unit and second, if necessary, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by Resident in the event of such a transfer.

1.2.2 Nursing Units. Renaissance Gardens is planned to include approximately 132 private Nursing Units upon completion. It is expected that the aggregate number of Nursing Units will adequately serve the needs of Community residents. However, in the unusual circumstance that the Nursing Units are fully occupied, the Medical Director, or his or her designee, will assist in arranging for a transfer to an Off-Site Facility in the immediate area. See Section 8.4 for fees payable by Resident in the event of such a transfer.

Section 2. TERM

The Term of this Agreement shall commence on the date on which this Agreement shall be executed by Resident and shall continue for the lifetime of the Resident unless the Agreement is terminated earlier as provided in Section 12 hereof.

Section 3. LIVING ACCOMMODATIONS

3.1 Resident's Right to Occupy. Resident shall have the right to occupy and to use the following Living Unit: _____, as-is, from the Occupancy Date to the Departure Date, subject to provisions for a change in accommodations as provided in Section 11 of this Agreement. Resident may not assign or sublet the right to occupy a Living Unit to any other person. WIND CREST shall provide the Living Unit, in good condition, with neutral painted walls, and with standard carpeting in Independent Living Units and Assisted Living Units.

3.2 Joint Residents. When two (2) or more residents reside together in a selected Living Unit, they are considered to be Joint Residents. Each Joint Resident is required to meet WIND CREST'S financial requirements for entrance into the Community, as well as WIND CREST'S health qualifications for occupancy of a selected Living Unit, whether the prospective Joint Residents move to the Community together or on different dates.

3.3 Rights of New Spouse. If during the term of residency, Resident marries a person who is not a resident of the Community, Resident's new spouse will be required to meet WIND CREST'S financial and health-related qualifications for entrance into the Community. These financial qualifications are meant to serve as a financial protection for the larger community of residents. WIND CREST reserves the right to determine the appropriate level of care within the Community for the spouse or to determine that there is not an appropriate level of care within the Community for the spouse. If Resident's spouse is not accepted by WIND CREST, Resident may

terminate this Agreement in accordance with Section 12.1 hereof. If Resident's spouse is accepted by WIND CREST, the fee structure described in Sections 7.3.2 and 8.2 for Joint Residents will apply.

3.4 Resident's Obligation to Furnish Unit. Resident shall be responsible for furnishing the Independent Living Unit and the Assisted Living Unit and for procuring insurance for personal possessions and furnishings. WIND CREST will provide furnishings and equipment, as required by law, for Nursing Units.

3.5 Customized Improvements. Resident may decorate the Living Unit to Resident's personal taste with pictures, window treatments, and the like, so long as such decorations are not permanent fixtures to the Unit or can be easily removed without damaging the structural integrity of the Unit. All other customized improvements to any Independent Living Unit or Assisted Living Unit to be undertaken by Resident either prior to or after the Occupancy Date must be approved in writing by the Executive Director in order to protect the structural integrity of the Unit. If Resident contracts with an outside contractor, the firm or individual contracted with for making the approved improvements, and the plans under which those changes will be made, will be subject to the approval of the Executive Director. If Resident contracts with WIND CREST to make the changes, Resident and WIND CREST shall sign an Agreement to Customize the Living Unit to memorialize the details concerning the improvements and any charges related to such changes. For charges related to the removal of any improvements, please see Section 9.4. No customized improvements may be made to a Nursing Unit.

Section 4. SERVICES TO RESIDENTS

WIND CREST will make available the following services to Resident, as applicable, for the appropriate Monthly Service Package, during the life of the Resident, unless the Agreement is sooner terminated as provided in Section 12.

4.1 Independent Living Services. The following Covered Services are included in the Monthly Service Package for Independent Living:

- One meal per day;
- 24 hour security system with safety officers and emergency communication system;
- All utilities (except personal telephone);
- Basic cable or satellite television service;
- Use of all public rooms and common areas of the Community;
- Pre-wiring for telephone;
- Campus shuttle transportation;
- Scheduled local shuttle transportation, as determined by Community;
- Sewage, trash and general snow removal from common areas;
- Maintenance and insurance of buildings, grounds and equipment; and
- Insurance for the Independent Living Unit and all items in such unit, except items owned by Resident.

4.2 Assisted Living Services. Upon the opening of Renaissance Gardens, Covered Services included in the Assisted Living Monthly Service Package are generally as follows. WIND CREST intends to provide several assisted living packages to serve different care needs and some services may not be available for certain care packages. Further details on the services available at each level of assisted living care, on WIND CREST'S and Resident's rights and obligations in Assisted Living will be set forth in the Assisted Living Addendum to the Residence and Care Agreement:

- Provision of supervision, verbal cuing and physical assistance, as appropriate for the Resident's designated care package, in the performance of activities of daily living ("ADLs"), including ambulation, personal hygiene, dressing, toileting and eating;
- Administration of medications;
- Individualized plan of care;
- Three meals per day;
- Regularly scheduled Registered Nurse review and assessment;
- Hospital visits by Renaissance Gardens physician;
- Laundry service;
- Light housekeeping care, including emptying trash, light dusting, bathroom and floor cleaning as needed;
- Medical appointment scheduling, as needed;
- Social/recreational activities;
- Emergency communications system;
- Security/Safety officers on duty 24 hours per day;
- All utilities (except personal telephone);
- Basic cable or satellite television service;
- Pre-wiring for telephone;
- On-campus shuttle transportation;
- Scheduled local shuttle transportation, as determined by Community (if medically appropriate);
- Maintenance and insurance of buildings, grounds and equipment;
- Sewage, trash and general snow removal from common areas; and
- Use of all public rooms and common areas of the Community.

4.3 Nursing Services. Upon the opening of Renaissance Gardens, the following Covered Services are included in the Monthly Service Package for the Nursing Facility. Further details on the WIND CREST'S and Resident's rights and obligations in the Nursing Unit will be set forth in the Nursing Contract Addendum to the Residence and Care Agreement.

- Nursing care; highest level of care;
- Three meals per day;
- Individual care plans;
- Housekeeping services;
- Personal laundry service;
- Planned recreation;
- Nurse/Resident communication system;

Security/Safety officers on duty 24 hours per day;
All utilities (except personal telephone);
Basic cable or satellite television;
Pre-wiring for telephone;
Campus shuttle transportation;
Maintenance and insurance of buildings, grounds and equipment;
Sewage, trash and general snow removal from common areas; and
Use of all public rooms and common areas of the Community.

Section 5. ANCILLARY SERVICES

5.1 Services Available through WIND CREST. WIND CREST will make the following services available to Resident for an additional fee. These Ancillary Services will be phased in as the Community is developed. Other services that are not currently listed may also be available.

Tray service to Residents in Independent Living or Assisted Living;
Housekeeping and laundry service for Residents in Independent Living or Assisted Living;
Extra meals for Residents in Independent Living;
Guest meals;
Home support or home health services
Lodging in guest rooms on a temporary and space available basis;
Personal storage space;
Reserved parking space;
Snow removal from Resident cars/ parking spaces
Off-campus shuttle transportation within a certain radius of the Community;

5.2 Services Available through Outside Providers. WIND CREST will also establish an on-site Medical Center and will contract with outside providers to provide the following services to Residents at the Community: medical services through the on-site Medical Center; laboratory services; medical supplies; prescription drugs; physical, speech and occupational therapy. These services will be provided at an additional fee and will be billed separately by the outside provider. Such services may be covered by Medicare or by Resident's other medical insurance. WIND CREST does not charge Resident any additional fee for use of or access to these outside providers. These services will be phased in as the Community is developed and some services may not be immediately available.

5.3 Services Not Provided. Certain services are outside the full spectrum of health care services that WIND CREST can provide. Hospice care, acute hospital care, or any institutional care other than care that is appropriate in an Assisted Living and comprehensive care in the Nursing Units are not provided by WIND CREST or covered under the terms of this Agreement. WIND CREST will assist with any necessary transfers to such facilities; however, Resident will be responsible for the cost of such care.

Section 6. OTHER RESIDENT RIGHTS

6.1 Residents' Association. Resident shall have the right to participate fully in a Residents' Association, or other organization of Residents by whatever name designated and to meet privately to conduct business.

6.2 Resident Guests. Resident shall have the right to receive guests and visitors at the Community and to allow such guests and visitors to stay in an Independent Living Unit on a temporary basis, subject to the reasonable policies and procedures of WIND CREST for use of the Community. Guest meals, guest cots, or rental of one of the Community's guest rooms will be treated as an Ancillary Service, the costs of which are chargeable to Resident.

6.3 Physicians and Other Professionals. Resident shall have the right to select attending physicians and other health care professionals, provided such physicians or other health care professionals shall agree to follow the reasonable policies and procedures of WIND CREST and applicable federal and state laws, rules and regulations. Resident is not required to use the on-site Medical Center or the physicians practicing there.

Section 7. ENTRANCE DEPOSIT

7.1 Payment of Entrance Deposit. Resident shall pay to WIND CREST a total Entrance Deposit as shown in Schedule I which shall be made in a series of deposits on or before taking occupancy of Resident's Living Unit at the Community. In the case of Joint Residents, the Entrance Deposit shall be deemed to be a joint asset of the Joint Residents with a right of survivorship and may be used for the care of either Joint Resident. WIND CREST does not require an additional Joint Resident Entrance Deposit if Joint Residents occupy the same Living Unit.

7.2 Escrow of Entrance Deposit. Any and all deposits made by Resident toward the total Entrance Deposit for a Living Unit will be deposited into an escrow account maintained with an Colorado banking corporation. As to Living Units not previously occupied in a building under construction, deposited Entrance Deposits will be held in escrow until the conditions for release of escrow per the Colorado Division of Financial Services have been fulfilled. As to a Living Unit which has been previously occupied, deposited Entrance Deposits shall be released from escrow when the Resident occupies the selected Living Unit or when such Living Unit is ready for occupancy, whichever first occurs.

When the Entrance Deposit is released in full from escrow, it will be held or used by WIND CREST until the termination of this Agreement as provided in Section 12. Once released from escrow, initial Entrance Deposits are loaned by WIND CREST to the owner of the land on which the Community is being developed to pay down outstanding amounts under the construction loan for the Community. Entrance Deposits received from the subsequent occupant of each Living Unit will be used to refund the Entrance Deposit paid by the prior occupant. Any excess between the new Entrance Deposit and the amount refunded to the prior occupant will be used by WIND CREST generally for capital repairs and improvements and for any required reserve funds. However,

Resident will retain the right to a refund of the Entrance Deposit as discussed in this Section 7. No interest shall be paid to Resident with respect to Resident's Entrance Deposit.

7.3 Adjustments to Entrance Deposit. Resident's Entrance Deposit may be increased only under the circumstances listed below. Resident shall not be entitled to a refund or decrease of the Entrance Deposit due to any temporary or permanent transfer, for whatever reason, during the Term of this Agreement.

7.3.1 If Resident transfers permanently from one Living Unit to another Living Unit with a higher Entrance Deposit, Resident shall pay to WIND CREST an additional deposit equal to the difference between the Entrance Deposit then in effect for Resident's present Living Unit and the Entrance Deposit then in effect for the Living Unit to which Resident is transferring.

7.3.2 If Resident's spouse is accepted as a resident in the Community and is placed in a Living Unit other than that of Resident (see Section 3.2 of this Agreement), Resident and his or her new spouse must pay to WIND CREST an additional Entrance Deposit for the spouse's Living Unit.

7.4 Refund of Entrance Deposit Prior to Occupancy. Any portion of the Entrance Deposit paid prior to occupancy shall be refunded by WIND CREST to Resident or Resident's legal representative, as appropriate, if the agreement is terminated prior to occupancy or the application is withdrawn in the circumstances described in section 12.1 hereof.

The refund of the Entrance Deposit shall be made within thirty (30) days following WIND CREST'S election to terminate this Agreement, or within thirty (30) days of WIND CREST'S receipt of actual notice of Resident's election to terminate this Agreement or the automatic termination of the Agreement due to Resident's death, illness, injury or incapacity, as the case may be. If one Joint Resident dies prior to occupancy, the remaining Resident may, but is not required to, rescind this Agreement. The surviving Resident may request a different Living Unit and WIND CREST will refund or charge any difference in the Entrance Deposit between the Living Units; provided that this election is made in writing at least thirty (30) days prior to occupancy.

7.5 Refund Of Entrance Deposit After Occupancy. After occupancy of the Living Unit and subject to the terms and conditions of section 7.6 of this Agreement, WIND CREST shall pay a refund of the Entrance Deposit to the Resident as follows:

7.5.1 Termination By Resident During Lifetime. If Resident terminates the Agreement at any time after the occupancy date, WIND CREST shall pay a refund of the Entrance Deposit within sixty (60) days after fulfillment of the following conditions: (1) Resident has vacated and has removed all possessions from the Living Unit; (2) Resident has signed a unit release for the Living Unit; (3) Resident has paid to WIND CREST all outstanding fees and charges; and (4) a qualified, new resident has signed a Residence and Care Agreement for the Living Unit, the full Entrance Deposit has been paid and the right of rescission has expired. WIND CREST shall pay the refund of the Entrance Deposit to the duly designated beneficiaries named in a refund of entrance deposit agreement or, if there is no refund of entrance deposit agreement, to the Resident.

7.5.2 Termination Due To Death Of Resident. If Resident dies after the occupancy date, WIND CREST shall pay a refund of the Entrance Deposit within sixty (60) days of the fulfillment of the following conditions: (1) the Resident's personal representative or family has removed all possessions from the Living Unit; (2) the Resident's personal representative or family has signed a unit release for the Living Unit; (3) the Resident's personal representative or family has paid all outstanding fees and charges; and (4) a qualified, new resident has signed a Residence and Care Agreement for the Living Unit, the full Entrance Deposit has been paid and the right of rescission has expired. The refund shall be payable by WIND CREST to the beneficiaries named in a duly executed refund of entrance deposit agreement or, if there is no refund of entrance deposit agreement, to the personal representative of Resident's estate. If one Joint Resident dies, there will be no refund of the Entrance Deposit; instead, so long as a surviving Resident continues to reside at the community, the Entrance Deposit shall be deemed to have been paid entirely on behalf of the surviving Resident to be used for the survivor's care if necessary, and will eventually be paid to the survivor, to the beneficiaries named in the survivor's refund of entrance deposit agreement, or to the personal representative of the survivor's estate.

7.5.3 Termination By WIND CREST. If WIND CREST terminates the Agreement for good cause (see subsection 12.3 of this Agreement), WIND CREST shall pay a refund of the Entrance Deposit within thirty (30) days of fulfillment of the conditions listed in subsection 7.5.1 of this agreement. However, the refund paid by WIND CREST in the event of termination for good cause may not be less than the statutory refund set forth in Colorado Life Care Institutions Act Section 12-13-105(b) which provides for amortization of Entrance Deposit over a period of not less than sixty months or over the life expectancy of the resident if such expectancy is less than sixty months. However, the statutory refund may be delayed for a reasonable period until a new resident pays a new Entrance Deposit and Resident pays all outstanding fees and charges for any legitimate items.

7.6 Limitation on Amount of Refund. The amount of the refund which WIND CREST is obligated to pay to Resident and which Resident is entitled to receive shall normally be the amount of Resident's Entrance Deposit at termination minus any outstanding fees or charges unless paid separately. Outstanding Monthly Service Packages, fees for ancillary services, and refurbishing fees will not be automatically deducted from the refund of the Entrance Deposit unless Resident or his/her representative so directs. However, if Resident's Living Unit is not reoccupied by a qualified new resident with an Entrance Deposit equal to or greater than Resident's Entrance Deposit, within a reasonable period of time as determined in WIND CREST'S sole discretion, then WIND CREST will so notify Resident or Resident's personal representative. Resident or Resident's personal representative may then direct WIND CREST to re-market the Living Unit for a discounted Entrance Deposit, and the amount of the discounted Entrance Deposit, when received from a qualified new resident, will constitute the amount of the refund to Resident.

Section 8. MONTHLY SERVICE PACKAGES

8.1 Monthly Service Package. During the term of this Agreement, Resident shall pay the applicable Monthly Service Package for the Living Unit. As of the date of this Agreement, the

applicable Monthly Service Package for Resident's current Living Unit is shown in Schedule I. The Monthly Service Package is due and payable, in advance, on or before the 5th day of each month; provided, however, that the Monthly Service Package for the month during which Resident first takes occupancy of the Living Unit shall be payable in arrears on a pro-rated basis with the payment of the Monthly Service Package for the first full calendar month occurring during the term of this Agreement. Acceptance by WIND CREST of partial payment of the Monthly Service Package does not constitute a waiver of such outstanding fees and charges unless WIND CREST agrees to a waiver in writing. WIND CREST may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

8.2 Monthly Service Package for Joint Residents. Joint Residents occupying the same Living Unit shall pay the appropriate Monthly Service Package for double occupancy of the Living Unit. If Joint Residents occupy different Living Units, both Residents shall each pay the full Monthly Service Package for their respective Living Unit. This fee structure applies to Joint Residents who move to the Community together and to a Resident and a non-resident who are accepted to the Community on different dates.

8.3 Adjustments to the Monthly Service Package. The Monthly Service Package may be revised from time to time. WIND CREST generally adjusts fees on an annual basis after having evaluated those factors that it perceives to be relevant to the costs associated with operating the Community and other financial requirements. Normally such changes will be made to become effective on January 1 of the next following calendar year. However, except for changes required by State or Federal assistance programs, WIND CREST reserves the right, at any time, upon thirty (30) days notice to Resident, to adjust the Monthly Service Packages to reflect any additional cost or liability for which there is no adequate, budgeted reserve, including, but not limited to, tax liability for real estate taxes relating to the Community, increased operating expenses and inflation. Notice to Residents in Renaissance Gardens may be less than thirty (30) days only if the adjustment is due to change in levels of care.

8.4 Monthly Service Package in the Event of a Temporary Transfer. In the event that Resident temporarily transfers to another Living Unit in the Community or to an Off-Site Facility, Resident shall pay the Monthly Service Package for Resident's permanent Living Unit in addition to the Monthly Service Package for the temporary Living Unit or the Off-Site Facility, as the case may be. Payment of the Monthly Service Package for Resident's permanent Living Unit assures that such permanent Living Unit will remain available to Resident during the time that Resident is temporarily transferred. The Monthly Service Package for a temporary Living Unit at the Community shall be prorated on a daily basis for the period during which Resident is temporarily transferred.

During the period of the temporary transfer, Resident's Monthly Service Package for the permanent Living Unit shall be adjusted as follows: (1) if a single Resident or one Joint Resident transfers, the Monthly Service Package will be reduced by a single Non-Occupancy Credit as defined in Section 15 of this Agreement, (2) if both Joint Residents transfer from a double occupancy Unit, the Monthly Service Package will be reduced by the two-person Non-Occupancy Credit, (3) if both Joint Residents transfer, one from a Living Unit and one from another Living Unit, each Resident's Monthly Service Package shall be reduced by the respective Non-Occupancy Credit.

Upon Resident's return to the permanent Living Unit, Resident shall continue to pay the current Monthly Service Package associated with such Living Unit.

8.5 Monthly Service Packages in the Event of a Permanent Transfer to a Different Living Unit. In the event of a permanent transfer to another Living Unit, Resident shall be responsible for payment of the Monthly Service Package as follows:

(1) If Resident permanently transfers from one Independent Living Unit to another Independent Living Unit, Resident shall normally be responsible for payment of the Monthly Service Package for the original Independent Living Unit until it is vacated and all possessions are removed. However, if Resident vacates and removes all possessions from the original Independent Living Unit within ten (10) days of occupying the new Independent Living Unit, WIND CREST will waive further payment of the Monthly Service Package for the original Independent Living Unit as of the date that the new Independent Living Unit was occupied.

(2) If Resident permanently transfers from any Living Unit to an Assisted Living or a Nursing Unit, Resident shall normally be responsible for payment of the Monthly Service Package for the original Living Unit until it is vacated and all possessions are removed.

8.6 Monthly Service Package in the Event of a Termination of Agreement. If Resident terminates this Agreement, or if WIND CREST terminates this Agreement for good cause in accordance with Section 12.3, or if this Agreement should terminate by reason of the death of Resident, Resident or Resident's estate, as the case may be, shall be responsible for the payment of the Monthly Service Package for the vacated Living Unit, less the Non-Occupancy Credit, until either (1) all the conditions for a refund of the Entrance Deposit set forth in Section 7 of this Agreement shall have been fulfilled, or (2) ninety (90) days following the Departure Date, whichever event shall occur first.

Section 9. OTHER FEES, PERIODIC CHARGES, AND COSTS

9.1 Processing Fee. Resident shall pay or has paid to WIND CREST a non-refundable Processing Fee of \$150.00 per person in connection with Resident's application for residence at the Community.

9.2 Ancillary Services. During the term of this Agreement, Resident shall pay Ancillary Service Fees to WIND CREST for the Ancillary Services (as described in Section 5) provided to Resident by WIND CREST. Fees for Ancillary Services which are provided by WIND CREST may be revised by WIND CREST from time to time, and such change shall take effect upon the giving of thirty (30) days notice of such increase to Resident in accordance with the rules and regulations of the Department. The charges which are based on published rates for State or Federally assistance programs (for example, Medicare rates) shall be revised upon the effectiveness of changes to such rates. All Ancillary Services provided by WIND CREST shall be billed to Resident on Resident's monthly statement, and payment shall be due immediately upon the rendering of an invoice for such

Services. Acceptance by WIND CREST of partial payment of the Ancillary Service Fees shall not constitute a waiver of the outstanding charges unless WIND CREST agrees to a waiver in writing. WIND CREST may charge interest at a rate of one and one-half percent (1.5%) per month on any overdue amounts.

9.3 Other Services. Ancillary Services not provided through WIND CREST and any other services arranged by Resident shall be billed directly to Resident, and WIND CREST shall have no responsibility for payment of or collecting payment for such services.

9.4 Refurbishing Fee. Each time Resident permanently vacates an Independent or Assisted Living Unit, irrespective of the length of time of occupancy, Resident shall pay a one-time refurbishing fee to WIND CREST to cover the reasonable cost of cleaning and refurbishing the Living Unit, including but not limited to, super-cleaning or replacement of carpeting, spackling and/or painting of walls, removing any customized improvements and generally restoring the Living Unit to its original condition, or any other appropriate repairs, at WIND CREST'S discretion, to bring the Living Unit back to a like-new condition.

9.5 Medical and Other Insurance. Resident shall procure and maintain in force at Resident's own cost, the maximum coverage available to Resident under Medicare Parts A and B. WIND CREST may accept documented equivalent coverage if Resident is not qualified for Medicare or is insured under other adequate programs. Supplemental insurance is not provided by WIND CREST. Resident shall procure, at Resident's own expense, sufficient renter's insurance coverage against damage or, loss to, or theft of, Resident's personal property maintained at the Community and coverage for personal liability and medical payments should a claim be made or suit be brought against a Resident for damages because of bodily injury or property damage caused. Evidence of such insurance shall, at WIND CREST'S request, be provided prior to occupancy.

9.6 Funeral Arrangements and Burial Expenses. Funeral arrangements and burial expenses are the responsibility of Resident. WIND CREST will not make such arrangements or provide such services.

9.7 Non-Solicitation of Employees. WIND CREST expends significant resources on the hiring, training and development of their employees. Recognizing this expenditure, during the Term of the Agreement, Resident agrees not to employ any person currently employed by WIND CREST, either directly or indirectly by hiring the services of any such person through a third party. Resident also agrees not to employ any person formerly employed by WIND CREST, either directly or indirectly by hiring the services of any such person through a third party, until two years have elapsed from the employee's last date of employment with WIND CREST. Resident further agrees not to solicit any person employed by WIND CREST to terminate his or her employment in order to work for Resident directly or indirectly through a third party.

Section 10. FINANCIAL INABILITY TO PAY

It is the policy of WIND CREST not to terminate a Resident's occupancy for the Resident's financial inability to pay provided that the Resident is otherwise in compliance with the terms of

such Resident's Residence and Care Agreement. To the extent that it is financially feasible and in WIND CREST'S sole discretion, WIND CREST will endeavor to assist residents who are unable to pay full Monthly Service Packages by providing financial assistance as described in this Section 10.

To insure that its charitable intentions are equitably allocated for the benefit of as many Residents as possible, WIND CREST requires that, in the event that Resident claims to be unable to make full monthly payment by reason of financial inability, Resident must take any or all of the following actions, as directed by the Executive Director.

10.1 If the Resident's sources of funds, including expenditures of principal and the guaranty, if any, are inadequate for the Resident to make the payments required under this Agreement, Resident shall file with the Executive Director, on appropriate forms provided by the Executive Director, a Statement of Financial Inability to Pay. As part of the Statement of Financial Inability, Resident shall disclose his or her remaining available assets and income. The Executive Director will review the Resident's financial position to determine the existence of any outside assets, including any guaranty agreements, which may first be spent for Resident's care.

10.2 If Resident has outside assets other than the Entrance Deposit, the Executive Director will establish a Spending Plan for Resident to spend the outside assets and to obtain assistance from other available means. If Resident can qualify, Resident will take the necessary steps to obtain county, state, and federal aid or assistance including Medicare, public assistance and any other public benefit program. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights. If Resident fails to cooperate with the Spending Plan for the outside assets, WIND CREST may terminate the Agreement for good cause.

10.3 After Resident has completed the Spending Plan or if Resident has no available assets other than the Entrance Deposit, WIND CREST will spend-down the Entrance Deposit. The Executive Director will notify Resident if spend-down has been approved and will give the effective date. The Executive Director shall have sole discretion to determine the total amount of the spend-down for Resident, depending upon Resident's financial and health situation as well as the financial and health situation of a Joint Resident.

10.4 Upon completion of the spend-down of the Entrance Deposit, Resident may qualify for assistance from a resident benevolent care fund if such fund is established by WIND CREST in WIND CREST'S sole discretion. If Resident is approved for such assistance, the Executive Director shall inform Resident of the amount which the resident benevolent care fund will contribute to the Monthly Service Packages and the amount which Resident must contribute to the Monthly Service Package.

10.5 If requested by WIND CREST, Resident will transfer to an alternate Living Unit at the Community if and when available.

10.6 Resident will provide periodic statements of financial condition and copies of income tax returns as the same may be requested from time to time by WIND CREST. Resident will notify WIND CREST of any and all assets acquired by Resident through any means whatsoever thereafter,

and will assign or pay such property received to WIND CREST, in an amount equivalent to the total outstanding charges and Fees, owed by Resident.

10.7 When Resident is notified by the Executive Director before the projected depletion of Resident's Entrance Deposit, Resident agrees to immediately apply for Medical Assistance, if available. Resident agrees to execute any and all documents necessary to make and perfect such claims or rights.

Section 11. TRANSFERS

11.1 Temporary and Permanent Transfers. For purposes of this Agreement, a temporary transfer is a transfer of an anticipated finite duration. During a temporary transfer, Resident's permanent Living Unit shall remain available to Resident as long as Resident continues to pay the Monthly Service Package in accordance with Section 8.4. A permanent transfer is a transfer of indeterminate duration. During a permanent transfer, Resident shall be requested to release the Living Unit. After a permanent transfer, if Resident is able to return to the Living Unit previously occupied at the Community or to a different, medically appropriate Living Unit at the Community, Resident shall have the right to occupy the Living Unit subject to the availability of such Living Unit and Resident shall be given priority over non-residents on the waiting list for the Community.

11.2 Transfer at the Election of Resident. Resident may elect to transfer, on a temporary or permanent basis, to an alternate Independent Living Unit, an Assisted Living Unit, Nursing Unit or Off-Site Facility by giving notice to WIND CREST. All transfers within the Community shall be subject to the availability of the elected alternate Living Unit and to the approval of WIND CREST.

11.3 Transfer at the Election of WIND CREST - Non-Emergency. All decisions regarding a transfer of Resident, except for emergency transfers, shall be made by a committee consisting of the Executive Director (or his or her designee) and the Medical Director (or his or her designee) (collectively referred to as the "Committee"). The Committee will consult with Resident, or his or her legal representative. If Resident has a Guarantor or ombudsman, such person also will be consulted if Resident so requests. WIND CREST attempts to interact with Resident or the Resident's representative with the goal of achieving a consensus although a consensus is not always achieved.

To accomplish the permanent transfer, Resident, or his or her representative, shall sign the Living Unit Release Transfer Addendum and the Change of Living Unit Addendum unless Resident is a Joint Resident and the other Joint Resident remains in the Living Unit. After receipt of notice of permanent transfer, Resident shall take all reasonable steps to vacate the Living Unit before the date set for the transfer. WIND CREST will have the option of showing the Living Unit as of the Departure Date indicated in the Living Unit Release Transfer Addendum. After the transfer, if Resident's former Living Unit is not vacated, WIND CREST shall have the right to store Resident's remaining possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility at Resident's expense until disposition thereof can be made. WIND CREST assumes no responsibility for Resident's stored possessions.

Resident shall not be transferred, temporarily or permanently, to a different Living Unit unless (1) in the opinion of the Committee, such transfer is deemed appropriate for the protection of the health and/or safety of Resident or the general and/or economic welfare of other residents, (2) in the opinion of the Committee, the transfer is deemed necessary due to financial inability to pay the Monthly Service Package, or (3) in the case of a permanent transfer to an Off-Site Facility that provides treatment for mental disorders, the need for such transfer is certified by two physicians or one physician and one psychologist. If Resident is transferring due to event (1) or (3) listed above and the Living Unit is occupied by a Joint Resident, the remaining Joint Resident may continue to occupy the Living Unit.

The Committee shall give Resident thirty (30) days advance written notice of the proposed transfer. Resident, or his or her representative, shall notify WIND CREST of any objection to the permanent transfer within ten (10) days of receipt of the notice. If Resident, or his or her representative, does not consent to the transfer, the Committee may, in its discretion and in lieu of a transfer, require Ancillary Services to be provided to Resident if a higher level of care is deemed appropriate in the opinion of the Committee for the protection of the health and safety of Resident or the welfare of other residents. If Resident, or his or her representative, does not consent to either the transfer or the provision of Ancillary Services, WIND CREST may consider such refusal to constitute good cause for WIND CREST to terminate the Agreement in accordance with Section 12.3 hereof.

11.4 Transfer at the Election of WIND CREST - Emergency. If the health and safety of Resident or the health and safety of other residents require immediate action, the Executive Director with the approval, if reasonably obtainable, of the Medical Director, may transfer Resident from Resident's current Living Unit to a different Living Unit or an Off-Site Facility, on a temporary or permanent basis. Emergency circumstances arise when there is a danger of immediate, irreparable harm to the health and safety of Resident or to the health and safety of other people at the Community. In the event that Resident is required to be transferred to the Nursing Facility or the Assisted Living Community during a period that Resident is suffering from legal incompetency, Resident agrees to be bound by the terms of the Agreement in effect at the time of such transfer.

11.5 Use of Living Unit. In the event of a temporary transfer, whether at the election of Resident or WIND CREST, Resident's prior Living Unit will remain available to Resident as long as Resident continues to pay the Monthly Service Package for the permanent Living Unit in accordance with Section 8.4 hereof.

In the event of a permanent transfer, whether at the election of Resident or WIND CREST, Resident, or his or her representative, shall sign and give to WIND CREST a Unit Release Form, advising WIND CREST of the Departure Date for Resident. Resident or his or her representative shall then be responsible for vacating the Living Unit and removing all personal possessions from the Living Unit. WIND CREST shall have the right to show the Living Unit to interested applicants as of the Departure Date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a transfer by WIND CREST, within sixty (60) days from the notice of transfer, WIND CREST shall

have the right to store Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's expense, until disposition thereof can be made. WIND CREST assumes no responsibility for Resident's stored possessions.

Section 12. TERMINATION

12.1 Termination Prior to Occupancy. Resident or WIND CREST may terminate the Agreement in the following circumstances.

12.1.1 Resident withdraws his or her application or rescinds the Residence and Care Agreement for any reason prior to occupancy;

12.1.2 Resident dies before occupying the Living Unit or is precluded from occupying the Living Unit as a result of illness, injury or incapacity; or

12.1.3 WIND CREST elects to terminate the Agreement if it is determined that Resident is ineligible for entrance into the Community.

12.2 Termination by Resident. Resident may terminate this Agreement at any time and for any reason by giving sixty (60) days notice to WIND CREST of his or her intention to terminate.

12.3 Termination by WIND CREST. A decision by WIND CREST to terminate this Agreement shall be made by the Executive Director of the Community. WIND CREST may not terminate this Agreement without good cause. "Good Cause" is defined as: i) Non-payment of Fees; ii) Proof that the Resident is a danger to himself/herself or others; iii) Repeated conduct by the Resident that interferes with other Residents' quiet enjoyment of the Community; iv) Persistent refusal to comply with reasonable rules and regulations of the Community; v) A material misrepresentation made intentionally or recklessly by the Resident in his or her application for residency, or related materials, regarding information which, if accurately provided, would have resulted in either a failure of the Resident to qualify for residency or a material increase in the cost of providing to the Resident the care and service under the Agreement; or vi) A material breach by the Resident of the terms and conditions of this Agreement.

Except for termination due to non-payment of fees, WIND CREST will give Resident sixty (60) days written notice of the termination and the reason for termination. In the event of non-payment of fees, WIND CREST will give written notice to the Resident that the Resident is in default under this Agreement for non-payment of fees. WIND CREST may charge Resident interest on the overdue amount of one and one-half percent (1-1/2%) per month. If Resident fails to make full payment of all outstanding fees and charges within thirty (30) days of receipt of the notice, WIND CREST may, at its election, either terminate the Agreement upon an additional thirty (30) days notice or may require a spend-down of the Entrance Deposit, in accordance with the Community's spend-down procedures as generally set forth in Section 10 of this Agreement, to offset the overdue fees and charges. Acceptance by WIND CREST of partial payment of the fees does not constitute a waiver of the outstanding fees and charges unless WIND CREST agrees to a waiver in writing.

12.4 Vacating the Living Unit. Upon termination of the Agreement by election of Resident, election of WIND CREST or due to the death of Resident, Resident, or his or her representative, shall sign and give to WIND CREST a Unit Release Form advising WIND CREST of the Departure Date for Resident. Resident, or his or her representative, shall then be responsible to vacate the Living Unit and to remove all personal possessions from the Living Unit. WIND CREST shall have the right to show the Living Unit to interested applicants as of the date indicated in the Unit Release Form.

If Resident fails to vacate the Living Unit by the indicated Departure Date or, in the event of a termination by WIND CREST within the required time for the notice of termination as provided in Section 12.3, WIND CREST shall have the right to store Resident's possessions in a general storage area at the Community or to arrange for storage in a commercial storage facility, all at Resident's expense, until disposition thereof can be made. WIND CREST assumes no responsibility for Resident's stored possessions.

Section 13. RIGHTS OF WIND CREST

13.1 Community Rules and Regulations. WIND CREST shall have the right to promulgate reasonable rules and regulations governing the conduct of the Residents. Resident shall enjoy the fullest measure of independence consistent with the accommodation in which Resident lives, subject, however, to the limitations of the reasonable policies and procedures now or hereafter adopted by WIND CREST for the conduct and care of all Residents. Resident agrees to abide by all such policies and procedures, and generally to conduct himself or herself in such a manner as to promote the peace and harmony of the Community.

13.2 Access to Living Units at the Community. Resident acknowledges and accepts the responsibility of WIND CREST to enter Resident's Living Unit in order to carry out the purpose and intent of this Agreement and authorizes such entry. Such entry includes (1) performance of authorized housekeeping duties; (2) response to medical emergencies; (3) responses to fire protection systems; (4) entry by authorized personnel in the event that the Resident is reported missing or has not responded to a call; (5) scheduled maintenance activities; and (6) enforcement of the Community's policies and procedures. WIND CREST acknowledges and hereby agrees to respect Resident's right to privacy and agrees to limit uninvited entry into the Living Unit at the Community to emergency situations and scheduled or authorized work as set forth in this paragraph.

13.3 Property Rights. Resident acknowledges that, except as expressly set forth in this Agreement, the rights and privileges granted by this Agreement do not include any right, title or interest in any part of the personal property or real property - including land, buildings and improvements - owned, leased or administered by WIND CREST. Resident's rights are limited to the rights provided in this Agreement for services and the occupancy of the Living Units. Except for Resident's right to occupy the Living Unit, any rights, privileges or benefits under this Agreement shall be subordinate to any mortgage or deed of trust or leasehold interest on any of the premises or interest in real and personal property of WIND CREST, to all amendments, modifications, replacement or refunding, of any such mortgage or deed of trust or leasehold interest, and to such

reasonable rules and regulations governing the use of the property as shall from time to time be imposed by WIND CREST. Resident hereby agrees, upon request of WIND CREST, to execute and deliver any document which is required to this effect by WIND CREST, or by the holder of such mortgage or deed of trust or leasehold interest to effect such subordination or to evidence the same, and appoints WIND CREST as Resident's attorney in fact to accomplish that purpose.

13.4 Limitation of Liability. WIND CREST shall not be responsible for the loss of any personal property belonging to the Resident due to theft or any other cause. The liability of WIND CREST for damage to or loss of Resident's personal property shall be limited to damage or loss caused by negligent acts or omissions of WIND CREST or of its employees acting within the scope of their employment.

13.5 Unauthorized Transfers of Property. The financial information submitted by or on behalf of Resident is a material aspect upon which WIND CREST is reasonably relying in determining Resident's qualifications for becoming a Resident of the Community. Being able to meet the minimum financial criteria to become a Resident helps assure the financial stability of this Community. Furthermore, WIND CREST is committed to take every reasonable step to assist a Resident who has depleted those assets through normal living expenditures so that he or she may continue to remain as a Resident of the Community. However, in order to protect WIND CREST from a situation wherein a Resident divests him/herself of those assets for the purpose of qualifying for assistance or reduction of Monthly Service Packages, Resident agrees not to divest him/herself of, sell, or transfer any assets or property interests (excluding expenditures for Resident's normal living expenses) that would result in a reduction in Resident's net worth (assets less liabilities) which is below the minimum criteria to become a Community resident, without having first obtained the written consent of WIND CREST.

13.6 Religious Affiliation and Sponsorship. The sole member of WIND CREST is Oak Crest Village, Inc., a charitable organization. There is no religious organization which maintains financial control over WIND CREST.

Section 14. MISCELLANEOUS PROVISIONS

14.1 Documents Incorporated by Reference. This Agreement includes the Admissions Application for residence, the Financial Information Form, the Resident Information Form, including Resident's medical records, if any, and the Refund of Entrance Deposit Agreement. This Agreement may include a Promissory Note, a Guaranty Agreement, a Power of Attorney for property disposition, an Advance Directive, Appointment of Health Care Agent, or Living Will, and Resident's medical insurance documentation, all of which documents are incorporated by reference and made a part of this Agreement (see Schedule III attached hereto). Resident acknowledges that WIND CREST will rely on statements of Resident in these documents and warrants that all statements are true and complete to the best of Resident's knowledge.

14.2 Rules of Construction. In this Agreement, the masculine, feminine and neuter genders shall be construed to be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Similarly, the

singular and plural shall be interchangeable and shall include one another to the extent that such context is necessary to provide a logical or meaningful construction of the text. Section captions are for ease of reference only.

14.3 Non-Waiver. The failure of any party in any one or more instances to insist on the strict performance, observance or compliance by the other party with any of the terms or provisions of this Agreement, shall not be a continuing waiver thereof nor construed to be a waiver or relinquishment by a party of its rights to insist upon strict compliance by the other party with all of the terms and provisions of this Agreement.

14.4 Entire Agreement. This Agreement, the documents referenced in Section 14.1, and the terms of the Disclosure Statement in effect for the Community represent the entire agreement between WIND CREST, Resident and Guarantor, if any, and supersedes all prior Agreements and negotiations. Except as contained herein or in any contemporaneous, written agreements, there are no promises or agreements between the parties.

14.5 Amendment. This Agreement shall be amended only in writing, signed by WIND CREST and Resident.

14.6 Legal Remedies of Resident and WIND CREST. The Colorado Division of Financial Services has established regulations concerning the certification and regulation of continuing care contracts. Resident shall have all legal rights set forth in the Colorado Life Care Institutions Act. In addition to the legal remedies provided in this Agreement, unless otherwise prohibited by law, WIND CREST shall have full recourse to all remedies available to it at law or in equity.

14.7 Severability. The invalidity or unenforceability of any provision of this Agreement or the application of any such provision, shall not affect or impair any other provisions or the validity or enforceability of the remainder of this Agreement, or any application of any other provision of the remainder of this Agreement; however, the Resident, to the extent provided by law, retains the right to rescind this Agreement if any provision is in violation of the laws of the State of Colorado, as amended from time to time.

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

14.9 Venue. All parties to this Agreement, including WIND CREST, Resident, and Guarantor(s), if any, agree that venue for any action for the enforcement, construction, rescission, termination of, or any action arising out of this Agreement shall be in Douglas County, Colorado. All parties agree that the filing of any action may include a request for an expedited hearing.

14.10 Assignment. In the event that WIND CREST or any of WIND CREST'S successors or assigns shall give Resident notice that any or all of the rights, duties and obligations of WIND CREST have been assigned to a new person or entity certified as a continuing care provider under the laws of the Division of Financial Services and the State of Colorado to provide services to

Residents of the Community, Resident agrees to recognize such new person or entity as the provider under this Agreement, to the extent of such assignment.

Section 15. DEFINITIONS

Whenever the following words or phrases appear in this Agreement beginning with a capital letter, these definitions shall apply:

Act: The Colorado Life Care Institutions Act, as the same shall be amended and in effect from time to time hereunder.

Agreement: This document, including all exhibits, supplements, amendments or addenda, as signed by WIND CREST, Resident and Guarantor, if any.

Ancillary Services: Those services specified in Section 5 of this Agreement made available by WIND CREST and/or provided by approved outside providers, the cost of which is not included in the Monthly Service Package. Fees for Ancillary Services may be changed from time to time by WIND CREST as specified in Section 9.2 or by the outside providers.

Assisted Living Unit: Accommodations for Residents who need a higher level of care and more daily assistance than is available in an Independent Living Unit, but who need a lesser degree of medical care, personal care and service than is provided in the Nursing Facility.

Community: The physical site and structures operated by WIND CREST as a retirement community in Highlands Ranch, Colorado.

Covered Services: Those services specified in Section 4 of this Agreement made available by WIND CREST for the applicable Monthly Service Package.

Department: The Colorado Division of Financial Services.

Departure Date: The date on which Resident or, in the event of Resident's death, Resident's personal representative or family, vacates the Living Unit after providing WIND CREST with a signed Unit Release Form and removing all possessions from such Living Unit. If Resident or Resident's personal representative or family do not timely provide WIND CREST with a signed Unit Release Form or remove the possessions, the Departure Date shall be the date on which WIND CREST removes all possessions from the Living Unit and places them in a general storage area at the Community or in a commercial storage facility, all at Resident's expense, until disposition thereof can be made. WIND CREST assumes no responsibility for Resident's stored possessions.

Disclosure Statement: The statement given to Resident by WIND CREST as required by Colorado Life Care Institutions Act which Resident acknowledges receiving in accordance with Schedule II.

Entrance Deposit: The Entrance Deposit required to be paid to WIND CREST on or before the Occupancy Date as set forth in Section 7.1 of this Agreement, as may be modified, which Entrance Deposit is generally paid in a series of deposits.

Executive Director: The chief administrative officer of the Community appointed as such by WIND CREST.

Guarantor: Any person or persons who guarantee the obligations of Resident to pay the Monthly Service Package or any other fees or periodic charges payable by Resident under the terms of this Agreement.

Independent Living Unit: Living accommodations at the Community for a Resident who is able to live independently within WIND CREST'S guidelines.

Joint Residents: Two or more Residents who reside together in a particular Living Unit.

Living Unit: An Independent Living Unit, Assisted Living Unit or Nursing Unit.

Medical Director: A licensed physician officially designated by WIND CREST as the person responsible for the direction and control of medical services offered at the Community.

Monthly Service Package: The fee payable with respect to a particular Living Unit as specified in Section 8.1 hereof, which fee includes the Covered Services specified in Section 4 hereof. Monthly Service Packages may be adjusted as provided in Section 8.3 hereof.

Non-Occupancy Credit: Resident may receive a Non-Occupancy Credit to reduce Resident's Monthly Service Package when Resident is, or Joint Residents are, transferred temporarily to a different Living Unit. Resident may receive a Non-Occupancy Credit upon request in other circumstances in the sole discretion of the Executive Director. The current Non-Occupancy Credit is provided on Schedule II, Fee Schedule. Adjustments to and policies concerning the Non-Occupancy Credit are made by WIND CREST. Credit is given based on the required consecutive days of absence.

Notice: For the purposes of this Agreement, notice shall be deemed to have been given to Resident when deposited in Resident's message box or personally delivered to Resident, and to WIND CREST when personally delivered to the office of the Executive Director at the Community and to General Counsel at the corporate office situated at 701 Maiden Choice Lane, Baltimore, Maryland 21228. If Resident has not yet taken possession of the Living Unit, notice to Resident shall be given by first-class mail, postage pre-paid, to Resident's last known address and such notice shall be deemed to be effective on the third day following such mailing. If Resident has been transferred to an Off-Site Facility, notice shall be given by first-class mail, postage pre-paid, to Resident at such Off-Site Facility and shall be deemed to be effective on the third day following such mailing.

Nursing Facility: The Nursing Facility will be located in Renaissance Gardens and will be licensed for skilled nursing care but is not and will not be licensed to provide chronic hospital care, acute hospital care or other institutional care. Such services, if required by Resident, must be paid for by Resident and are not services covered under the scope of this Agreement. The Nursing Facility will not be available upon the opening of the Community.

Nursing Unit: Accommodations for Residents who are unable to perform those functions necessary to live in an Independent Living Unit or an Assisted Living Unit and who need the degree of medical care, personal care and service that is provided in the Nursing Facility.

Occupancy Date: The date on which Resident is authorized by WIND CREST to take possession of a Living Unit. On this date, Resident shall be allowed access to move belongings or to personally inhabit the Living Unit pursuant to this Agreement. Delivery of keys to Resident shall be deemed authorization to take possession.

Off-Site Facility: Any housing or health care facility not located within the Community and which is neither owned nor operated by WIND CREST.

Processing Fee: The fee payable when the Resident submits an application for residency at the Community or for a position on the futures or standby list.

Refund of Entrance Deposit Agreement: An Agreement signed by WIND CREST and Resident designating to whom the refund of Resident's Entrance Deposit shall be made upon termination of this Agreement.

Refurbishing Fee: The fee payable by a Resident who has occupied an Independent Living Unit or an Assisted Living Unit which covers the reasonable costs of cleaning and refurbishing the Unit upon the Resident's vacating the unit. Refurbishing shall include spackling, painting, housekeeping, carpet replacement or cleaning, and removing any customized improvements to the Unit. It is intended that the Unit shall be restored to its condition when it was originally occupied. Determination of the extent of refurbishment shall be established by the Executive Director.

Renaissance Gardens: The Community building in which the Assisted Living Units and the Nursing Units are situated. Renaissance Gardens will not be available upon the opening of the Community.

Resident: Each person designated by name in the first paragraph of this Agreement, who is a party to this Agreement.

WIND CREST: Wind Crest, Inc.

SIGNATURES

IN WITNESS WHEREOF the parties have hereunto set their hands on the date appearing next to their respective signatures.

WIND CREST, INC.

Witness	By: _____	Date
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Witness	Resident	Date
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Witness	Resident	Date
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If applicable: Guarantors: I (We) _____ have read and understand the provisions of this Agreement and by signing my (our) name(s) below, agree to guaranty Resident's obligations incurred under this Agreement in accordance with the Guaranty Agreement.

Witness	Guarantor	Date
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Witness	Guarantor	Date
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Schedule I
Schedule of Fees

Total Entrance Deposit for Unit: \$ _____ consisting of:

The \$1,000 Priority List
Reservation Deposit:

Initial down payment

\$ _____ / _____

The Signing Deposit:

\$ _____ (bringing total to 10% of
Entrance Deposit including previous
deposits); and

The Final Deposit:

\$ _____ (remaining portion of
Entrance Deposit)

Current Monthly Service Package for Unit: \$ _____ per month

Current Processing Fee: \$ _____ per applicant

Current Ancillary Fee Schedule: See next page

Ancillary Fee Schedule – estimated only

<i>Description of Ancillary Service</i>	2007 \$
Non-occupancy credit per day (7 consecutive nights or more)	\$ 8.50
Non-occupancy credit (90 consecutive days or more) Single	\$12.75
Non-occupancy credit (90 consecutive days or more) Double	\$25.50
Guest Meal, Mon-Sat	\$14.50
Guest Meal – Holiday Buffet	\$18.50
Guest Meal – Sunday Brunch & Buffet	\$16.75
Child Guest Meal (age 11 and under)	\$ 6.75
Health Club – Monthly (includes 3 trainer assisted sessions)	\$17.00
Home Health RN Assessment Fee	\$60.00
Home Health Weekday, Hourly	\$21.00
Home Health Weekday, 1/2 hour	\$13.50
Home Health Weekend, Hourly	\$24.00
Home Health Weekend, 1/2 hour	\$15.50
RN Case Management (per hour)	\$60.00
Home Health, Holiday Rate	double daily rates
Housekeeping, Hourly (one hour minimum)	\$22.00
Medication Reminder	\$13.50
Laundry, per load	\$12.75
Ground Service, Hourly (1 hour min.)	\$22.00
Maintenance, Hourly (per hour plus materials ½ hr. minimum)	\$24.00
Non-shuttle Transportation, Hourly	Dependent on destination
Guest Room, Daily (Single)	\$76.50
Guest Room, Daily (Double)	\$90.00
Guest Cot, Daily	\$12.75
Storage Bin, Monthly	\$10.50
Padlock for Storage Bin	\$10.50
Reserved Parking, Monthly	\$30.00
Reserved Parking – Covered – Monthly	\$50.00
Snow Removal (per car)	\$12.75
Additional Apartment Key	\$ 5.00
Additional Mailbox Key	\$ 4.00

SCHEDULE II

STATE OF COLORADO – REQUIRED DISCLOSURES

I/ we acknowledge that I/ we have received a current disclosure statement from Wind Crest, including exhibits, with the initial down payment and then no more than fourteen (14) days prior to executing a Residence and Care Agreement with Wind Crest.

In addition:

- (a) I / We, the undersigned, do hereby acknowledge that I/ we fully understand that no state or federal government agency guarantees or insures against loss any portion of the entrance fees
- (b) For questions concerning the regulation of the financial affairs of life care institutions by the State of Colorado, please contact:

Colorado Division of Financial Services
1560 Broadway, Suite 1520
Denver, Colorado 80202
Phone: (303) 894-2336

DATE SIGNED: _____

(Resident or Legal Representative)

(Resident or Legal Representative)

Schedule III

Documents Incorporated

- A. Admissions Application for residence
- B. Financial Information Form
- C. Resident Information Form
- D. Refund of Entrance Deposit Agreement
- E. Guaranty Agreement (if any)
- F. Unit Release Transfer Addendum
- G. Unit Release Addendum
- H. Power of Attorney for property disposition (if any)
- I. Advance Directive, Appointment of Health Care Agent, or Living Will (if any)
- J. Resident's medical insurance documentation (if any)
- K. Promissory Note (if any)

**WIND CREST RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT**

**EXHIBIT C
SITE PLAN**



**WIND CREST RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT**

**EXHIBIT D
FEES AND DEPOSITS**

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.1
 Opening Date Apr-07

			Base Year 2007 Deposit \$	RB 1.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	16	2,800,000
1 BR	Berkeley	C1h	174,000	4	696,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Easton	C11	219,000	2	438,000
2 BR-1B	Fairmont	E2	252,000	12	3,024,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-2B	McHenry	F14	264,000	1	264,000
2 BR-2B	Kingston	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	7	2,289,000
2 BR-2B	Jackson	G8	316,000	21	6,636,000
2 BR-2B Large	Manchester	F4	385,000	12	4,620,000
2 BR-2B with Den	Worthington	F8	355,000	7	2,485,000
2 BR-2B Large	Parkton	F13	360,000	2	720,000
2 BR-2B Large		F13m	364,000	5	1,820,000
2 BR-2B Large	Wentworth	F15	436,000	4	1,744,000
2 BR-2B Large		F18	457,000	1	457,000
2 BR-2B Large	Lancaster	H1	433,000	12	5,196,000
2 BR-2B Large	Williamsburg	K1	516,000	5	2,580,000
Total:				147	46,039,000

Amenities

25% of Units * \$5,000	25%	183,750
	147	183,750

Total with Amenities	147	46,222,750
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Projected Deposits without Amenities (Inflated)	0.00%	147	46,039,000
Total Amenities			183,750
Total Projected Deposits			46,222,750

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.2

Opening Date Jun-07

			Base Year		
			2007	RB 1.2	Deposit
			Deposit \$	Units	\$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	2	350,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	5	1,040,000
Large 1 BR	Fremont	C4	217,000	4	868,000
Large 1 BR	Dulaney	C22m	191,000	1	191,000
Large 1 BR		C23	191,000	1	191,000
Large 1 BR		C24	191,000	4	764,000
1 BR-(1-1/2)B	Hamilton	G10	240,000	6	1,440,000
1 BR & Den	Georgetown	D1	239,000	5	1,195,000
1 BR & Den	Gilbert	D2	239,000	2	478,000
1 BR & Den	Gilmore	D2m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den		D1.5m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	4	1,060,000
2 BR-1B	Fairmont	E2	252,000	8	2,016,000
2 BR-1B	Harrison	G4	267,000	6	1,602,000
2 BR-1B		G4m	267,000	1	267,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	10	2,650,000
2 BR-2B	Hawthorne	F2	264,000	12	3,168,000
2 BR-2B	Kingslon	F3	336,000	10	3,360,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	5	1,580,000
2 BR-2B		G6m	316,000	3	948,000
2 BR-2B with Den	Worthington	F8	355,000	5	1,775,000
2 BR-2B Large	Wyeth	J6	448,000	8	3,584,000
2 BR-2B Large	Westwood	J7	417,000	3	1,251,000
Total:				123	34,638,000

Amenities

25% of Units * \$5,000	25%	153,750
	123	153,750

Total with Amenities	123	34,791,750
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Projected Deposits without Amenities (Inflated)	0.00%	123	34,638,000
Total Amenities			153,750
Total Projected Deposits			34,791,750

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 1.3

Opening Date Apr-08

			Base Year		
			2007	RB 1,3	Deposit
			Deposit \$	Units	\$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	6	1,050,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	6	1,248,000
Large 1 BR	Fremont	C4	217,000	6	1,302,000
Large 1 BR	Easton	C11	219,000	5	1,095,000
1 BR-(1-1/2)B	Heritage	H2	317,000	1	317,000
1 BR & Den	Gilbert	D2	239,000	6	1,434,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	6	1,488,000
2 BR-1B	Flagstaff	E1	240,000	6	1,440,000
2 BR-1B	Fairmont	E2	252,000	10	2,520,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Oxford	F5	327,000	12	3,924,000
2 BR-2B	Jackson	G6	316,000	8	2,528,000
2 BR-2B Large	Patterson	F12	457,000	6	2,742,000
2 BR-2B Large	Lancaster	H1	433,000	10	4,330,000
2 BR-2B Large	Washington	J3	448,000	6	2,688,000
2 BR-2B Large	Williamsburg	K1	516,000	6	3,096,000
Total:				140	42,096,000

Amenities

25% of Units * \$5,000	25%	175,000
	140	175,000

Total with Amenities	140	42,271,000
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Projected Deposits without Amenities (Inflated)	3.00%	140	43,358,880
Total Amenities			175,000
Total Projected Deposits			43,533,880

**Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits**

Residential Building 1.4
Opening Date Apr-09

			Base Year 2007 Deposit \$	RB 1.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	12	2,100,000
Large 1 BR	Dawson	C8	209,000	2	418,000
Large 1 BR	Dover	C3	208,000	7	1,456,000
Large 1 BR	Easton	C11	219,000	1	219,000
1 BR & Den	Gilbert	D2	239,000	6	1,434,000
1 BR & Den	Gibson	D6	251,000	5	1,255,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	7	1,736,000
2 BR-1B	Fallston	E1m	235,000	5	1,175,000
2 BR-1B	Fairmont	E2	252,000	10	2,520,000
2 BR-1B	Harrison	G4	267,000	2	534,000
2 BR-(1-1/2)B	Hastings	E4	282,000	28	7,896,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	5	1,625,000
2 BR-2B	Hawthorne	F2	264,000	12	3,168,000
2 BR-2B	Kingston	F3	336,000	7	2,352,000
2 BR-2B	Oxford	F5	327,000	12	3,924,000
2 BR-2B	Jackson	G6	316,000	17	5,372,000
2 BR-2B Large	Manchester	F4	385,000	14	5,390,000
2 BR-2B Large	Lancaster	H1	433,000	5	2,165,000
2 BR-2B Large	Wyeth	J6	448,000	7	3,136,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				171	51,487,000

Amenities

25% of Units * \$5,000	25%	213,750
	171	213,750

Total with Amenities	171	51,700,750
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Projected Deposits without Amenities (Inflated)	6.09%	171	54,622,558
Total Amenities			213,750
Total Projected Deposits			54,836,308

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.1

Opening Date Apr-10

			Base Year 2007 Deposit \$	RB 2.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	4	700,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Dover	C3	208,000	4	832,000
Large 1 BR	Fenwick	C7	209,000	1	209,000
1 BR & Den	Gilbert	D2	239,000	8	1,912,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	8	1,984,000
2 BR-1B	Fairmont	E2	252,000	14	3,528,000
2 BR-1B	Harrison	G4	267,000	6	1,602,000
2 BR-(1-1/2)B	Hastings	E4	282,000	18	5,076,000
2 BR-2B	Oxford	F5	327,000	9	2,943,000
2 BR-2B	Jackson	G6	316,000	29	9,164,000
2 BR-2B Large	Manchester	F4	385,000	10	3,850,000
2 BR-2B Large	Williamsburg	K1	516,000	10	5,160,000
Total:				124	37,587,000

Amenities

25% of Units * \$5,000	25%	155,000
	124	155,000

Total with Amenities	124	37,742,000
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Projected Deposits without Amenities (Inflated)	9.27%	124	41,072,330
Total Amenities			155,000
Total Projected Deposits			41,227,330

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.2
Opening Date May-10

			Base Year 2007 Deposit \$	RB 2.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	9	1,575,000
Large 1 BR	Dawson	C8	209,000	2	418,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	5	1,240,000
2 BR-1B	Fairmont	E2	252,000	6	1,512,000
2 BR-(1-1/2)B	Hastings	E4	282,000	17	4,794,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	2	650,000
2 BR-2B	Kingston	F3	336,000	10	3,360,000
2 BR-2B	Jackson	G6	316,000	17	5,372,000
2 BR-2B with Den	Worthington	F8	355,000	5	1,775,000
2 BR-2B Large	Linwood	H6	410,000	3	1,230,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Williamsburg	K1	518,000	4	2,064,000
Total:				84	25,722,000

Amenities

25% of Units * \$5,000	25%	105,000
	84	105,000

Total with Amenities	84	25,827,000
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Projected Deposits without Amenities (Inflated)	9.27%	84	28,107,124
Total Amenities			105,000
Total Projected Deposits			28,212,124

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.3

Opening Date Sep-11

			Base Year 2007 Deposit \$	RB 2.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	11	1,925,000
Large 1 BR	Dawson	C8	209,000	3	627,000
1 BR & Den	Gilmore	D2m	248,000	7	1,736,000
2 BR-1B	Fairmont	E2	252,000	16	4,032,000
2 BR-1B	Harrison	G4	267,000	18	4,806,000
2 BR-(1-1/2)B	Hastings	E4	282,000	30	8,460,000
2 BR-2B	Jackson	G6	316,000	18	5,688,000
2 BR-2B Large	Williamsburg	K1	516,000	11	5,676,000
Total:				114	32,950,000

Amenities

25% of Units * \$5,000	25%	142,500
	114	142,500

Total with Amenities	114	33,092,500
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Projected Deposits without Amenities (Inflated)	12.55%	114	37,085,515
Total Amenities			142,500
Total Projected Deposits			37,228,015

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 2.4

Opening Date Apr-12

			Base Year 2007 Deposit \$	RB 2.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	14	2,450,000
Large 1 BR	Dawson	C8	209,000	2	418,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	6	1,488,000
2 BR-1B	Fairmont	E2	252,000	12	3,024,000
2 BR-(1-1/2)B	Hastings	E4	282,000	46	12,972,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	6	1,950,000
2 BR-2B	Jackson	G6	316,000	27	8,532,000
2 BR-2B with Den	Worthington	F8	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	7	3,031,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				133	39,607,000

Amenities

25% of Units * \$5,000	25%	166,250
	133	166,250

Total with Amenities	133	39,773,250
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Projected Deposits without Amenities (Inflated)	15.93%	133	45,915,368
Total Amenities			166,250
Total Projected Deposits			46,081,618

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.1

Opening Date Apr-13

			Base Year 2007 Deposit \$	RB 3.1 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	10	1,750,000
1 BR	Bradford	C5	163,000	5	815,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Fremont	C4	217,000	5	1,085,000
1 BR-(1-1/2)B	Heritage	H2	317,000	2	634,000
1 BR & Den	Gilmore	D2m	248,000	5	1,240,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	11	2,915,000
1 BR-(1-1/2)B & Den	Griffin	D8	268,000	11	2,948,000
2 BR-1B	Fairmont	E2	252,000	13	3,276,000
2 BR-1B	Harrison	G4	267,000	4	1,068,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	5	1,325,000
2 BR-(1-1/2)B	Hastings	E4	282,000	23	6,486,000
2 BR-2B	Kingston	F3	338,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	19	6,004,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Washington	J3	448,000	5	2,240,000
2 BR-2B Large	Williamsburg	K1	516,000	6	3,096,000
Total:				143	41,219,000

Amenities

25% of Units * \$5,000	25%	178,750
	143	178,750

Total with Amenities	143	41,397,750
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Projected Deposits without Amenities (Inflated)	19.41%	143	49,217,642
Total Amenities			178,750
Total Projected Deposits			49,396,392

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.2

Opening Date May-13

			Base Year 2007 Deposit \$	RB 3.2 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	13	2,275,000
Large 1 BR	Dawson	C8	209,000	3	627,000
1 BR-(1-1/2)B	Hamilton	G10	240,000	6	1,440,000
1 BR & Den	Gilmore	D2m	248,000	6	1,488,000
1 BR-(1-1/2)B & Den		D1.5+	248,000	6	1,488,000
2 BR-1B	Fairmont	E2	252,000	17	4,284,000
2 BR-1B	Harrison	G4	267,000	11	2,937,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	6	1,590,000
2 BR-(1-1/2)B	Hastings	E4	282,000	13	3,666,000
2 BR-2B	Jackson	G6	316,000	8	2,528,000
2 BR-2B Large		F8+	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	7	3,031,000
2 BR-2B Large	Washington	J3	448,000	7	3,136,000
2 BR-2B Large	Williamsburg	K1	516,000	13	6,708,000
Total:				122	37,328,000

Amenities

25% of Units * \$5,000	25%	152,500
	122	152,500

Total with Amenities	122	37,480,500
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Projected Deposits without Amenities (Inflated)	19.41%	122	44,571,584
Total Amenities			152,500
Total Projected Deposits			44,724,084

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.3

Opening Date Aug-14

			Base Year 2007 Deposit \$	RB 3.3 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	9	1,575,000
1 BR	Bradford	C5	163,000	4	652,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Fremont	C4	217,000	4	868,000
1 BR & Den	Gibson	D6	251,000	4	1,004,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	4	992,000
1 BR-(1-1/2)B & Den	Glendale	D5	265,000	4	1,060,000
1 BR-(1-1/2)B & Den	Griffin	D8	268,000	4	1,072,000
2 BR-1B	Fallston	E1m	235,000	4	940,000
2 BR-1B	Fairmont	E2	252,000	9	2,268,000
2 BR-1B	Harrison	G4	267,000	3	801,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	4	1,060,000
2 BR-(1-1/2)B	Hastings	E4	282,000	9	2,538,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Kingston	F3	336,000	4	1,344,000
2 BR-2B	Oxford	F5	327,000	5	1,635,000
2 BR-2B	Jackson	G6	316,000	15	4,740,000
2 BR-2B with Den	Worthington	F8	355,000	4	1,420,000
2 BR-2B Large	Washington	J3	448,000	4	1,792,000
Total:				107	29,028,000

Amenities

25% of Units * \$5,000	25%	133,750
	107	133,750

Total with Amenities	107	29,161,750
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Projected Deposits without Amenities (Inflated)	22.99%	107	35,700,779
Total Amenities			133,750
Total Projected Deposits			35,834,529

Denver Campus, LLC
Development Plan
Schedule of Entrance Deposits

Residential Building 3.4

Opening Date Apr-15

			Base Year 2007 Deposit \$	RB 3.4 Units	Deposit \$
<u>Unit categories:</u>					
1 BR	Brighton	C1	175,000	5	875,000
1 BR	Bradford	C5	163,000	6	978,000
Large 1 BR	Dawson	C8	209,000	3	627,000
Large 1 BR	Dover	C3	208,000	6	1,248,000
Large 1 BR	Fremont	C4	217,000	6	1,302,000
1 BR & Den	Gilbert	D2	239,000	5	1,195,000
1 BR & Den	Gilmore	D2m	248,000	7	1,736,000
1 BR-(1-1/2)B & Den	Gilman	D1.5	248,000	11	2,728,000
2 BR-1B	Fairmont	E2	252,000	15	3,780,000
2 BR-1B	Harrison	G4	267,000	5	1,335,000
2 BR-(1-1/2)B	Fenton	E3.5	265,000	6	1,590,000
2 BR-(1-1/2)B	Hastings	E4	282,000	24	6,768,000
2 BR-(1-1/2)B	Jenkins	H3	325,000	1	325,000
2 BR-2B	Hawthorne	F2	264,000	10	2,640,000
2 BR-2B	Kingston	F3	336,000	6	2,016,000
2 BR-2B	Oxford	F5	327,000	6	1,962,000
2 BR-2B	Jackson	G6	316,000	13	4,108,000
2 BR-2B Large	Manchester	F4	385,000	14	5,390,000
2 BR-2B with Den	Worthington	F8	355,000	6	2,130,000
2 BR-2B Large	Lancaster	H1	433,000	4	1,732,000
2 BR-2B Large	Washington	J3	448,000	7	3,136,000
2 BR-2B Large	Westwood	J7	417,000	6	2,502,000
2 BR-2B Large	Williamsburg	K1	516,000	7	3,612,000
Total:				179	53,715,000

Amenities

25% of Units * \$5,000	25%	223,750
	179	223,750

Total with Amenities	179	53,938,750
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Projected Deposits without Amenities (Inflated)	26.68%	179	68,044,555
Total Amenities			223,750
Total Projected Deposits			68,268,305

**WIND CREST RETIREMENT COMMUNITY
MASTER LEASE AND USE AGREEMENT**

**EXHIBIT E
RENT**

The following general provisions for calculation of and adjustment to the Annual Rent shall apply to each respective Phase of the Premises:

- 1) As to the Independent Living Units:
 - a) Annual Rent for occupied Independent Living Units in the Premises, during the Initial Move-In Period for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of four and four-tenths percent (4.4%) of the Entrance Deposit for each Unit. Such Independent Living Units shall be occupied only by qualified Residents (as determined by rules established by WC) of the Retirement Community pursuant to Residence and Care Agreements entered into between WC and such Residents. The Rent for each Unit occupied under a Residence and Care Agreement shall commence on the date of settlement under the Residence and Care Agreement which shall be the deemed Occupancy Date of a unit, as that term is defined in the Residence and Care Agreement; provided, however, if settlement shall occur other than on the first day of a month, then the Rent for any partial month shall be appropriately pro-rated.
 - b) Annual Rent for all Independent Living Units in the Premises, occupied or unoccupied, after the Completion of the Initial Move-In Period for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of five and nine-tenths percent (5.9%) of the Entrance Deposit for such units. For those units which are not occupied as of the Completion of the Initial Move-In Period, the Entrance Deposit for such unoccupied units shall be deemed to be the Entrance Deposit which would have been paid if such units had been occupied on the date of the Completion of the Initial Move-In Period.
- 2) As to the Assisted Living Units:
 - i) Annual Rent for occupied Assisted Living Units during the Initial Move-In Period for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of four and four-tenths percent (4.4%) of the Entrance Deposit for each Unit. Such Assisted Living Units shall be occupied only by qualified

Residents (as determined by rules established by WC) of the Retirement Community pursuant to Residence and Care Agreements entered into between WC and such Residents.

ii) Annual Rent for all of the Assisted Living Facility, occupied or unoccupied, after the Completion of the Initial Move-In Period for each Phase, shall be payable monthly at the rate of one-twelfth (1/12) of five and nine-tenths percent (5.9%) of the Entrance Deposit for the Assisted Living Units. For those units which are not occupied as of the Completion of the Initial Move-In Period for such Phase, the Entrance Deposit for such unoccupied units shall be deemed to be the Entrance Deposit which would have been paid if such units had been occupied on the date of the Completion of the Initial Move-In Period.

- 3) As to the Care Center, the Annual Rent shall be an amount equal to seven and four-tenths percent (7.4%) of the fair market value ("FMV") of such Nursing Units contained therein from time to time. The FMV shall be that value which LC establishes to be the fair market value of the Nursing Units in the Care Center at such time as the Rental commences based on income approach. If WC fails to accept this value within ten (10) days of its receipt of LC's determination, the FMV shall be determined by arbitration in accordance with the rules of the American Arbitration Association. The Annual Rent for the Care Center shall be payable in monthly installments, commencing as of the date the first phase of the "care center" in which the applicable Nursing Units are located, is initially opened, and shall be payable in equal monthly installments.
- 4) As to Community Buildings, the Annual Rent shall be One Hundred Eighty Thousand Dollars (\$180,000) payable in equal monthly installments, for each Community Building.
- 5) As of January 1 of each year until the expiration of the initial ten (10) full calendar years of the Lease Term, the Annual Rent with respect to the Units and Community Buildings, shall be increased (not decreased) by the Adjustment Amount as determined by the following formula:
 - i) the index to be used for this adjustment shall be the U.S. Bureau of Labor Statistics Consumer Price Index, U.S. City Average, All Items, All Urban Consumers (revised 1978, 1967 = 100) (the "Index").

ii) the Index as of January 1 of the prior year shall be the Base Period Index.

iii) the Index as of January 1 for each new year shall be the Adjustment Period Index.

iv) the Base Period Index shall be subtracted from the Adjustment Period Index, the difference of which (if a positive number) shall be divided by the Base Period Index, the dividend of which shall be multiplied by ten percent (10%) for the Percentage Index Increase.

v) the Percentage Index Increase shall be multiplied by the Annual Rent as of December 31 for the year just ending, the product of which shall be the Adjustment Amount, retroactive to January 1 for each new year.

vi) In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the percentage increase shall be made with the use of such conversion factor, formula, or table for converting the Index as may be published by Prentice Hall, Inc. or Commerce Clearing House or any nationally recognized publisher of similar statistical information. In the event the Index shall cease to be published, then, for the purpose of these provisions, there shall be substituted for the Index such other Index as LC and WC shall agree upon; and if they are unable to agree within ninety (90) days after the Index ceases to be published, such matter shall be determined by arbitration in accordance with the rules of the American Arbitration Association.

b) As of January 1 of each year following the expiration of the initial ten (10) full calendar years of the Lease Term, and each year thereafter, the Annual Rent with respect to the Units and the Community Building shall be increased (not decreased) by the Adjustment Amount as determined by the following formula:

i) the index to be used for this adjustment shall be the U.S. Bureau of Labor Statistics Consumer Price Index, U.S. City Average, All Items, All Urban Consumers (revised 1978, 1967 = 100) (the "Index").

ii) the Index as of January 1 of the prior year shall be the Base Period Index.

iii) the Index as of January 1 for each new year shall be the Adjustment Period Index.

iv) the Base Period Index shall be subtracted from the Adjustment Period Index, the difference of which (if a positive number) shall be the Percentage Index Increase.

v) the Percentage Index Increase shall be multiplied by the Base Rent as of December 31 for the year just ending, the product of which shall be the Adjustment Amount, retroactive to January 1 for each new year.

vi) In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the percentage increase shall be made with the use of such conversion factor, formula, or table for converting the Index as may be published by Prentice Hall, Inc. or Commerce Clearing House or any nationally recognized publisher of similar statistical information. In the event the Index shall cease to be published, then, for the purpose of these provisions, there shall be substituted for the Index such other Index as LC and WC shall agree upon; and if they are unable to agree within ninety (90) days after the Index ceases to be published, such matter shall be determined by arbitration in accordance with the rules of the American Arbitration Association.

WIND CREST RETIREMENT COMMUNITY
DEED OF MASTER LEASE AND USE AGREEMENT

EXHIBIT F
NOTICES

Notice shall be given as follows:

WC: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: President

LC: 701 Maiden Choice Lane
Baltimore, Maryland 21228
Attn: Legal Department

With a Copy to:

Herman B. Rosenthal, Esquire
Whiteford, Taylor & Preston L.L.P.
7 St. Paul Street, Suite 1400
Baltimore, Maryland 21202-1626

EXHIBIT H

(Erickson-Littleton Campus)

WHEN RECORDED, RETURN TO:

Kelly M. Wrenn, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street, NW, Suite 1000 South
Washington, DC 20005-3807

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (this "Assignment") is made as of the 29th day of March, 2006, by LITTLETON CAMPUS, LLC, a Maryland limited liability company ("Assignor"), to GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Assignee").

RECITALS

WHEREAS, Assignor is indebted to Assignee for a revolving loan facility in the aggregate principal amount at any one time outstanding not to exceed EIGHTY-THREE MILLION and 00/100 (\$83,000,000.00) DOLLARS (the "Loan"), to be advanced pursuant to a Construction Loan Agreement between Assignor and Assignee of even date herewith (as amended, restated or otherwise modified, the "Loan Agreement"), as evidenced by a Promissory Note of Assignor to Assignee of even date herewith, bearing interest at the variable rate described therein (as amended, restated or otherwise modified, the "Note").

WHEREAS, Assignee, as a condition to making the Loan to Assignor and to obtain additional security therefor, has required the execution of this Assignment by Assignor.

1. ASSIGNMENT

Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby transfer

and assign unto Assignee, its successors and assigns, all right, title and interest of Assignor in, to and under any and all leases executed by Assignor relating to or affecting the property located in Douglas County, Colorado, commonly known as 3330 West County Line Road, Highlands Ranch, Colorado, and described in Exhibit A attached hereto as a part hereof (hereinafter referred to as the "Premises"), or any part thereof, now existing or which may be

executed at any time in the future prior to the termination of this Assignment, and all amendments, extensions and renewals thereof (hereinafter collectively referred to as the "Leases" or singularly as the "Lease"), together with any and all guarantees of the obligations of the lessees under the Leases, (hereinafter such lessees are collectively referred to as the "Lessees" or singularly as the "Lessee"), and all rents, income and profits which may now or hereafter be or become due or owing under the Leases, or any of them, or on account of the use and/or occupancy of the Premises (collectively, "Rents"). The rights assigned hereunder shall include all of Assignor's right and power to modify any Lease, to terminate the term, to accept a surrender thereof, to waive or release the Lessee thereunder from the performance or observance by such Lessee of any obligations or conditions thereof, and to anticipate rents thereunder for more than one (1) month prior to accrual. This Assignment shall continue and remain in full force and effect during any period of foreclosure with respect to the Premises.

2. PURPOSES

2.01 Payment of Indebtedness. This Assignment is made for the purpose of securing the payment and performance of all of Assignor's obligations under the Note.

2.02 Other Sums. This Assignment also secures the payment and performance by Assignor of all other obligations of Assignor in connection with the Note, the Loan Agreement, the Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated of even date herewith (as amended, restated or otherwise modified, the "Deed of Trust"), and all other Loan Documents (as defined in the Loan Agreement), and any obligation, existing or hereinafter created, owed by Assignor to Assignee.

2.03 Other Obligations. This Assignment further secures the performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in the Note, the Deed of Trust, the Loan Agreement or any other Loan Document.

3. COVENANTS AND WARRANTIES OF ASSIGNOR

3.01 Priority. Except for assignments, if any, in favor of or approved in writing by Assignee, Assignor has not made or executed and will not make or execute any other assignment of any of the Leases, or the rents, income and profits accruing from the Premises. Assignor has not performed any acts or omitted to do any acts or execute any other instruments, and will not perform any acts or omit to do any acts, or execute any other instruments which will or might prevent Assignee from fully exercising Assignee's rights under any of the terms, covenants and conditions of this Assignment.

3.02 Existing Leases. All existing Leases (if any) are valid and enforceable in accordance with their terms. There are no material defaults now existing under any existing Leases and no state of facts now exists which, with the giving of notice or the lapse of time, or both, would constitute a material default or event of default thereunder. No existing Leases have been altered, modified, amended, terminated or renewed, nor have any of the terms and conditions thereof been waived in any manner. No existing Leases will be hereafter altered, modified or amended in any material respect, or terminated or renewed, nor will any material term or condition thereof by the Lessee to be kept, observed or performed be waived, nor will the

Lessee be released from the observance or performance of any duties or obligations thereunder, without the prior written approval of Assignee.

3.03 Subsequent Leases. All Leases hereafter entered into shall be in such form, with such Lessees, and under such terms and conditions as shall have been previously approved by Assignee. Assignee shall promptly notify Assignor of approval (which shall not be unreasonably withheld) or disapproval of any particular Lease. Following approval by Assignee, no such Lease will be altered, modified, or amended in any material respect (except as expressly contemplated therein), or terminated or renewed, nor will any material obligation thereunder of the Lessee be waived, nor will the Lessee be released from the observance and performance of any duties or obligations thereunder, without the prior written approval of Assignee.

3.04 Performance. Assignor will keep, observe and perform each and every condition and covenant imposed on Assignor under the Leases. Assignor will give prompt notice to Assignee of any material default under any Lease. Assignor, at its sole cost and expense, will enforce, short of termination, the performance or observance of each and every covenant and condition imposed on the Lessee under each Lease. Assignor, at its sole cost and expense, will appear in and defend any and all actions growing out of or in any manner related to, any of the Leases or the obligations, rights, or liabilities of Assignor or any of the Lessees thereunder.

3.05 Collection of Rents. Assignor has not collected or accepted payment of, and will not collect, or accept payment of, rent under any of the Leases for more than one (1) month in advance.

3.06 Further Assurances. Assignor will execute and deliver to Assignee all such further assurances and assignments as Assignee shall from time to time require or deem necessary.

3.07 No Restraints. Assignor is not prohibited by or under any agreement with any other person or party, or under any judgment or decree, from the execution and delivery of this Assignment or from the performance of each and every covenant of Assignor hereunder.

3.08 No Litigation. No litigation or other action has been brought or threatened by or against Assignor or any person or party claiming by, through or under Assignor, which would interfere with the right of Assignor to execute this Assignment, or to perform any of all of Assignor's duties and obligations hereunder.

4. COLLECTION OF RENTS

4.01 Collection of Rents. So long as no Event of Default, as hereinafter defined, exists, Assignor shall have the right to collect, but not more than one (1) month prior to accrual, all rents, issues and profits from the Premises and to retain, use and enjoy the same, unless otherwise provided under the Loan Documents.

4.02 Release. Upon the payment and performance of all obligations of Assignor under the Note, the Deed of Trust, the Loan Agreement and all other Loan Documents, this Assignment shall be and become null and void, of no further force or effect. A release of the Deed of Trust shall, for all purposes, terminate and release this Assignment.

5. FURTHER COVENANTS, WARRANTIES AND AGREEMENTS

5.01 Event of Default. Each of the following shall constitute an “Event of Default” hereunder by Assignor:

- (i) Assignor fails to keep, observe or perform any covenant, agreement or obligation of Assignor contained in this Assignment, which failure continues for a period of thirty (30) days after written notice to Assignor;
- (ii) any representation or warranty of Assignor herein contained proves untrue or misleading in any material respect;
- (iii) any default (including expiration of any applicable grace or cure period) or Event of Default occurs in or under the Note, the Deed of Trust, the Loan Agreement or any other Loan Document.

5.02 Remedies. If a default (which is not cured within any applicable grace or cure period) or an Event of Default occurs, Assignee may at Assignee’s option, without notice to Assignor, do any one or more of the following:

- (i) declare all amounts owed by Assignor to Assignee immediately due and payable to Assignee, whether or not the same are then due or owing;
- (ii) enter upon, take possession of, lease and operate the Premises, without becoming a mortgagee in possession; take possession of all personal property, fixtures, documents, books, records, papers and accounts of Assignor relating thereto, and exclude Assignor, its agents and servants, therefrom;
- (iii) perform any and all obligations of Assignor under any of the Leases, and exercise any and all rights of Assignor therein contained, as fully as Assignor could, without regard to the adequacy of security for the indebtedness hereby secured, with or without the bringing of any legal action or the causing of any receiver to be appointed by any court;
- (iv) make, enforce, modify and accept the surrender of any Lease;
- (v) retain and/or evict any Lessee, subject to rights of Lessee contained in the Deed of Trust or in any non-disturbance agreement executed by Assignee;
- (vi) fix or modify rent with respect to all or any portion of the Premises;
- (vii) sue for or otherwise collect and receive all rents, issues and profits with respect to all or any portion of the premises, and apply the same in the manner provided in Section 5.03 hereof; and
- (viii) do all other acts which Assignee may deem necessary or proper to protect Assignee’s security.

5.03 Power of Attorney. Assignor hereby appoints Assignee the true and lawful attorney in fact of Assignor, with full power of substitution, in Assignor's name and/or in Assignee's name, after an Event of Default hereunder, to sue for or make such settlement of claims, as Assignee may deem necessary or desirable, or otherwise demand, collect and receive, all rents, issues and profits emanating from or related to the Premises, or any part thereof, or any of the Leases, and to apply the same: first, to and against all costs and expenses of operation of the Premises (including, but not limited to, the payment of taxes, special assessments, insurance premiums, damage claims, and costs of maintaining, repairing, rebuilding and restoring the improvements on the Premises or of making the same rentable) of the performance of Assignor's obligations under the Leases, and of collection (including actual attorneys' fees) of such rents, issues and profits; second, to interest on, and then to the principal of, the indebtedness secured hereby; and third, to any other indebtedness or charge secured hereby or by the Deed of Trust. This power of attorney shall be deemed to be coupled with an interest, and shall be irrevocable. It is the intention of Assignor that all persons and parties may rely upon this power of attorney, and continue to rely upon it, unless and until this Assignment has become null and void pursuant to Section 4.02 hereof.

5.04 Payment by Lessees to Assignee. The Lessees are authorized and directed upon written demand by Assignee to pay any and all amounts due to Assignor under or pursuant to the Leases to Assignee, or to such nominee as Assignee may designate in writing delivered to and received by such Lessees. The Lessees are hereby expressly relieved of any and all duty, liability or obligation to Assignor in respect of all payments so made.

5.05 Assignee Not Liable for Performance Under Leases. Assignee shall not be under any obligation to exercise or prosecute any of the rights or claims assigned to the Assignee hereunder, or to perform or carry out any of the obligations of Assignor under any of the Leases, and Assignee does not assume any liabilities in connection with or arising or growing out of the covenants and agreements of Assignor in the Leases. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises, or any part thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance of any of the terms and conditions of any of the Leases, or for any waste of the Premises by the Lessees or by any other party, or for any dangerous or defective condition of the Premises, resulting in loss, injury or death of any of the Lessees, or to any other person or party.

5.06 Indemnity. Assignor hereby agrees to indemnify and hold Assignee harmless from any and all liability, loss, damage, cost or expense, including actual attorneys' fees, which may be incurred by Assignee under any of the Leases, or by reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on Assignee's part to perform or discharge any of the terms, covenants or agreement contained in any of the Leases, other than any liability, loss, damage, claim or demand arising solely from willful misconduct of Assignee.

5.07 No Merger. Assignor, without the prior written consent of Assignee, will not cause or permit the leasehold estate under any Lease to merge with Assignor's reversionary interest.

5.08 Rents. All earnings, revenues, rents, issues, profits and income of the Premises or any part thereof are hereby assigned to Assignee and, in the case of the happening and continuation of an Event of Default hereunder or as defined in the Deed of Trust, the Loan Agreement or any other Loan Document, Assignee shall be entitled to collect and receive all such earnings, revenues, rents, issues, profits and income personally or through a receiver as long as any such Event of Default shall exist and during the pendency of any foreclosure proceedings and during any redemption period, and the collection of such earnings, revenues, rents, issues, profits and income by Assignee shall in no way waive the right of Assignee to foreclose the Deed of Trust in the event of such an Event of Default. Assignor agrees to consent to a receiver if this is believed necessary or desirable for Assignee to enforce its right hereunder.

6. MISCELLANEOUS PROVISIONS

6.01 No Waiver. The entry upon and taking possession of the Premises by Assignee, the collection of rents and the application thereof, or the exercise of any other right or remedy by Assignee herein provided, shall not operate to cure or waive any default or Event of Default under any instrument made or given by Assignor to Assignee, or prohibit the taking of any other action by Assignee under any such instrument, or at law or in equity, to enforce payment of the indebtedness secured hereby, or to realize on or enforce any other security for such indebtedness.

6.02 Releases, etc. Assignee may take or release other security for the obligations secured hereby, release any party primarily or secondarily liable for any such obligations, grant extensions, renewals, or indulgences with respect to such obligations, and apply any other security therefor held by Assignee to the satisfaction of such obligations, without prejudice to any of Assignee's rights hereunder.

6.03 Performance by Assignee. Should Assignor fail to perform or observe any covenant or to comply with any condition contained in any of the Leases, then Assignee (without obligation so to do and without notice to or demand on Assignor or releasing Assignor from Assignor's obligation so to do) may perform such covenant or condition and, to the extent that Assignor shall incur any costs or expenses in connection therewith (including any costs or expenses of litigation), then such costs, expenses or payments shall be included in the indebtedness secured hereby and shall bear interest from the date thereof at the Default Rate under the Note.

6.04 Waiver by Assignee. Neither acquiescence by Assignee, nor failure of Assignee to insist upon strict performance by Assignor of any condition, obligation, warranty or agreement in this Assignment, shall constitute a waiver of such default or any subsequent or other default, nor, in the event Assignor is unable to cure such default, shall any such acquiescence or failure preclude Assignee from therefor declaring such default to be an Event of Default as herein provided. Any waiver Assignee of any condition, obligation, warranty or agreement herein contained shall be effective only if evidenced in a written instrument signed by Assignee and delivered to Assignor.

6.05 Rights Cumulative. The rights and remedies of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to all other rights or remedies which Assignee shall have under the Note, the Deed of Trust, the Loan Agreement or the other Loan

Documents, and in law or equity, all of which rights and remedies may be exercised concurrently.

6.06 Severability. If any term of this Assignment, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which such term is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

6.07 Notices. All notices to be given pursuant to this Assignment shall be in writing and shall be deemed to have been sufficiently given or served if presented or made in the manner provided in the Deed of Trust executed in connection herewith.

6.08 Word Meanings. The terms "Assignor" and "Assignee" shall be construed to include the heirs, executors, legal representatives, administrators, successors and assigns thereof. The term and expression "indebtedness secured hereby" shall mean and include each and every indebtedness referred to in Article 2 and in Section 6.03 hereof. This Assignment shall be binding upon the personal representatives, successors and assigns of Assignor and shall inure to the benefit of the successors, assigns and participants of Assignee.

6.09 Amendments. This Assignment contains the entire agreement by the parties with respect to the subject matter hereof and may not be amended, modified or changed except by an instrument in writing, signed by the party against whom enforcement of any such waiver, amendment, change, modification or discharge is sought and delivered to the other party.

6.10 Captions. The captions herein are for reference purposes only.

6.11 Time. Time is of the essence of this Assignment.

6.12 Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance.

6.13 RELIEF FROM AUTOMATIC STAY. **ASSIGNOR HEREBY AGREES THAT, IN CONSIDERATION OF ASSIGNEE'S AGREEMENT TO MAKE THE LOAN AND IN RECOGNITION THAT THE FOLLOWING COVENANT IS A MATERIAL INDUCEMENT FOR ASSIGNEE TO MAKE THE LOAN, IN THE EVENT THAT ASSIGNOR SHALL (I) FILE WITH ANY BANKRUPTCY COURT OF COMPETENT JURISDICTION OR BE THE SUBJECT OF ANY PETITION UNDER ANY SECTION OR CHAPTER OF TITLE 11 OF THE UNITED STATES CODE, AS AMENDED ("BANKRUPTCY CODE"), OR SIMILAR LAW OR STATUTE; (II) BE THE SUBJECT OF ANY ORDER FOR RELIEF ISSUED UNDER THE BANKRUPTCY CODE OR SIMILAR LAW OR STATUTE; (III) FILE OR BE THE SUBJECT OF ANY PETITION SEEKING ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR OTHER RELIEF FOR DEBTORS; (IV) HAVE SOUGHT OR CONSENTED TO OR ACQUIESCED IN THE APPOINTMENT OF ANY**

TRUSTEE, RECEIVER, CONSERVATOR, OR LIQUIDATOR; OR (V) BE THE SUBJECT OF AN ORDER, JUDGMENT OR DECREE ENTERED BY ANY COURT OF COMPETENT JURISDICTION APPROVING A PETITION FILED AGAINST ASSIGNOR FOR ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY OR RELIEF FOR DEBTORS, THEN, SUBJECT TO COURT APPROVAL, ASSIGNEE SHALL THEREUPON BY ENTITLED AND ASSIGNOR HEREBY IRREVOCABLY CONSENTS TO, AND WILL NOT CONTEST, AND AGREES TO STIPULATE TO RELIEF FROM ANY AUTOMATIC STAY OR OTHER INJUNCTION IMPOSED BY SECTION 362 OF THE BANKRUPTCY CODE, OR SIMILAR LAW OR STATUTE (INCLUDING, WITHOUT LIMITATION, RELIEF FROM ANY EXCLUSIVE PERIOD SET FORTH IN SECTION 1121 OF THE BANKRUPTCY CODE) OR OTHERWISE, ON OR AGAINST THE EXERCISE OF THE RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO ASSIGNEE AS PROVIDED IN THE LOAN DOCUMENTS, AND AS OTHERWISE PROVIDED BY LAW, AND ASSIGNOR HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO OBJECT TO SUCH RELIEF.

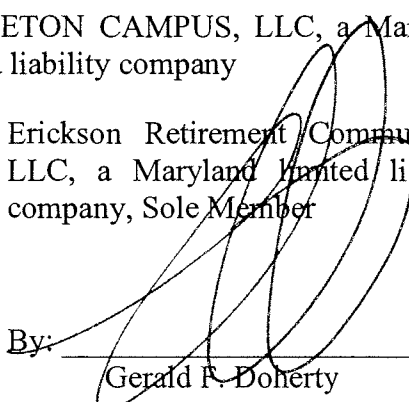
6.14 WAIVER OF TRIAL BY JURY. ASSIGNOR HEREBY VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY A JURY IN ANY ACTION, PROCEEDING OR LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THE LOAN, THIS ASSIGNMENT, OR ANY OF THE OTHER LOAN DOCUMENTS TO WHICH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

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Assignor has caused this Assignment of Rents and Leases to be signed and sealed as of the date first above written.

LITTLETON CAMPUS, LLC, a Maryland
limited liability company

By: Erickson Retirement Communities,
LLC, a Maryland limited liability
company, Sole Member

By: 
Gerald F. Doherty
Executive Vice President

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

This instrument was acknowledged before me on the 28th day of March, 2006 by GERALD F. DOHERTY, Executive Vice President of Erickson Retirement Communities, LLC, a Maryland limited liability company, the sole member of Littleton Campus, LLC, a Maryland limited liability company.

Witness my hand and official seal.

My Commission Expires: 12/1/06

Lori A. Nicolle, Notary Public
City of Baltimore
State of Maryland
My Commission Expires Dec. 1, 2006

(SEAL)



Notary Public

EXHIBIT A

LEGAL DESCRIPTION

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY
OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED
AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET TO THE WESTERLY
RIGHT-OF WAY LINE OF THE HIGHLINE CANAL RECORDED IN THE DOUGLAS
COUNTY CLERK AND RECORDERS OFFICE IN BOOK 34 AT PAGE 45 AND THE
POINT OF BEGINNING;

THENCE SOUTH 89°28'38" WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 5;
THENCE NORTH 01°08'14" EAST, ALONG THE WEST LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO A POINT ON THE
EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN SANTA FE
RAILROAD;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2)
COURSES:

1) NORTH 40°58'48" EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF
19°14'46", A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF 498.05 FEET,
(CHORD BEARS NORTH 31°21'25" EAST, A DISTANCE OF 495.71 FEET), TO A POINT
ON THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH $87^{\circ}29'35''$ EAST, A DISTANCE OF 2,063.27 FEET;
- 2) SOUTH $89^{\circ}15'10''$ EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

- 1) SOUTH $20^{\circ}14'32''$ WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $23^{\circ}12'45''$, A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH $08^{\circ}38'11''$ WEST, A DISTANCE OF 222.90 FEET);
- 3) SOUTH $02^{\circ}58'12''$ EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;
- 4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}57'33''$, A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH $26^{\circ}00'35''$ WEST, A DISTANCE OF 83.60 FEET);
- 5) SOUTH $54^{\circ}57'17''$ WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH $83^{\circ}45'03''$ WEST, A DISTANCE OF 127.24 FEET);
- 7) NORTH $67^{\circ}33'07''$ WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH $61^{\circ}12'16''$ WEST, A DISTANCE OF 645.13 FEET);
- 9) SOUTH $09^{\circ}45'59''$ WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 500.59 FEET, AND AN ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH $18^{\circ}23'37''$ WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH 89°29'33" WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;

THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE

EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN
(15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;
- 10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH $83^{\circ}45'03''$ EAST, A DISTANCE OF 223.27 FEET);
- 11) NORTH $54^{\circ}57'19''$ EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}56'54''$, A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH $26^{\circ}00'15''$ EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE
OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

EXHIBIT G

**SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT
OF LICENSES AND RESIDENCE AND CARE AGREEMENTS**

THIS SECURITY AGREEMENT, PLEDGE AND COLLATERAL ASSIGNMENT OF LICENSES AND RESIDENCE AND CARE AGREEMENTS (this "Security Agreement") is made as of the 29th day of March, 2006, in favor of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation (referred herein, together with its successors, assigns and participants as "Secured Party") by LITTLETON CAMPUS, LLC, a Maryland limited liability company ("Borrower") and ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("Erickson") (individually, each a "Grantor" and collectively, the "Grantors").

Borrower has acquired the real property (the "Land") located in Douglas County, Colorado, commonly known as 3330 West County Line Road, Highlands Ranch, Colorado (the "Property").

The Borrower and Secured Party have entered into a Loan Agreement dated of even date herewith (which Loan Agreement, as the same may at any time and from time to time be amended, restated, supplemented, or otherwise modified, is herein called the "Loan Agreement"), evidencing a revolving loan to Borrower up to Eighty-Three Million and 00/100 (\$83,000,000.00) Dollars. Pursuant to the Loan Agreement, the Borrower has executed and delivered to Secured Party a Promissory Note dated of even date herewith from the Borrower to the Secured Party (which Promissory Note, as the same may at any time and from time to time be amended, restated, extended, renewed, supplemented, replaced or otherwise modified, is herein called the "Note"). The proceeds of the loan evidenced by the Note will be used for construction of the Retirement Community described in the Loan Documents (the "Retirement Community").

In order to induce the Secured Party to enter into the Loan Agreement, Erickson (and others) have guaranteed the Borrower's obligations under the Loan Agreement, the Note and the other Loan Documents (as defined therein), pursuant to a Guaranty (Full Payment and Performance) of even date herewith by and between Erickson (and others) for the benefit of Secured Party (as the same may from time to time hereafter be amended, restated, supplemented or otherwise modified the "Guaranty Agreement").

Each Grantor agrees with the Secured Party as follows in order to secure (a) the prompt payment of the "Obligations," which term as used herein shall mean and include all past, present and future indebtedness, liabilities and obligations of any kind and nature whatsoever of each Grantor to the Secured Party, including, without limitation, such indebtedness, liabilities and obligations of the Grantors to the Secured Party, both now existing and hereafter arising under, in connection with, or as a result of the Loan Agreement, the Note, the Guaranty, and any of the other Loan Documents (as hereinafter defined), and (b) the performance of all of the terms, conditions, and provisions of each of the "Loan Documents," which term as used herein shall have the same meaning as ascribed to it in the Loan Agreement.

1. Collateral. Each Grantor hereby pledges and assigns to the Secured Party, and grants to the Secured Party a security interest in, and lien on, all of the assets of such Grantor of every kind whatsoever, including but not limited to each item of property of such Grantor described below, and in all cash and non-cash proceeds and products thereof, including the Borrower Collateral Account (as hereinafter defined) and all funds at any time on deposit therein, and all proceeds of all insurance policies covering all or any part of such property (collectively, the "Collateral"):

a. Inventory. All of each Grantor's inventory (as such term is defined in the applicable Uniform Commercial Code, as now or hereafter in effect), including, without limitation, embedded software, wherever located, both now owned and hereafter acquired, and as the same may now and hereafter from time to time be constituted, together with all cash and non-cash proceeds and products thereof.

b. Accounts. All of each Grantor's accounts (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all notes, notes receivable, amounts due to the Grantor under any leases, drafts, acceptances and similar instruments and documents both now owned and hereafter acquired, (including all accounts receivable and notes receivable and related collateral or security interests arising from loans made to, or from the lease of any property to, Wind Crest, Inc., a Maryland non-profit corporation (sometimes referred to as "WC" and sometimes referred to as "Tenant") all receivables arising out of the use of a credit or charge card or information contained on or for use with the card, all "health-care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), all Supporting Obligations (such term as used herein is defined below), letter-of-credit rights and letters of credit given by any person with respect to any of the foregoing, and all books and records in whatever media (paper, electronic or otherwise) recorded or stored, with respect to any or all of the foregoing and all equipment and general intangibles necessary to retain, access and/or process the information contained in those books and records, together with (i) all cash and non-cash proceeds thereof, and (ii) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to an account and all cash and non-cash proceeds and products of all such goods. Each Grantor's accounts shall include any and all amounts which it is entitled to receive under any of the Community Documents described in the Loan Agreement, including amounts received or entitled to be received in connection with the "Lease" and the "Working Capital Loan Documents" described in the Loan Agreement, as well as the proceeds of all loans which any Grantor receives or is entitled to receive under the "Community Loan Documents" described in the Loan Agreement.

c. General Intangibles. All of each Grantor's general intangibles (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all things in action, contractual rights, goodwill, literary rights, rights to performance, copyrights, trademarks, servicemarks, patents, judgments, and awards, general and limited partnership interests, membership interests in limited liability companies, tax refunds and rights or claims with respect to taxes paid, commercial tort claims, payment intangibles and Supporting Obligations, both now owned and hereafter acquired, together with all cash and non-cash proceeds and products thereof. Each Grantor's general intangibles shall include all of such Grantor's rights under the Community Documents described in the Loan

Agreement, including the Lease, the Community Loan Documents, the Working Capital Loan Documents, and the Management Agreement. No Grantor may amend or alter, or give any consent or waiver under the terms of, any of the said Community Documents, including the Lease, the Community Loan Documents, the Working Capital Loan Documents, and the Management Agreement, without the prior written consent of the Secured Party.

d. Chattel Paper. All of each Grantor's chattel paper (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) both now owned and hereafter existing, acquired or created, and including, without limitation, all records (including, without limitation, electronic chattel paper) which evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, or a lease of specific goods, together with (i) all moneys due and to become due thereunder, (ii) all Supporting Obligations with respect thereto, (iii) all cash and non-cash proceeds thereof, and (iv) all returned, rejected or repossessed goods, the sale or lease of which shall have given or shall give rise to chattel paper and all cash and non-cash proceeds and products of all such goods. Additionally, each Grantor assigns and grants to the Secured Party a security interest in all property and goods both now owned and hereafter acquired by the Grantor which are sold, leased, secured, serve as security for, are the subject of, or otherwise covered by, the Grantor's chattel paper, together with all rights incident to such property and goods and all cash and non-cash proceeds thereof.

e. All Equipment and Fixtures. All of each Grantor's equipment (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and fixtures, both now owned and hereafter acquired, including, without limitation, embedded software, together with (i) all additions, parts, fittings, accessories, special tools, attachments and accessions now and hereafter affixed thereto and/or used in connection therewith; (ii) all replacements thereof and substitutions therefor; and (iii) all cash and non-cash proceeds and products thereof.

f. Licenses. Except to the extent prohibited under applicable law and by the terms of the Licenses (as hereinafter defined), all right, title and interest of the each Grantor in, to and under the Licenses, including all liens and security interests with respect thereto, together with all rights, privileges and entitlements thereunder; provided, however, that nothing contained herein shall impose upon the Secured Party any of the obligations or liabilities of any Grantor under the Licenses, and provided further that the Secured Party shall not exercise any rights under such Licenses unless and until an Event of Default has occurred. For the purposes hereof, "Licenses" shall mean and include any and all licenses, certificates of need, certificates or orders of registration, operating permits, franchises, and other governmental authorizations and approvals, now or hereafter existing with respect to the acquisition, construction, renovation, expansion, leasing, ownership and/or operation of Wind Crest Retirement Community (hereinafter referred to as the "Retirement Community"), including all certificates of need, licenses and other authorizations of any kind in connection with any nursing home or other health care facilities which are a part of the Retirement Community, and any and all licenses issued by any governmental authority relating to the operation of food and beverage facilities and/or amenities, all "health care insurance receivables" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and any and all third-party payment contracts under which payment may be made for services rendered at the Retirement

Community, including, but not limited to, Medicare and Medicaid provider agreements issued to any Grantor and/or to the Retirement Community, together with all additions to, modifications of and substitutions for any of the foregoing. The Licenses include those items on Exhibit A hereto.

g. Residence and Care Agreements. All of each Grantor's right title and interest in and to all "Residence and Care Agreements" (together with all annexes, schedules and ancillary agreements related thereto) with residents of the Retirement Community, including any collateral rights of each Grantor therein.

h. Cash and Deposits. All of each Grantor's right, title and interest in all cash, cash equivalents, credits, securities, notes, and instruments, and all "deposit accounts" (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, all bank accounts, savings accounts, investment accounts, money market accounts and other such accounts of any nature and all funds, investments and securities on deposit therein, whether held by the Secured Party or by any other person or institution (collectively, "Funds"). All such Funds shall be deemed to be held for the benefit of the Secured Party, or, if held by another party, by such party as agent for the Secured Party. The Funds shall include, without limitation, all of each Grantor's interests in each of the "Bank Accounts", including, without limitation, the "Borrower Collateral Account", the "Lockbox Account" and the "Borrower Operating Account, and the "WC Operating Account" described in the Loan Agreement. Each Grantor agrees that the said Bank Accounts and WC Operating Account shall at all times be established and operated in accordance with the descriptions of the said Bank Accounts and WC Operating Account contained in the Loan Agreement and other Loan Documents. The Secured Party shall at all times have such dominion and control over the said Bank Accounts and WC Operating Account as provided in the Loan Agreement, and no Grantor shall have any rights to withdraw funds from any of the said Bank Accounts or WC Operating Account except as provided in the Loan Agreement.

i. Instruments. All of each Grantor's instruments (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect) and including, without limitation, all letters of credit issued to or for the benefit of the Grantor, both now and hereafter owned, existing or acquired.

j. Documents, Goods, Motor Vehicles. All of each Grantor's now and hereafter existing documents, documents of title or receipts covering, evidencing or representing any Inventory, goods, motor vehicles or other property both now and hereafter owned or purchased by the Grantor or for which the Grantor has contracted to purchase.

k. Investment Property. All of the Grantor's investment property (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), including, without limitation, all securities (whether certificated or uncertificated), security entitlement securities, account commodity contracts and commodity accounts, and all proceeds (cash and non-cash proceeds) of and Supporting Obligations with respect to the foregoing.

l. Supporting Obligations. All Supporting Obligations (as such term is defined in the applicable Uniform Commercial Code as now or hereafter in effect), and including, without limitation, all letter of credit rights, secondary obligations and obligations of a

secondary obligor, and secondary obligations that support the payment or performance of an Account, Chattel Paper, a Document, a General Intangible, an Instrument, or Investment Property.

m. Limitations. Notwithstanding the foregoing, the Collateral pledged by Erickson, shall include only those assets of Erickson, which are located at, or are used solely in connection with, or relate to, or arise from the Retirement Community, its development, financing and operation. With respect to computer systems owned by Erickson, or in which Erickson otherwise has rights, the Collateral shall include only the information (in whatever form, and on whatever media stored or retained by Erickson) related to the Retirement Community, the media on which information is stored or retained, and only those items of hardware, software, utilities and peripherals which are required to be used in order to retain, access, and/or process such information as stored and retained on such media.

2. Payment and Performance. Each Grantor will pay the Obligations to be paid by such Grantor as and when due and payable and will perform, comply with, and observe the terms and conditions of the Loan Documents to be performed, complied with and observed by such Grantor.

3. Representations and Warranties. (a) Each Grantor represents and warrants, to the Secured Party, with respect to Collateral owned by it, that it is the sole owner of such Collateral and has good and marketable title to such Collateral free and clear of all liens, charges, security interests and other encumbrances except for those in favor of the Secured Party and those previously disclosed in writing to the Secured Party and permitted by the Loan Agreement. Upon request of the Secured Party, each Grantor shall deliver to the Secured Party all certificates of title, certificates of origin or other evidence of the Grantor's ownership of the Collateral as may be required by the Secured Party.

(b) Each Grantor represents and warrants to the Secured Party as of the date hereof and as of the date any future Licenses are issued to, or acquired by, the Grantor that:

i. the licenses and permits listed on Exhibit A attached hereto constitute all material Licenses required to construct, develop and operate the Retirement Community and to provide the range of services and care as conducted or intended to be conducted at the Retirement Community;

ii. all of the Licenses have been issued in the names of one or more of the Grantor(s), or in the name of WC, as indicated on Exhibit A;

iii. there has been no breach of any condition to the issuance, maintenance, renewal and/or continuance of any of the Licenses, and no event has occurred which, with the giving of notice or the passage of time, or both, would constitute such a breach;

iv. all fees, charges and other expenses have been paid, all information has been provided and all material conditions precedent to the issuance, maintenance, renewal, and continuance thereof have been complied with, with respect to all of the Licenses;

v. none of the Grantors has received any notice from any governmental authority of any actual, pending or threatened, suspension, revocation, restriction or imposition of any probationary use of any of the Licenses, or any material amendments or modifications to the Licenses;

vi. this Assignment is the only assignment by the Grantors of any of the Licenses;

vii. the Licenses are free and clear of all liens, security interests and other encumbrances, except for liens granted to the Grantors or to the Secured Party;

viii. none of the Licenses has been or is expected to be issued for a period of less than twelve (12) months unless such license is normally issued for a period of less than twelve (12) months in which case, such License has been or is expected to be issued for a period the duration of which is customary for such License; and

ix. the Grantors have the full power and authority to execute and deliver this Assignment and to perform and comply with the terms and conditions hereof, all of which have been duly authorized.

4. Further Assurances. The Grantors will, jointly and severally, defend their title to the Collateral against all persons and will upon request of the Secured Party, promptly (a) furnish such further assurances of title as may reasonably be required by the Secured Party; and (b) deliver, and execute and/or authorize the filing of or cause to be delivered and executed, in form and content satisfactory to the Secured Party, any financing, continuation, amendment, termination or security interest filing statement, security agreement or other document as the Secured Party may request in order to perfect, preserve, maintain or continue the perfection of the Secured Party's security interest in the Collateral and/or its priority. The Grantors will, jointly and severally, pay the costs of filing any and all financing, continuation, termination or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. The Grantors, jointly and severally, hereby covenant to save harmless and indemnify the Secured Party from and against any liability resulting from the failure to pay any required documentary stamps, recordation and transfer taxes, and recording costs incurred by the Secured Party in connection with this Security Agreement, which covenant shall survive the termination of this Security Agreement and the payment of the Obligations. A carbon, photographic or other reproduction of a financing statement is sufficient as a financing statement. This Security Agreement (and reproductions thereof) shall also constitute, and may be filed among the records of any jurisdiction as, a financing statement. Without implying any limitation on the foregoing, with respect to the Collateral that may be perfected by control, the Grantor shall take such steps as the Secured Party may require in order that Secured Party may have such control. To the extent that the proceeds of any of the Accounts are expected to become subject to the control of, or in the possession of, a party other than the Grantor or the Secured Party, the Grantor shall cause all such parties to execute and deliver on the date of this Security Agreement and from time to time hereafter security documents, financing statements or other documents as requested by the Secured Party and as may be necessary to evidence and/or perfect the security interest of the Secured Party in those proceeds. The Grantor hereby irrevocably appoints the Secured Party as

the Grantor's attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of the Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantor and without notice to the Grantor, to execute and deliver any and all of the Instruments and other documents and take any action which the Secured Party may require pursuant the foregoing provisions of this Section, but only in order to further assure the lien, priority and perfection of the security interests created under this Security Agreement. Further, except to the extent prohibited by applicable laws, the Secured Party may file, without the Grantor's signature, one or more financing statements or other notices disclosing the Secured Party's liens and other security interests. All financing statements and notices may describe the Secured Party's collateral as all assets or all personal property of Grantor. Notwithstanding, the filing of such "all assets" financing statements, the scope of the Secured Party's liens and security interests with respect to the Collateral shall be governed by the granting language of the Loan Documents. Furthermore, notwithstanding the provisions of this Security Agreement regarding control, the Grantors shall not be obligated to obtain or provide evidence or documentation of control with respect to any funds now or hereafter held by the Escrow Agent (as defined in the Loan Agreement) under the Escrow Agreement (as defined in the Loan Agreement), unless and until such funds are released from the Escrow Agreement in accordance with the terms thereof.

5. Transfer and Other Liens. Except as otherwise expressly permitted in the Loan Agreement, the Grantors, jointly and severally agree that they will not sell, lease, transfer, exchange or otherwise dispose of the Collateral, or any part thereof or interest therein, without the prior written consent of the Secured Party, and that they will not permit any lien, security interest or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of the Secured Party or those permitted by the Secured Party in writing, except that each Grantor may, in the ordinary course of its business, and in the absence of an Event of Default hereunder, collect its accounts and Chattel Paper and sell its Inventory, and grant purchase money liens to secure the purchase price of newly acquired equipment and vehicles.

6. Consents. Without notice to and further consent of any of the Grantors, without in any way waiving any of the provisions of this Security Agreement and without in any way releasing all or any part of the Obligations and/or of the Collateral, each Grantor hereby consents (a) to any extension of time for payment of any of the Obligations; (b) to any renewal, modification, waiver or release of any of the Obligations and of any of the Loan Documents; (c) to the addition to or release of, any or all of the Grantors or of any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations and of any of the Loan Documents; (d) to the addition to or release of all or any part of the collateral and security for any of the Loan Documents and all or any part of the Collateral hereunder; and (e) to any indulgence and/or waiver given to any or all of the Grantors or to any other maker, accommodation maker, endorser, guarantor, surety or indemnitor of any of the Obligations.

7. Books and Records. Each Grantor will (a) at all times maintain, in accordance with generally accepted accounting principles, accurate and complete books and records pertaining to its operation, business and financial condition and pertaining to its interest in the Collateral and any contracts and collections relating to the Collateral; (b) furnish to the Secured Party promptly upon request and in the form and content and at the intervals specified by the Secured Party, such financial statements, reports, schedules and other information with

respect to its operation, business, affairs and financial condition as the Secured Party may from time to time reasonably require; (c) at all reasonable times and without hindrance and delay, permit the Secured Party or any person designated by the Secured Party to enter any place of business of the Grantors or any other premises where any books, records and other data concerning the Grantors and/or the Collateral may be kept and to examine, audit, inspect and make extracts from and photocopies of any such books, records and other data; (d) furnish to the Secured Party promptly upon request and in the form and content specified by the Secured Party lists of account debtors, lists of purchasers of inventory, aging of Accounts, aggregate cost or wholesale market value of inventory, schedules of equipment and other data concerning the Collateral as the Secured Party may from time to time specify; and (e) mark its books and records in a manner satisfactory to the Secured Party so that the Secured Party's rights in and to the Collateral will be shown.

8. Names of Grantors, Places of Business and Organization of Grantors and Location of Collateral. Each Grantor represents and warrants to the Secured Party that its correct legal name is as specified on Schedule I attached hereto and that each legal or trade name of such Grantor used during the previous five (5) years (if different from such Grantor's current legal name) is as specified on Schedule I attached hereto. Without prior written notice to the Secured Party, no Grantor will change its name. Each Grantor warrants that such Grantor is organized and existing under the laws of the State set forth on Schedule I attached hereto and that the address of its chief executive office and the address of each other places of business of such Grantor are as specified on Schedule I attached hereto. The Collateral and all books and records pertaining to the Collateral have been for the previous four (4) months (unless acquired by one or more of the Grantors during the previous four (4) months), are only at the chief executive offices specified on Schedule I attached hereto and will be in the future at such executive offices and/or at the situs of the Retirement Community. Each Grantor will immediately advise the Secured Party in writing of the opening of any new place of business or the closing of any of its existing places of business, and of any change in the State of its organization, the location of its chief executive office and the places where the Collateral, or any part thereof, or the books and records concerning the Collateral, or any part thereof, are kept.

9. Care of Collateral. Each Grantor will maintain the Collateral in good condition and will not do or permit anything to be done to the Collateral that may impair its value or that may violate the terms of any insurance covering the Collateral or any part thereof. The Secured Party shall not have any duty to, and each Grantor hereby releases the Secured Party from all claims for loss or damage caused by the failure to, collect or enforce any Account, General Intangible, Supporting Obligation or Chattel Paper or to preserve rights against prior parties to the Collateral.

10. Insurance. Each Grantor will insure such of the Collateral as specified by the Secured Party against such casualties and risks in such form and amount as may from time to time be required by the Secured Party. All insurance proceeds shall be payable to the Secured Party and all policies or certificates of insurance shall be furnished to the Secured Party. Each Grantor will pay all premiums due or to become due for such insurance and hereby assigns to the Secured Party any returned or unearned premiums which may be due upon cancellation of insurance coverage. The Secured Party is hereby irrevocably (a) appointed as each Grantor's attorney-in-fact to endorse in the name of any Grantor and/or the Secured Party any draft or

check which may be payable to such Grantor in order to collect such returned or unearned premiums or the proceeds of insurance after the occurrence of an Event of Default; and (b) authorized to apply such insurance proceeds after the occurrence of an Event of Default in the same manner and order as the proceeds of sale or other disposition of the Collateral are to be applied pursuant to paragraph 22 hereof.

11. Taxes. Each Grantor will pay as and when due and payable all taxes, levies, license fees, assessments and other impositions levied on the Collateral or any part thereof or for its use and operation, subject to any right to contest provided in the Loan Documents.

12. Equipment not Fixtures. Each Grantor warrants that all equipment which constitutes a part of the Collateral is personalty and is not and will not be affixed to real estate in such manner as to become a fixture or part of such real estate. If, in the opinion of the Secured Party, any such equipment is or may become part of any real estate (other than the real estate covered by the Mortgage described in the Loan Agreement), the Grantors will furnish to the Secured Party a written waiver by the record owner of such real estate of all interest in such equipment and a written subordination to the Secured Party's security interest and lien by any person who has a lien on or security interest in such real estate which is or may be superior to the Secured Party's security interest hereunder.

13. Specific Security Agreements or Assignments. Promptly, upon request by the Secured Party, each Grantor will execute and deliver to the Secured Party written security agreements, assignments, endorsements and/or schedules, in form and content satisfactory to the Secured Party, of specific items of Collateral, including specific Chattel Paper, General Intangibles, Supporting Obligations and Accounts or groups of Chattel Paper, General Intangibles, Supporting Obligations or Accounts, but the security interest of the Secured Party hereunder shall not be limited in any way by such assignments. Such specific assignments are to secure payment of the Obligations and performance of the Loan Documents and are not intended to evidence a sale to the Secured Party (whether or not any assignments thereof separate from this Security Agreement are in form absolute).

14. Delivery, etc. of Chattel Paper and Other Collateral. Each Grantor will promptly upon request by the Secured Party, deliver, assign and endorse to the Secured Party all Chattel Paper and all other documents held by such Grantor in connection therewith, and any other Collateral in which a security interest must be perfected by possession.

15. Government Contracts. If any Account or Chattel Paper arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, the Grantors shall immediately notify the Secured Party thereof in writing and execute any instruments or take any steps required by the Secured Party in order that all moneys due or to become due under such contract or contracts shall be assigned to the Secured Party and notice thereof given under the Federal Assignment of Claims Act.

16. Collateral Account. If all or any part of the Collateral at any time consists of inventory, accounts, general intangibles or chattel paper, the Borrower will, deposit or cause to be deposited to a bank account designated by the Secured Party and from which the Secured Party alone has power of access and withdrawal (the "Borrower Collateral Account") all checks,

drafts, cash and other remittances in payment or on account of payment of such inventory, accounts, general intangibles or chattel paper and the cash proceeds of such accounts, general intangibles or chattel paper, including but not limited to any "Entrance Deposits" received from any residents pursuant to Residence and Care Agreements, (all of the foregoing herein collectively referred to as "items of payment"). The Borrower shall deposit such items of payment for credit to the Borrower Collateral Account as and when required by the Loan Agreement, and in precisely the form received, except for the endorsement of the Borrower where necessary to permit the collection of such items of payment, which endorsement the Borrower hereby agrees to make. Pending such deposit, the Borrower will not commingle any such items of payment with any of its other funds or property, but will hold them separate and apart. The Secured Party will apply the whole or any part of the collected funds credited to the Borrower Collateral Account in accordance with the Loan Agreement against the Obligations, or credit such collected funds to a banking account of the Borrower with the Secured Party, the order and method of such application to be in the sole discretion of the Secured Party.

17. Rights of Secured Party and Duties of Grantor. If all or any part of the Collateral at any time consists of Inventory, Accounts, General Intangibles, Supporting Obligations or Chattel Paper: (a) the Secured Party may, upon the occurrence of an Event of Default, at any time and from time to time, and each Grantor hereby irrevocably appoints the Secured Party as its attorney-in-fact, with power of substitution, in the name of the Secured Party or in the name of such Grantor or otherwise, for the use and benefit of the Secured Party, but at the cost and expense of the Grantors, jointly and severally, and without notice to the Grantors, (i) notify the account debtors obligated on any of the Collateral (including WC, with respect to the working capital loan evidenced by the Working Capital Loan Documents) to make payments thereon directly to the Secured Party, and to take control of the cash and non-cash proceeds of any such Collateral, (ii) charge to any banking account of the Borrower with the Secured Party any item of payment credited to the Borrower Collateral Account which is dishonored by the drawee or maker thereof; (iii) compromise, extend, or renew any of the Collateral or deal with the same as it may deem advisable; (iv) release, make exchanges, substitutions, or surrender, all or any part of the Collateral; (v) remove from each Grantor's place of business all books, records, ledger sheets, correspondence, invoices and documents, relating to or evidencing any of the Collateral or without cost or expense to the Secured Party, make such use of the Grantors' places of business as may be reasonably necessary to administer, control and collect the Collateral; (vi) repair, alter or supply goods, if any, necessary to fulfill in whole or in part the purchase order of any account debtor; (vii) demand, collect, receipt for and give renewals, extensions, discharges and releases of any of the Collateral; (viii) institute and prosecute legal and equitable proceedings to enforce collection of, or realize upon, any of the Collateral; (ix) settle, renew, extend, compromise, compound, exchange or adjust claims with respect to any of the Collateral or any legal proceedings brought with respect thereto; (x) endorse the name of the appropriate Grantor upon any items of payment relating to the Collateral or upon any Proof of Claim in Bankruptcy against an account debtor; and (xi) receive and open all mail addressed to the Grantors and, if an Event of Default exists hereunder, notify the Post Office authorities to change the address for the delivery of mail to the Grantors to such address as the Secured Party may designate; and (b) the Grantors will (i) make no material change to the terms of any lease or of any Account, General Intangible, Supporting Obligation or Chattel Paper without the prior written permission of the Secured Party; and (ii) on demand, make available in form acceptable to the Secured Party documents and receipts evidencing any transaction giving rise to any lease,

Account, General Intangible, Supporting Obligation or Chattel Paper, completion certificates or other proof of the satisfactory performance of services which gave rise to an Account, a General Intangible, Supporting Obligation or Chattel Paper, and each Grantor's copy of any written contract or order from which a lease, an Account, a General Intangible, Supporting Obligation or Chattel Paper arose.

18. Covenants Relating to the Licenses. Each Grantor hereby covenants and agrees as follows:

a. Each Grantor shall take any and all steps necessary to renew the Licenses in accordance with all applicable laws, rules and regulations and shall fully, promptly and faithfully comply with and perform its obligations and duties under the Licenses in accordance with the terms thereof, including, without limitation, (i) the payment of any and all issuance, renewal or other fees, charges, assessments and other expenses assessed by any issuing governmental authority in connection with any of the Licenses, (ii) the filing of any and all reports, surveys, schedules, certificates, applications and other items required by any issuing governmental authority as a condition precedent to any renewal, issuance, or continuance of any of the Licenses, and (iii) the operation and maintenance of the Retirement Community in compliance with all laws, rules and regulations imposed upon and governing retirement communities, assisted living facilities and comprehensive care facilities in general, and the Retirement Community in particular.

b. No Grantor shall (i) request any changes or amendments to any of the Licenses that are not customarily made in the ordinary course of business, or (ii) terminate, restrict, or cancel any of the Licenses, to the extent any such changes, amendments, termination, restriction or cancellation could have a materially adverse effect on the financial condition or operations of the Grantor.

c. Each Grantor will promptly (i) furnish to the Secured Party evidence of the issuance, renewal or continuance of any of the Licenses, and evidence of compliance with all of the conditions under which any of the Licenses exists, and (ii) inform the Secured Party of any notices received relating to the threatened or actual revocation, restriction, suspension or expiration of any of the Licenses, including any proposed or actual admission ban or restriction.

d. Each Grantor will promptly notify the Secured Party in writing of the happening of any of the following events: (i) any modification of any of the Licenses, if such modification would substantially affect such License, (ii) failure or inability of such Grantor to comply with any of the conditions of the Licenses, (iii) any receipt of any notice of the threatened or pending revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses or any pending or threatened revocation, suspension, probation, expiration, amendment, or rescission of any of the Licenses, and (iv) as a consequence of any sanction of a governmental authority, the issuance or threatened issuance of any of the Licenses for a period of less than twelve (12) months from the date of issuance.

e. Each Grantor will keep the Licenses free and clear of all liens, security interests and other encumbrances, other than (i) those in favor of the Secured Party, and

(ii) a subordinate lien in favor of one or more of the Grantors, all of which have been assigned to the Secured Party.

19. Covenants Related to Residence and Care Agreements.

a. To the extent that they have any authority or rights with respect to the Residence and Care Agreements, the Grantors shall not, without the prior written consent of the Secured Party, enter into, or take or fail to take any action pursuant to, or give any consent under the terms of, any Residence and Care Agreement which materially reduces or delays the amount (taken in the aggregate) or the timing of payment of any of the fees or charges payable by any resident as shown or described in the form of Residence and Care Agreement delivered to Secured Party on or prior to closing, or which would in any other manner result in a reduction or delay in the amount or timing of payments under the Lease or the Loan Documents, or in the amounts available to the Grantors for such purposes. Upon request of the Secured Party, the Grantors shall provide to the Secured Party copies of executed Residence and Care Agreements, schedules regarding the same in form and substance acceptable to the Secured Party, and such other information regarding the Residence and Care Agreements and (subject to applicable laws regarding privacy) the Residents as the Secured Party may reasonably require, including any information the Secured Party deems pertinent to evaluate the financial condition and business affairs of the Grantors.

b. Each Grantor hereby agrees that all Entrance Deposits shall be held as provided in

c. the Loan Agreement. Except to the extent prohibited by law, each Grantor hereby assigns to the Secured Party, and grants to the Secured Party a security interest in, all of the Grantor's interest (if any) in the Entrance Deposits (which term shall include all similar deposits, payments or entrance fees charged by the Grantors and relating to the occupation of living units in the Retirement Community), whether now in escrow or received after the date hereof. Except to the extent prohibited by applicable law, the Secured Party shall be entitled to exercise its remedies as a secured party under the applicable Uniform Commercial Code, and all other rights and remedies available to the Secured Party, against the Entrance Deposits without being obligated to assume any of the obligations of any of the Grantors under the Residence and Care Agreements, and the Grantors shall continue to be liable, jointly and severally, for all obligations of any of the Grantors thereunder. Each Grantor hereby agrees to use its best efforts to satisfy the conditions precedent to permit the release of the Entrance Deposits from escrow.

20. Performance by the Secured Party. If any Grantor fails to perform, observe, or comply with any of the conditions, terms or covenants contained in this Security Agreement, the Secured Party, without notice to or demand upon any of the Grantors and without waiving or releasing any of the Obligations or any default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms or covenants for the account and at the joint and several expense of the Grantors, and may enter upon any place of business or other premises of any of the Grantors for that purpose and take all such action thereon as the Secured Party may consider necessary or appropriate for such purpose. All sums paid or advanced by the Secured Party in connection with the foregoing and all costs and expenses

(including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") together with interest thereon at the Default Rate set forth in the Note, from the date of payment until repaid in full, shall be paid by the Grantors, jointly and severally to the Secured Party on demand and shall constitute and become a part of the Obligations secured hereby.

21. Event of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Security Agreement: (a) any failure of any of the Grantors to perform, observe or comply with any of the provisions of this Security Agreement which is not cured within ten (10) days after notice from the Secured Party; (b) the occurrence of an Event of Default under any of the Loan Documents; (c) if any information furnished by any Grantor, or by any other person acting on behalf of any Grantor in connection with the Collateral, or with any of the Loan Documents shall prove untrue or misleading in any material respect; (d) the filing of any petition under the Bankruptcy Code or any similar Federal or State statute by or against any Grantor, or the failure of any Grantor generally to pay debts as such debts become due; (e) the filing of an application for the appointment of a receiver for, the making of a general security agreement for the benefit of creditors by, or the insolvency of, any Grantor; or (f) the dissolution, merger, consolidation, or reorganization of any Grantor.

22. Rights and Remedies Upon an Event of Default. In the event of an Event of Default hereunder (and in addition to all of its rights, powers and remedies under this Security Agreement), the Secured Party may, at its option, declare the unpaid balance of all or any part of the Obligations to be immediately due and payable, and the Secured Party shall have all of the rights and remedies of a Secured Party under the applicable Uniform Commercial Code and other applicable laws. The Grantors, upon demand by the Secured Party, shall assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party which is mutually convenient to both parties. The Secured Party or its agents may enter upon any Grantor's premises with or without judicial process or proceedings to take possession of the Collateral, to remove it, to render it unusable or to sell or otherwise dispose of it.

Additionally, upon the occurrence of an Event of Default hereunder, the Secured Party may, by written notice to the Grantors and to WC, direct that any and all future payments in respect of the Working Capital Loan Documents shall be made by WC directly to the Secured Party. Each Grantor hereby authorizes WC to make all further payments on account of the Working Capital Loan Documents directly to the Secured Party following receipt by WC of notice from the Secured Party of the occurrence of an Event of Default hereunder, and without regard to, and without any duty to investigate, the facts supporting declaration of an Event of Default by the Secured Party. In order to effectuate the provisions of this paragraph, and in addition to all rights the Secured Party has hereunder, below, the Borrower has executed and delivered to the Secured Party a letter, dated in blank, a copy of which is attached as Exhibit B hereto, pursuant to which the Borrower directs WC to make all payments in respect of the Working Capital Loan Documents from and after the date of the letter directly to the Secured Party. Secured Party shall be entitled to date such letter and to deliver it to WC following the occurrence of an Event of Default hereunder. WC shall be entitled to rely on such letter, as dated and delivered by the Secured Party, and to act in accordance with the instructions contained therein, without regard to, and without any duty to investigate, the facts supporting the Secured Party's declaration of an Event of Default hereunder.

Subject to the provisions of this Security Agreement, upon or at any time after the occurrence of an Event of Default under the Loan Documents, the Secured Party may, without notice and without regard to the adequacy of security for the Obligations, either in person or by agent, with or without bringing any action or proceeding, or by a receiver to be appointed by a court, enforce any and all rights and remedies of the Grantor under and in connection with any of the Licenses, except to the extent prohibited by law, and subject to the provisions of this Security Agreement or any of the other Loan Documents, make, cancel, enforce, transfer or modify any of the Licenses and do any acts that the Secured Party deems proper to protect the security hereof. Each Grantor agrees to take all actions necessary to enable the Secured Party to fully exercise its rights hereunder, including, but not limited to assisting the Secured Party to obtain any required governmental agency approval. Each Grantor shall cooperate to the fullest extent possible in arranging for the transfer or issuance to the Secured Party or its designee or assignee of all licenses, permits, approvals and authorizations, and all governmental and private reimbursement agreements of any kind, necessary or useful to the operation of the Retirement Community, under applicable federal, state or local law. The cooperation required under this agreement shall include the execution, delivery and filing with appropriate governmental entities and private party health care reimbursers of all applications, petitions, requests, assignments and other documents or instruments of any kind, including but not limited to a surrender or termination of any existing operating license, provider agreement or other reimbursement agreement if requested by the Secured Party to facilitate the issuance of new licenses or provider agreements in the name of the Secured Party or its designee or assignee. The Secured Party shall have the right, and each Grantor hereby irrevocably designates and appoints the Secured Party and its designees as the attorney-in-fact of the Secured Party, with power of substitution and with power and authority in such Grantor's name, the Secured Party's name or otherwise and for the use and benefit of the Secured Party to take control of, change the terms of, release, exchange, substitute, extend, renew or otherwise deal with, the Licenses in any manner as the Secured Party may deem advisable, should any Grantor fail to cooperate as required above.

Any written notice of the sale, disposition or other intended action by the Secured Party with respect to the Collateral which is required by applicable laws and is sent by regular mail, postage prepaid, to the Grantors at the address of the Grantors' chief executive office specified below, or such other address of the Grantors which may from time to time be shown on the Secured Party's records, at least ten (10) days prior to such sale, disposition or other action, shall constitute reasonable notice to the Grantors. The Grantors shall, jointly and severally, pay on demand all costs and expenses, including, without limitation, attorney's fees and expenses, incurred by or on behalf of the Secured Party (a) in enforcing the Obligations, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting or otherwise disposing of, the Collateral. All of such costs and expenses (collectively, the "Enforcement Costs") together with interest thereon at the Default Rate set forth in the Note, from the date of payment until repaid in full, shall be paid, jointly and severally, by the Grantors to the Secured Party on demand and shall constitute and become a part of the Obligations secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by the Secured Party to the payment of Enforcement Costs and Expense Payments, and any balance of such proceeds (if any) will be applied by the Secured Party to the payment of the remaining

Obligations (whether then due or not), at such time or times and in such order and manner of application as the Secured Party may from time to time in its sole discretion determine.

In addition to, and without limitation of, any rights of the Secured Party under applicable laws, if any Grantor becomes insolvent, however evidenced, or any Event of Default occurs, the Secured Party may at any time and from time to time thereafter, without notice to any of the Grantors, set-off, hold, segregate, appropriate and apply at any time and from time to time thereafter all such indebtedness, deposits, credits, balances (whether provisional or final and whether or not collected or available), monies, securities and other property toward the payment of all or any part of the Obligations in such order and manner as the Secured Party in its sole discretion may determine and whether or not the Obligations or any part thereof shall then be due or demand for payment thereof made by the Secured Party.

23. Remedies Cumulative. Each right, power and remedy of the Secured Party as provided for in this Security Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Security Agreement or in the Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Secured Party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Secured Party of any or all such other rights, powers or remedies.

24. Waiver. No failure or delay by the Secured Party to insist upon the strict performance of any term, condition, covenant or agreement of this Security Agreement or of the Loan Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant or agreement or of any such breach, or preclude the Secured Party from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, the Secured Party shall not be deemed to have waived the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to effect such payment of any such other Obligations. No course of dealing between the Secured Party and the Grantors shall be effective to amend, modify or change any provision of this Security Agreement or the other Loan Documents, and the Secured Party shall have the right at all times to enforce the provisions of this Security Agreement and any of the other Loan Documents in strict accordance with the terms hereof and thereof, notwithstanding any conduct or custom on the part of the Secured Party in refraining from so doing at any time or times. No modification, change, waiver or amendment of this Security Agreement shall be deemed to be made by the Secured Party unless in writing signed by the Secured Party, and each such waiver if any, shall apply only with respect to the specific instance involved. Each Grantor waives presentment, notice of dishonor and notice of non-payment with respect to Accounts, General Intangibles, Supporting Obligations and Chattel Paper.

25. Governing Law. This Security Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance.

26. Miscellaneous. The paragraph headings of this Security Agreement are for convenience only, and shall not limit or otherwise affect any of the terms hereof. Neither this Security Agreement nor any term, condition, covenant or agreement hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought. In conjunction with the sale, assignment or transfer of all or any part of the Obligations and of the Loan Documents to any person or persons, the Secured Party may, as provided in the Loan Agreement, at any time and from time to time sell, assign and transfer all or any part of this Security Agreement and the Collateral hereunder and each such purchaser, assignee and transferee shall have all of the rights, remedies and benefits of the Secured Party hereunder, provided that the Secured Party shall continue to have its rights, remedies and benefits hereunder as to so much of the Obligations and Loan Documents that it has not sold, assigned or transferred. This Security Agreement shall be binding upon the personal representatives, successors and assigns of the Grantors and shall inure to the benefit of the successors, assigns and participants of the Secured Party. In the event any one or more of the provisions of this Security Agreement shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Security Agreement operate or would prospectively operate to invalidate this Security Agreement, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Security Agreement and the remaining provisions of this Security Agreement shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby. As used herein, the singular number shall include the plural, the plural the singular and the use of the masculine, feminine or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a limited liability company, a trust and an organization. Unless varied by this Security Agreement, all terms used herein which are defined by the applicable Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the applicable Uniform Commercial Code as now or hereafter in effect. The terms "sign," "signed" and "signatures" shall have their ordinary meanings except that, to limited extent the Secured Party in an authenticated record expressly agrees otherwise from time to time in the exercise of its sole and absolute discretion, the terms may also include other methods used to authenticate. The term "Obligations" as used herein shall be liberally construed to include, without limitation, the obligations, indebtedness and liabilities of each of the Grantors to the Secured Party for, arising under, or in connection with, any and all future loans, credit facilities and financial accommodations by the Secured Party to any of the Grantors whether or not the same may be presently contemplated by the Loan Agreement, the Note, the Guaranty, or any of the other Loan Documents existing on or about the date hereof. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Documents. If any provision hereof relating to the maintenance of books and records or insurance conflicts with any provision of the Loan Agreement or the Deed of Trust (as defined therein), the provisions of the Loan Agreement or Deed of Trust (as the case may be) shall control. This Security Agreement may be executed in counterparts.

27. Notices. All notices, requests and demands upon the respective parties hereto shall be deemed to have been given or made when delivered against hand receipt or five (5) days after deposit in the United States mail, postage prepaid, and addressed as follows:

(1) If to the Secured Party: GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, Pennsylvania 19044
Attention: Construction Lending Department

with a copy to: Kelly M. Wrenn, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street, Suite 1000 South
Washington, DC 20005

(2) If to any Grantor: [Name of Entity]
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: Chief Financial Officer

with a copy to: General Counsel
Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228

or to such other address and addressee in respect of any party as such party shall notify the others in writing.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the signature and seal of each Grantor is subscribed to this Security Agreement the day and year written above.

LITTLETON CAMPUS, LLC, a Maryland limited liability company

BY: Erickson Retirement Communities, LLC, a Maryland limited liability company, Sole Member

By: _____

Gerald F. Doherty
Executive Vice President

ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company

By: _____

Gerald F. Doherty
Executive Vice President

SCHEDULE I

A. Information Regarding Littleton Campus, LLC:

1. Form of organization (i.e., corporation, partnership, limited liability company): limited liability company
2. State of organization, if a registered organization (i.e., corporation, limited partnership or limited liability company): Maryland
3. Principal residence, if a natural person or general partnership: N/A
4. Address of chief executive office, including the County: 701 Maiden Choice Lane, Catonsville, Maryland 21228 (Baltimore County).
5. EIN, if not a natural person: 56-2446644
6. SSN, if a natural person: N/A
7. Organization ID# (if any exists): MD W07855588
8. Address for books and records, if different: Same as #4 above.
9. Address of other Collateral locations, including Counties, for the past five (5) years: (1) 3330 West County Line Road, Highlands Ranch, Douglas County, Colorado 80129; (2) 701 Maiden Choice Lane, Catonsville, Maryland 21228
10. Name and address of landlord or owner if location is not owned: N/A
11. Other names or tradenames now or formerly used: N/A
12. List of all existing Commercial Tort Claims (by case title with court and brief description of claim): None

B. Information Regarding Erickson Retirement Communities, LLC:

1. Form of organization (i.e., corporation, partnership, limited liability company): limited liability company
2. State of organization, if a registered organization (i.e., corporation, limited partnership or limited liability company): Maryland
3. Principal residence, if a natural person or general partnership: N/A
4. Address of chief executive office, including the County: 701 Maiden Choice Lane, Catonsville, Maryland 21228 (Baltimore County).
5. EIN, if not a natural person: 52-2003375

6. SSN, if a natural person: N/A
7. Organization ID# (if any exists): MD W04550497
8. Address for books and records, if different: Same as #4 above.
9. Address of other Collateral locations, including Counties, for the past five (5) years: 701 Maiden Choice Lane, Catonsville, Maryland (Baltimore County); 3330 West County Line Road, Highlands Ranch, Douglas County, Colorado 80129.
10. Name and address of landlord or owner if location is not owned: N/A
11. Other names or tradenames now or formerly used:
 - Erickson Retirement Communities, LLC was previously known as “Senior Campus Living, LLC”

EXHIBIT A

LIST OF LICENSES

1. Life care institution permits to be issued in favor of Wind Crest, Inc. and/or Littleton Campus, LLC
2. All other health care, certificate of need, regulatory or other permits or approvals issued in favor of Wind Crest, Inc. and/or Littleton Campus, LLC.
3. All licenses for operation of a continuing care retirement community issued by the Colorado State Department of Public Health and Environment or other competent authority in favor of Wind Crest, Inc. and/or Littleton Campus, LLC for facilities at Wind Crest Retirement Community.

EXHIBIT B

LETTER TO WIND CREST, INC. PURSUANT TO SECTION 22

LITTLETON CAMPUS, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228

_____, 20__

Wind Crest, Inc.
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attn: Ronald E. Walker, President

RE: WORKING CAPITAL LOAN PAYMENTS

Dear Mr. Walker:

Please be advised that, effective immediately, any and all amounts due Littleton Campus, LLC, a Maryland limited liability company ("LC") from Wind Crest, Inc., a Maryland non-profit corporation ("WC") under that certain Working Capital Promissory Note in the principal amount of \$37,641,000.00 and Working Capital Loan Agreement, both dated as of March 29, 2006, including, without limitation, all principal and interest payments, are to be paid, as and when due, directly to GMAC Commercial Mortgage Corporation ("GMAC"), at 200 Witmer Road, Horsham, Pennsylvania 19044 or to such other party or address as shall be requested by GMAC upon written notice to WC from GMAC.

These instructions shall remain in effect, and shall not be terminable by LC, until such time as GMAC provides written notice to LC and WC terminating same.

Very truly yours,

LITTLETON CAMPUS, LLC, a Maryland
limited liability company

BY: Erickson Retirement Communities,
LLC, a Maryland limited liability
company, Sole Member

By: _____
Gerald F. Doherty
Executive Vice President

EXHIBIT F

PARTIAL RELEASE DATE

NOT FULLY DESCRIBED IN RELEASE

DOUGLAS COUNTY PUBLIC TRUSTEE

BY: *Samela Drues* clerk

OFFICIAL RECORDS
DOUGLAS COUNTY CO
CAROLE R. MURRAY
CLERK & RECORDER

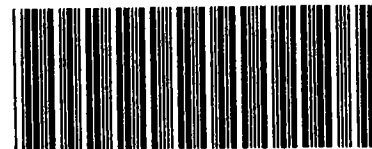
RECORDING FEE: \$181.00
36 PGS

2006026263

03/30/2006 03:12 PM

Document 1.5

(Erickson-Littleton Campus)



2006026263 36 PGS

WHEN RECORDED, RETURN TO:

Kelly M. Wrenn, Esquire
Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street, NW, Suite 1000 South
Washington, DC 20005-3807

**DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES,
SECURITY AGREEMENT AND FIXTURE FILING**

**(THIS DOCUMENT SECURES FUTURE ADVANCES TO FINANCE CONSTRUCTION
OF IMPROVEMENTS ON THE ENCUMBERED REAL PROPERTY)**

(THIS DOCUMENT SECURES A REVOLVING CREDIT ARRANGEMENT)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (this "Deed of Trust") is made as of the 29th day of March, 2006, from LITTLETON CAMPUS, LLC, a Maryland limited liability company, ("Grantor") to the PUBLIC TRUSTEE of the County of Douglas, State of Colorado ("Trustee"), for the benefit of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Beneficiary").

SECTION 1. RECITALS

1.1 The Credit Facility. Grantor is indebted to Beneficiary for a revolving loan facility in the aggregate principal amount at any one time outstanding not to exceed EIGHTY-THREE MILLION and 00/100 (\$83,000,000.00) DOLLARS (the "Loan"), to be advanced pursuant to a Construction Loan Agreement between Grantor and Beneficiary of even date herewith (together with all amendments thereto, the "Loan Agreement"), as evidenced by a Promissory Note of Grantor to Beneficiary of even date herewith, bearing interest at the variable rate described therein (together with all amendments thereto, the "Note"). The proceeds of the Loan are to be used by Grantor, on a revolving basis, for the following purposes: (a) to finance the construction and equipping of a continuing care retirement community consisting of approximately 1,587 independent beds, 96 assisted living beds and 132 skilled nursing beds (the "CCRC") on the Land (hereinafter defined) (b) for advances to Grantor, the proceeds of

which are to secure letters of credit in connection with the construction of the CCRC; (c) for advances to Grantor, the proceeds of which are to be re-loaned to Tenant (hereinafter defined) to meet Tenant's general working capital needs; (d) for the payment of interest due under the Loan; and (e) for payment of certain Development Distributions (as defined in the Loan Agreement). The CCRC will be leased by Grantor to Wind Crest, Inc., a Maryland non-profit corporation ("Tenant") pursuant to a Master Lease and Use Agreement of even date herewith and managed on behalf of Tenant by Erickson Retirement Communities, LLC, a Maryland limited liability company ("Manager") pursuant to a Management and Marketing Agreement of even date herewith.

1.2 Obligations Secured. This Deed of Trust secures: (a) the payment of all sums due to Beneficiary by Grantor according to the terms of the Note and any of the other Loan Documents (hereinafter defined); (b) Grantor's obligations with respect to future advances, which may be made by Beneficiary for any reason under this Deed of Trust, the Note or any of the other Loan Documents; (c) the performance of, and compliance with, all of the obligations of Grantor (express or implied) contained in this Deed of Trust, the Note and the other Loan Documents; (d) reasonable expenses incurred by Beneficiary associated with the collection of the obligations secured by this Deed of Trust or foreclosure of this Deed of Trust; and (e) interest on any of the items specified in subsections (a) through (d) above (collectively, the "Secured Obligations"), regardless if the aggregate amount of said Secured Obligations exceeds the stated maximum principal amount of the Loan. This Deed of Trust secures the obligations set forth in subsections (d) and (e) above to the same extent and with the same effect and priority as the principal amount of the Loan

SECTION 2. DEFINITIONS. Whenever capitalized in this Deed of Trust, the following terms shall have the meaning given in this Section 2, unless the context clearly indicates a contrary intent.

2.1 Beneficiary: The party designated as such above, together with its successors and assigns, including any subsequent holder of the Note.

2.2 Deed of Trust: This instrument, including all current and future supplements, amendments and attachments thereto.

2.3 Encumbrances: All liens, mortgages, rights, leases, restrictions, easements, deeds of trust, covenants, agreements, rights of way, rights of redemption, security interests, conditional sales agreements, land installment contracts, options, and all other burdens or charges.

2.4 Environmental Requirements: Any federal, state, regional, county or local law, statute, ordinance, rule or regulation; or court administrative order or decree; or private agreement, which requires special handling, collection, storage, treatment, disposal or removal of any materials located in or on or about the Property, or which concerns public health, safety, or the environment, including, without limitation, relating to (i) releases, discharges, emissions, or disposals to air, water, land or ground water, (ii) the withdrawal or use of ground water and (iii) the exposure of persons to toxic, hazardous or other controlled, prohibited, or regulated substances.

2.5 Event of Default: Any one or more of the events described in Section 9.1 hereof.

2.6 Grantor: The party designated as such above, together with its successors and assigns.

2.7 Guarantors: The term “Guarantors” shall mean collectively Erickson Retirement Communities, LLC, a Maryland limited liability company, and Erickson Group, LLC, a Maryland limited liability company.

2.8 Guarantor: The term Guarantor shall mean any one of the Guarantors.

2.9 Insurance and Condemnation Proceeds. All of the items described in Section 3.4 hereof.

2.10 Land: The land located in Douglas County, Colorado, commonly known as 3330 West County Line Road, Highlands Ranch, Colorado, which is more particularly described in Exhibit A attached to this Deed of Trust and incorporated by reference herein.

2.11 Loan Documents: The term “Loan Documents” shall have the meaning set forth in the Loan Agreement.

2.12 Manager: The party designated as such in Section 1.1 above, together with its successors and assigns.

2.13 Note: The Note described above, including all current and future replacements, supplements, amendments and attachments thereto.

2.14 Permitted Encumbrances: Those exceptions, if any, which appear in the title policy insuring the interest of the Beneficiary, including a subordinate Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing for the benefit of Tenant of even date herewith, as accepted and approved by Beneficiary, or any encumbrance hereinafter approved in writing by Beneficiary.

2.15 Plans and Specifications: The term “Plans and Specifications” shall have the meaning set forth in the Loan Agreement.

2.16 Project: The term “Project” shall have the meaning set forth in the Loan Agreement.

2.17 Property: All of the property described in Sections 3.1, 3.2, 3.3 and 3.4 hereof.

2.18 Personal Property: All of the personal property and fixtures described in Section 3.2 hereof.

2.19 Real Property: All of the real property described in Section 3.1 hereof.

2.20 Rents: All of the rents, earnings, proceeds, accounts, general intangibles and other rights described in Section 3.3 hereof.

2.21 Tenant: The party designated as such in Section 1.1 above, together with its successors and assigns.

2.22 Trustee: The party designated as such above.

SECTION 3. GRANT. Grantor, in consideration of Beneficiary making the Loan to Grantor and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby irrevocably grants, mortgages, bargains, warrants, sells, conveys and assigns to Trustee, in trust, with the power of sale, for the use and benefit of Beneficiary and its successors and assigns, and grants to Beneficiary a security interest in, all of Grantor's right, title and interest in and to the following property, rights, interests and estates now owned or hereafter acquired by Grantor:

3.1 Real Property. The Land described more particularly in Exhibit A attached hereto as a part hereof, together with (a) all buildings and improvements now or hereafter located on the Land, and (b) all rights, rights of way, air rights, riparian rights, oil, gas, minerals, water, water courses, water rights and powers (including tributary, non-tributary, not non-tributary and adjudicated) drains and drainage rights, ditches and ditch rights, reservoirs or reservoirs rights, well, spring, seepage and pond rights, franchises, licenses, easements, tenements, hereditaments, appurtenances, accessions and other rights and privileges now or hereafter belonging to the Land or the buildings and improvements thereupon, now owned or hereafter acquired by Grantor (hereinafter collectively referred to as the "Real Property").

3.2 Personal Property and Fixtures. All of the machines, apparatus, equipment (including, without limitation, embedded software), fixtures and articles of personal property now or hereafter located on the Land or in any improvements thereon, including without limitation all furniture, fixtures, equipment and building materials acquired with the proceeds of the Loan, and all the right, title and interest of Grantor in and to any of such property which may be subject to any title retention or security agreement or instrument having priority over this Deed of Trust (hereinafter collectively referred to as the "Personal Property").

3.3 Rents and Other Rights. All rents, profits, royalties, issues, revenues, income, proceeds, earnings and products generated by or arising out of the Property and all accounts receivable arising in connection with the Property and all contracts for the use and occupancy of all or any portion of the Property (including but not limited to agreements with the residents of the CCRC), all contracts of sale for all or any portion of the Property, and all deposits to secure performance by contract purchasers for all or any portion of the Property, (b) all of the general intangibles, actions, rights in action, estate, right, title, use, claim and demand of every nature whatsoever, at law or in equity, which Grantor may now have or may hereafter acquire in and to the Property, and (c) all right, title and interest of Grantor in and to all extensions, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Property, hereafter acquired by or released to Grantor, or constructed, assembled or placed by or for Grantor on the Property, and all conversions of the security constituted thereby (hereinafter collectively referred to as the "Rents").

3.4 Insurance Policies and Condemnation Awards. All insurance policies and insurance proceeds pertaining to the Property and all awards or payments, including interest thereon and

the right to receive the same, which may be made with respect to any of the Property as a result of any taking or any injury to or decrease in the value of the Property (hereinafter collectively referred to as the "Insurance and Condemnation Proceeds").

3.5 Security Interest Under the Uniform Commercial Code. Any portion of the Property which by law is or may be real property shall be deemed to be a part of the Real Property for the purposes of this Deed of Trust. The remainder of the Property shall be subject to the Colorado Uniform Commercial Code as now or hereafter in effect (hereinafter referred to as the "Uniform Commercial Code" or "Code") and this Deed of Trust shall constitute a Security Agreement with respect thereto. Grantor hereby grants to Beneficiary a security interest in that portion of the Property not deemed a part of the Real Property for the purpose of securing performance of all of Grantor's obligations under the Loan Documents. With respect to such security interest (a) Beneficiary may exercise all rights granted or to be granted a secured party under the Uniform Commercial Code and (b) upon the occurrence of an Event of Default the Beneficiary shall have a right of possession superior to any right of possession of Grantor or any person claiming through or on behalf of Grantor. Grantor shall execute and file such financing statements and other security agreements as Beneficiary shall require from time to time with respect to personal property and fixtures included in the Property. Upon any failure by Grantor to do so, Beneficiary may execute, record and file all such financing statements and other security agreements for and in the name of Grantor and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor to do so. Grantor agrees to pay any and all filing and recording fees or other charges with respect to such documents. Further, to the extent permitted by applicable laws, Beneficiary may file, without Grantor's signature, one or more financing statements or other notices disclosing Beneficiary's liens and other security interests. All financing statements and notices may describe Beneficiary's collateral as all assets or all personal property of Grantor. Notwithstanding the filing of such "all assets" financing statements, the scope of Beneficiary's liens and security interests with respect to the collateral shall be governed by the granting language of the Loan Documents.

SECTION 4. HABENDUM CLAUSE AND DEFEASANCES.

To have and to hold the Property unto Trustee, for the benefit of Beneficiary forever. All right, title and interest of Grantor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to the Property hereafter acquired by, or released to, Grantor or constructed, assembled or placed by Grantor on the Real Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, pledge, conveyance, assignment or other act by Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Grantor and specifically described herein. Notwithstanding the foregoing, Grantor shall, at its own cost, make, execute, acknowledge, deliver and record any and all such further acts, deeds, conveyances, mortgages, notices of assignment, transfers, assurances and other documents as Beneficiary shall from time to time require for better assuring, conveying, assigning, transferring and confirming unto Beneficiary of the Property and the other rights hereby conveyed or assigned or intended now or hereafter so to be, or which Grantor may be or may hereafter become bound to convey or assign for carrying out the intention of facilitating the performance of the terms of this Deed of Trust. In addition,

Grantor hereby agrees that this Deed of Trust is a security agreement under the Uniform Commercial Code and creates in Beneficiary a security interest hereunder in, among other things, all Personal Property, Insurance and Condemnation Proceeds and Rents. This Deed of Trust shall be effective as a financing statement pursuant to the Uniform Commercial Code. Grantor shall, at its own cost and expense, execute, deliver and file any financing statements, continuation certificates and other documents Beneficiary may require from time to time to perfect and maintain in favor of Beneficiary a security interest under the Uniform Commercial Code in such Personal Property, Insurance and Condemnation Proceeds and Rents. Without limiting the generality of any of the foregoing, Grantor hereby irrevocably appoints Beneficiary attorney-in-fact, coupled with an interest, for Grantor to execute, deliver and file any of the documents referred to hereinabove for and on behalf of Grantor.

Provided always, and these presents are upon this express condition, that if Grantor or its successors or assigns shall well and truly pay or cause to be paid, in full, unto Beneficiary or their successors or assigns, the obligations secured by this Deed of Trust, and otherwise perform Grantor's respective obligations under the Loan Documents to which Grantor is a party, upon request of Grantor and payment of all fees and costs in connection with the release of this Deed of Trust, Beneficiary shall furnish to Grantor a release of this Deed of Trust in proper form for recording so that the estate hereby granted, shall cease, terminate and be void, but Beneficiary shall not be required to bear any expense or cost in connection with such release or the recording thereof.

The Loan Agreement is hereby incorporated herein by this reference as fully and with the same effect as if set forth herein at length. This Deed of Trust secures all funds advanced pursuant to the Loan Agreement (which advances shall constitute part of the indebtedness evidenced by the Note, whether more or less than the principal amount stated in the Note) and the punctual performance, observance and payment by Grantor of all of the requirements of the Loan Agreement and the Note to be performed, observed or paid by Grantor. In the event of express and direct contradiction between any of the provisions of the Loan Agreement and any of the provisions contained herein, then the provisions contained in the Loan Agreement shall control. Any warranties, representations and agreements made in the Loan Agreement by Grantor shall survive the execution and recording of this Deed of Trust and shall not merge herein.

Upon the written request of Grantor, Beneficiary shall provide Grantor, at Grantor's sole expense, with partial releases from the lien of this Deed of Trust for those certain parcels (which comprise a part of the Property) set forth in Exhibit B attached hereto and incorporated herein by this reference, upon the full satisfaction of the following conditions: (a) no Event of Default shall exist under this Deed of Trust or any other Loan Document; (b) the gross proceeds, if any, to be received by Grantor for any parcel for which release is sought shall be paid directly to Beneficiary to reduce the outstanding principal balance of the Loan, less only reasonable and customary closing costs associated with the sale or transfer of said parcel; and (c) Grantor shall pay all Beneficiary's costs and expenses, including reasonable attorneys' fees, related to the release of any of said parcels. Grantor shall be responsible for the recording of all said releases and all costs associated therewith.

SECTION 5. REPRESENTATIONS AND WARRANTIES

5.1 Warranty of Title and Further Assurances. Grantor warrants that Grantor is lawfully seized of an indefeasible fee simple estate in the Property free and clear of all encumbrances (except for Permitted Encumbrances), and that it has the right and authority to convey the Property and warrants specially title to the Property and that it will execute such further assurances as may be requested. Grantor further covenants that the lien created hereby is and will be maintained as a first lien upon the Property.

SECTION 6. COVENANTS, RIGHTS, AND DUTIES OF GRANTOR GENERALLY

6.1 Covenant to Pay Obligations and to Perform Obligations Under the Terms of the Loan Documents. Grantor covenants that it will punctually (a) pay or cause to be paid to Beneficiary all amounts due under the Loan Documents executed by Grantor, which includes the principal and interest of the Loan and all other costs and indebtedness secured hereby, according to the terms of the Loan Documents executed by Grantor; (b) perform and satisfy all other obligations of Grantor under the Loan Documents; (c) use best efforts in satisfying the conditions to advances of the Loan which conditions are specified in the Loan Agreement; and (d) construct the Improvements (as defined in the Loan Agreement) in accordance with the terms of the Loan Documents.

6.2 Escrow Account. At Beneficiary's option, Grantor agrees that:

6.2.1 Upon written request of Beneficiary, Grantor will pay to Beneficiary monthly installments, each of which shall be equal to one-twelfth (1/12th) of the sum of (a) the estimated annual premiums for all insurance policies required by Sections 8.1 and 8.2, and (b) the estimated annual taxes, assessments and governmental charges pertaining to the Property, to be held by Beneficiary in an escrow account established with Beneficiary (the "Escrow Account") and disbursed by Beneficiary to pay insurance premiums as they become due and taxes, assessments and governmental charges before any penalty or interest shall accrue thereon. Estimates are to be made solely by Beneficiary in its reasonable determination and payments shall be made on the day of the month designated by Beneficiary. No interest shall be payable by Beneficiary on the Escrow Account unless, and then only to the extent that, applicable law shall otherwise require. All overpayments to the Escrow Account shall be applied to reduce future payments to the Escrow Account, if any, or shall be returned to Grantor, at the sole discretion of Beneficiary.

6.2.2 Upon the request of Beneficiary, Grantor shall pay such additional sums into the Escrow Account as Beneficiary determines are necessary, so that one month prior to the date Beneficiary is required to make payments of insurance premiums, or taxes, assessments or governmental charges, as the case may be, payments can be made therefore out of the Escrow Account.

6.2.3 Grantor hereby grants Beneficiary a security interest in the sums on deposit in the Escrow Account to secure the obligations secured hereby,

and upon the occurrence of an Event of Default, Beneficiary may, unless prohibited by applicable law, apply the balance of the Escrow Account to operate the Property or to satisfy Grantor's obligations under the Loan Documents, as Beneficiary may elect.

6.3 Compliance With Laws. Grantor shall comply with all laws a breach of which would adversely affect (a) the financial condition of Grantor, (b) the ability to use buildings and other improvements on the Land for the purposes for which they were designed or intended, (c) the value or status of the Property, or (d) the value or status of Beneficiary's title to the Property.

6.4 Changes in Applicable Tax Laws. In the event (a) any law is hereafter enacted which imposes a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents, or (b) any law now in force governing the taxation of deeds of trust, debts secured by deeds of trust, or the manner of collecting any such tax, shall be changed or modified, in any manner, so as to impose a tax upon the Loan, any of the Loan Documents, or the transactions evidenced or contemplated by any of the Loan Documents (including, without limitation, a requirement that revenue stamps be affixed to any or all of the Loan Documents), Grantor will promptly pay any such tax. If Grantor fails to make prompt payment, or if any law either prohibits Grantor from making the payment or would penalize Beneficiary if Grantor makes the payment, then the failure, prohibition, or penalty, shall entitle Beneficiary to declare the entire unpaid principal balance of the Loan, together with all accrued interest and any other amounts due, immediately due and payable; provided that if no Event of Default has occurred, Grantor shall thereupon have thirty (30) days to pay the entire amount due without penalty. If an Event of Default has occurred and is continuing or if Grantor fails to make payment in full within thirty (30) days, then Beneficiary shall be entitled to exercise all rights hereunder as though an Event of Default had occurred.

6.5 Certifications, Licenses, Permits, Etc.: Grantor will obtain or cause to be obtained all certifications, licenses, permits and governmental approvals as may be necessary or required to complete the Project and CCRC as required by the Loan Agreement.

6.6 Sale of Assets, Consolidation, Merger, Etc.: Except as may be otherwise expressly permitted by the Loan Agreement, Grantor shall not (a) sell, lease, transfer or otherwise dispose of its properties and assets with a fair market value in excess of \$50,000 to any person, (b) consolidate with or merge into any other entity, or permit another entity to merge into it, or acquire all or substantially all the properties or assets of any other person or entity, (c) enter into an arrangement, directly or indirectly, with any person whereby it or any of its subsidiaries or affiliates shall sell or transfer any property, real or personal, which is used and useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property for substantially the same purpose or purposes as the property being sold or transferred, or (d) cause or permit any change in its name, ownership of member interests in Grantor, or management or in the manner in which its business is conducted.

6.7 Distributions, Etc.: Grantor will not pay any income, bonuses, profits, salaries or fees to any of its members or make any distribution of cash or property to any of its members or

affiliates thereof (including other partnerships or limited liability companies in which any of its members own an interest) except as may be permitted in the Loan Agreement.

6.8 [INTENTIONALLY OMITTED]

6.9 Further Assurances and Continuation Statements. Grantor from time to time will execute, acknowledge, deliver and record, at Grantor's sole cost and expense, all further instruments, deeds, conveyances, supplemental deeds of trust, assignments, financing statements, transfers and assurances as in the reasonable opinion of Beneficiary's counsel may be necessary (a) to preserve, continue and protect the interest of Beneficiary in the Property, or (b) to secure the rights and remedies of Beneficiary under this Deed of Trust and the other Loan Documents. Grantor, at the request of Beneficiary, shall promptly execute any continuation statements required by the Uniform Commercial Code to maintain the lien on any portion of the Property subject to the Uniform Commercial Code.

6.10 Expenses. Grantor shall reimburse Beneficiary for any sums, including reasonable attorney's fees and expenses, incurred or expended by them (a) in connection with any action or proceeding to sustain the lien, security interest, priority, or validity of any Loan Documents, (b) to protect, enforce, interpret, or construe any of their rights under the Loan Documents, (c) for any title examination or title insurance policy relating to the title to the Property, or (d) for any other purpose contemplated by the Loan Documents. Grantor shall, upon demand, pay all such sums together with interest thereon at the Default Rate defined in the Note accruing from the time the expense is paid. All such sums so expended by Beneficiary shall be secured by this Deed of Trust. In any action or proceeding to foreclose this Deed of Trust or to recover or collect the Loan, the provisions of law allowing the recovery of costs, disbursements, and allowances shall be in addition to the rights given by this Section 6.10.

6.11 Environmental Requirements. Grantor represents and warrants to Beneficiary that, except for the matters disclosed in the Environmental Reports (as defined in the Loan Agreement), copies of which have previously been provided to Beneficiary, there are no hazardous substances on the Real Property, that Grantor has not utilized the Real Property, nor any part thereof, to treat, deposit, store, dispose of, or place any hazardous substances, as defined by 42 U.S.C.A. Section 9601(14) ("Hazardous Substances"); nor has Grantor authorized any other person or entity to treat, deposit, store, dispose of, or place any Hazardous Substance on the Real Property, or any part thereof; and, to the best of Grantor's knowledge, except as disclosed in the Environmental Reports, no other person or entity has treated, deposited, stored, disposed of, or placed any Hazardous Substance on the Real Property or any part thereof, except for paint and similar substances normally used in connection with the proper construction of the Improvements and/or the maintenance and operation of the existing facilities on the Land, all of which are stored, used and disposed of in full compliance with all applicable legal requirements and Environmental Requirements. Grantor further covenants and agrees to give written notice to Beneficiary immediately upon acquiring knowledge of the existence of any condition relating to the Property which constitutes a material threat to the health, safety or property of Grantor or others.

Grantor hereby covenants and agrees that, if at any time it is determined that there are Environmental Materials (hereinafter defined) located on the Real Property, Grantor shall

promptly take or cause to be taken, at its sole expense, such actions as may be necessary to comply with all Environmental Requirements. The term “Environmental Materials” means any materials which: (i) under any Environmental Requirements require special handling in collection, storage, treatment or disposal, (ii) are defined as hazardous material, hazardous substances or hazardous waste under the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et. seq.), the Comprehensive Environmental Response Compensation and Liability of Act of 1980 (42 U.S.C. Section 9601 et seq.) (“CERCLA”) or any similar federal law or laws of the state in which the Property is located, or (iii) are oil, petroleum products and their by-products. If Grantor shall fail to take such action, Beneficiary may make advances or payments towards performance or satisfaction of the same but shall be under no obligation to do so; and all sums so advanced or paid, including all sums advanced or paid in connection with any judicial or administrative investigation or proceeding relating thereto, including, without limitation, reasonable attorneys’ fees, fines, or other penalty payments, shall be at once repayable by Grantor and shall bear interest at the Default Rate defined in the Note or at the maximum interest rate which Grantor may by law pay, whichever is lower, from the date the same shall become due and payable until the date paid, and all sums so advanced or paid, with interest as aforesaid, shall become a part of the indebtedness secured hereby. Grantor further covenants and agrees that Grantor shall, and shall cause others to, carry on the business and operations on the Real Property so as to comply and remain in compliance with all Environmental Requirements.

Grantor shall defend, indemnify and hold harmless Beneficiary against any loss, cost or expense (including, without limitation, cleanup costs, and reasonable attorneys’ fees) incurred by Beneficiary resulting from the presence on the Property at any time of any Environmental Materials. This indemnity shall apply notwithstanding any negligent or other contributory conduct by or on the part of any third parties and shall survive: (i) repayment of the Loan and the full release of the lien of this Deed of Trust; (ii) the extinguishment of the lien by foreclosure, power of sale, or any other action; or (iii) the delivery of a deed in lieu of foreclosure.

SECTION 7. RIGHTS AND DUTIES OF GRANTOR WITH RESPECT TO MANAGEMENT AND USE OF THE PROPERTY

7.1 Control by Grantor. Until the happening of an Event of Default, Grantor shall have the right to possess and enjoy the Property and, except as prohibited by the Loan Documents, to receive the Rents.

7.2 Management. At all times Grantor shall provide competent and responsible management to maintain and operate the Property.

7.3 Financial Statements; Books and Records. Grantor shall furnish to Beneficiary annual financial and operating statements of the Property. Such statements shall show all items of income and expense for the operation of the Property, shall be certified by the Chief Financial Officer of Grantor’s member and shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis. All such financial and operating statements shall be supplied in draft form not later than ninety (90) days after the close of Grantor’s fiscal year prepared by a certified public accountant and in final form not later than one hundred twenty (120) days after the close of Grantor’s fiscal year audited by a firm of independent certified public accountants acceptable to Beneficiary. Grantor shall also provide

Beneficiary with copies of all federal, state and local tax returns and filings within ten (10) days of the date the same are filed. Grantor shall deliver, and shall cause Lessee to deliver, to Beneficiary monthly financial statements on a consolidated and consolidating basis within thirty (30) days after each calendar month, certified by the Chief Financial Officer of Grantor's member as to the accuracy thereof. Grantor agrees to make its books and records relating to the operation of the Property available for inspection by Beneficiary, upon request at any reasonable time, at Grantor's principal place of business or at such other location in the State of Maryland or the State of Colorado as Beneficiary may reasonably request. This paragraph shall be in addition to any other financial reporting provisions set forth in the Loan Documents.

7.4 Restriction of Assignment of Rents. Grantor shall not assign the Rents arising from the Property or any part thereof or any interest therein without the prior written consent of Beneficiary, except as permitted by the Loan Agreement. Any attempted assignment, pledge, hypothecation, or grant without such consent shall be null and void.

7.5 Alterations and Improvements. Grantor shall not make any structural alterations or improvements on the Property except in accordance with the Plans and Specifications, as provided in the Loan Agreement. All alterations or improvements shall be erected (a) in a good and workmanlike manner strictly in accordance with all applicable law, (b) entirely on the Land (c) without encroaching upon any easement, right of way, or land of others, (d) so as not to violate any applicable use, height, set-back or other applicable restriction, and (e) without permitting any mechanic's lien to attach to the Property which is not being contested as permitted in Section 7.10. All alterations, additions, and improvements to the Property shall automatically be a part of the Property and shall be subject to this Deed of Trust.

7.6 Restrictions on Sale and Transfer of the Property. Grantor shall not permit the Property, or any part or portion thereof or any interest therein, to be transferred (whether by voluntary or involuntary conveyance, merger, operation of law, or otherwise), other than as may expressly be permitted under the provisions of this Deed of Trust or the Loan Agreement, without the prior written consent of Beneficiary. Any transferee of the Property or any part or portion thereof in fee simple, by virtue of its acceptance of the transfer, shall (without in any way affecting Grantor's liability under the Loan Documents) be conclusively deemed to have agreed to assume primary liability for the performance of Grantor's obligations under the Loan Documents. The sale, assignment, transfer or conveyance of any member interest in Grantor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph, and the sale, assignment, transfer or conveyance of member or other interest of any kind in any of the members of Grantor shall be deemed a sale, assignment, transfer and conveyance of the Property in contravention of the provisions of this paragraph. This section shall not apply to any condemnation, any disposition permitted by Section 7.9 or any disposition by Beneficiary by foreclosure hereunder or as otherwise permitted by the Loan Documents.

7.7 Restriction on Encumbrances. Grantor shall not allow any Encumbrances on the Property except: (a) the Permitted Encumbrances; and (b) liens filed against the Property by the Colorado Commissioner of Financial Services pursuant to C.R.S. Section 12-13-106, so long as such liens are subordinate to the lien of this Deed of Trust and any extensions, amendments, modifications, restatements and replacements thereof, including, without

limitation, any extension, amendment, modification, restatement or replacement which increases the principal amount secured by this Deed of Trust. Grantor shall give Beneficiary prompt notice of any default in or under any Permitted Encumbrances and any notice of foreclosure or threat of foreclosure. Grantor shall comply with its obligations under all Permitted Encumbrances. Beneficiary may, at its election, satisfy any Encumbrance (other than a Permitted Encumbrance not then in default), and Grantor shall, on demand, reimburse Beneficiary for any sums advanced for such satisfaction together with interest at the Default Rate stated in the Note accruing from the date of satisfaction, which sums shall be secured hereby.

7.8 Maintenance, Waste, Repair and Inspection. Grantor shall: (a) keep and maintain the Property in good order, condition, and repair and make, in a prompt manner, all equipment replacements and repairs necessary to insure that the security for the Loan is not impaired; (b) not commit or suffer any waste of the Property; (c) promptly protect and conserve any portion of the Property remaining after any damage to, or partial destruction of, the Property; (d) promptly repair, restore, replace or rebuild any portion of the Property which is damaged or destroyed; (e) promptly restore the balance of the Property remaining after any condemnation; (f) permit Beneficiary or its' designee to inspect the Property at all reasonable times; and (g) not make any material change in the grade of the Property or permit any material excavation of or on the Property, except as required for utility easements and in connection with improvements contemplated in the Loan Agreement.

7.9 Removal and Replacement of Equipment and Improvements. Except for actions taken in connection with the preparation of the Property for the construction of the Improvements, no part of the Property, except supplies consumed or raw materials, work in progress and finished goods sold or transferred in the ordinary course of business operations as they are currently conducted, shall be removed from the Land, demolished, or materially altered without the prior written consent of Beneficiary. Grantor may, without consent and free from the lien and security interest of this Deed of Trust, remove and dispose of any worn out or obsolete fixtures or equipment which are a part of the Property, provided that prior to or simultaneously with their removal, such fixtures and equipment shall be replaced with fixtures or equipment of equal or greater value. The replacement fixtures or equipment shall be free of all Encumbrances, shall automatically be subject to the lien and security interest of this Deed of Trust, and shall automatically be subject to the granting clauses hereof. Upon the sale of any removed fixtures and equipment which are not replaced, the proceeds shall, at the election of Beneficiary, be applied as a prepayment of amounts guaranteed by Grantor under the Loan Documents, whether then due or not. All sales shall be conducted in a commercially reasonable manner.

7.10 Taxes and Permitted Contests. Grantor shall pay: (a) all taxes, assessments and other governmental charges on or before the date any interest or penalty begins to accrue or attach thereto; and (b) all lawful claims which, if unpaid, might become a lien or charge upon the Property; provided, however, that Grantor shall not be required to pay any taxes or claim the amount, validity or payment of which is being contested, in good faith, by appropriate legal proceedings, and so long as, in the sole opinion of Beneficiary, no part of the Property is in danger of being sold, forfeited or lost and the contest is not impairing the security for the Loan.

Upon payment thereof, Grantor shall promptly supply Beneficiary with receipts showing the payment of the taxes or claim.

7.11 Restrictive Covenants, Zoning, etc. No restrictive covenant, zoning change, or other restriction affecting the Property may be entered into, requested by or consented to by Grantor without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld.

7.12 Preservation of Appurtenances. Grantor will do all things necessary to preserve intact and unimpaired, all easements, appurtenances, and other interests and rights in favor of, or constituting any portion of, the Property.

SECTION 8. INSURANCE AND CONDEMNATION

8.1 Insurance. At all times that any amounts are guaranteed or owing by Grantor under the Loan Documents, Grantor will maintain in full force and effect, at its expense (and provide satisfactory evidence thereof to Beneficiary), such insurance coverages and policies with respect to Beneficiary and the Property as shall be required by Lender pursuant to the Loan Agreement.

8.2 [INTENTIONALLY OMITTED]

8.3 [INTENTIONALLY OMITTED]

8.4 Other Insurance. Grantor may not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the Loan Agreement unless Beneficiary is included thereon as a named insured with losses payable to Beneficiary as above provided. Grantor shall immediately notify Beneficiary whenever any such separate insurance is taken out and shall promptly deliver to Beneficiary the policy or policies of such insurance.

If any of the Improvements on the Property are located in an area which has been identified as a non-minimal flood hazard area, Grantor will keep the Property covered by flood insurance in an amount at least equal to the full amount secured by this Deed of Trust or the maximum limit of coverage available for the Property.

Unless a written waiver from Beneficiary is obtained, Grantor shall (a) keep all of its insurable properties insured against all risks usually insured against by persons operating like properties in the localities where the properties are located; and (b) maintain public liability insurance against claims for personal injury, death or property damage suffered by others upon or in or about any premises occupied by it or occurring as a result of its maintenance or operation of any automobiles, trucks or other vehicles or airplanes or other facilities or as a result of the use of products sold by it or services rendered by it.

8.5 Condemnation and Allocation of Condemnation Awards. Grantor, immediately upon obtaining knowledge of the institution of any proceeding for a condemnation, will notify Beneficiary of such proceedings. Beneficiary may participate in any such proceedings, and Grantor will, from time to time, deliver to Beneficiary all instruments requested by them to

permit such participation. Any award or payment made as a result of any taking shall be paid to Beneficiary, to be applied (a) if funds sufficient to restore the remainder of the Property are available from such award or payment (together with other funds supplied or caused to be supplied by Grantor) and no Event of Default is then outstanding, to the restoration of the remainder of the Property, or (b) if sufficient funds are not available to restore the remainder of the Property, or an Event of Default is then outstanding, to prepayment of amounts guaranteed by Grantor under the Loan Documents, whether then due or not. All moneys not utilized for the repair or restoration of the remainder of the Property shall be applied as a prepayment of amounts guaranteed by Grantor under the Loan Documents, whether then due or not, in inverse order of maturity. The application of any award or payment as a prepayment of amounts due under the Note shall take effect only on the actual date of the receipt of the payment or award by Beneficiary. In the event any payment or award is used to restore the Property, as aforesaid, Beneficiary shall not be obligated to see to the proper allocation thereof, nor shall any amount so used be deemed a payment of any indebtedness secured by this Deed of Trust. Payments or awards to be used for restoration purposes, as aforesaid, shall be held by Beneficiary and disbursed under such terms and conditions, to such persons, and at such times, as Beneficiary may determine.

SECTION 9. DEFAULT

9.1 Event of Default. The occurrence of any of the following shall constitute an Event of Default:

9.1.1 Event of Default Under Other Loan Documents. An “Event of Default” (if so defined) occurs under a Loan Document other than this Deed of Trust.

9.1.2 Insurance Provisions. The failure of Grantor to perform its obligations set forth in Section 8 and the Loan Agreement to keep the Property adequately and continually insured.

9.1.3 Receiver; Bankruptcy. If Grantor or any Guarantor (a) applies for, or consents in writing to, the appointment of a receiver, trustee, or liquidator for it of the Property, or of all or substantially all of its assets, (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, (c) makes an assignment for benefit of creditors, (d) files a petition or an answer seeking a reorganization, composition, adjustment arrangement with creditors, or takes advantage of any insolvency law, (e) files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization, composition, adjustment, arrangement, or insolvency proceeding, or (f) is dissolved as a result of an adversary suit or proceeding.

9.1.4 Receiver; Bankruptcy (Involuntary). If (a) any execution or attachment levied against the assets of Grantor or any Guarantor is not set aside, discharged, or stayed within forty-five (45) days, (b) an order, judgment, or decree is entered by any court of competent jurisdiction on the application of a creditor, adjudicating Grantor or any Guarantor a bankrupt or insolvent, or appointing a

receiver, trustee, or liquidator for Grantor of all or substantially all of its assets, or (c) an order of relief is entered against Grantor or any Guarantor pursuant to any bankruptcy statute or law and such order, judgment, or decree continues unstayed and in effect for a period of forty-five (45) days.

9.1.5 Assignment of Rents. Any attempted assignment by Grantor of the whole or any part of the Rents in contravention of Section 7.4.

9.1.6 Prohibited Transfer or Encumbrance. Any transfer or event in violation of Sections 7.5, 7.6, 7.7 or 7.9.

9.1.7 Loss of License. The loss of any material license or permit necessary for the improvement, operation, occupancy, or use of the Property (whether such license or permit is issued to Grantor, Tenant, Manager or to other entity responsible for the operation of the CRCC).

9.1.8 Defaults under Subordinate Liens. Any default by Grantor under any documents executed in connection with any subordinate liens (including any such liens in favor of Beneficiary) against the Property, which default is not cured within any applicable grace or cure period.

9.1.9 Environmental Requirements. Failure of Grantor to comply with all Environmental Requirements which is not cured within thirty (30) days after notice from Beneficiary.

9.1.10 Other Defaults. The failure of Grantor to perform or observe any of its obligations or covenants under this Deed of Trust not previously specifically referred to in this Article 9, which failure continues for a period of thirty (30) days after written notice to Grantor; provided, however, that Beneficiary may, in its sole discretion, extend the cure period for any default upon the reasonable request of Grantor in the event that the default cannot be cured within the time set forth in this Deed of Trust and Grantor is diligently pursuing cure of the default.

9.1.11 Environmental Liens. If the Environmental Protection Agency of the United States ("EPA"), or any other state or federal agency or any other person or entity (a) asserts or creates a lien upon any or all of the Property by reason of the failure of Grantor to comply with all Environmental Requirements or (b) commences an action or proceeding based on any claims against Grantor, the Property, or Beneficiary for damages or cleanup costs related to Grantor's failure to comply with all Environmental Requirements, and in the case of such an action or proceeding Grantor is unsuccessful in obtaining a dismissal of such action or proceeding within thirty (30) days but in any event prior to the date any lien attaches to the Property .

9.1.12 Material Adverse Change in Financial Condition. The occurrence of any materially adverse change in the financial condition or prospects of Grantor or any Guarantor, or the existence of any other condition which, in

Beneficiary's reasonable determination, constitutes a material impairment of any such person's or entity's ability to perform its respective obligations under the Loan Documents, which is not remedied within 30 days after written notice.

9.2 Payment or Performance by Beneficiary. Upon the occurrence of any Event of Default, Beneficiary may, at its option, make any payments or take any other actions it deems necessary or desirable to cure the Event of Default or conserve the Property. Grantor shall, upon demand, reimburse Beneficiary for all sums so advanced or expenses incurred by Beneficiary, together with interest at the Default Rate stated in the Note from the date of advance or payment of the same, which sums shall be secured by this Deed of Trust. Beneficiary may enter upon the Property without prior notice to Grantor or judicial process and may take any action to enforce their rights under this Section 9.2 without liability to Grantor.

9.3 Completion of Improvements: Upon the occurrence of an Event of Default, Grantor agrees that Beneficiary may, in addition to any other remedies available to it and in its sole discretion, (i) enter upon the Land and complete the Project in accordance with the Plans and Specifications with such changes therein as Beneficiary may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced in respect of the Project, (iii) assume any or all contracts covered by any other contracts made by Grantor relating to the construction or equipping of the CCRC and take over and use all or any part of the labor, materials, supplies and equipment contracted for by Grantor, (iv) engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. Grantor shall be liable to Beneficiary for all sums paid or incurred by Beneficiary to construct and equip the Project whether the same shall be paid or incurred pursuant to the provisions of this Section 9.3 or otherwise (such liabilities to be part of Grantor's obligations), and all payments made or liabilities incurred by them hereunder of any kind whatsoever shall be paid by Grantor to Beneficiary upon demand with interest at the Default Rate provided in the Note. For the purpose of exercising the rights granted by this Section, Grantor hereby irrevocably constitutes and appoints Beneficiary its true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of Grantor.

9.4 Possession by Beneficiary. Upon the occurrence of an Event of Default, Beneficiary may enter upon and take possession of the Property with notice to Grantor, but without judicial process or the appointment of a receiver. Beneficiary may exclude all persons from the Property and may proceed to operate the Property and receive all Rents. Beneficiary shall have the right as agent for Grantor to operate the Property and carry on the business of Grantor, either in the name of Grantor or otherwise. Beneficiary shall not be liable to Grantor for taking possession of the Property, as aforesaid, nor shall Beneficiary be required to make repairs or replacements, and Beneficiary shall be liable to account only for Rents actually received by Beneficiary. All Rents collected by Beneficiary shall be applied (a) first, to pay all expenses incurred in taking possession of the Property, (b) second, to pay costs and expenses to operate the Property and/or to comply with the terms of the Loan Documents, including actual attorneys' fees, (c) third, to pay all sums secured by the Loan Documents in the order of priority selected by Beneficiary, and (d) fourth, with the balance, if any, to Grantor or such other person as may be entitled thereto.

9.5 Collection of Rents. Upon the occurrence of an Event of Default and upon written demand by Beneficiary to the Tenant, all Rents shall be payable directly to Beneficiary.

9.6 Acceleration; Judgment; Foreclosure. Upon the occurrence of an Event of Default, Beneficiary may, at the option of Beneficiary, exercise any one or more of the following without notice (unless notice is required by applicable statute or otherwise set forth herein or in the other Loan Documents):

9.6.1 Acceleration. Declare the entire unpaid balance of the Secured Obligations to be immediately due and payable in full, without further notice or demand (each of which is hereby expressly waived by Grantor) whereupon the same shall become immediately due and payable, anything in the Note or the Loan Documents to the contrary notwithstanding.

9.6.2 Foreclosure by Power of Sale. Without limiting the generality of the foregoing or the provisions set forth below, Beneficiary may:

- (a) Foreclose the lien of this Deed of Trust in accordance with subsection (b) below, or elect to sell (either by judicial action or through the Trustee) or otherwise dispose of any part of the Property which is personal property in accordance with subsection (c) below, separate and apart from the sale of real property.
- (b) Elect, without further notice, to file with the Trustee, a Notice of Election and Demand for Sale, in writing, as provided by applicable law. After such filing, the Trustee may lawfully foreclose the lien of this Deed of Trust, and sell and dispose of the Property en masse or in separate parcels (as Beneficiary may elect) and all the right, title, and interest of Grantor therein, at a public auction at any place then authorized by applicable law as may be specified in the notice of such sale, for the highest and best price (the "Trustee's Sale"), four (4) weeks' public notice having previously been given of the time and place of such sale by advertisement, weekly, in a newspaper of general circulation at the time published in Douglas County, Colorado, or upon such other notice as may then be required by applicable law. A copy of the notice of sale will be given to Grantor at its address given in this Deed of Trust, and to such person or persons appearing to have acquired a subsequent record interest in the Property at the address given in the recorded instrument evidencing such interest, any such notice to be given in accordance with applicable law, provided, that where only the county and state are given as the address then such notice will be mailed to the county seat. Trustee will then make and give to the purchaser or purchasers of such Property at such sale a certificate or certificates in writing describing such Property purchased, and the sum or sums paid therefore, and the time when the purchaser or purchasers (or other persons entitled thereto) will be entitled to a deed or deeds therefore, unless the same will be redeemed as provided by applicable law, and Trustee will, upon demand by the person or persons holding the certificate or certificates of purchase, when the demand is made, or upon demand by the person entitled to a deed to and for the Property purchased, at the time such demand is

made (the time for redemption having expired) make and execute to such person or persons a deed or deeds to the Property purchased, which shall be in the ordinary form of a conveyance, and will be signed, acknowledged, and delivered by Trustee, as grantor, and will convey and quitclaim to the person or persons entitled to the deed, as grantee, the Property purchased as aforesaid, and all the right, title, interest, benefit, and equity of redemption of Grantor and its successors and assigns, and shall recite the sum for which the Property was sold and shall refer to the power of sale herein contained, and to the sale or sales made by virtue thereof. In case of an assignment of such certificate or certificates of purchase or in the case of redemption of such Property by a subsequent encumbrancer, such assignment or redemption will also be referred to in such deed or deeds, but the notice of sale need not be set out in such deed or deeds. Trustee will apply the proceeds or avails of any such sale as provided in Section 9.18 hereof. Such sale or sales and said deed or deeds so made will be a perpetual bar, both in law and equity, against Grantor and its successors and assigns, and all other persons claiming the Property, or any part thereof, by, through, from, or under Grantor. The holder of the Note may purchase the Property or any part thereof. It will not be obligatory upon the purchaser or purchasers at any such sale to see to the application of the purchase money. Nothing herein dealing with foreclosure procedures or specifying particular actions to be taken by Beneficiary or by Trustee will be deemed to contradict or add to the requirements and procedures (now or hereafter existing) of Colorado law applicable to this Deed of Trust at the time of foreclosure, and any such conflict or inconsistency shall be resolved in favor of Colorado law.

- (c) Should the Beneficiary elect to cause any part of the Property to be sold or otherwise disposed of as personal property as permitted by subsection (b) above, such Property may be sold or otherwise disposed of in any manner now or hereafter permitted by the Uniform Commercial Code or other applicable law, and Beneficiary will have, and may exercise, all of the rights, remedies and powers of a secured party under the Code or such other law. Grantor agrees that commercial reasonableness and good faith requires Beneficiary to give to Grantor no more than ten (10) days' prior written notice of any public sale or other disposition of any part of the Property to be sold pursuant to this subpart or of the time after which any private sale or other disposition of the Property is to be made.

9.6.3 Grantor as Tenant Holding Over. In the event of any such foreclosure sale, Grantor (if Grantor shall remain in possession) shall be deemed a tenant holding over and shall forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable thereto.

9.6.4 Other Remedies. During the continuance of any Event of Default, Beneficiary may take such other and additional steps to protect and enforce its rights, whether by action, suit or proceeding in equity or at law, or in aid of any power granted in the Note or the Loan Documents, or for the enforcement of

any other appropriate legal or equitable remedy, or otherwise, as Beneficiary may elect.

9.7 Other Security. Beneficiary may resort to any other security held by Beneficiary on behalf of and/or for the account of Grantor for the payment of the Secured Obligations or the performance of Grantor's obligations under the Loan Documents in such order and manner as Beneficiary may elect and no such action by Beneficiary shall operate to modify or terminate any of the rights, powers or remedies contained in the Note or the Loan Documents.

9.8 Adjournment of Sale. Beneficiary or, as permitted by law, Trustee, may adjourn from time to time any sale by Trustee to be made under or by virtue of this Deed of Trust by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any court, Trustee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

9.9 Conveyance by Trustee. Upon the termination of any sale or sales made by Trustee or Beneficiary under or by virtue of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Trustee or an officer of the court empowered so to do, shall execute and deliver to the purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all of Grantor's estate, right, title and interest in and to the properties and rights sold. Any such sale or sales made under or by virtue of this Article, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Grantor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Grantor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Grantor.

9.10 Acceleration Upon Sale. In the event of any sale made under or by virtue of this Section 9, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the entire Secured Obligations, if not previously due and payable, and all other sums required to be paid by Grantor pursuant to the Note and the Security Documents, shall immediately become due and payable in full, anything in the Note or the Loan Documents to the contrary notwithstanding.

9.11 Purchase by Beneficiary. In the event of any sale made under or by virtue of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof.

9.12 Separate Sales. In the event of any sale, whether made under or by virtue of this Deed of Trust under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary or Trustee, as applicable, may sell the Property or any part thereof in one parcel, as an entirety or in such parcels and in such manner or order as Beneficiary or Trustee, as applicable, in the sole exercise of its or their discretion, may elect. The power of sale set forth above shall not be exhausted by

any one or more sales as to any part of the Property which shall not have been sold (and such power of sale may be exercised from time to time and as many times as Beneficiary may deem necessary until all of the Property has been duly sold and all obligations secured hereby have been fully paid) nor by any sale which is not completed or which is defective in Beneficiary's opinion, until the Secured Obligations shall have been paid in full.

9.13 Rescission of Election to Accelerate. In the event Beneficiary shall elect to accelerate the maturity of the Secured Obligations pursuant to the provisions of this Deed of Trust, such election may be rescinded by written acknowledgment to that effect by Beneficiary; provided, however, that the acceptance of one or more partial payments on account of the Secured Obligations shall not alone affect or rescind such election.

9.14 Recovery of Judgment. During the continuance of any Event of Default, Beneficiary shall be entitled and empowered to institute such actions or proceedings at law or in equity as it may consider advisable for the collection of the entire unpaid balance of the Secured Obligations, and may prosecute any such actions or proceedings to judgment or final decree, and may enforce any such judgment or final decree against Grantor in any manner provided by law. Beneficiary shall be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceeding for the enforcement of any remedies provided for in the Note or the Loan Documents and the right of Beneficiary to recover any judgment as aforesaid shall not be affected by any sale hereunder, or the entry of a decree for the sale of the Property or any part thereof, or by the enforcement of the provisions of the Note and the Loan Documents or the foreclosure of the lien hereof. In the event of a sale of the Property, and of the application of the proceeds of sale, as in this Deed of Trust provided, to the payment of the Secured Obligations, Beneficiary shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon the Secured Obligations and shall be entitled to recover judgment for any portion of the Secured Obligations remaining unpaid, with interest. In case of proceedings against Grantor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of its assets, then Beneficiary shall be entitled to prove the whole amount due on account of the Secured Obligations, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Property; provided, however, that in no case shall Beneficiary receive a greater amount than such amount due on account of the Secured Obligations from the aggregate amount of the proceeds of the sale of the Property and the distribution from the estate of Grantor. No recovery of any judgment by Beneficiary and no levy of an execution under any judgment upon the Property or upon any other properties or assets of Grantor shall affect, in any manner or to any extent, the lien of this Deed of Trust upon the Property or any part thereof, or any liens, rights, powers or remedies of Beneficiary hereunder, but such liens, rights, powers and remedies of Beneficiary shall continue unimpaired as before.

9.15 Discontinuance of Proceedings. In the event Beneficiary shall commence any proceeding to enforce any right, power or remedy under the Note or the Loan Documents and such proceedings shall be discontinued or abandoned for any reason then in every such event the parties shall be restored to their former positions and rights, powers and remedies of Beneficiary shall continue.

9.16 No Condition Precedent to Exercise of Remedies. Neither Grantor nor any guarantor of the payment of all or any part of the Secured Obligations or the performance of all or any of Grantor's obligations under the Loan Documents shall be relieved of any obligation by reason of the failure of Beneficiary to comply with any request of Grantor or of any other person to take action to foreclose on this Deed of Trust or otherwise to enforce any provision of the Note or the Loan Documents, or by reason of the release, regardless of consideration, of all or any part of the Property, or by reason of any agreement or stipulation between any subsequent owner of the Property and Beneficiary extending the time of payments or modifying the terms of the Note or the Loan Documents without first having obtained the consent of Grantor or such guarantor; and in the latter event, Grantor and all guarantors shall continue to be liable to make payment according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Beneficiary.

9.17 Strict Performance. No delay or omission of Beneficiary to exercise any right, power or remedy accruing upon the happening of an Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or any acquiescence therein. No delay or omission on the part of Beneficiary to exercise any option for acceleration of the maturity of the Secured Obligations, or for foreclosure following any Event of Default as aforesaid, or any other option granted to Beneficiary hereunder in any one or more instances, or the acceptance by Beneficiary of any partial payment or payments on account of the Secured Obligations, shall constitute a waiver of any such Event of Default and each such option shall remain continuously in full force and effect.

9.18 Application of Proceeds. The proceeds of any sale made under or by virtue of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, together with any other sums which may then be held by Beneficiary pursuant to this Deed of Trust, whether under the provisions of this Article or otherwise, shall be applied as follows:

9.18.1 First, to the payment of all commercially reasonable fees, costs and expenses of such sale, and of any judicial or other proceedings wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Beneficiary under this Deed of Trust, and all taxes and assessments due upon the Property at the time of such sale and to discharge any other lien prior to this Deed of Trust, except any taxes, assessments or other liens subject to which the Property shall have been sold.

9.18.2 Second, to the payment of any other sums required to be paid by Grantor pursuant to any provisions of the Note or the Loan Documents, including, without limitation, all expenses, liabilities and advances made or incurred by Beneficiary under this Deed of Trust or in connection with the enforcement thereof together with interest on all such advances at the Default Rate (as defined in the Note) from the date incurred until paid.

9.18.3 Third, to the payment of whatever may then remain unpaid on account of the Indebtedness, with interest thereon to the date of payment or as otherwise provided in the Note and the Loan Documents.

9.18.4 Fourth, the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

9.19 Application of Purchase Money. In the event of any sale made under or by virtue of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, the receipt by Beneficiary or Trustee of the payment of the purchase money shall be full and sufficient discharge of any purchaser of the Property and no such purchaser, after paying such purchase money and receiving such a receipt, shall be bound or liable to see to the application of such purchase money.

9.20 Documents Effecting Sale. In connection with any sale under this Deed of Trust, Beneficiary may procure such title reports, surveys, tax histories, environmental assessments and appraisals as it deems necessary, and all costs and expenses incurred in connection therewith shall be payable by the Grantor or from the proceeds of the sale.

9.21 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Grantor, its creditors or its properties, Beneficiary, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings for the entire amount due and payable by Grantor under this Instrument at the date of the institution of such proceedings and for any additional amount which may become due and payable by Grantor hereunder after such date.

9.22 Protection of Beneficiary's Security. If Grantor fails to perform any of its obligations under this Deed of Trust or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Property, Beneficiary's security or Beneficiary's rights under this Deed of Trust, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of hazardous materials laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Beneficiary at Beneficiary's option may make such appearances, disburse such sums and take such actions as Beneficiary reasonably deems necessary to perform such obligations of Grantor and to protect Beneficiary's interest, including (i) disbursement of reasonable fees and out of pocket expenses of attorneys, accountants, inspectors and consultants, (ii) entry upon the Property to make repairs or secure the Property, (iii) procurement of the insurance coverages required hereunder, and (iv) payment of Impositions. Any amounts disbursed by Beneficiary under this Section 9.22, or under any other provision of this Deed of Trust, or under any of the other Loan Documents, that treats such disbursement as being made under this Section 9.22, shall be added to, and become part of the Secured Obligations, shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the Default Rate as defined in the Note. Nothing in this Section 9.22 shall require Beneficiary to incur any expense or take any action.

9.23 Insurance or Condemnation After Deficiency. If the Property is sold in a foreclosure proceeding under Section 9.6 prior to receipt of a condemnation award or payment, Beneficiary shall receive and apply the proceeds of the award or payment toward the

satisfaction of any deficiency resulting from the sale, whether or not a deficiency judgment is sought, recovered, or denied.

9.24 Bond. Grantor waives any right to require the person authorized to make the sale hereunder to post a bond.

9.25 Appointment of a Receiver. Upon the occurrence of an Event of Default, Beneficiary shall be entitled, upon ex parte application, to the immediate appointment of a receiver for the Property, without regard to the value of the Property or the solvency of any person liable for payment of the amounts due under the Loan Documents, and Grantor hereby irrevocably consents to such appointment, waives notice of any application therefor and agrees that the appointment of such receiver may be continued during the pendency of any nonjudicial foreclosure under power of sale of all or any portion of the Property, notwithstanding entry of judgment in any action. Any such receiver shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Beneficiary in case of entry as provided herein. Grantor agrees to promptly deliver to any such receiver all Rents, leases, documents, financial data and other information requested by such receiver in connection with the Property, and, without limiting the foregoing, Grantor hereby authorizes Beneficiary to deliver to any such receiver any or all of the Rents, leases, documents, data and information in Beneficiary's possession relating to the Property. Upon obtaining possession of the Property or upon the appointment of a receiver, Beneficiary or the receiver, as the case may be, may, at its sole option, (a) make all necessary or proper repairs and additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of Grantor (the cost of completing the Improvements shall be expenses secured by this Deed of Trust and accrue interest as set forth herein). In so doing, Beneficiary or such receiver shall have the right to manage the Property and to carry on the business of Grantor and may exercise all of the rights and powers of Grantor, either in the name of Grantor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any lease or sublease of the Property and to carry on any contracts entered into by Grantor with respect to the Property. Beneficiary or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. Grantor shall pay on demand to Beneficiary or the receiver (as the case may be) the amount of any deficiency between (a) the Rents received by Beneficiary or the receiver, and (b) all expenses incurred in taking possession of, and operating, the Property, together with interest thereon at the Default Rate as provided in the Note. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default and the enforcement of such remedies, once commenced, shall continue for so long as Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

9.26 Remedies Cumulative. All rights, powers, and remedies of Grantor provided for in the Loan Documents are cumulative and concurrent and shall be in addition to and not exclusive of any appropriate legal or equitable remedy provided by law or contract. Exercise of

any right, power, or remedy shall not preclude the simultaneous or subsequent exercise of any other by Beneficiary.

9.27 Consent to Jurisdiction and Venue. Grantor consents to be sued in any jurisdiction where any of the Property is located.

9.28 Rights Under the Uniform Commercial Code. Upon the occurrence of an Event of Default, Grantor shall assemble and make available to Beneficiary those portions of the Property which consist of personal property at a place to be designated by Beneficiary may exercise all the rights and remedies of a secured party under the Uniform Commercial Code. Any notices required by the Uniform Commercial Code shall be deemed reasonable if mailed certified mail, return receipt requested, postage prepaid, by Beneficiary to Grantor. Disposition of the Property shall be deemed commercially reasonable if made pursuant to a public offering advertised at least twice in a newspaper of general circulation in the County where the Property is located.

SECTION 10. MISCELLANEOUS

10.1 Financing Sign on Property, Publicity: Grantor authorizes Beneficiary, at Beneficiary's expense, to place signs on the Land at any locations selected by Beneficiary and approved by Grantor until completion of the Project, and to prepare and furnish news releases at any time to the news media or any other publications selected by Beneficiary advertising the fact that financial assistance for the Project has been obtained from Beneficiary.

10.2 Waivers. No term of any Loan Document shall be deemed waived unless the waiver shall be in writing and signed by the parties making the waiver. No failure by Beneficiary to insist upon Grantor's strict performance of any of the terms of the Loan Documents to which Grantor is a party shall be deemed or construed as a waiver of those or any other terms. Any delay in exercising or enforcing any rights with respect to an Event of Default shall not bar Beneficiary from exercising any rights under the Loan Documents, or at law or in equity.

10.3 Consents.

10.3.1 Beneficiary may (a) release any person liable under the Loan Documents, (b) release any part of the security, (c) extend the time of payment of the Loan, and/or (d) modify the terms of the Loan Documents, regardless of consideration and without notice to or consent by the holder of any subordinate lien on the Property. No release, extension or modification of the security held under the Loan Documents shall impair or affect the lien of this Deed of Trust or the priority of such lien over any subordinate lien.

10.3.2 Regardless of whether a person has been given notice or has given its prior consent, it shall not be relieved of any obligation under any Loan Documents by reason of (a) the failure of Beneficiary or any other person to take any action, foreclose, or otherwise enforce any provision of the Loan Documents, (b) the release of any other person liable under any Loan Document, (c) the release of any portion of the security under the Loan Documents, or (d) any agreement or

stipulation between any subsequent owners of the Property and Beneficiary extending the time of payment or modifying the terms of any Loan Document.

10.4 Special Provisions For State of Colorado. With respect to the Property which is located in the State of Colorado, notwithstanding anything contained herein to the contrary:

10.4.1 Revolving Credit; Future Advances. This Deed of Trust is made pursuant to a revolving credit arrangement as described in Section 38-39-106, Colorado Revised Statutes. It secures future advances up to the stated maximum principal amount of \$83,000,000.00 to the same extent and with the same effect and priority as if such total maximum principal amount has been fully disbursed on or before the date this Deed of Trust was recorded.

10.5 Headings. All section headings are for convenience only and shall not be interpreted to enlarge or restrict the provisions of this Deed of Trust.

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

- (a) If to Beneficiary: GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, Pennsylvania 19044
Attn: Construction Lending Department

- with a copy to: GMAC Commercial Deed of Trust Corporation
8333 Douglas Avenue, Suite 1460
Dallas, Texas 75225
Attn: Monique Bimler

- with a copy to: Ballard Spahr Andrews & Ingersoll, LLP
601 13th Street, N.W., Suite 1000 South
Washington, D.C. 20005-3807
Attn: Kelly M. Wrenn, Esq.

- (b) If to Grantor: Littleton Campus, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attn: Chief Financial Officer

- with a copy to Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228
Attn: General Counsel

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

10.7 Binding Effect. No transfer of any portion of the Property or any interest thereon shall relieve any transferor of its obligations under the Loan Documents. No transferor of any obligation under any Loan Document shall be relieved of its obligations by any modification of any Loan Document subsequent to the transfer. This Deed of Trust shall be binding upon the personal representatives, successors and assigns of Grantor and shall inure to the benefit of the successors, assigns and participants of Beneficiary.

10.8 Amendment. This Deed of Trust may not be modified except in writing signed by (a) Beneficiary and (b) Grantor.

10.9 Severability. In the event any provision of this Deed of Trust shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10.10 Notices from Governmental Authorities Affecting the Property. Any notice from any governmental or quasi-governmental authority or corporation with respect to the Property sent to or known by Grantor shall be promptly transmitted to Beneficiary.

10.11 Applicable Law. This Deed of Trust shall be governed by and construed in accordance with the internal laws of the State of Colorado and applicable laws of the United States of America.

10.12 Time of the Essence. Time is of the essence with respect to the Loan Documents.

10.13 Effect of Payments. Any payment or other performance made in accordance with the Loan Documents by any person other than Grantor shall not entitle such person to any right of subrogation under the Loan Documents, unless expressly consented to in writing by Beneficiary.

10.14 Word Forms. The use of any gender, tense, or conjugation herein shall be applicable to all genders, tenses and conjugations. The use of the singular shall include the plural and the plural shall include the singular.

10.15 Assignment of Rents. Grantor, as additional security for the payment of the debt evidenced by the Note, together with interest thereon, insurance premiums, taxes and assessments, at the time and in the manner provided herein, and for the performance of the covenants and agreements contained herein and in the Note and/or the Loan Documents, does hereby sell, assign, transfer and set over unto Beneficiary all of the rents, profits, income and other moneys, whether due or to become due, under all oral or written leases, licenses or other

agreements for the use or occupancy of the Property, or any part thereof, in existence or coming into existence during the period this Deed of Trust is in effect. This assignment of rents shall run with the land and be good and valid as against Grantor herein, or those claiming by, through or under Grantor, from the date of the recording of this Deed of Trust in Douglas County, Colorado, provided, however, that Grantor may collect and retain such rents, profits and income so long as there exists no Event of Default. This assignment shall continue to be operative during the foreclosure or any other proceeding taken to enforce this Deed of Trust. In the event of a sale on foreclosure which shall result in deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency.

In the event of default by Grantor under this Deed of Trust, the Note, the Loan Agreement or the other Loan Documents, Grantor shall, upon demand therefor made by Beneficiary, deliver and surrender possession of the Property to Beneficiary, who shall thereafter collect the rents, profits and income therefrom, rent or lease said Property or any portion thereof upon such terms and for such time as it may deem best, terminate any tenancy and maintain proceedings to recover rents or possession of the Property from any tenant or trespasser, and apply the proceeds of such rent, profits and income actually collected, less all reasonable costs incurred in making such collection or in renting, leasing, operating or maintaining the Property, in such order of priority, proportion and upon such item or items as it may determine.

If Grantor fails, refuses or neglects to deliver or surrender such possession, Beneficiary shall be entitled to the appointment of a receiver of the Property and of the earnings, issues, rents, profits and income with such power as the Court making such appointment may confer. The collection by Beneficiary of rents or other income from the Property shall in no way waive the right of Beneficiary to foreclose this Deed of Trust in the event of default, and Beneficiary shall be entitled to all of the rights and remedies accorded by the statutes of the State of Colorado in effect from time to time.

10.16 Future Advances. At all times, regardless of whether any loan proceeds have been disbursed, this Deed of Trust secures (in addition to the amounts secured hereby) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by Beneficiary in connection with the Loan.

10.17 Waiver of Right of Redemption and Other Rights. To the fullest extent permitted by law, Grantor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale, claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. To the fullest extent permitted by law, Grantor hereby expressly waives any and all rights it may have to require that the Property be sold as separate tracts or units in the event of foreclosure. To the fullest extent permitted by law, Grantor hereby waives any and all rights of redemption from sale under any judgment of foreclosure of this Deed of Trust on behalf of Grantor and on behalf

of each and every person acquiring any interest in or title to the Property of any nature whatsoever, subsequent to the date of this Deed of Trust.

10.18 Attorneys' Fees. If Beneficiary shall be made a party to or shall intervene in any action or proceeding affecting the Property or the title thereto or the interest of Beneficiary under this Deed of Trust or in connection with any provision hereof or under any of the other Loan Documents, or if Beneficiary employs an attorney to collect any or all of the indebtedness secured hereby or to foreclose this Deed of Trust by judicial proceedings or public trustee's sale proceedings hereunder, Beneficiary shall be reimbursed by Grantor, immediately and upon demand, for all reasonable costs, charges and reasonable attorneys' fees incurred by it in any such case, whether or not suit be commenced, and the same shall be secured hereby as a further charge and lien upon the Property with interest at the Default Rate provided for in the Note.

10.19 RELIEF FROM AUTOMATIC STAY. **GRANTOR HEREBY AGREES THAT, IN CONSIDERATION OF BENEFICIARY'S AGREEMENT TO MAKE THE LOAN AND IN RECOGNITION THAT THE FOLLOWING COVENANT IS A MATERIAL INDUCEMENT FOR BENEFICIARY TO MAKE THE LOAN, IN THE EVENT THAT GRANTOR SHALL (I) FILE WITH ANY BANKRUPTCY COURT OF COMPETENT JURISDICTION OR BE THE SUBJECT OF ANY PETITION UNDER ANY SECTION OR CHAPTER OF TITLE 11 OF THE UNITED STATES CODE, AS AMENDED ("BANKRUPTCY CODE"), OR SIMILAR LAW OR STATUTE; (II) BE THE SUBJECT OF ANY ORDER FOR RELIEF ISSUED UNDER THE BANKRUPTCY CODE OR SIMILAR LAW OR STATUTE; (III) FILE OR BE THE SUBJECT OF ANY PETITION SEEKING ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR OTHER RELIEF FOR DEBTORS; (IV) HAVE SOUGHT OR CONSENTED TO OR ACQUIESCED IN THE APPOINTMENT OF ANY TRUSTEE, RECEIVER, CONSERVATOR, OR LIQUIDATOR; OR (V) BE THE SUBJECT OF AN ORDER, JUDGMENT OR DECREE ENTERED BY ANY COURT OF COMPETENT JURISDICTION APPROVING A PETITION FILED AGAINST GRANTOR FOR ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY OR RELIEF FOR DEBTORS, THEN, SUBJECT TO COURT APPROVAL, BENEFICIARY SHALL THEREUPON BY ENTITLED AND GRANTOR HEREBY IRREVOCABLY CONSENTS TO, AND WILL NOT CONTEST, AND AGREES TO STIPULATE TO RELIEF FROM ANY AUTOMATIC STAY OR OTHER INJUNCTION IMPOSED BY SECTION 362 OF THE BANKRUPTCY CODE, OR SIMILAR LAW OR STATUTE (INCLUDING, WITHOUT LIMITATION, RELIEF FROM ANY EXCLUSIVE PERIOD SET FORTH IN SECTION 1121 OF THE BANKRUPTCY CODE) OR OTHERWISE, ON OR AGAINST THE EXERCISE OF THE RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO BENEFICIARY AS PROVIDED IN THE LOAN DOCUMENTS, AND AS OTHERWISE PROVIDED BY LAW, AND GRANTOR HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO OBJECT TO SUCH RELIEF.**

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

[SIGNATURE ON FOLLOWING PAGE]

IN WITNESS WHEREOF Grantor, by its duly authorized member, has executed and delivered this Deed of Trust as of the date and year first written above.

LITTLETON CAMPUS, LLC, a Maryland limited liability company

BY: Erickson Retirement Communities, LLC, a Maryland limited liability company, Sole Member

By:

Gerald F. Doherty,
Executive Vice President

STATE OF MARYLAND :
: SS:
CITY OF BALTIMORE :

This instrument was acknowledged before me on the 28th day of March, 2006 by GERALD F. DOHERTY, Executive Vice President of Erickson Retirement Communities, LLC, a Maryland limited liability company, the sole member of Littleton Campus, LLC, a Maryland limited liability company.

Witness my hand and official seal.

My Commission Expires: 12/1/06

Lori A. Nicolle, Notary Public
City of Baltimore
State of Maryland
My Commission Expires Dec. 1, 2006
(SEAL)

Lori A. Nicolle
Notary Public

EXHIBIT A

Description of Land

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY
OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED
AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET TO THE WESTERLY
RIGHT-OF-WAY LINE OF THE HIGHLINE CANAL RECORDED IN THE DOUGLAS
COUNTY CLERK AND RECORDERS OFFICE IN BOOK 34 AT PAGE 45 AND THE
POINT OF BEGINNING;

THENCE SOUTH 89°28'38" WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 5;
THENCE NORTH 01°08'14" EAST, ALONG THE WEST LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO A POINT ON THE
EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN SANTA FE
RAILROAD;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2)
COURSES:

1) NORTH 40°58'48" EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF
19°14'46", A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF 498.05 FEET,

(CHORD BEARS NORTH 31°21'25" EAST, A DISTANCE OF 495.71 FEET), TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 87°29'35" EAST, A DISTANCE OF 2,063.27 FEET;
- 2) SOUTH 89°15'10" EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF-WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

- 1) SOUTH 20°14'32" WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH 08°38'11" WEST, A DISTANCE OF 222.90 FEET);
- 3) SOUTH 02°58'12" EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;
- 4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 57°57'33", A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH 26°00'35" WEST, A DISTANCE OF 83.60 FEET);
- 5) SOUTH 54°57'17" WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH 83°45'03" WEST, A DISTANCE OF 127.24 FEET);
- 7) NORTH 67°33'07" WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 102°52'35", A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH 61°12'16" WEST, A DISTANCE OF 645.13 FEET);
- 9) SOUTH 09°45'59" WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;

10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 17°00'01", A RADIUS OF 500.59 FEET, AND AN ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH $89^{\circ}29'33''$ WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;
THENCE SOUTH $89^{\circ}28'38''$ WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN (15) COURSES:

- 1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;
- 2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);
- 3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);
- 5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;
- 6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);
- 7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;
- 8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);
- 9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;
- 10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH $83^{\circ}45'03''$ EAST, A DISTANCE OF 223.27 FEET);
- 11) NORTH $54^{\circ}57'19''$ EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 57°56'54", A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH 26°00'15" EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE
OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

EXHIBIT B

Parcels to be Released from the Deed of Trust

1. Approximately 30.6 acres located north of State Highway C-470 to be sold by Grantor for commercial retail development.
2. The approximately 12 acre tract to be dedicated to the Highlands Ranch Metropolitan District No. 3 (the "District") and identified on Erickson Filing No. 1, approved by the Douglas County, Colorado, Board of County Commissioners on March 15, 2006 (the "Plat"), as Tract A.
3. Approximately 8 acres, contained in four tracts, identified on the Plat as Lot 3 and Tracts E, F and G, to be dedicated to the Regional Transit Authority or Douglas County, Colorado, for use in the light rail system.
4. Approximately 8 acres of public right-of-way to be dedicated to either Douglas County, Colorado or the District.
5. Approximately 10 acres, contained in three tracts, identified on the Plat as Tracts B, C and D, to be dedicated to the District for parks, open space and drainage purposes.

EXHIBIT E

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SE

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR Littleton Campus, LLC

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

701 Maiden Choice Lane

CITY
Catonsville

STATE
MD

POSTAL CODE
21228

COUNTRY
USA

1d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
limited liability
company

1f. JURISDICTION OF ORGANIZATION
Maryland

1g. ORGANIZATIONAL ID#, if any
MD W07855588

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF
ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

GMAC Commercial Mortgage Corporation

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

200 Witmer Road

CITY

Horsham

STATE
PA

POSTAL CODE
19044

COUNTRY
USA

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor.

MAR 31 2006

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation

B1660643650

Doc #1.7(b)

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

UCC APPROVAL SHEET

**** EXPEDITED SERVICE ****

**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE

FEES REMITTED

<input checked="" type="checkbox"/> Expedited Fee	\$50.00
<input checked="" type="checkbox"/> UO - Original Financing Statement	\$25.00
<input type="checkbox"/> UOA - Original Financing Statement With Assignment	\$25.00
<input type="checkbox"/> UOTU - Original Financing Statement Transmitting Utility	\$25.00
<input type="checkbox"/> UMA - Amendment	\$25.00
<input type="checkbox"/> UMDA - Amendment - Debtor Added	\$25.00
<input type="checkbox"/> UMDC - Amendment - Debtor Name Change	\$25.00
<input type="checkbox"/> UMDD - Amendment - Debtor Deleted	\$25.00
<input type="checkbox"/> UMSA - Amendment - Secured Party Added	\$25.00
<input type="checkbox"/> UMSC - Amendment - Secured Party Name Change	\$25.00
<input type="checkbox"/> UMSD - Amendment - Secured Party Deleted	\$25.00
<input type="checkbox"/> UMC - Amendment - Continuation	\$25.00
<input type="checkbox"/> UMT - Amendment - Termination	\$25.00
<input type="checkbox"/> UMZ - Amendment - Assignment	\$25.00
<input type="checkbox"/> UMZP - Amendment - Partial Assignment	\$25.00
<input type="checkbox"/> UMCS - Amendment - Correction Statement	\$25.00
<input type="checkbox"/> UOMH - Manufactured Home - Original Financing Statement	\$25.00
<input type="checkbox"/> UOPF - Public Finance - Original Financing Statement	\$25.00
<input type="checkbox"/> Documents Nine (9) Pages or More	\$75.00
<input type="checkbox"/> Certified Copies	
<input type="checkbox"/> Plain Copies	

TOTAL FEES: 75



RECORDED ON 03/31/2006 AT 10:15 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001205651 ACK # 1000361992783179
ORIGINAL FILE NUMBER: 0000000181261854
LIBER: U00437 FOLIO: 2044 PAGES: 0002
RECORDING FEE: 25.00
EXPEDITED FEE: 50.00

Other Change(s)

Code

Attention:

Mail to Address:

NO FEE TRANSACTION TYPES

<input type="checkbox"/> URC - Copies
<input type="checkbox"/> UNCP - Void - Non-Payment
<input type="checkbox"/> UCC - Cancellation
<input type="checkbox"/> UCR - Reinstatement
<input type="checkbox"/> UCO Departmental Action
<input type="checkbox"/> UCREF - Refund Recordation Tax
<input type="checkbox"/> UCIS - Incorrect ID Number
<input type="checkbox"/> XOVRU - UCC Overrides
<input type="checkbox"/> UMFC - Filing Office Correction Statement

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST.
SUITE 1400
BALTIMORE

MD 21202-3219

METHOD OF PAYMENT

Cash ☐ Check ☒ Credit Card ☐

Number of Checks 1

COMMENT(S):

CUST ID: 0001762613
WORK ORDER: 0001205651
DATE: 03-31-2006 11:26 AM
RTT: PAID: \$75.00

UCC FINANCING STATEMENT
FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. 6P

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR Erickson Group, LLC

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

701 Maiden Choice Lane

CITY

Catonsville

STATE

MD

POSTAL CODE

21228

COUNTRY

USA

1d. TAX ID #: SSN OR EIN

ADDL INFO RE ORGANIZATION DEBTOR

1e. TYPE OF ORGANIZATION

limited liability company

1f. JURISDICTION OF ORGANIZATION

Maryland

1g. ORGANIZATIONAL ID#, if any

MD W04912523

☐ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID #: SSN OR EIN

ADDL INFO RE ORGANIZATION DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR/S) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

GMAC Commercial Mortgage Corporation

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

200 Wilmer Road

CITY

Horsham

STATE

PA

POSTAL CODE

19044

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

All past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, and including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing (or otherwise to be made) by Madison Campus, LLC, a Maryland limited liability company (the "Borrower"), or Erickson Retirement Communities, LLC, a Maryland limited liability company ("ERC") or Erickson Group, LLC, a Maryland limited liability company ("EG", and, together with ERC, the "Guarantors") the Debtor, whether as a member or otherwise (collectively, the "Subordinated indebtedness") and all proceeds thereof, and all rights and interests of Debtor in any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, the Guarantors or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated indebtedness (collectively, the "Subordinated Documents").

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSOR/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILEE ☐ SELLER/BUYER ☐ AG, LIEN ☐ NON-UCC FILING

6. ☐ The FINANCING STATEMENT is to be filed for record (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (OPTIONAL FEE) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation B3660043680 DOC #3.4

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC-1) (REV. 07/28/05)

DMEAST #9487730 v4

MAR 31 2006

UCC APPROVAL SHEET

**** EXPEDITED SERVICE ****

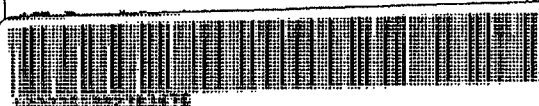
**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE

FEES REMITTED

☒ Expedited Fee \$50.00
☒ UO - Original Financing Statement \$25.00
 ___ UOA - Original Financing Statement With Assignment \$25.00
 ___ UOTU - Original Financing Statement Transmitting Utility \$25.00
 ___ UMA - Amendment \$25.00
 ___ UMDA - Amendment - Debtor Added \$25.00
 ___ UMDC - Amendment - Debtor Name Change \$25.00
 ___ UMDD - Amendment - Debtor Deleted \$25.00
 ___ UMSA - Amendment - Secured Party Added \$25.00
 ___ UMSC - Amendment - Secured Party Name Change \$25.00
 ___ UMSD - Amendment - Secured Party Deleted \$25.00
 ___ UMC - Amendment - Continuation \$25.00
 ___ UMT - Amendment - Termination \$25.00
 ___ UMZ - Amendment - Assignment \$25.00
 ___ UMZP - Amendment - Partial Assignment \$25.00
 ___ UMCS - Amendment - Correction Statement \$25.00
 ___ UOMH - Manufactured Home - Original Financing Statement \$25.00
 ___ UOPF - Public Finance - Original Financing Statement \$25.00
 ___ Documents Nine (9) Pages or More \$75.00
 ___ Certified Copies
 ___ Plain Copies

TOTAL FEES: 75



RECORDED ON 03/31/2006 AT 10:16 AM
 IN THE FINANCING RECORDS OF THE MD. ST.
 DEPARTMENT OF ASSESSMENTS AND TAXATION.
 WO # 0001205694 ACK # 1000361992783476
 ORIGINAL FILE NUMBER: 0000000181261866
 LIBER: U00437 FOLIO: 2086 PAGES: 0002
 RECORDING FEE: 25.00
 EXPEDITED FEE: 50.00

Other Change(s)

Code

Attention:

Mail to Address:

NO FEE TRANSACTION TYPES

___ URC - Copies
 ___ UNCP - Void - Non-Payment
 ___ UCC - Cancellation
 ___ UCR - Reinstatement
 ___ UCO Departmental Action
 ___ UCREF - Refund Recordation Tax
 ___ UCIS - Incorrect ID Number
 ___ XOVUR - UCC Overrides
 ___ UMFC - Filing Office Correction Statement

THE CORPORATION TRUST INCORPORATED
 300 E LOMBARD ST.
 SUITE 1400
 BALTIMORE

MD 21202-3219

METHOD OF PAYMENT

Cash ___ Check ☒ Credit Card ___

Number of Checks 1

COMMENT(S):

CUST ID: 0001762656
 WORK ORDER: 0001205694
 DATE: 03-31-2006 11:44 AM
 AMT. PAID: \$75.00

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO:

The Corporation Trust Incorporated
300 E. Lombard Street, Suite 1400
Baltimore, Maryland 21202

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR Erickson Retirement Communities, LLC

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

701 Maiden Choice Lane

CITY Catonsville

STATE MD

POSTAL CODE 21228

COUNTRY USA

1d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
limited liability
company

1f. JURISDICTION OF ORGANIZATION
Maryland

1g. ORGANIZATIONAL ID#, if any
MD W04550497

☐ NONE

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d. TAX ID #: SSN OR EIN

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF
ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID#, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME OF TOTAL ASSIGNEE of ASSIGNOR S/P) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR GMAC Commercial Mortgage Corporation

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

200 Witmer Road

CITY

Horsham

STATE PA

POSTAL CODE 19044

COUNTRY USA

4. This FINANCING STATEMENT covers the following collateral:

All items set forth on Exhibit A attached hereto and incorporated by reference herein.

MAR 31 2006

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)

7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional): ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

File with: Maryland State Department of Assessments and Taxation *Bla001043650* DOC #1.9(b)

FILING OFFICE COPY - NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 07/29/98)

EXHIBIT A

**TO UCC-1 FINANCING STATEMENT
FILED WITH THE
MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION**

DEBTOR: ERICKSON RETIREMENT COMMUNITIES, LLC

SECURED PARTY: GMAC COMMERCIAL MORTGAGE CORPORATION

This Financing Statement covers the following collateral:

All Assets Related to Wind Crest. All of the assets of Debtor of every kind whatsoever, including but not limited to each item of property of such Debtor, and in all cash and non-cash proceeds and products thereof, and all proceeds of all insurance policies covering all or any part of such property, which are located at, or are used in connection with, or relate to, or arise from the retirement community known as "Wind Crest", in Douglas County, Colorado, and/or its development, financing and operation.

Membership Interests. All of Debtor's right, title and interest in and to the following (collectively, the "Pledged Collateral"): (a) all of Debtor's membership interest in Littleton Campus, LLC, a Maryland limited liability company ("Littleton Campus"), which consists of a one hundred percent (100%) membership interest therein (the "Pledged Interests") and any certificates representing the Pledged Interests and any interest of Debtor in the entries on the books of any financial intermediary pertaining to the Pledged Interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Pledged Interests; (b) all additional interests in, and all securities convertible into and warrants, options and other rights to purchase or otherwise acquire, interests in any issuer of the Pledged Interests from time to time acquired by Debtor in any manner (which interests shall be deemed to be part of the Pledged Interests), the certificates or other instruments representing such additional interests, securities, warrants, options or other rights and any interest of Debtor in the entries on the books of any financial intermediary pertaining to such additional interests, and all dividends, distributions, cash, warrants, rights, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such additional interests, securities, warrants, options or other rights; and (c) to the extent not covered by clauses (a) and (b) above, all proceeds of any or all of the foregoing Pledged Collateral. The term "proceeds" includes whatever is receivable or received when Pledged Collateral or proceeds are sold, exchanged, collected or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes, without limitation, proceeds of any indemnity or guaranty payable to Debtor or Secured Party from time to time with respect to any of the Pledged Collateral.

UCC APPROVAL SHEET

**** EXPEDITED SERVICE ****

**** KEEP WITH DOCUMENT ****

TRANSACTION TYPE

FEES REMITTED

<input checked="" type="checkbox"/> Expedited Fee	\$50.00
<input checked="" type="checkbox"/> UO - Original Financing Statement	\$25.00
___ UOA - Original Financing Statement	
___ With Assignment	\$25.00
___ UOTU - Original Financing Statement	
___ Transmitting Utility	\$25.00
___ UMA - Amendment	\$25.00
___ UMDA - Amendment - Debtor Added	\$25.00
___ UMDC - Amendment -	
___ Debtor Name Change	\$25.00
___ UMDD - Amendment - Debtor Deleted	\$25.00
___ UMSA - Amendment -	
___ Secured Party Added	\$25.00
___ UMSC - Amendment -	
___ Secured Party Name Change	\$25.00
___ UMSD - Amendment -	
___ Secured Party Deleted	\$25.00
___ UMC - Amendment - Continuation	\$25.00
___ UMT - Amendment - Termination	\$25.00
___ UMZ - Amendment - Assignment	\$25.00
___ UMZP - Amendment -	
___ Partial Assignment	\$25.00
___ UMCS - Amendment -	
___ Correction Statement	\$25.00
___ UOMH - Manufactured Home -	
___ Original Financing Statement	\$25.00
___ UOPF - Public Finance -	
___ Original Financing Statement	\$25.00
___ Documents Nine (9) Pages or More	\$75.00
___ Certified Copies	
___ Plain Copies	

TOTAL FEES: 75

NO FEE TRANSACTION TYPES

___ URC - Copies
___ UNCP - Void - Non-Payment
___ UCC - Cancellation
___ UCR - Reinstatement
___ UCO Departmental Action
___ UCREF - Refund Recordation Tax
___ UCIS - Incorrect ID Number
___ XOVUR - UCC Overrides
___ UMFC - Filing Office Correction Statement

METHOD OF PAYMENT

Cash _____ Check ☒ Credit Card _____

Number of Checks 1

COMMENT(S):



1000361992783062

RECORDED ON 03/31/2006 AT 10:15 AM
IN THE FINANCING RECORDS OF THE MD. ST.
DEPARTMENT OF ASSESSMENTS AND TAXATION.
WO # 0001205638 ACK # 1000361992783062
ORIGINAL FILE NUMBER: 0000000181261849
LIBER: U00437 FOLIO: 2024 PAGES: 0003
RECORDING FEE: 25.00
EXPEDITED FEE: 50.00

Other Change(s)

Code _____

Attention: _____

Mail to Address:

THE CORPORATION TRUST INCORPORATED
300 E LOMBARD ST.
SUITE 1400
BALTIMORE

MD 21202-3219

CUST ID: 0001762600
WORK ORDER: 0001205638
DATE: 03-31-2006 11:19 AM
AMT. PAID: \$75.00

EXHIBIT D

ENVIRONMENTAL INDEMNITY AGREEMENT

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (this "Agreement"), dated as of March 29, 2006, is executed by LITTLETON CAMPUS, LLC, a Maryland limited liability company (the "Borrower"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("Guarantor I") and ERICKSON GROUP, LLC, a Maryland limited liability company ("Guarantor II") (Guarantor I and Guarantor II collectively the "Guarantors") (Borrower and the Guarantors being hereinafter sometimes referred to individually as an "Obligor" and collectively as the "Obligors"), for the benefit of, as a condition to, and to induce, GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Lender"), to make a revolving construction loan (the "Loan") to Borrower evidenced or to be evidenced by a Promissory Note (the "Note") of even date herewith made by Borrower payable to the order of Lender in the original principal amount of EIGHTY THREE MILLION and 00/100 (\$83,000,000.00) DOLLARS, which Loan is secured or to be secured by a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Deed of Trust") of even date herewith, encumbering certain real and personal property as therein described (collectively, the "Property"), including the land described in Exhibit "A" attached hereto and made a part hereof. The term "Loan Documents" as used herein is defined in the Deed of Trust and this Agreement is one of the Loan Documents.

1. Certain Definitions. As used in this Agreement:

(a) "Environmental Claim" means any investigative, enforcement, cleanup, removal, containment, remedial or other private or governmental or regulatory action at any time threatened, instituted or completed pursuant to any applicable Environmental Requirement, against any Obligor or against or with respect to the Property or any condition, use or activity on the Property (including any such action against Lender), and any claim at any time threatened or made by any person against any Obligor or against or with respect to the Property or any condition, use or activity on the Property (including any such claim against Lender), relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or in any way arising in connection with any Hazardous Material or any Environmental Requirement.

(b) "Environmental Requirement" means any Environmental Law, agreement or restriction (including, but not limited to, any condition or requirement imposed by any insurance or surety company), as the same now exists or may be changed or amended or come into effect in the future, which pertains to health, safety, any Hazardous Material, or the environment, including, but not limited to, ground or air or water or noise pollution or contamination, and underground or aboveground tanks.

(c) "Hazardous Material" means any substance, whether solid, liquid or gaseous: which is listed, defined or regulated as a "hazardous substance", "hazardous waste" or "solid waste", or otherwise classified as hazardous or toxic, in or pursuant to any Environmental Requirement; or which is or contains asbestos, radon, any

polychlorinated biphenyl, urea formaldehyde foam insulation, explosive or radioactive material, or motor fuel or other petroleum hydrocarbons; or which causes or poses a threat to cause a contamination or nuisance on the Property or any adjacent property or a hazard to the environment or to the health or safety of persons on the Property.

(d) "Environmental Law" means any federal, state or local law, statute, ordinance, code, rule, regulation, license, authorization, decision, order, injunction, decree, or rule of common law, and any judicial interpretation of any of the foregoing, which pertains to health, safety, any Hazardous Material, or the environment (including, but not limited to, ground or air or water or noise pollution or contamination, and underground or above ground tanks) and shall include, without limitation, the Solid Waste Disposal Act, 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. and any State of Colorado environmental laws and/or statutes or other federal environmental statutes, and all rules, regulations, orders and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

(e) "On" or "on", when used with respect to the Property or any property adjacent to the Property, means "on, in, under, above or about".

2. Representations and Warranties. Borrower hereby represents and warrants to, and covenants with, Lender, without regard to whether Lender has or hereafter obtains any knowledge or report of the environmental condition of the Property, as follows:

(a) Except as previously disclosed in that certain Phase I Environmental Site Assessment Report of Wind Crest dated February 24, 2006, prepared by Terracon Consultants, Inc. and delivered to Lender prior to the date hereof (the "Phase I Report"), the Property has not been used for industrial or manufacturing purposes, for landfill, dumping or other waste disposal activities or operations, for generation, storage, use, sale, treatment, processing, recycling or disposal of any Hazardous Material, for underground or aboveground storage tanks, or for any other use that could give rise to the release of any Hazardous Material on the Property, except for paint and similar substances normally used in connection with the proper construction of improvements and/or the maintenance and operation of existing facilities on the Property, all of which have been stored, used and disposed of in full compliance with all Environmental Laws and Environmental Requirements; and no such use of the Property occurred at any time prior to the period of Borrower's ownership of the Property, except as previously disclosed in the Phase I Report;

(b) To the best of Borrower's knowledge, except as previously disclosed in the Phase I Report, there is no Hazardous Material, storage tank (or similar vessel), whether underground or otherwise, sump or well currently on the Property;

(c) The Obligors have received no notice and have no knowledge of any Environmental Claim regarding the Property or any adjacent property;

(d) To the best of Borrower's knowledge, except as previously disclosed in the Phase I Report, the current conditions, uses and activities on the Property do not violate any Environmental Requirement. The use of the Property which Borrower (and each tenant and subtenant, if any) makes and intends to make of the Property complies, and will comply, with all applicable Environmental Requirements; and neither Borrower, nor any tenant or subtenant, has obtained or is required to obtain any permit or other authorization to construct, occupy, operate, use or conduct any activity on any of the Property by reason of any Environmental Requirement;

(e) The Property does not appear on the National Priorities List or, to the best of Borrower's knowledge, any other list or database of properties maintained by any local, state or federal agency or department showing properties which are known to contain or which are suspected of containing a Hazardous Material; and

(f) The Obligors have never applied for and been denied environmental impairment liability insurance coverage relating to the Property.

3. Violations. The Obligors will not cause, commit, permit or allow to continue (i) any violation of any Environmental Requirement (A) by Borrower or by any person or entity (B) by or with respect to the Property or any use of or condition or activity on the Property, or (ii) the attachment of any environmental lien to the Property. The Obligors will not place, install, dispose of or release, or cause, permit, or allow the placing, installation, disposal, spilling, leaking, dumping or release of, any Hazardous Material or storage tank (or similar vessel) on the Property in violation of any Environmental Laws and will keep the Property free of Hazardous Material.

4. Notice to Lender. The Obligors shall promptly deliver to Lender a copy of each report pertaining to the Property and any report of the Property prepared by or on behalf of any Obligor pursuant to any Environmental Requirement. The Obligor shall immediately advise Lender in writing of any Environmental Claim or of the discovery of any Hazardous Material on the Property, as soon as any Obligor first obtains knowledge thereof, including a full description of the nature and extent of the Environmental Claim and/or Hazardous Material and all relevant circumstances.

5. Access Onto Property. Lender, and its successors and assigns, are hereby granted an easement to enter and to authorize others to enter upon the Property for the purposes of conducting environmental investigations and audits (including taking physical samples) and such other action deemed necessary by Lender to insure compliance by Borrower with all Environmental Requirements. Borrower acknowledges that no adequate remedy at law exists for a violation of the easement granted herein and agrees that Lender is entitled to specific

performance of its rights under this easement. The easement granted herein shall continue until the Deed of Trust is cancelled or released of record.

6. Site Assessments and Information. If Lender shall ever have reasonable cause to believe that any Hazardous Material affects the Property, or if any Environmental Claim is made or threatened, or if a default shall have occurred under the Loan Documents, or upon the occurrence of the Transition Date (defined below) (but only if the Transition Date is the date referred to in clause (ii) of Section 8(c) hereof) if requested by Lender, the Obligors shall, at their expense, provide to Lender from time to time, in each case within forty-five (45) days after Lender's request, an Environmental Assessment (defined below) made after the date of Lender's request. As used in this Agreement, the term "Environmental Assessment" means a report (including all drafts thereof) of an environmental assessment of the Property of such scope (including, but not limited to, the taking of soil borings and air and groundwater samples and other above and below ground testing) as Lender may request, in its commercially reasonable discretion, by a consulting firm acceptable to Lender and made in accordance with Lender's established guidelines. The Obligors will cooperate with each consulting firm making any such Environmental Assessment and will supply to the consulting firm, from time to time and promptly on request, all information available to the Obligors to facilitate the completion of the Environmental Assessment. If the Obligors fail to furnish Lender, within ten (10) days after Lender's request, with a copy of an agreement with an acceptable environmental consulting firm to provide such Environmental Assessment, or if the Obligors fail to furnish to Lender such Environmental Assessment within forty-five (45) days after Lender's request therefore, Lender may cause any such Environmental Assessment to be made at the Obligors' expense and risk. Lender and its designees are hereby granted access to the Property at any time or times, upon reasonable notice (which may be written or oral), and a license which is coupled with an interest and irrevocable, to make or cause to be made any such Environmental Assessment. Lender shall not disclose any information Lender ever has about the environmental condition or compliance of the Property, except as may be required by law. Lender shall be under no duty to make any Environmental Assessment of the Property, and in no event shall any such Environmental Assessment by Lender be or give rise to a representation that any Hazardous Material is or is not present on the Property, or that there has been or shall be compliance with any Environmental Requirement, nor shall the Obligors or any other person be entitled to rely on any Environmental Assessment made by Lender or at Lender's request. Lender owes no duty of care to protect the Obligors or any other person against, or to inform them of, any Hazardous Material or other adverse condition affecting the Property.

7. Remedial Actions.

(a) If any Hazardous Material is discovered on the Property in violation of any Environmental Laws at any time and regardless of the cause, (i) the Obligors shall promptly, at the Obligors' sole risk and expense, remove, treat and dispose of the Hazardous Material in compliance with all applicable Environmental Requirements and solely under the Obligors' (or any of their) names (or if removal is prohibited by any Environmental Requirement, take whatever action is required by any Environmental Requirement), in addition to taking such other action as is necessary to have the full use and benefit of the Property as contemplated by the Loan Documents, and provide Lender with satisfactory evidence thereof; and (ii) if requested by Lender, provide to Lender,

within thirty (30) days of Lender's request, a bond, letter of credit or other financial assurance evidencing to Lender's satisfaction that all necessary funds are readily available to pay the costs and expenses of the actions required by clause (i) preceding and to discharge any assessments or liens established against the Property as a result of the presence of the Hazardous Material on the Property. Within thirty (30) days after completion of such remedial actions, the Obligors shall obtain and deliver to Lender an Environmental Assessment of the Property made after such completion and confirming to Lender's satisfaction that all required remedial action as stated above has been taken and successfully completed and that there is no evidence or suspicion of any contamination or risk of contamination on the Property or any adjacent property, or of violation of any Environmental Requirement, with respect to any such Hazardous Material.

(b) Lender may, but shall never be obligated to, remove or cause the removal of any Hazardous Material from the Property (or if removal is prohibited by any Environmental Requirement, take or cause the taking of such other action as is required by any Environmental Requirement) if the Obligors fail to promptly commence such remedial actions following discovery and thereafter diligently prosecute the same to the satisfaction of Lender (without limitation of Lender's rights to declare a default under any of the Loan Documents and to exercise all rights and remedies available by reason thereof); and Lender and its designees are hereby granted access to the Property at any time or times, upon reasonable notice (which may be written or oral), and a license which is coupled with an interest and irrevocable, to remove or cause such removal or to take or cause the taking of any such other action.

8. Indemnity.

(a) The Obligors hereby agree to protect, indemnify, defend and hold: (i) Lender; (ii) any persons or entities owned or controlled by, owning or controlling, or under common control or affiliated with Lender; (iii) any participants in the Loan; (iv) the directors, officers, partners, employees and agents of Lender, and/or such persons or entities; and (v) the heirs, personal representatives, successors and assigns of each of the foregoing persons or entities (each an "Indemnified Party" and collectively the "Indemnified Parties") harmless from and against, and, if and to the extent paid, reimburse them on demand for, any and all Environmental Damages (as hereinafter defined). However, the foregoing indemnity shall not apply to a particular Indemnified Party to the extent that the subject of the indemnification is caused by or arises out of the gross negligence or willful misconduct of that particular Indemnified Party. Upon demand by Lender, the Obligors shall diligently defend any Environmental Claim which affects the Property or is made or commenced against Lender, whether alone or together with Borrower or any other person, all at Obligors' own cost and expense and by counsel to be approved by Lender in the exercise of its reasonable judgment. In the alternative, at any time Lender may elect to conduct its own defense through counsel selected by Lender and at the cost and expense of the Obligors.

(b) As used in this Agreement, the term "Environmental Damages" means all claims, demands, liabilities (including strict liability), losses, damages (including consequential damages), causes of action, judgments, penalties, fines, costs and expenses

(including fees, costs and expenses of attorneys, consultants, contractors, experts and laboratories), of any and every kind or character, contingent or otherwise, matured or unmatured, known or unknown, foreseeable or unforeseeable, made, incurred, suffered, brought or imposed at any time and from time to time, whether before or after the Transition Date and arising in whole or in part from:

(1) The presence of any Hazardous Material on the Property, or any escape, seepage, leakage, spillage, emission, release, discharge or disposal of any Hazardous Material on or from the Property, or the migration or release or threatened migration or release of any Hazardous Material to, from or through the Property, on or before the Transition Date; or

(2) any act, omission, event or circumstance existing or occurring in connection with the handling, treatment, containment, removal, storage, decontamination, clean-up, transport or disposal of any Hazardous Material which is at any time on or before the Transition Date present on the Property; or

(3) the breach of any representation, warranty, covenant or agreement contained in this Agreement because of any event or condition occurring or existing on or before the Transition Date; or

(4) any violation on or before the Transition Date, of any Environmental Requirement in effect on or before the Transition Date, regardless of whether any act, omission, event or circumstance giving rise to the violation constituted a violation at the time of the occurrence or inception of such act, omission, event or circumstance; or

(5) any Environmental Claim, or the filing or imposition of any environmental lien against the Property, because of, resulting from, in connection with, or arising out of any of the matters referred to in subparagraphs (1) through (4) preceding;

and regardless of whether any of the foregoing was caused by an Obligor, or a tenant or subtenant, or a prior owner of the Property or its tenant or subtenant, or any third party, including, but not limited to, (i) injury or damage to any person, property or natural resource occurring on or off of the Property, including, but not limited to, the cost of demolition and rebuilding of any improvements on real property; (ii) the investigation or remediation of any such Hazardous Material or violation of Environmental Requirement, including, but not limited to, the preparation of any feasibility studies or reports and the performance of any cleanup, remediation, removal, response, abatement, containment, closure, restoration, monitoring or similar work required by any Environmental Requirement or necessary to have full use and benefit of the Property as contemplated by the Loan Documents (including any of the same in connection with any foreclosure action or transfer in lieu thereof); (iii) all liability to pay or indemnify any person or governmental authority for costs expended in connection with any of the foregoing; (iv) the investigation and defense of any claim, whether or not such claim is ultimately defeated; and (v) the settlement of any claim or judgment.

(c) As used in this Agreement, the term “Transition Date” means the earlier of the following two dates: (i) the date on which the indebtedness and obligations secured by the Deed of Trust have been paid and performed in full and the Deed of Trust has been released; or (ii) the date on which the lien of the Deed of Trust is fully and finally foreclosed or a conveyance by deed in lieu of such foreclosure is fully and finally effective and possession of the Property has been given to and accepted by the purchaser or grantee free of occupancy and claims to occupancy by the Obligors and their representatives, successors and assigns; provided that, if such payment, performance, release, foreclosure or conveyance is challenged, in bankruptcy proceedings or otherwise, the Transition Date shall be deemed not to have occurred until such challenge is validly released, dismissed with prejudice or otherwise barred by law from further assertion.

9. Reinstatement of Obligations. If at any time all or any part of any payment made by any Obligor, or received by any Indemnified Party from any Obligor, under or with respect to this Agreement is or must be rescinded or returned for any reason whatsoever, including the insolvency, bankruptcy or reorganization of any Obligor under any Debtor Relief Law (as defined below), then the obligations of the Obligors hereunder shall, to the extent of the payment rescinded or returned, be deemed to have continued in existence, notwithstanding such previous payment made by the Obligors, or receipt of payment by an Indemnified Party, and the obligations of the Obligors hereunder shall continue to be effective or be reinstated, as the case may be, as to such payment, all as though such previous payment by the Obligors had never been made.

10. Waivers. To the extent permitted by law, each of the Obligors, for itself and its successors, hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Indemnified Parties to proceed against any other person or to proceed against or exhaust any security held by the Indemnified Parties at any time or to pursue any other remedy in the Indemnified Parties’ power or under any other agreement before proceeding against the Obligors hereunder;

(b) the defense of the statute of limitations in any action hereunder relating to an underlying Environmental Claim that has no statute of limitations;

(c) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of the Indemnified Parties to file or enforce a claim against the estate (in administration, bankruptcy or any other proceedings) of any other person or person;

(d) demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notices of any kind, or the lack of any thereof, including, without limiting the generality of the foregoing, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of the Indemnified Parties, any endorser or creditor of any of the Obligors or any other person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by the Indemnified Parties;

(e) any right or claim of right to cause a marshalling of the assets of the Obligors;

(f) any principle or provision of law, statutory or otherwise, which is or might be in conflict with the terms and provisions of this Agreement;

(g) any duty on the part of the Indemnified Parties to disclose to the Obligors any facts the Indemnified Parties may now or hereafter know about the Property, regardless of whether the Indemnified Parties have reason to believe that any such facts materially increase the risk beyond that which the Obligors intend to assume or have reason to believe that such facts are unknown to the Obligors or have a reasonable opportunity to communicate such facts to the Obligors, it being understood and agreed that the Obligors are fully responsible for being and keeping informed of the condition of the Property and of any and all circumstances bearing on the risk that liability may be incurred hereunder;

(h) any lack of notice of disposition or of manner of disposition of any collateral for the Loan;

(i) any invalidity, irregularity or unenforceability, in whole or in part, of any one or more of the Loan Documents;

(j) any lack of commercial reasonableness in dealing with the collateral for the Loan;

(k) any deficiencies in the collateral for the Loan or any deficiency in the ability of the Indemnified Parties to collect or to obtain performance from any person or entities now or hereafter liable for the payment and performance of any obligation hereby guaranteed;

(l) any assertion or claim that the automatic stay provided by 11 U.S.C. §362 (arising upon the voluntary or involuntary bankruptcy proceeding of the Obligors) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of the Indemnified Parties to enforce any of their rights, whether now or hereafter required, which the Indemnified Parties may have against the Obligors or the collateral for the Loan; and

(m) any modifications of the Loan Documents or any obligation of the Obligors relating to the Loan by operation of law or by action of any court, whether pursuant to the Bankruptcy Reform Act of 1978, as amended or recodified (the "Bankruptcy Code"), or under any other present or future state or federal law regarding bankruptcy, reorganization or other relief to debtors (collectively, the "Debtor Relief Law"), or otherwise.

11. Consideration; Survival; Cumulative Rights. Borrower acknowledges that Lender has relied and will rely on the representations, warranties, covenants and agreements herein in

closing and funding the Loan and that the execution and delivery of this Agreement is an essential condition but for which Lender would not close or fund the Loan. The representations, warranties, covenants and agreements in this Agreement: shall be binding upon Obligors and their successors, assigns and representatives and shall inure to the benefit of Lender and its successors, assigns and representatives and participants in the Loan; and shall not terminate on the Transition Date or upon the release, foreclosure or other termination of the Deed of Trust, but will survive the Transition Date, the payment in full of the indebtedness secured by the Deed of Trust, foreclosure of the Deed of Trust or conveyance in lieu of foreclosure, the release or termination of the Deed of Trust and any and all of the other Loan Documents, any investigation by or on behalf of Lender, any bankruptcy or other debtor relief proceeding, and any other event whatsoever. Any amount to be paid under this Agreement by Obligors (or any of them) shall be a demand obligation owing by Obligors (which Obligors hereby promise to pay). Lender's rights under this Agreement shall be in addition to all rights of Lender under the Loan Documents or at law or in equity, and payments by Obligors under this Agreement shall not reduce Borrower's or Guarantors' obligations and liabilities under any of the Loan Documents. The liability of Obligors or any other person under this Agreement shall not be limited or impaired in any way by any provision in the Loan Documents or applicable law limiting Obligors' or such other person's liability or Lender's recourse or rights to a deficiency judgment, or by any change, extension, release, inaccuracy, breach or failure to perform by any party under the Loan Documents, Borrower's and Guarantors' (and, if applicable, such other person's) liability hereunder being direct and primary and not as a guarantor or surety. Nothing in this Agreement or in any other Loan Document shall limit or impair any rights or remedies of Lender and/or any other Indemnified Party against Obligor(s) or any other person under any Environmental Requirement or otherwise at law or in equity, including, without limitation, any rights of contribution or indemnification.

12. No Waiver. No delay or omission by Lender to exercise any right under this Agreement shall impair any such right nor shall it be construed to be a waiver thereof. No waiver of any single breach or default under this Agreement shall be deemed a waiver of any other breach or default. Any waiver, consent or approval under this Agreement must be in writing to be effective.

13. Notices. Unless specifically provided otherwise, any notice for purposes of this Agreement shall be given in writing and shall be addressed or delivered to the respective addresses set forth at the end of this Agreement, or to such other address as may have been previously designated by the intended recipient by notice given in accordance with this Section. If sent by prepaid, registered or certified mail (return receipt requested), the notice shall be deemed effective when the receipt is signed or when the attempted initial delivery is refused or cannot be made because of a change of address of which the sending party has not been notified; and if transmitted by personal delivery, the notice shall be effective when received. No notice of change of address shall be effective except upon actual receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any Loan Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

14. Invalid Provisions. A determination that any provision of this Agreement is unenforceable or invalid shall not affect the enforceability or validity of any other provision and

a determination that the application of any provision of this Agreement to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

15. Construction. Whenever in this Agreement the singular number is used, the same shall include plural where appropriate, and vice versa; and words of any gender in this Agreement shall include each other gender where appropriate. The headings in this Agreement are for convenience only and shall be disregarded in the interpretation hereof. Reference to "person" or "entity" means firms, associations, partnerships, joint ventures, trusts, limited liability companies, corporations and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

16. Applicable Law; Forum. This Agreement is performable in the State of Colorado and applicable Colorado and United States federal law shall govern the rights and duties of the parties hereto and the validity, enforcement and interpretation hereof. Each of the Obligors hereby irrevocably submit generally and unconditionally for itself and in respect of its property to the non-exclusive jurisdiction of any State of Colorado court, or any United States federal court for the District of Colorado and over any suit, action or proceeding arising out of or relating to this Agreement or the indebtedness secured by the Deed of Trust.

17. Execution; Modification. This Agreement has been executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one agreement; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. This Agreement may be amended only by an instrument in writing intended for that purpose executed jointly by an authorized representative of each party hereto and by an authorized representative of the Lender.

18. Entire Agreement. This Agreement contains the entire agreement between the parties respecting the matters herein set forth and supersedes (except as to the Deed of Trust) all prior agreements, whether written or oral, between the parties respecting such matters.

19. Full Recourse. All of the terms and provisions of this Agreement are full recourse obligations of the Obligors and not restricted by any limitation on personal liability.

20. Secured Obligations. The Obligors hereby acknowledge that the obligations of the Obligors under this Agreement are secured by the lien of the Deed of Trust and the security interests and other collateral described in the Deed of Trust and the other Loan Documents.

21. No Recourse Against the Indemnified Parties. The Obligors shall not have any right of recourse against the Indemnified Parties by reason of any action the Indemnified Parties may take or omit to take under the provisions of this Agreement or under the provisions of any of the Loan Documents relating to the environmental condition of the Property, other than actions resulting from the gross negligence or willful misconduct of any of the Indemnified Parties.

22. Reservation of Rights. Nothing contained in this Agreement shall prevent or in any way diminish or interfere with any rights or remedies, including the right to contribution, which the Indemnified Parties may have against the Obligors or any other party under the

Comprehensive Environmental Response, Compensation and Liability Act of 1980 (codified at Title 42 U.S.C. §9601 et seq.), as it may be amended from time to time, or any other applicable federal, state or local laws, all such rights being hereby expressly reserved.

23. No Limitation on Liability. Each of the Obligors hereby consents and agrees that the Indemnified Parties may at any time and from time to time without further consent from the Obligors do, permit or cause any of the following events, and the liability of the Obligors under this Agreement shall be unconditional and absolute and shall in no way be impaired or limited by the occurrence of any of the following events, whether occurring with or without notice to the Obligors, or with or without consideration: (a) any extensions of time for performance required by any of the Loan Documents or extension or renewal of the Note; (b) any sale, assignment or foreclosure of the Note, the Deed of Trust or any of the other Loan Documents or any sale or transfer of the Property; (c) any change in the composition of any of the Obligors; (d) the accuracy or inaccuracy of the representations and warranties made by the Obligors herein or in any of the Loan Documents; (e) the release of any of the Obligors or of any other person or entity from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents by operation of law, the Indemnified Parties' voluntary act or otherwise; (f) the release or substitution in whole or in part of any security for the Loan; (g) Lender's failure to record the Deed of Trust or to file any financing statement (or Lender's improper recording or filing thereof) or to otherwise perfect, protect, secure or insure any lien or security interest given as security for the Loan; (h) the modification of the terms of any one or more of the Loan Documents; or (i) the taking or failure to take any action of any type whatsoever. No such action which the Indemnified Parties shall take or fail to take in connection with the Loan Documents or any collateral for the Loan, nor any course of dealing with the Obligors or any other person, shall limit, impair or release the Obligors' obligations hereunder, affect this Agreement in any way or afford the Borrower any recourse against the Indemnified Parties. Nothing contained in this Paragraph shall be construed to require the Indemnified Parties to take or refrain from taking any action referred to herein.

24. Attorneys' Fees. The Obligors agree to pay all of the Indemnified Parties' costs and expenses, including reasonable attorneys' fees, which may be incurred in enforcing or protecting the Indemnified Parties' rights or interests. From the time(s) incurred until paid in full to the Indemnified Parties, all such sums shall bear interest at the Default Rate, as defined in the Note.

25. Successive Actions. A separate right of action hereunder shall arise each time the Indemnified Parties acquires knowledge of any matter indemnified by the Obligors under this Agreement. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action, and the Obligors hereby waive, and covenant not to assert, any defense in the nature of splitting of causes of action or merger of judgments.

26. Joint and Several Liability. If more than one person or entity is signing this Agreement as the Obligors, their obligations under this Agreement will be joint and several.

27. WAIVER OF TRIAL BY JURY. THE OBLIGORS AND LENDER (BY ACCEPTANCE OF THIS AGREEMENT), HAVING BEEN REPRESENTED BY

COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS AGREEMENT OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE OBLIGORS AGREE THAT THEY WILL NOT ASSERT ANY CLAIM AGAINST LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

28. WAIVER OF BANKRUPTCY STAY. THE OBLIGORS COVENANT AND AGREE THAT UPON THE COMMENCEMENT OF A VOLUNTARY OR INVOLUNTARY BANKRUPTCY PROCEEDING BY OR AGAINST ANY OF THE OBLIGORS, SUCH OBLIGOR SHALL NOT SEEK A SUPPLEMENTAL STAY OR OTHERWISE PURSUANT TO 11 U.S.C. §105 OR ANY OTHER PROVISION OF THE BANKRUPTCY CODE OR ANY OTHER DEBTOR RELIEF LAW, TO STAY, INTERDICT, CONDITION, REDUCE OR INHIBIT THE ABILITY OF THE INDEMNIFIED PARTIES TO ENFORCE ANY RIGHTS OF THE INDEMNIFIED PARTIES AGAINST SUCH OBLIGOR BY VIRTUE OF THIS AGREEMENT OR OTHERWISE.

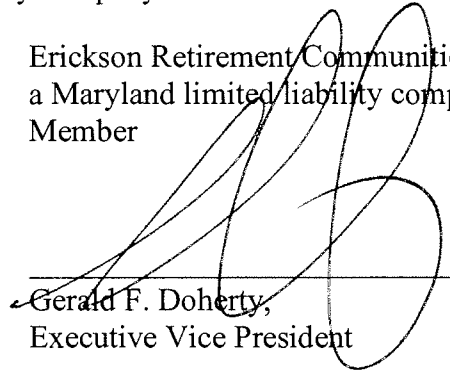
[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Obligor has executed this Environmental Indemnity Agreement as of the day and year first above written.

BORROWER:

LITTLETON CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC,
a Maryland limited liability company, Sole
Member

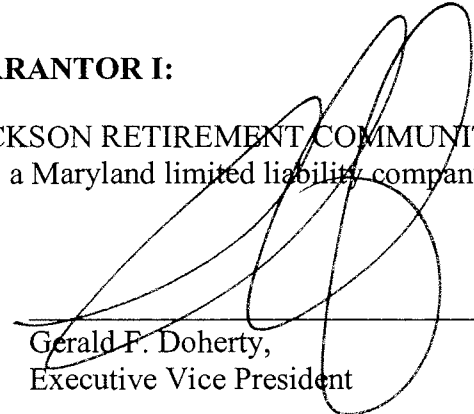
By: 
Gerald F. Doherty,
Executive Vice President

Address of Borrower:

c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228

GUARANTOR I:

ERICKSON RETIREMENT COMMUNITIES,
LLC, a Maryland limited liability company

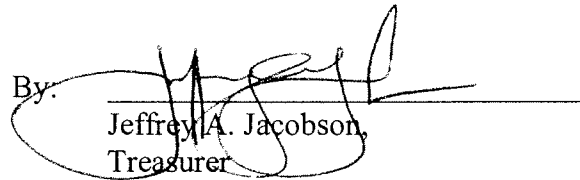
By: 
Gerald F. Doherty,
Executive Vice President

Address of Guarantor I:

c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228

GUARANTOR II:

ERICKSON GROUP, LLC, a Maryland limited liability company

By: 
Jeffrey A. Jacobson,
Treasurer

Address of Guarantor II:

c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Catonsville, Maryland 21228

EXHIBIT "A"

(DESCRIPTION OF LAND)

PARCEL ONE:

LOT 1, BLOCK 1,
AND LOT 1, BLOCK 2,
ERICKSON SUBDIVISION,
RECORDED NOVEMBER 29, 2005 AT RECEPTION NO. 2005113790,
COUNTY OF DOUGLAS,
STATE OF COLORADO.

PARCEL TWO:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5,
TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY
OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED
AS FOLLOWS:

COMMENCING AT THE CENTER QUARTER CORNER OF SAID SECTION 5;
THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 1,390.24 FEET TO THE WESTERLY
RIGHT-OF WAY LINE OF THE HIGHLINE CANAL RECORDED IN THE DOUGLAS
COUNTY CLERK AND RECORDERS OFFICE IN BOOK 34 AT PAGE 45 AND THE
POINT OF BEGINNING;

THENCE SOUTH 89°28'38" WEST, CONTINUING ALONG SAID SOUTH LINE A
DISTANCE OF 1,295.29 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 5;
THENCE NORTH 01°08'14" EAST, ALONG THE WEST LINE OF THE NORTHWEST
QUARTER OF SAID SECTION 5 A DISTANCE OF 247.24 FEET TO A POINT ON THE
EASTERLY RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN SANTA FE
RAILROAD;

THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO (2)
COURSES:

1) NORTH 40°58'48" EAST, A DISTANCE OF 1,737.80 FEET TO A POINT OF
CURVATURE;

2) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF
19°14'46", A RADIUS OF 1,482.69 FEET, AND AN ARC LENGTH OF 498.05 FEET,
(CHORD BEARS NORTH 31°21'25" EAST, A DISTANCE OF 495.71 FEET), TO A POINT
ON THE SOUTH RIGHT-OF-WAY LINE OF STATE HIGHWAY NO. 470;

THENCE ALONG SAID SOUTH RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 87°29'35" EAST, A DISTANCE OF 2,063.27 FEET;
- 2) SOUTH 89°15'10" EAST, A DISTANCE OF 292.17 FEET TO A POINT ON THE WESTERLY RIGHT-OF WAY LINE OF SAID HIGHLINE CANAL;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING SIXTEEN (16) COURSES:

- 1) SOUTH 20°14'32" WEST, A DISTANCE OF 213.18 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 2) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 553.96 FEET, AND AN ARC LENGTH OF 224.43 FEET, (CHORD BEARS SOUTH 08°38'11" WEST, A DISTANCE OF 222.90 FEET);
- 3) SOUTH 02°58'12" EAST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;
- 4) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 57°57'33", A RADIUS OF 86.27 FEET, AND AN ARC LENGTH OF 87.27 FEET, (CHORD BEARS SOUTH 26°00'35" WEST, A DISTANCE OF 83.60 FEET);
- 5) SOUTH 54°57'17" WEST, A DISTANCE OF 24.65 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 6) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 57°23'41", A RADIUS OF 132.49 FEET, AND AN ARC LENGTH OF 132.72 FEET, (CHORD BEARS SOUTH 83°45'03" WEST, A DISTANCE OF 127.24 FEET);
- 7) NORTH 67°33'07" WEST, A DISTANCE OF 450.75 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 8) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 102°52'35", A RADIUS OF 412.52 FEET, AND AN ARC LENGTH OF 740.69 FEET, (CHORD BEARS SOUTH 61°12'16" WEST, A DISTANCE OF 645.13 FEET);
- 9) SOUTH 09°45'59" WEST, A DISTANCE OF 113.23 FEET TO A POINT OF NON-TANGENT CURVATURE;
- 10) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 17°00'01", A RADIUS OF 500.59 FEET, AND AN ARC LENGTH OF 148.53 FEET, (CHORD BEARS SOUTH 18°23'37" WEST, A DISTANCE OF 147.99 FEET);

11) SOUTH 26°53'38" WEST, A DISTANCE OF 116.93 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 73°39'26", A RADIUS OF 117.74 FEET, AND AN ARC LENGTH OF 151.36 FEET, (CHORD BEARS SOUTH 63°43'11" WEST, A DISTANCE OF 141.16 FEET);

13) NORTH 79°27'04" WEST, A DISTANCE OF 192.97 FEET TO A POINT OF NON-TANGENT CURVATURE;

14) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 68°50'36", A RADIUS OF 484.92 FEET, AND AN ARC LENGTH OF 582.65 FEET, (CHORD BEARS SOUTH 66°13'16" WEST, A DISTANCE OF 548.23 FEET);

15) SOUTH 31°47'58" WEST, A DISTANCE OF 474.59 FEET TO A POINT OF NON-TANGENT CURVATURE;

16) THENCE ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 04°10'50", A RADIUS OF 306.01 FEET, AND AN ARC LENGTH OF 22.33 FEET, (CHORD BEARS SOUTH 29°42'21" WEST, A DISTANCE OF 22.32 FEET) TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL THREE:

A PARCEL OF LAND BEING A PORTION OF THE NORTH HALF OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN, COUNTY OF DOUGLAS, STATE OF COLORADO, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 5, SAID POINT BEING THE SOUTH END OF A LINE DESCRIBED IN BOOK 183 AT PAGE 423 RECORDED IN THE DOUGLAS COUNTY CLERK AND RECORDERS OFFICE;

THENCE SOUTH 89°29'33" WEST, ALONG SAID SOUTH LINE A DISTANCE OF 1,324.82 FEET TO THE CENTER QUARTER CORNER OF SAID SECTION;

THENCE SOUTH 89°28'38" WEST, ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1,272.87 FEET TO A POINT ON THE

EASTERLY RIGHT-OF WAY LINE OF THE HIGHLINE CANAL, AS DESCRIBED IN BOOK 34 PAGE 45 OF THE AFOREMENTIONED RECORDS;
THENCE ALONG THE EASTERLY LINE OF SAID HIGHLINE CANAL THE FOLLOWING FIFTEEN (15) COURSES:

1) NORTH $31^{\circ}47'58''$ EAST, A DISTANCE OF 434.16 FEET TO A POINT OF CURVATURE;

2) THENCE ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $68^{\circ}51'17''$, A RADIUS OF 384.92 FEET, AND AN ARC LENGTH OF 462.57 FEET, (CHORD BEARS NORTH $66^{\circ}13'37''$ EAST, A DISTANCE OF 435.24 FEET);

3) SOUTH $79^{\circ}27'04''$ EAST, A DISTANCE OF 193.06 FEET TO A POINT OF NON-TANGENT CURVATURE;

4) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $73^{\circ}39'23''$, A RADIUS OF 217.74 FEET, AND AN ARC LENGTH OF 279.91 FEET, (CHORD BEARS NORTH $63^{\circ}43'12''$ EAST, A DISTANCE OF 261.04 FEET);

5) NORTH $26^{\circ}53'38''$ EAST, A DISTANCE OF 116.93 FEET TO A POINT OF CURVATURE;

6) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $17^{\circ}00'01''$, A RADIUS OF 600.59 FEET, AND AN ARC LENGTH OF 178.20 FEET, (CHORD BEARS NORTH $18^{\circ}23'37''$ EAST, A DISTANCE OF 177.55 FEET);

7) NORTH $09^{\circ}45'59''$ EAST, A DISTANCE OF 113.46 FEET TO A POINT OF CURVATURE;

8) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF $102^{\circ}52'35''$, A RADIUS OF 312.52 FEET, AND AN ARC LENGTH OF 561.14 FEET, (CHORD BEARS NORTH $61^{\circ}12'16''$ EAST, A DISTANCE OF 488.74 FEET);

9) SOUTH $67^{\circ}33'07''$ EAST, A DISTANCE OF 451.09 FEET TO A POINT OF CURVATURE;

10) ALONG THE ARC OF SAID CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}23'41''$, A RADIUS OF 232.49 FEET, AND AN ARC LENGTH OF 232.89 FEET, (CHORD BEARS NORTH $83^{\circ}45'03''$ EAST, A DISTANCE OF 223.27 FEET);

11) NORTH $54^{\circ}57'19''$ EAST, A DISTANCE OF 24.80 FEET TO A POINT OF NON-TANGENT CURVATURE;

12) ALONG THE ARC OF SAID NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF $57^{\circ}56'54''$, A RADIUS OF 186.27 FEET, AND AN ARC LENGTH OF 188.39 FEET, (CHORD BEARS NORTH $26^{\circ}00'15''$ EAST, A DISTANCE OF 180.47 FEET);

13) NORTH 02°58'12" WEST, A DISTANCE OF 187.37 FEET TO A POINT OF CURVATURE;

14) ALONG THE ARC OF SAID CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 23°12'45", A RADIUS OF 453.96 FEET, AND AN ARC LENGTH OF 183.91 FEET, (CHORD BEARS NORTH 08°38'11" EAST, A DISTANCE OF 182.66 FEET);

15) NORTH 20°14'32" EAST, A DISTANCE OF 248.56 FEET TO THE SOUTH RIGHT-OF-WAY LINE
OF C-470;

THENCE SOUTH 89°15'10" EAST, ALONG SAID SOUTH LINE, A DISTANCE OF 247.39 FEET TO A POINT ON THE LINE DESCRIBED IN SAID DEED RECORDED IN BOOK 1830 AT PAGE 423;

THENCE SOUTH 03°04'24" WEST, A DISTANCE OF 1,850.17 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARINGS: BEARINGS ARE BASED ON THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 5, TOWNSHIP 6 SOUTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN. AS MONUMENTED AT BOTH THE WEST QUARTER CORNER AND CENTER QUARTER CORNER WITH 3 1/4" BRASS CAPS AS BEARING SOUTH 89°28'38" WEST.

PARCEL FOUR:

RESERVATION OF ACCESS ACROSS THE LINES RELINQUISHED IN RULE AND ORDER IN CASE NO. 83 CV 274 IN THE DISTRICT COURT OF DOUGLAS COUNTY, COLORADO, RECORDED January 17, 1985 IN BOOK 558 AT PAGE 587 WHERE PASSAGEWAYS UNDER THE ROADWAY HAVE BEEN PROVIDED, AS MORE PARTICULARLY SET FORTH IN SAID RULE AND ORDER.

EXHIBIT C

GUARANTY
(Full Payment And Performance)

THIS GUARANTY ("**Guaranty**") is made as of this 29th day of March, 2006 in favor of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation (together with its successors and assigns, "**Lender**") by ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("**ERC**") and ERICKSON GROUP, LLC, a Maryland limited liability company (who, together are referred to as "**Guarantors**" and each individually as "**Guarantor**").

BACKGROUND

A. Littleton Campus, LLC, a Maryland limited liability company ("**Borrower**") and Lender are entering into a certain Loan Agreement of even date herewith ("**Loan Agreement**") pursuant to which Lender will make a revolving loan ("**Loan**") to Borrower in the maximum principal amount of \$83,000,000.00. The Loan also will be evidenced by Borrower's promissory note to Lender of even date herewith ("**Note**") and secured by, among other things, a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing made by Borrower to Lender also of even date herewith ("**Security Instrument**") which grants to Lender, among other things, a first lien on the property described therein.

B. Each Guarantor owns a direct or indirect interest in Borrower and will derive substantial benefit from Lender's making of the Loan to Borrower.

C. Lender requires as a condition to making the Loan that Guarantors agree, jointly and severally, to guaranty for the benefit of Lender, and its successors and assigns, all obligations and liabilities of Borrower with respect to the Loan, regardless of whether Borrower has personal liability therefore.

NOW, THEREFORE, to induce Lender to make the Loan to Borrower, and in consideration of the substantial benefit each Guarantor will derive from the Loan, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound hereby, each Guarantor hereby agrees as follows:

ARTICLE 1
DEFINED TERMS

1.01 Defined Terms. Capitalized terms used in this Guaranty and not specifically defined in this Guaranty have the meaning provided in the Loan Agreement.

ARTICLE 2
OBLIGATION GUARANTEED

2.01 Guaranteed Obligations. Each Guarantor, jointly and severally, irrevocably and unconditionally, guarantees to Lender: (a) the full and prompt payment when due (not merely the collection) of all amounts due with respect to the Loan, and the observance and performance by

the Borrower of all of the Borrower's obligations under the Loan Documents; (b) the full and prompt payment (not merely the collection) of all present and future liabilities and obligations of the Borrower to the Lender of every kind and description, now existing or hereafter owing, matured or unmatured, direct or indirect, absolute or contingent or joint or several and the observance and performance by the Borrower of all of the Borrower's obligations with respect to the foregoing; (c) the payment of all expenses and charges (including all court costs and reasonable attorneys' fees) paid or incurred by the Lender in realizing upon any of the obligations guaranteed above or in enforcing any of the Loan Documents; (d) the performance of all obligations of the Borrower under the Loan Agreement and Loan Documents including, but not limited to, the indemnification obligations set out in the Loan Agreement; (e) the full and timely completion of all of the Improvements, in each Construction Phase for which construction has commenced, in strict accordance with the provisions of the Loan Agreement, all legal requirements and all related Plans and Specifications approved by Lender, free and clear of any and all liens which may arise from, or in any way relate to, the Improvements; and (f) the full and timely payment of all contractors, subcontractors and material suppliers whose work and materials have been or may hereafter be delivered or supplied for, or incorporated into, the Improvements (collectively, the "**Guaranteed Obligations**"). Without limiting the foregoing, each Guarantor hereby guarantees that if liens relating to, or arising out of, the performance of the Improvements are filed, Guarantor shall cause such liens to be removed or satisfied of record no later than thirty (30) days after notice thereof to Guarantor, all to the reasonable satisfaction of Lender. The foregoing obligations are independent of any obligation (if any) of Borrower under the Loan Documents to provide payment or performance bonds for any of its contractors and are effective regardless of whether Borrower has any personal liability for the Guaranteed Obligations and Guarantor's liability hereunder is not limited to the original or amortized principal balance of the Loan or the value of the collateral given as security for the Loan.

2.02 Completion of Improvements. If for any reason Borrower fails to complete the Improvements in accordance with the terms of the Loan Agreement and other applicable Loan Documents, then, within thirty (30) days after written notice from Lender, Guarantor will immediately assume all responsibility for full completion of the Improvements as required by the Loan Documents and take such other action as Lender may require to remedy Borrower's default. Guarantor shall be in default of this Guaranty if, in Lender's judgment, Guarantor (a) does not assume responsibility for completion of the Improvements within such ten (10) day period, (b) fails to pursue completion of the Improvements diligently or (c) fails to complete the Improvements by the time required by the Loan Documents. In any such event, Lender may (in addition to all other remedies available to Lender), upon written notice to Guarantor, take any action Lender believes necessary to complete the Improvements (but Lender shall not be obligated to do so and may suspend or terminate any such actions at any time, without completion). In connection with Lender's right to complete the Improvements, each of the Guarantors hereby grant (to the extent Guarantors have the ability to grant) to the Lender the right to (i) enter upon the Land and complete the Improvements in accordance with the Plans and Specifications with such changes therein as the Lender may deem appropriate, and employ watchmen to protect the Property, (ii) at any time discontinue any work commenced with respect to the Project, (iii) assume any or all contracts covered by the Collateral Assignment of Project Documents or any other contracts made by Borrower or either of the Guarantors relating to the construction or equipping of the Improvements and take over and use all or any part of the labor, materials, supplies and equipment contracted for by Borrower or either of the Guarantors, (iv)

engage builders, contractors, and others for the purpose of furnishing labor, materials and equipment in connection with the Project, and (v) pay, settle or compromise all bills or claims that may become liens against the Property. No such actions by Lender shall release or limit the liability of any Guarantor. The Guarantors shall be jointly and severally liable to the Lender for all sums paid or incurred by it to construct and equip the Improvements whether the same shall be paid or incurred pursuant to the provisions of this Section 2.02 or otherwise, and all payments made or liabilities incurred by the Lender hereunder of any kind whatsoever shall be paid by the Guarantors to the Lender upon demand with interest at the rate provided in the Note. For the purpose of exercising the rights granted by this Section, Guarantors hereby irrevocably constitute and appoint the Lender as their true and lawful attorney-in-fact to execute, acknowledge and deliver any instruments and to do and perform any acts in the name and on behalf of each such Guarantor.

2.03 Continuing Obligation. This Guaranty is a continuing guaranty and remains in full force and effect and will be discharged only if and when the Loan and all other monetary obligations evidenced by the Loan Documents have been satisfied in full; provided, however, that notwithstanding any of the foregoing to the contrary, this Guaranty shall remain in full force and effect for so long as any payment hereunder may be voided in bankruptcy proceedings as a preference or for any other reason.

2.04 Direct Action Against Guarantor. Each Guarantor's liability under this Guaranty is a guaranty of payment and performance and not of collection. Lender has the right to require each Guarantor to pay, comply with and satisfy its obligations and liabilities under this Guaranty, and shall have the right to proceed immediately against each Guarantor with respect thereto, without being required to attempt recovery first from Borrower or any other party, without first suing on the Note or any other Loan Document and without demonstrating that the collateral for the Loan is inadequate security or that Lender has exercised (to any degree) or exhausted any of Lender's other rights and remedies with respect to Borrower or any collateral for the Loan.

ARTICLE 3

GENERAL TERMS AND CONDITIONS

3.01 Payments; Interest on Amounts Payable Hereunder. Amounts payable to Lender under this Guaranty shall be immediately due and payable on Lender's written demand and shall be paid without reduction by set-off, defense, counterclaim or cross-claim. Interest at the Default Rate (or the maximum interest rate permitted by applicable law) shall accrue on any judgment obtained by Lender in connection with the enforcement or collection of amounts due under this Guaranty until such judgment is paid in full. Lender may apply all money received by Lender to payment or reduction of the Loan or reimbursement of Lender's expenses, in such priority and proportions, and at such time or times as Lender may elect.

3.02 Cumulative Remedies upon Event of Default. Guarantors acknowledge that, following an Event of Default with respect to the Loan, Lender is entitled to accelerate the Loan and exercise all other rights and remedies as have been provided to Lender under the other Loan Documents, by law or in equity, including, without limitation enforcement of this Guaranty. All rights and remedies of Lender are cumulative and may be exercised independently, concurrently or successively in Lender's sole discretion and as often as occasion therefor shall arise. Lender's

delay or failure to accelerate the Loan or exercise any other remedy upon the occurrence of an Event of Default with respect to the Loan shall not be deemed a waiver of such right as remedy. No partial exercise by Lender of any right or remedy will preclude further exercise thereof. Notice or demand given to Guarantor in any instance will not entitle Guarantor to notice or demand in similar or other circumstances nor constitute Lender's waiver of its right to take any future action in any circumstance without notice or demand (except where expressly required by this Guaranty to be given). Lender may release other security for the Loan, may release any party liable for the Loan, may grant extensions, renewals or forbearances with respect thereto, may accept a partial or past due payment or grant other indulgences, or may apply any other security held by it to payment of the Loan, in each case without prejudice to its rights under this Guaranty and without such action being deemed an accord and satisfaction or a reinstatement of the Loan. Lender will not be deemed as a consequence of its delay or failure to act, or any forbearances granted, to have waived or be estopped from exercising any of its rights or remedies.

3.03 Enforcement Costs. Guarantors hereby agree to pay, on written demand by Lender, all costs incurred by Lender in collecting any amount payable under this Guaranty or enforcing or protecting its rights under the Guaranty, in each case whether or not legal proceedings are commenced. Such fees and expenses include, without limitation, reasonable fees for attorneys, paralegals and other hired professionals, a reasonable assessment of the cost of services performed by Lender's default management staff, court fees, costs incurred in connection with pre-trial, trial and appellate level proceedings (including discovery and expert witnesses), costs incurred in post-judgment collection efforts or in any bankruptcy proceeding. Amounts incurred by Lender shall be immediately due and payable, and shall bear interest at the Default Rate from the date of disbursement until paid in full, if not paid in full within ten (10) business days after Lender's written demand for payment.

3.04 Unimpaired Liability. Each Guarantor acknowledges and agrees that all obligations hereunder are and shall be absolute and unconditional under any and all circumstances without regard to the validity, regularity or enforceability of any or all of the Loan Documents or the existence of any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety. Without limiting the foregoing, each Guarantor acknowledges and agrees that its respective liability hereunder shall in no way be released, terminated, discharged, limited or impaired by reason of any of the following (whether or not Guarantor has any knowledge or notice thereof): (a) Borrower's lack of authority or lawful right to enter into any of the Loan Documents; (b) any modification, supplement, extension, consolidation, restatement, waiver or consent provided by Lender with respect to any of the Loan Documents including, without limitation, approval to a transfer of the Property or the grant of extensions of time for payment or performance; (c) failure to record any Loan Document or to perfect any security interest intended to be provided thereby or otherwise to protect, secure or insure any collateral for the Loan; (d) Lender's failure to exercise, or delay in exercising, any rights or remedies Lender may have under the Loan Documents or under this Guaranty; (e) the release or substitution, in whole or in part, of any collateral for the Loan or acceptance of additional collateral for the Loan; (f) the release of any Guarantor from performance, in whole or in part, under this Guaranty or the release of Borrower from performance, in whole or in part, under any of the Loan Documents, in each case whether by operation of law, Lender's voluntary act, or otherwise; (g) any bankruptcy, insolvency, reorganization, adjustment, dissolution,

liquidation or other like proceeding involving or affecting Borrower, any other Guarantor or Lender; (h) the termination or discharge of the Security Instrument or the exercise of any power of sale or any foreclosure (judicial or otherwise) or delivery or acceptance of a deed-in-lieu of foreclosure; (i) the existence of any claim, setoff, counterclaim, defense or other rights which Guarantor may have against Borrower, any other Guarantor or Lender, whether in connection with the Loan or any other transaction; or (j) the accuracy or inaccuracy of the representations and warranties made by Borrower in any of the Loan Documents.

3.05 Waivers. Each Guarantor hereby waives and relinquishes, to the fullest extent permitted by law: (a) all rights or claims of right to cause a marshalling of assets or to cause Lender to proceed against any of the collateral for the Loan before proceeding under this Guaranty against it or any other Guarantor; (b) all rights and remedies accorded by applicable law to sureties or guarantors, except any rights of subrogation and contribution (the exercise of which are subject to the terms of this Guaranty); (c) the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought by or against it; (d) notice of acceptance of this Guaranty and of any action taken or omitted in reliance hereon; (e) presentment for payment, demand, protest, notice of nonpayment or failure to perform or observe, or any other proof, notice or demand to which it might otherwise be entitled with respect to its obligations hereunder; and (f) all homestead or exemption rights against the obligations hereunder and the benefits of any statutes of limitation or repose.

3.06 Guarantor Bound by Judgment Against Borrower. Each Guarantor agrees that it shall be bound conclusively, in any jurisdiction, by the judgment in any action by Lender against Borrower in connection with the Loan Documents (wherever instituted) as if such Guarantor were a party to such action even if not so joined as a party.

3.07 Certain Consequences of Borrower's Bankruptcy.

(a) If Borrower shall be subject to the protection of the Bankruptcy Code or any insolvency law the effect of which is to prevent or delay Lender from taking any remedial action against Borrower, including the exercise of any option Lender has to accelerate and declare the Loan immediately due and payable, Lender may, as against each Guarantor, nevertheless declare the Loan due and payable and enforce any or all of its rights and remedies against any Guarantor as provided herein.

(b) Any payment made on the Loan, whether made by Borrower or any Guarantor or any other Person, that is required to be refunded or recovered from Lender as a preference or a fraudulent transfer or is otherwise set-aside pursuant to the Bankruptcy Code or any insolvency or other debtor relief law shall not be considered as a payment made on the Loan or under this Guaranty. Each Guarantor's liability under this Guaranty shall continue with respect to any such payment, or be deemed reinstated, with the same effect as if such payment had not been received by Lender, notwithstanding any notice of revocation of this Guaranty prior to such avoidance or recovery or payment in full of the Loan, until such time as all periods have expired within which Lender could be required to return any amount paid at any time on account of the Guaranteed Obligations.

(c) Until payment in full of the Loan (including interest accruing on the Note after the commencement of a proceeding by or against Borrower under the Bankruptcy Code, which interest the parties agree remains a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in cases under the Bankruptcy Code generally), Guarantors agree not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantors and hereby assign such indebtedness to Lender, including the right (but not the obligation) to file proof of claim and to vote in any other bankruptcy or insolvency action, including the right to vote on any plan of reorganization, liquidation or other proposal for debt adjustment under Federal or state law.

3.08 Subrogation and Contribution. Each Guarantor agrees that no payment by it under this Guaranty shall give rise to (a) any rights of subrogation against Borrower or the collateral for the Loan, or (b) any rights of contribution against any other Guarantor, in each case unless and until Lender has received full and indefeasible payment of the Loan. If the deferral of such rights shall be unenforceable for any reason, each Guarantor agrees that (a) its rights of subrogation shall be junior and subordinate to Lender's rights against Borrower and the collateral for the Loan, and (b) its rights of contribution against any other Guarantor shall be junior and subordinate to Lender's rights against each other Guarantor.

3.09 Subordination of Borrower's Obligations to Guarantor. Any indebtedness of Borrower to any Guarantor, now or hereafter existing, together with any interest thereon, shall be and hereby is deferred, postponed and subordinated to the prior payment in full of the Loan. Further, each Guarantor agrees that should such Guarantor receive any payment, satisfaction or security for any indebtedness owed by Borrower to it, the same shall be delivered to Lender in the form received (endorsed or assigned as may be appropriate) for application on account of, or as security for, the Loan and until so delivered to Lender, shall be held in trust for Lender as security for the Loan.

3.10 Lender Transferees; Secondary Market Activities. Each Guarantor acknowledges and agrees that Lender, with prior notice to Guarantors but without the necessity of obtaining any Guarantor's prior consent, may assign all or any portion of its rights hereunder in connection with any sale or assignment of the Loan or servicing rights related to the Loan, may grant participations in the Loan, or contract for the servicing of the Loan, and that each such assignee, participant or servicer shall be entitled to exercise all of Lender's rights and remedies hereunder. Each Guarantor further acknowledges that Lender may provide to third parties with an existing or prospective interest in the servicing, enforcement, ownership, purchase, and/or participation of the Loan, any and all information which Lender now has or may hereafter acquire relating to the Loan, the Property or with respect to Borrower or any Guarantor, as Lender determines necessary or desirable. Each Guarantor irrevocably waives all rights it may have under applicable law, if any, to prohibit such disclosure, including, without limitation, any right of privacy.

3.11 Financial Reports, Inspection of Records. Each Guarantor shall provide Lender the financial statements and information required of it under Section 8.3 of the Loan Agreement on a continuous basis during the term of the Loan and shall also provide certain notices and information under Section 8.13 of the Loan Agreement prior to start up of new retirement communities. Lender and its agents have the right, upon prior written notice to Guarantor

(notice to be given unless an Event of Default exists), to examine the records, books and other papers which reflect upon such Guarantor's financial condition and to make copies and abstracts from such materials.

3.12 Liquidity Covenant. At all times until the Guaranteed Obligations have been fully satisfied, ERC will maintain liquidity in an amount equal to the minimum sum of \$24,000,000.00 plus an additional amount equal to \$7,500,000.00 for each new retirement community (in excess of four (4)) sponsored by Guarantor under construction during the term of the Loan and for which such construction is being financed by bank construction financing or its equivalent (excluding bond financing). For purposes of this Guaranty, "liquidity" means unencumbered and unrestricted cash and readily marketable securities (including both debt and equity instruments). At Lender's request, Borrower agrees to provide a written schedule identifying such Liquid Assets and location of deposits.

3.13 Litigation. Upon obtaining knowledge thereof, Guarantor shall promptly give notice in writing to the Lender of any litigation, pending or threatened, and of any proceeding before any governmental or regulatory agency or officer which might have a material adverse effect on the financial position of such Guarantor (any suit or suits in which the amount in controversy is less than \$100,000 in the aggregate being hereby deemed not to be material).

3.14 Assessments. Guarantor shall pay and discharge, or cause to be paid or discharged, all taxes, assessments and governmental charges or levies imposed upon any of the properties of such Guarantor, all claims for labor, supplies, rent and any other obligations, prior to the date on which penalties attach thereto, and all lawful claims which, if unpaid, might become a lien or charge upon any such properties; provided, however, that such Guarantor shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim so long as the Lender has been given notice of the intention of such Guarantor to institute any contest thereof and so long as, in the opinion of the Lender, (i) the payment is being diligently contested in good faith by appropriate proceedings, (ii) the security for the Guaranteed Obligations is not impaired and (iii) such Guarantor (as appropriate) has effectively stayed or prevented the sale of its properties.

3.15 Properties Sale. Except as otherwise permitted in the Loan Agreement, Guarantor shall not sell or otherwise dispose, or cause or allow any other person or entity to sell or otherwise dispose, without prior written consent of the Lender, of any property or properties of such Guarantor except for sales or leases for a consideration approximately equal to fair market value or fair market rental or other fair and appropriate consideration; provided, however, that the Lender shall not unreasonably withhold consent to any disposition that would not have a material adverse effect on the financial position of such Guarantor.

3.16 Distributions. Except as otherwise permitted in the Loan Agreement, Guarantor shall not pay any income, bonuses, profits, salaries or fees to any of its partners or members or make any distribution of cash or property to any of its partners or members or to affiliates thereof (including other entities in which any of its partners or members owns an interest).

3.17 Joinder to Loan Documents. Guarantor further agrees to all provisions of the Loan Agreement and Loan Documents which refer or relate to such Guarantor or which require

its consent or joinder, as fully as if such provisions were set forth herein. Such provisions include, but are not limited to, Sections 8.3, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14 and 8.31 of the Loan Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.01 Guarantor Due Diligence and Benefit. Each Guarantor represents and warrants to Lender that (a) the Loan and this Guaranty are for commercial purposes, (b) it has had adequate opportunity to review the Loan Documents, (c) it is fully aware of obligations of Borrower thereunder and of the financial condition, assets and prospects of Borrower, and (d) it is executing and delivering this Guaranty based solely upon Guarantor's own independent investigation of the matters contemplated by clauses (a)-(c) and in no part upon any representation, warranty or statement of Lender with respect thereto.

4.02 General. Each Guarantor individually, as to such Guarantor, represents and warrants that:

(a) Authority. Guarantor has the full power and authority to execute and deliver this Guaranty and to perform its obligations hereunder. If Guarantor is not an individual: (i) Guarantor is duly organized, validly existing and in good standing under the laws of the state of its formation, and (ii) the execution, delivery and performance of this Guaranty by Guarantor has been duly and validly authorized and the person(s) signing this Guaranty on Guarantor's behalf has been validly authorized and directed to sign this Guaranty.

(b) Valid and Binding Obligation. This Guaranty constitutes Guarantor's legal, valid and binding obligation, enforceable against it in accordance with its terms, except to the extent enforceability may be limited under applicable bankruptcy and insolvency laws and similar laws affecting creditors' rights generally and to general principles of equity.

(c) No Conflict with Other Agreement. Guarantor's execution, delivery and performance of this Guaranty will not (i) violate Guarantor's organizational documents if Guarantor is not an individual, (ii) result in the breach of, or conflict with, or result in the acceleration of, any obligation under any guaranty, indenture, credit facility or other instrument to which Guarantor or any of its assets may be subject, or (iii) violate any order, judgment or decree to which Guarantor or any of its assets is subject.

(d) No Pending Litigation. No action, suit, proceeding or investigation, judicial, administrative or otherwise (including without limitation any reorganization, bankruptcy, insolvency or similar proceeding), currently is pending or, to the best of Guarantor's knowledge, threatened against Guarantor which, either in any one instance or in the aggregate, may have a material, adverse effect on Guarantor's ability to perform its obligations under this Guaranty.

(e) Consideration. Guarantor owns a direct or indirect interest in Borrower and will derive substantial benefit from the Loan to Borrower.

(f) Financial Condition. ERC currently is solvent and will not be rendered insolvent by providing this Guaranty. No change that would have a Material Adverse Effect has occurred with respect to the ERC since the date of its most recent financial statements submitted to Lender, other than has been disclosed in writing to Lender and acknowledged by Lender. For purposes hereof, "Material Adverse Effect" shall mean with respect to any circumstance, act, condition or event of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singly or in conjunction with any other event, act, condition circumstances, whether or not related, in Lender's reasonable judgment, a material adverse change in, or a materially adverse effect upon (a) the business, operations, prospects or financial condition of ERC; or (b) the ability of ERC to perform its obligations under any Loan Document to which it is a party.

ARTICLE 5

MISCELLANEOUS

5.01 Notices. All notices and other communications under this Guaranty are to be in writing and addressed in the case of Lender to the address as set forth below and in the case of each Guarantor, as set forth below such Guarantor's signature hereto. Default or demand notices shall be deemed to have been duly given upon the earlier of: (a) actual receipt; (b) one (1) business day after having been timely deposited for overnight delivery, fee prepaid, with a reputable overnight courier service, having a reliable tracking system; or (c) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by certified mail, postage prepaid, return receipt requested, and in the case of clause (b) and (c) irrespective of whether delivery is accepted. A new address for notice may be established by written notice to the other parties; provided, however, that no address change will be effective until written notice thereof actually is received by the party to whom such address change is sent. Lender's notice address is as follows:

GMAC Commercial Mortgage Corporation
100 South Wacker Drive, Suite 400
Chicago, Illinois 60606
Attn: Construction Servicing Account Manager

With a required copy to:

GMAC Commercial Mortgage Corporation
200 Witmer Road
Horsham, PA 19044
Attn: Servicing Account Manager

5.02 Entire Agreement; Modification. This Guaranty is the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes and replaces all prior discussions, representations, communications and agreements (oral or written). This Guaranty shall not be modified, supplemented, or terminated, nor any provision hereof waived, except by a written instrument signed by the party against whom enforcement thereof is sought, and then only to the extent expressly set forth in such writing.

5.03 Binding Effect; Joint and Several Obligations. This Guaranty is binding upon and inures to the benefit of Guarantors, Lender and their respective heirs, executors, legal representatives, successors, and assigns, whether by voluntary action of the parties or by operation of law. No Guarantor may delegate or transfer its obligations under this Guaranty. If there is more than one Guarantor, each Guarantor shall be jointly and severally liable hereunder.

5.04 Unenforceable Provisions. Any provision of this Guaranty which is determined by a court of competent jurisdiction or government body to be invalid, unenforceable or illegal shall be ineffective only to the extent of such determination and shall not affect the validity, enforceability or legality of any other provision, nor shall such determination apply in any circumstance or to any party not controlled by such determination.

5.05 Duplicate Originals; Counterparts. This Guaranty may be executed in any number of duplicate originals, and each duplicate original shall be deemed to be an original. This Guaranty (and each duplicate original) also may be executed in any number of counterparts, each of which shall be deemed an original and all of which together constitute a fully executed Guaranty even though all signatures do not appear on the same document.

5.06 Construction of Certain Terms. Defined terms used in this Guaranty may be used interchangeably in singular or plural form, and pronouns shall be construed to cover all genders. Article and section headings are for convenience only and shall not be used in interpretation of this Guaranty. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Guaranty as a whole and not to any particular section, paragraph or other subdivision; and the word "section" refers to the entire section and not to any particular subsection, paragraph or other subdivision; and "**Guaranty**" and each of the Loan Documents referred to herein mean the agreement as originally executed and as hereafter modified, supplemented, extended, consolidated, or restated from time to time.

5.07 Governing Law. This Guaranty shall be interpreted and enforced according to the laws of the State of Colorado (excluding any choice of law rules that may direct the application of the laws of another jurisdiction).

5.08 Consent to Jurisdiction. Each Guarantor irrevocably consents and submits to the exclusive jurisdiction and venue of any state or federal court sitting in the county and state where the Property is located with respect to any legal action arising with respect to this Guaranty and waives all objections which it may have to such jurisdiction and venue.

5.09 WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH GUARANTOR WAIVES AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS GUARANTY.

5.10 WAIVER OF AUTOMATIC STAY. GUARANTOR HEREBY AGREES THAT, IN CONSIDERATION OF LENDER'S AGREEMENT TO MAKE THE LOAN AND IN RECOGNITION THAT THE FOLLOWING COVENANT IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN, IN THE EVENT THAT GUARANTOR SHALL (A) FILE WITH ANY BANKRUPTCY COURT OF COMPETENT JURISDICTION OR BE THE SUBJECT OF ANY PETITION UNDER

ANY SECTION OR CHAPTER OF TITLE 11 OF THE UNITED STATES CODE, AS AMENDED ("BANKRUPTCY CODE"), OR SIMILAR LAW OR STATUTE, (B) BE THE SUBJECT OF ANY ORDER FOR RELIEF ISSUED UNDER THE BANKRUPTCY CODE OR SIMILAR LAW OR STATUTE, (C) FILE OR BE THE SUBJECT OF ANY PETITION SEEKING ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR OTHER RELIEF FOR DEBTORS, (D) HAVE SOUGHT OR CONSENTED TO OR ACQUIESCED IN THE APPOINTMENT OF ANY TRUSTEE, RECEIVER, CONSERVATOR, OR LIQUIDATOR, OR (E) BE THE SUBJECT OF AN ORDER, JUDGMENT OR DECREE ENTERED BY ANY COURT OF COMPETENT JURISDICTION APPROVING A PETITION FILED AGAINST GUARANTOR FOR ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY OR RELIEF FOR DEBTORS, THEN, SUBJECT TO APPLICABLE LAW (INCLUDING WITHOUT LIMITATION, COMMON LAW OR STATUTORY FIDUCIARY DUTIES), LENDER SHALL THEREUPON BE ENTITLED, AND GUARANTOR HEREBY IRREVOCABLY CONSENTS TO, AND WILL NOT CONTEST, AND AGREES TO STIPULATE TO RELIEF FROM, ANY AUTOMATIC STAY OR OTHER INJUNCTION IMPOSED BY SECTION 362 OF THE BANKRUPTCY CODE, OR SIMILAR LAW OR STATUTE (INCLUDING, WITHOUT LIMITATION, RELIEF FROM ANY EXCLUSIVE PERIOD SET FORTH IN SECTION 1121 OF THE BANKRUPTCY CODE) OR OTHERWISE, ON OR AGAINST THE EXERCISE OF THE RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO LENDER AS PROVIDED IN THIS AGREEMENT AND/OR THE LOAN DOCUMENTS, AND AS OTHERWISE PROVIDED BY LAW, AND GUARANTOR HEREBY IRREVOCABLY WAIVES GUARANTOR'S RIGHTS TO OBJECT TO SUCH RELIEF.

[Remainder of page is blank; signatures appear on next page.]

IN WITNESS WHEREOF, the undersigned hereby sign, seal and deliver this Guaranty.

ERICKSON RETIREMENT COMMUNITIES,
LLC, a Maryland limited liability company

By: _____

Gerald F. Doherty
Executive Vice President

Address for Notice:

701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: General Counsel

ERICKSON GROUP, LLC, a Maryland limited
liability company

By: _____

Name: _____

Jessy A. Jacobsen

Title: _____

Treasurer

Address for Notice

701 Maiden Choice Lane
Catonsville, Maryland 21228
Attention: General Counsel

EXHIBIT B

PROMISSORY NOTE

\$83,000,000.00

Littleton, Colorado
March 27 2006

FOR VALUE RECEIVED, the undersigned LITTLETON CAMPUS, LLC, a Maryland limited liability company, having an address at 701 Maiden Choice Lane, Catonsville, MD 21228 (the **"Borrower"**), hereby promises to pay to the order of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation, having an address at 200 Witmer Road, Horsham, Pennsylvania 19044-0809, together with its successors and assigns or, if this Note has then been endorsed "to bearer," to the bearer of this Note (collectively the **"Lender"**), at Lender's said address or at such other place or to such other person as may be designated in writing to Borrower by Lender, the principal sum of Eighty Three Million and 00/100 Dollars (\$83,000,000.00) (the **"Loan"**) or so much thereof as shall be advanced or re-advanced pursuant to the terms of a certain construction loan agreement of even date herewith by and between Borrower and Lender (the **"Loan Agreement"**), together with interest on the unpaid balance thereof at the rate hereinafter set forth.

ON THE TERMS AND SUBJECT TO THE CONDITIONS which are hereinafter set forth:

Section 1. Interest Rate.

1.1 Initial Note Rate and Initial Payment. Interest shall accrue on the outstanding principal balance of the Loan from and after the date hereof (**"Closing Date"**) at the rate of seven and five eights percent (7.625%) per annum (**"Initial Note Rate"**) until the last day of the month prior to the first Note Rate Adjustment Date (as defined below). Interest for the period beginning on the Closing Date and ending on and including the last day of the month in which this Note is dated shall be due and payable on the date hereof (**"Initial Interest Period"**).

1.2 Calculation Basis; Interest Accrual Period. Interest on the outstanding principal balance of the Loan shall be calculated utilizing a 365 day year and shall be paid for the actual number of days elapsed for any whole or partial month in which interest is being calculated. Except for the Initial Interest Period, interest shall accrue at the Note Rate, from the period beginning on the first (1st) day of the month prior to the Payment Date (defined in Section 2.1 below), through and including the last day of the month immediately prior to such Payment Date (each an **"Interest Accrual Period"**).

1.3 Default Interest Rate. If Borrower fails to make any payment of principal, interest or fees on the date on which such payment becomes due and payable (taking into account any applicable grace, notice and/or cure periods) whether at maturity or by acceleration, or if an Event of Default exists, the Note Rate then payable on the Loan shall immediately increase to the Note Rate plus five hundred (500) basis points (the **"Default Rate"**) and shall continue to accrue at the Default Rate until full payment is received or such Event of Default is cured or waived in writing by Lender. Interest at the Default Rate shall also accrue on any judgment obtained by

Lender in connection with collection of the Loan or enforcement of any obligations due under the Loan Documents until such judgment is paid in full.

1.4 Note Rate and Note Rate Adjustment Dates. The “**Note Rate**” shall mean an interest rate which is the average of London Interbank Offered Rates (“**LIBOR**”), in U.S. dollar deposits, for a term of one month determined solely by Lender on each Note Rate Adjustment Date (defined below) plus two and three quarters percent (2.75%) (“**Margin**”), which combined figure shall be rounded upwards to the nearest one-eighth percent (.125%). On each Note Rate Adjustment Date, Lender will obtain the close-of-business LIBOR from “Page 3750” on the Telerate Service (or such other page as may replace Page 3750 on that service) on the Note Rate Adjustment Date. If Telerate Service ceases publication or ceases to publish LIBOR, Lender shall select a comparable publication to determine the LIBOR and provide notice thereof to Borrower. LIBOR may or may not be the lowest rate based upon the market for U.S. dollar deposits in the London Interbank Eurodollar Market at which Lender prices loans on the date on which LIBOR is determined by Lender as set forth above. Adjustments to the Note Rate in connection with changes in LIBOR shall be determined two (2) Business Days prior to the beginning of any Interest Accrual Period and shall become effective at the beginning of such Interest Accrual Period (each “**Note Rate Adjustment Date**”) except that the Initial Note Rate shall be determined two (2) Business Days prior to the Closing Date.

1.5 Adjustments due to Calculation Errors. This Note shall bear interest at the Initial Note Rate and Note Rate as determined in accordance with the provisions hereof; provided, however, that, if Lender at any time determines, in the sole but reasonable exercise of its discretion that it has miscalculated the amount of the monthly payment of principal and/or interest (whether because of a miscalculation of the Initial Note Rate, the Note Rate or otherwise), Lender shall give notice to Borrower of the corrected amount of such monthly payment (and the corrected amount of the Note Rate, if applicable) and (a) if the corrected amount of such monthly payment represents an increase thereof, Borrower shall, within ten (10) calendar days after the date of such notice, pay to Lender any sums that Borrower would have otherwise been obligated under this Note to pay to Lender had the amount of such monthly payment not been miscalculated or (b) if the corrected amount of such monthly payment represents a decrease thereof, and Borrower is not in breach or default under any of the terms and provisions of the Note, the Loan Agreement or any of the other Loan Documents, Borrower shall, within ten (10) calendar days thereafter be paid the sums that Borrower would not have otherwise been obligated to pay to Lender had the amount of such monthly payment not been miscalculated.

1.6 LIBOR Unascertainable. Lender’s obligation to maintain interest based on LIBOR shall be suspended and the Note Rate shall be based on the Interest Rate Index (as defined below) plus Margin upon Lender’s determination, in good faith, that adequate and reasonable means do not exist for ascertaining LIBOR or that a contingency has occurred which materially and adversely affects the London Interbank Eurodollar Market at which Lender prices loans (which determination by Lender shall be conclusive and binding on Borrower in the absence of manifest error). Computation of the Note Rate based on the Interest Rate Index shall continue until Lender determines that the circumstances giving rise to Lender’s substitution of the Interest Rate Index for LIBOR no longer exists and Lender shall promptly notify Borrower of such determination. For purposes hereof “**Interest Rate Index**” shall mean the weekly average

yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board forty-five (45) days prior to each Note Rate Adjustment Date.

1.7 Adjustment for Impositions on Loan Payments. All payments made by Borrower under the Loan Documents shall be made free and clear of, and without deduction or withholding for or on account of, any income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, hereafter imposed, levied, collected, withheld or assessed by any governmental or taxing authority (other than taxes on the overall net income or overall gross receipts of Lender imposed as a result of a present or former connection between Lender and the jurisdiction of the government or taxing authority imposing such taxes, provided, however, that this exclusion shall not apply to a connection arising solely from Lender's having executed, delivered, performed its obligations under, received a payment under, or enforced any of the Loan Documents). If any such amounts are required to be withheld from amounts payable to Lender, the amounts payable to Lender under these Loan Documents shall be increased to the extent necessary to yield to Lender, after payment of such amounts, interest or any such other amounts payable at the rates or in the amounts specified herein. If any such amounts are payable by Borrower, Borrower shall pay all such amounts by their due date and shall promptly send Lender a certified copy of an original official receipt showing payment thereof. If Borrower fails to pay such amounts when due or to deliver the required receipt to Lender, Borrower shall indemnify Lender for any incremental taxes, interest or penalties that may become payable by Lender as a result of any such failure.

1.8 Increased Costs of Maintaining Interest. Borrower shall pay to Lender all Funding Losses (as hereinafter defined) incurred from time to time by Lender upon demand. Lender shall deliver to Borrower a statement for any such sums to which Lender is entitled to receive pursuant to this Section 1.8, which statement shall be binding and conclusive absent manifest error. Payment of Funding Losses hereunder shall be in addition to any obligation to pay any other fee in circumstances where such fee(s) would be due and owing under the Loan Documents. For purposes hereof, "**Funding Losses**" shall mean the reduction of any amounts received or receivable from Borrower, in either case, due to the introduction of, or any change in, law or applicable regulation or treaty (including the administration or interpretation thereof), whether or not having the force of law, or due to the compliance by Lender with any directive, whether or not having the force of law, or request from any central bank or domestic or foreign governmental authority.

1.9 Acceleration. Notwithstanding anything to the contrary contained herein, if Borrower is prohibited by law from paying any amount due to Lender under Section 1.7 or Section 1.8 hereof, Lender may elect to declare the unpaid principal balance of the Loan, together with all unpaid interest accrued thereon and any other amounts due hereunder, due and payable within one hundred twenty (120) days of Lender's written notice to Borrower. Lender's delay or failure in accelerating the Loan upon the discovery or occurrence of an event under Section 1.7 or Section 1.8 shall not be deemed a waiver or estoppel against the exercise of such right.

1.10 Interest Rate Hedge. Unless Borrower (or one of its affiliates on behalf of Borrower) has otherwise purchased an interest rate cap as protection against interest rate

fluctuations under the Loan reasonably acceptable to Lender, at Lender's request at any time during the term of the Loan, Borrower shall obtain, and shall assign for the benefit of Lender, an interest rate cap as protection against interest rate fluctuations under the Loan which (1) will be in effect for a term approved by Lender and shall provide for payments whenever LIBOR exceeds a strike price determined by Lender in its sole discretion, (2) shall be in a notional amount equal to the original stated principal amount of the Note and (3) shall otherwise satisfy all interest rate cap requirements of Lender then in effect.

Section 2. Note Payments, Repayment and Prepayment Rights.

2.1 Payment Dates. Commencing on May 1, 2006 and continuing on the first day of each month thereafter (each a "Payment Date"), through and including the Payment Date immediately prior to the Maturity Date, Borrower shall pay (x) monthly payments of interest at the Note Rate (in effect as of the immediately preceding Note Rate Adjustment Date) based on principal outstanding during the Interest Accrual Period immediately prior to the applicable Payment Date and (y) any amounts due under the Loan Documents including, without limitation, those amounts described in Section 2.2 below. If any Payment Date is not a Business Day, such payment shall be due and payable on the immediately preceding Business Day.

2.2 Repayments. The outstanding principal amount of this Note shall be repaid, on the fifteenth (15th) day and thirtieth (30th) day of each calendar month, from and to the extent of (a) one hundred percent (100%) of all Initial Entrance Deposits as described in the Loan Agreement, and (b) one hundred percent (100%) of all payments (principal and interest) received by the Borrower under the Working Capital Loan Documents described in the Loan Agreement. Except as otherwise set forth above, Borrower may only repay the Loan in whole or in part on any Payment Date so long as each of the following conditions are satisfied:

- (A) Borrower provides at least ten (10) days written notice to Lender of its intent to repay prior to the intended repayment date which must be a Payment Date.
- (B) Borrower pays with such repayment all accrued interest through the end of the current Interest Accrual Period and all other outstanding amounts then due and unpaid under the Loan Agreement and the other Loan Documents.
- (C) Borrower pays with such repayment all costs and expenses incurred by Lender in connection with such repayment, as determined by Lender in its sole discretion, and any other costs and expenses due and payable by Borrower under the Loan Documents.

Section 3. Application of Payments. Payments made by Borrower on account hereof shall be applied, first, toward any Late Fees (defined in Section 8.3 below) or other fees and charges due hereunder, second, toward payment of any interest due at the Default Rate, third, toward payment of any interest due at the then applicable Note Rate set forth in Section 1.4 above, and fourth, toward payment of principal. Notwithstanding the foregoing, if any advances

made by Lender under the terms of any instruments securing this Note have not been repaid, any payments made may, at the option of Lender, be applied, first, to repay such advances and interest thereon, with the balance, if any, applied as set forth in the preceding sentence.

Section 4. Maturity Date. Anything in this Note to the contrary notwithstanding, the entire unpaid balance of the principal amount hereof and all interest accrued thereon through the end of the current Interest Accrual Period and including interest accruing at the Default Rate, to and including the Maturity Date (as defined below) together with all fees, costs and amounts due and payable under the Loan Documents shall, unless sooner paid, and except to the extent that payment thereof is sooner accelerated, shall be and become due and payable on March ____, 2009, (the “**Maturity Date**”), provided that if the Maturity Date is not a Business Day, such payment shall be due and payable on the immediately preceding Business Day

Section 5. Extension of Maturity Date.

- (i) Extension Option. Borrower has the right to extend the Maturity Date of the Loan for two (2) additional terms (each an “**Extension Term**”), with the first additional term having twenty-four (24) months (“**First Extension Term**”) and extending the Maturity Date to March ____, 2011 (“**First Extended Maturity Date**”), and the second additional term having twenty-four (24) months (“**Second Extension Term**”) and extending the First Extended Maturity Date to March ____, 2013 (“**Second Extended Maturity Date**”). Upon Borrower’s proper and timely exercise of its rights under this Section 5, the term “**Maturity Date**” shall be deemed to be the First Extended Maturity Date and, as applicable, the Second Extended Maturity Date.
- (ii) Conditions Precedent to Maturity Date Extension. Each of the following conditions must be satisfied in a manner acceptable to Lender (or waived in writing by Lender) as a condition precedent to extension of the Maturity Date:
 - (A) Borrower delivers written notice to Lender not more than sixty (60) days and not less than thirty (30) days prior to the expiring Maturity Date advising that Borrower is exercising its Extension Option.
 - (B) Construction of each Construction Phase (as described in the Loan Agreement) has been or is being completed in accordance with the Plans and Specifications (as described in the Loan Agreement) and Projected Completion Costs (as described in the Loan Agreement) as approved in all respects by Lender and the Construction Inspector (as defined in the “Loan Agreement”).

- (C) Borrower has timely satisfied all requirements and conditions for the final advance for each Construction Phase as more particularly described in Article V and Schedule II of the Loan Agreement.
 - (D) No Event of Default exists and no event or condition exists that would be an Event of Default if notice had been given or applicable grace/cure periods had expired (or both), as of the date Borrower exercises such extension option and as of the commencement date of the relevant Extension Term.
 - (E) Borrower provides evidence, acceptable to Lender, that the sum of all Initial Entrance Deposits (as defined in Section 2.2 above) received by Borrower on or before the Maturity Date is no less than ninety percent (90%) of the sum of Initial Entrance Deposits at the Maturity Date shown on Borrower's final cash flow pro-forma projections for the Project (as defined in the Loan Agreement) as submitted and approved by Lender on or prior to the date hereof.
 - (F) Borrower executes and delivers to Lender an amendment to this Note, acceptable to Lender in all respects, which confirms the date to which the Maturity Date has been extended, the principal and interest amounts payable during the Extension Term, payment of the Usage Fee (described in Section 11 below) and such other matters as Lender may require.
 - (G) Borrower reimburses Lender for all costs reasonably incurred by Lender in processing the extension request, including, without limitation, reasonable legal fees.
- (iii) Commencing on the first Payment Date occurring during the Extension Term and continuing on each Payment Date thereafter, through and including the Payment Date immediately prior to the Maturity Date, Borrower shall make monthly payments consisting of accrued interest at the applicable Note Rate based on principal outstanding during the Interest Accrual Period, except for purposes of calculating the Note Rate for the Extension Term, the Margin shall be adjusted to reflect Lender's underwriting and pricing criteria then in effect for new loan originations as determined by Lender in its sole discretion.

Section 6. Delivery of Payments. All payments due to Lender under the Loan Documents are to be paid in immediately available funds to Lender at Lender's office located at 200 Witmer Road, P.O. Box 809, Horsham, Pennsylvania 19044, Attn: Servicing - Accounting

Manager, or at such other place as Lender may designate to Borrower in writing from time to time. All amounts due under the Loan Documents shall be paid without setoff, counterclaim or any other deduction whatsoever. No payment due under this Note or any of the other Loan Documents shall be deemed paid to Lender until received by Lender at its designated office on a Business Day prior to 2:00 p.m. Eastern Standard Time. Any payment received after the time established by the preceding sentence shall be deemed to have been paid on the immediately following Business Day. Each payment that is paid to Lender within ten (10) days prior to the date on which such payment is due, and prior to its scheduled Payment Date, shall not be deemed a prepayment and shall be deemed to have been received on the Payment Date solely for the purpose of calculating interest due. If any payment received by Lender is deemed by a court of competent jurisdiction to be a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, and is required to be returned by Lender, then the obligation to make such payment shall be reinstated, notwithstanding that the Note may have been marked satisfied and returned to Borrower or otherwise canceled, and such payment shall be immediately due and payable upon demand.

Section 7. Security.

The debt evidenced by this Note is to be secured by, among other things, (a) a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (collectively, the **"Deed of Trust"**) of even date herewith by Borrower for the benefit of Lender, and intended to be recorded in the office of the land records of, Douglas County, Colorado, covering certain real property which is described in Exhibit "A" to the Deed of Trust, and (b) a Guaranty (Full Payment and Performance) of even date herewith (the **"Guaranty Agreement"**), given by Erickson Retirement Communities, LLC, a Maryland limited liability company and Erickson Group, LLC, a Maryland limited liability company (individually and collectively, the **"Guarantor"**), for the benefit of Lender.

Section 8. Default.

8.1 Events of Default. Anything in this Note to the contrary notwithstanding, on the occurrence of any of the following events (each of which is referred to herein, together with each of the Events of Default defined and described in the Loan Agreement and the Deed of Trust as an **"Event of Default"**), Lender may, in the exercise of its sole and absolute discretion, accelerate the debt evidenced by this Note, in which event the entire outstanding principal balance and all interest and fees accrued thereon shall immediately be and become due and payable without further notice:

8.1.1 Failure to Pay or Perform. If (a) any payment of principal and interest is not paid in full on or before the Payment Date on which such payment is due, and such failure continues for five (5) days after the applicable Payment Date, (b) if unpaid principal, accrued but unpaid interest and all other amounts outstanding under the Loan Documents (defined below) are not paid in full on or before the Maturity Date or (c) there exists an uncured default under any other document or instrument evidencing or securing the Loan (collectively, the **"Loan Documents"**) which has been executed by Borrower and/or Guarantor or any other party to the Loan Documents, and such default is not cured within the grace or cure period, if any, provided in any of such Loan Documents.

8.1.2 Bankruptcy.

(a) If Borrower or Guarantor (i) applies for or consents to the appointment of a receiver, trustee or liquidator of Borrower or Guarantor, as the case may be, or of all or a substantial part of its assets, (ii) files a voluntary petition in bankruptcy, or admits in writing its inability to pay its debts as they come due, (iii) makes an assignment for the benefit of creditors, (iv) files a petition or an answer seeking a reorganization or an arrangement with creditors or seeking to take advantage of any insolvency law, (v) performs any other act of bankruptcy, or (vi) files an answer admitting the material allegations of a petition filed against Borrower or Guarantor in any bankruptcy, reorganization or insolvency proceeding; or

(b) if (i) an order, judgment or decree is entered by any court of competent jurisdiction adjudicating Borrower or Guarantor a bankrupt or an insolvent, or approving a receiver, trustee or liquidator of Borrower or Guarantor or of all or a substantial part of its assets, or (ii) there otherwise commences with respect to Borrower or Guarantor or any of its assets any proceeding under any bankruptcy, reorganization, arrangement, insolvency, readjustment, receivership or like law or statute, and if such order, judgment, decree or proceeding continues unstayed for any period of sixty (60) consecutive days after the expiration of any stay thereof.

8.1.3 Judgments. If any judgment for the payment of money in excess of \$100,000.00 hereafter awarded against Borrower or Guarantor by any court of competent jurisdiction remains unsatisfied or otherwise in force and effect for a period of thirty (30) days after the date of such award.

8.2 No Impairment of Rights. Nothing in this Section shall be deemed in any way to alter or impair any right which Lender has under this Note or the Deed of Trust, or any other Loan Documents, or at law or in equity, to accelerate such debt on the occurrence of any other Event of Default provided herein or therein, whether or not relating to this Note.

8.3 Late Fees. Without limiting the generality of the foregoing provisions of this Section, if any payment due on a Payment Date is not received in full on or before the Payment Date, Borrower shall pay to Lender, immediately and without demand, a late payment charge, for each month during which such payment delinquency exists, equal to five percent (5%) of such amount ("**Late Fees**") to defray the expenses incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of use of such delinquent payment.

Section 9. Costs of Enforcement. Borrower shall pay to Lender on demand the amount of any and all expenses incurred by Lender (a) in enforcing its rights hereunder or under the Deed of Trust and/or the Loan Documents, (b) as the result of the occurrence of an Event of Default by Borrower in performing its obligations under this Note, including but not limited to the expense of collecting any amount owed hereunder, and of any and all reasonable attorneys' fees incurred by Lender in connection with such default, whether suit be brought or not, and (c) in protecting the security for the Loan and Borrower's obligations under the Loan Documents.

Such expenses shall be added to the principal amount hereof, shall be secured by the Deed of Trust and shall accrue interest at the Default Rate.

Section 10. Borrower's Waiver of Certain Rights. Borrower and any endorser, guarantor or surety hereby waives the exercise of any and all exemption rights which it holds at law or in equity with respect to the debt evidenced by this Note, and of any and all rights which it holds at law or in equity to require any valuation, appraisal or marshalling, or to have or receive any presentment, protest, demand and notice of dishonor, protest, demand and nonpayment as a condition to Lender's exercise of any of its rights under this Note or the Loan Documents.

Section 11. Usage Fee. Commencing with the third (3rd) year of the Loan and continuing during each Extension Term, Borrower shall pay to Lender, on an annual basis in arrears, an amount equal to one eighth of one percent (.125%) of the outstanding principal balance of the Loan ("Usage Fee") and Lender's calculation of such Usage Fee shall be deemed conclusive absent manifest error.

Section 12. General.

12.1 Applicable Law. This Note shall be given effect and construed by application of the laws of the State of Colorado (without regard to the principles thereof governing conflicts of laws), and any action or proceeding arising hereunder, and each of Lender and Borrower submits (and waives all rights to object) to non-exclusive personal jurisdiction in the State of Colorado, for the enforcement of any and all obligations under the Loan Documents except that if any such action or proceeding arises under the Constitution, laws or treaties of the United States of America, or if there is a diversity of citizenship between the parties thereto, so that it is to be brought in a United States District Court, it shall be brought in the United States District Court for the District of Colorado or any successor federal court having original jurisdiction.

12.2 Headings. The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided herein for and only for convenience of reference, and shall not be considered in construing their contents.

12.3 Construction. As used herein, (a) the term "**person**" means a natural person, a trustee, a corporation, a limited liability company, a partnership and any other form of legal entity, and (b) all references made (i) in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (ii) in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, and (iii) to any Section, subsection, paragraph or subparagraph shall, unless therein expressly indicated to the contrary, be deemed to have been made to such Section, subsection, paragraph or subparagraph of this Note.

12.4 Severability. No determination by any court, governmental body or otherwise that any provision of this Note or any amendment hereof is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision or (b) such provision in any circumstance not controlled by such determination. Each such provision shall

be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

12.5 No Waiver. Lender shall not be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing. No delay or omission by Lender in exercising any such right (and no allowance by Lender to Borrower of an opportunity to cure a default in performing its obligations hereunder) shall be deemed a waiver of its future exercise. No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right. Further, acceptance by Lender of all or any portion of any sum payable under, or partial performance of any covenant of, this Note, the Deed of Trust or any of the other Loan Documents, whether before, on, or after the due date of such payment or performance, shall not be a waiver of Lender's right either to require prompt and full payment and performance when due of all other sums payable or obligations due thereunder or hereunder or to exercise any of Lender's rights and remedies hereunder or thereunder.

12.6 Waiver of Jury Trial; Service of Process; Court Costs. **BORROWER AND LENDER HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH BORROWER AND LENDER MAY BE PARTIES ARISING OUT OF, IN CONNECTION WITH, OR IN ANY WAY PERTAINING TO, THIS NOTE AND/OR ANY OF THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER, UPON CONSULTATION WITH COUNSEL OF BORROWER'S CHOICE, AND BORROWER HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. BORROWER FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL. BORROWER HEREBY IRREVOCABLY DESIGNATES THE CORPORATION COMPANY, AS THE TRUE AND LAWFUL ATTORNEY OF BORROWER FOR THE PURPOSE OF RECEIVING SERVICE OF ALL LEGAL NOTICES AND PROCESS ISSUED BY ANY COURT IN THE STATE OF COLORADO AS WELL AS SERVICE OF ALL PLEADINGS AND OTHER DOCUMENTS RELATED TO ANY LEGAL PROCEEDING OR ACTION ARISING OUT OF THIS NOTE. BORROWER AGREES THAT SERVICE UPON THE CORPORATION COMPANY SHALL BE VALID REGARDLESS OF BORROWER'S WHEREABOUTS AT THE TIME OF SUCH SERVICE AND REGARDLESS OF WHETHER BORROWER RECEIVES A COPY OF SUCH SERVICE, PROVIDED THAT LENDER SHALL HAVE MAILED A COPY TO BORROWER IN ACCORDANCE WITH THE NOTICE PROVISIONS HEREIN. BORROWER AGREES TO PAY ALL COURT COSTS AND REASONABLE**

ATTORNEY'S FEES INCURRED BY LENDER IN CONNECTION WITH ENFORCING ANY PROVISION OF THIS NOTE. NOTWITHSTANDING THE FOREGOING, LENDER AGREES TO USE REASONABLE EFFORTS TO PROVIDE BORROWER WITH NOTICE OF THE FILING OF ANY LAWSUIT BY LENDER AGAINST BORROWER.

12.7 Offset. Upon the occurrence of an Event of Default, Lender may set-off against any principal and interest owing hereunder, any and all credits, money, stocks, bonds or other security or property of any nature whatsoever on deposit with, or held by, or in the possession of, Lender, to the credit of or for the account of Borrower, without notice to or consent of Borrower or Guarantor.

12.8 Non-Exclusivity of Rights and Remedies. None of the rights and remedies herein conferred upon or reserved to Lender is intended to be exclusive of any other right or remedy contained herein or in any of the other Loan Documents and each and every such right and remedy shall be cumulative and concurrent, and may be enforced separately, successively or together, and may be exercised from time to time as often as may be deemed necessary or desirable by Lender.

12.9 Incorporation by Reference. All of the agreements, conditions, covenants and provisions contained in each of the Loan Documents are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. Borrower covenants and agrees to keep and perform, or cause to be kept and performed, all such agreements, conditions, covenants and provisions strictly in accordance with their terms.

12.10 Joint and Several Liability. [INTENTIONALLY DELETED]

12.11 Business Purpose. Borrower represents and warrants that the Loan evidenced by this Note is being obtained solely for the purpose of acquiring or carrying on a business, professional or commercial activity and is not for personal, agricultural, family or household purposes.

12.12 Interest Limitation. Notwithstanding anything to the contrary contained herein or in the Deed of Trust or in any other of the Loan Documents, the effective rate of interest on the obligation evidenced by this Note shall not exceed the lawful maximum rate of interest permitted to be paid. Without limiting the generality of the foregoing, in the event that the interest charged hereunder results in an effective rate of interest higher than that lawfully permitted to be paid, then such charges shall be reduced by the sum sufficient to result in an effective rate of interest permitted and any amount which would exceed the highest lawful rate already received and held by Lender shall be applied to a reduction of principal and not to the payment of interest. Borrower agrees that for the purpose of determining highest rate permitted by law, any non-principal payment (including, without limitation, Late Fees and other fees) shall be deemed, to the extent permitted by law, to be an expense, fee or premium rather than interest.

12.13 Modification. This Note may be modified, amended, discharged or waived only by an agreement in writing signed by the party against whom enforcement of such modification, amendment, discharge or waiver is sought.

12.14 Time of the Essence. Time is strictly of the essence of this Note.

12.15 Negotiable Instrument. Borrower agrees that this Note shall be deemed a negotiable instrument, even though this Note may not otherwise qualify, under applicable law, absent this paragraph, as a negotiable instrument.

12.16 Interest Rate After Judgment. If judgment is entered against Borrower on this Note, the amount of the judgment entered (which may include principal, interest, fees, Late Fees and costs) shall bear interest at the Default Rate, to be determined on the date of the entry of the judgment.

12.17 Relationship. Borrower and Lender intend that the relationship between them shall be solely that of creditor and debtor. Nothing contained in this Note or in any of the other Loan Documents shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between Borrower and Lender.

12.18 Waiver of Automatic Stay. **BORROWER HEREBY AGREES THAT, IN CONSIDERATION OF LENDER'S AGREEMENT TO MAKE THE LOAN AND IN RECOGNITION THAT THE FOLLOWING COVENANT IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN, IN THE EVENT THAT BORROWER SHALL (A) FILE WITH ANY BANKRUPTCY COURT OF COMPETENT JURISDICTION OR BE THE SUBJECT OF ANY PETITION UNDER ANY SECTION OR CHAPTER OF TITLE 11 OF THE UNITED STATES CODE, AS AMENDED (THE "BANKRUPTCY CODE"), OR SIMILAR LAW OR STATUTE; (B) BE THE SUBJECT OF ANY ORDER FOR RELIEF ISSUED UNDER THE BANKRUPTCY CODE OR SIMILAR LAW OR STATUTE; (C) FILE OR BE THE SUBJECT OF ANY PETITION SEEKING ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY, OR OTHER RELIEF FOR DEBTORS; (D) HAVE SOUGHT OR CONSENTED TO OR ACQUIESCED IN THE APPOINTMENT OF ANY TRUSTEE, RECEIVER, CONSERVATOR, OR LIQUIDATOR; OR (E) BE THE SUBJECT OF AN ORDER, JUDGMENT OR DECREE ENTERED BY ANY COURT OF COMPETENT JURISDICTION APPROVING A PETITION FILED AGAINST ANY BORROWER FOR ANY REORGANIZATION, ARRANGEMENT, COMPOSITION, READJUSTMENT, LIQUIDATION, DISSOLUTION, OR SIMILAR RELIEF UNDER ANY PRESENT OR FUTURE FEDERAL OR STATE ACT OR LAW RELATING TO BANKRUPTCY, INSOLVENCY OR RELIEF FOR DEBTORS, THEN, TO THE EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO COURT APPROVAL, LENDER SHALL THEREUPON BE ENTITLED, AND BORROWER HEREBY IRREVOCABLY CONSENTS TO, AND WILL NOT CONTEST, AND AGREES TO STIPULATE TO, RELIEF FROM ANY AUTOMATIC STAY OR OTHER INJUNCTION IMPOSED BY SECTION 362 OF THE BANKRUPTCY CODE OR SIMILAR LAW OR STATUTE (INCLUDING, WITHOUT LIMITATION, RELIEF FROM ANY EXCLUSIVE PERIOD SET FORTH IN SECTION 1121 OF THE BANKRUPTCY CODE) OR OTHERWISE, ON OR AGAINST THE EXERCISE OF THE RIGHTS AND REMEDIES OTHERWISE AVAILABLE TO LENDER AS**

PROVIDED IN THE LOAN DOCUMENTS, AND AS OTHERWISE PROVIDED BY LAW, AND BORROWER HEREBY IRREVOCABLY WAIVES ITS RIGHTS TO OBJECT TO SUCH RELIEF.

12.19 “Business Day”. Any reference to the term Business Day in this Note shall mean any day other than a Saturday, a Sunday, or days when Federal Banks located in the State of New York or Commonwealth of Pennsylvania are closed for a legal holiday or by government directive. When used with respect to the Note Rate Adjustment Date, “Business Day” shall mean a day upon which United States dollar deposits may be dealt in on the London and New York City interbank markets and commercial banks and foreign exchange markets are open in London and New York City.

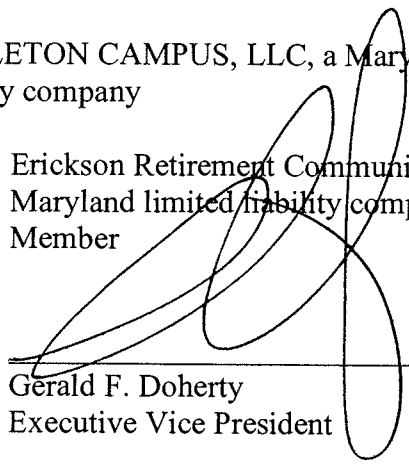
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Borrower has executed and sealed this Note or caused it to be executed and sealed on its behalf by its duly authorized representatives, the day and year first above written, and the obligations under this Note shall be binding upon Borrower's successors and assigns.

BORROWER:

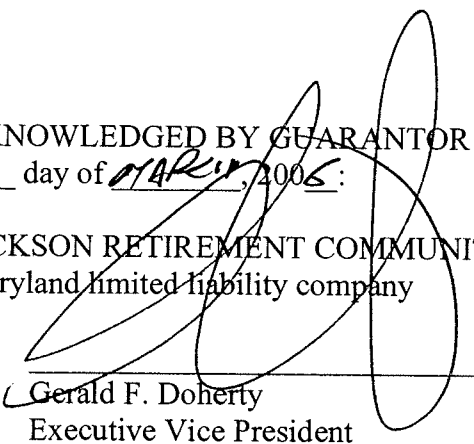
LITTLETON CAMPUS, LLC, a Maryland limited liability company

By: Erickson Retirement Communities, LLC, a Maryland limited liability company, Member

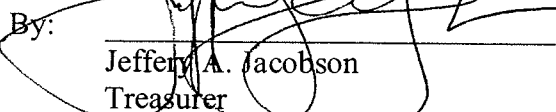
By:  (Seal)
Gerald F. Doherty
Executive Vice President

ACKNOWLEDGED BY GUARANTOR THIS
29 day of MARCH, 2006:

ERICKSON RETIREMENT COMMUNITIES, LLC,
a Maryland limited liability company

By: 
Gerald F. Doherty
Executive Vice President

ERICKSON GROUP, LLC, a Maryland limited liability company

By: 
Jeffrey A. Jacobson
Treasurer

SUBORDINATION AGREEMENT
(Erickson Construction, LLC)

THIS SUBORDINATION AGREEMENT (the "Agreement") is made as of the 29th day of March, 2006 in favor of GMAC COMMERCIAL MORTGAGE CORPORATION, a California corporation ("Lender"), by LITTLETON CAMPUS, LLC, a Maryland limited liability company (the "Borrower"), ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company ("ERC"), ERICKSON GROUP, LLC, a Maryland limited liability company ("EG") (ERC and EG hereinafter collectively referred to as the "Guarantors"), and ERICKSON CONSTRUCTION, LLC, a Maryland limited liability company (the "Creditor").

RECITALS

A. The Borrower has requested a revolving construction loan up to \$83,000,000.00 (the "Loan") from Lender, pursuant to the terms of a Construction Loan Agreement between Lender and the Borrower dated of even date herewith (the "Loan Agreement"). The Loan is evidenced by a Promissory Note from the Borrower dated of even date herewith (the "Note"), is guaranteed by the Guarantors pursuant to a Guaranty Agreement of even date herewith (the "Guaranty") and is secured by, among other things, a Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Deed of Trust") upon property located in Douglas County, Colorado and commonly known as 3330 West County Line Road, Highlands Ranch, Colorado (the "Land") owned by the Borrower. The Borrower intends to use the proceeds of the Loan to fund the construction of a retirement community (the "Retirement Community") on the Land. The Land is leased to Wind Crest, Inc., a Maryland non-profit corporation ("WC") by the Borrower, and WC has entered into an agreement with ERC for management of the Retirement Community. Construction services with respect to the Retirement Community will be provided by the Creditor pursuant to an agreement with Borrower. As used in this Agreement, (i) the term "Obligations" means all past, present, and future indebtedness, liabilities, and obligations of any nature whatsoever of the Borrower or any of the Guarantors to Lender in connection with the Loan pursuant to the terms of the Loan Agreement, the Note, the Guaranty and the "Loan Documents"; and (ii) the term "Loan Documents" shall have the meaning set forth in the Loan Agreement, and shall include, without limitation, the Loan Agreement, the Note, the Guaranty and the Deed of Trust. Capitalized terms not defined herein shall have meanings set forth in the Loan Agreement.

B. The Creditor, the Borrower and the Guarantors have various contracts, leases, loans, obligations and credit arrangements among themselves. As used in this Agreement, (i) the term "Subordinated Indebtedness" means all past, present and future indebtedness, liabilities, and obligations of any nature whatsoever, whether characterized as debt, equity or otherwise, including any and all distributions, dividends, returns of capital, preferred equity, fees, loan repayments or any other payments of any kind owing by the Borrower or any of the Guarantors to the Creditor, whether as a member or otherwise; and (ii) the term "Subordinated Documents"

means collectively any loan agreement, security agreement, deed of trust, mortgage, lease, collateral pledge agreement, stock pledge agreement, assignment, promissory note, guaranty, operating agreement or any other instrument or agreement previously, simultaneously, or hereafter executed and delivered by the Borrower, or any other person as evidence of, security for, guarantee for, or in connection with, the Subordinated Indebtedness.

C. As a condition of making the Loan, Lender has required that the Creditor agrees to subordinate its rights under the Subordinated Documents in accordance with the terms and conditions set forth herein.

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

1. Payment Subordination. Any and all amounts or claims of any kind or description now or hereafter owing to the Creditor by the Borrower and/or any of the Guarantors under the Subordinated Documents shall be subordinate to any and all amounts or claims of any kind or description now or hereafter owing to Lender under the Loan Documents, and the Creditor agrees that all claims of Lender shall be paid in full before any payment may be made on all or any portion of the Subordinated Indebtedness; provided, however, that so long as (a) no Default has occurred and is continuing under the Loan Documents, and (b) no Event of Default has occurred under the Loan Documents, and except as may be otherwise prohibited in the Loan Agreement, the Borrower may (i) make payments when due in accordance with such of the Subordinated Documents listed on Exhibit A which have been or will be approved by Lender and any others as may be reviewed and approved by Lender and (ii) make payments to the Creditor for services rendered in the ordinary course of business, and which are not reflected in Subordinated Documents which have been reviewed and approved by Lender, provided such services are rendered at arms-length charges. Upon the occurrence of a Default which is continuing under the Loan Documents, or upon the occurrence of an Event of Default under the Loan Documents, the Creditor agrees not to bring or take any action to enforce any claim or claims under the Subordinated Documents or to apply any security now or hereafter existing or to sue upon or collect or receive payment of, and the Borrower and the Guarantors agree not to pay to the Creditor, any such claim or claims. All sums received by the Creditor from Borrower or the Guarantors following the occurrence of a Default under the Loan Documents, including (x) payments received from the Borrower and/or the Guarantors under the Subordinated Documents, and/or (y) proceeds realized from the Creditor's exercise of its remedies under the Subordinated Documents, shall be delivered to Lender, if delivered prior to the occurrence of a Event of Default, until an Event of Default has occurred under the Loan Documents, and after the occurrence of an Event of Default to be applied first to the Obligations; provided that if any sums are delivered to Lender prior to the cure of a curable Default under the Loan Documents, Lender shall return such funds to the party entitled thereto after such Default has been cured in accordance with the terms of the Loan Documents and unless an Event of Default or Event of Default shall have occurred in the interim.

2. Lien Subordination. The Creditor further agrees that the Subordinated Documents and all liens and security interests created thereby are and shall be subordinate and

inferior to the Loan Documents and all liens and security interests created thereby in favor of Lender.

3. Collateral Assignment. For the sole purpose of securing the performance by the Creditor of the provisions of this Agreement, the Creditor assigns, pledges, and grants to Lender a security interest in the Subordinated Indebtedness and all proceeds thereof and in the Subordinated Documents. Upon the request of Lender, the Creditor shall endorse, assign, and deliver to Lender in a manner acceptable to Lender all notes, instruments, and agreements evidencing, securing, guaranteeing, or made in connection with the Subordinated Indebtedness. In the event of the failure of the Creditor to make any such endorsement, assignment, or delivery, Lender, or any of its officers or employees, is hereby appointed attorney-in-fact of the Creditor and is irrevocably authorized to make the same. The foregoing appointment shall be deemed to be coupled with an interest and shall survive the death or disability of the Creditor.

4. Primacy of Lender's Claim as Against the Creditor. In any insolvency, receivership, bankruptcy, liquidation, or reorganization proceeding, or any other proceeding, whether voluntary or involuntary, by or against the Borrower or any of the Guarantors under any bankruptcy or insolvency law or other laws relating the relief of debtors, Lender's claims against the assets of the Borrower and the Guarantors shall be paid in full before any payment is made by or on behalf of the Borrower or any of the Guarantors to the Creditor. The Creditor, the Borrower and the Guarantors agree that Lender may collect the Creditor's claims directly from any trustee appointed in such proceeding. The Creditor agrees to furnish all assignments, powers or other documents requested by Lender to facilitate such direct collection by Lender.

5. Collection of Claims of the Creditor. The Creditor agrees to pay over to Lender on account of the claim or claims of Lender against the Borrower and the Guarantors any funds that may be received by the Creditor from the Borrower and/or the Guarantors, or for or on behalf of the Borrower and/or the Guarantors, at any time the Creditor is not allowed to receive and hold the same under Section 1 of this Agreement. The Creditor further agrees not to sell, assign, transfer, or endorse any of its claims under the Subordinated Documents or any of its interests in and to the Subordinated Indebtedness to anyone without the prior written consent of Lender, and not to join in any petition of bankruptcy or any assignment for the benefit of creditors, or any creditors' agreements, or to take any lien or security on any of the Borrower's or Guarantors' property at any time (other than any liens or security taken as of the date hereof).

6. Continuance of Agreement. This Subordination Agreement and the obligations of the Creditor, the Borrower and the Guarantors and the rights and privileges of Lender hereunder shall continue until payment in full of all amounts due under the Loan Documents. This Subordination Agreement shall be binding upon the personal representatives, successors and assigns of the Creditor, the Borrower and the Guarantors and shall inure to the benefit of the successors, assigns and participants of Lender.

7. Waiver. Lender shall have uncontrolled power and discretion, without notice to the Creditor, to deal in any manner with any indebtedness, liability, interest, costs and expenses payable by the Borrower and/or the Guarantors to Lender, and any security and guarantees therefor, including but not limited to release, surrender, extension, renewal, acceleration, compromise, or substitution. The Creditor hereby waives and agrees not to assert

against Lender any rights which a guarantor or surety could exercise, but nothing in this Agreement shall cause the Creditor to be deemed a guarantor or surety.

8. Prepayment; Revision of Payment Terms. The Creditor shall not accept any prepayment, in whole or in part, of any amounts due to it in connection with the Subordinated Indebtedness and shall not revise the payment terms under the Subordinated Documents without the prior written consent of Lender.

9. Notice. The Creditor agrees to notify Lender within ten (10) days after the occurrence of any breach or default under the Subordinated Documents.

10. Insolvency. The insolvency or bankruptcy of the Borrower or any of the Guarantors shall not affect this Subordination Agreement and the same shall remain in full force and effect and shall constitute an assignment by the Creditor to Lender of any funds or property payable to the Creditor from the Borrower's and/or the Guarantors' assets not previously assigned to Lender.

11. Effect of Agreement. To the extent that any of the provisions contained herein are inconsistent with any provisions of the Subordinated Documents, the provisions contained in this Subordination Agreement shall govern.

12. Colorado Law. This Subordination Agreement and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Colorado (excluding principles of conflicts of law), both in interpretation and performance.

13. Counterparts. This document may be executed in Counterparts.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, and intending to be legally bound, the parties have executed this Subordination Agreement as of the date set forth above.

LENDER:

GMAC COMMERCIAL MORTGAGE
CORPORATION, a California corporation

By: Catherine D. Hilbush
Catherine D. Hilbush
Vice President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

BORROWER:

LITTLETON CAMPUS, LLC, a Maryland limited liability company

BY: Erickson Retirement Communities, LLC, a Maryland limited liability company, Sole Member

By: 

Gerald F. Doherty,
Executive Vice President

GUARANTORS:

ERICKSON RETIREMENT COMMUNITIES, LLC, a Maryland limited liability company

By: 

Gerald F. Doherty,
Executive Vice President

ERICKSON GROUP, LLC, a Maryland limited liability company

By: 

Jeffrey A. Jacobson,
Treasurer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CREDITOR:

ERICKSON CONSTRUCTION, LLC, a Maryland
limited liability company

BY: Erickson Retirement Communities, LLC, a
Maryland limited liability company, Sole
Member

By: _____

Gerald F. Doherty
Executive Vice President

EXHIBIT A

"Subordinated Documents which have been or will be approved by Lender"

1. Construction Contract executed or to be executed between Littleton Campus, LLC and Erickson Construction, LLC. for the construction of the Retirement Community.