



**Columbus Campus, LLC
Monthly Reporting Package
September 2008**

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↳ Project Summary

Columbus Campus, LLC

Project Overview

Project Description

Columbus Campus is a 83 acres project located in Hilliard, Ohio. The community is marketed under the name Hickory Chase and will consist of approximately 1,529 independent living apartments, 132 assisted living apartment and 84 skilled nursing beds upon its expected completion in 2016.

Financing Overview

- Columbus Campus closed a Construction Loan with KeyBank in the amount of \$90M in April 2008.
- Columbus Campus closed on a Mezzanine Financing with Windsor OH Holdings, LLC in the amount of \$21.4M in April 2008.
- Erickson has funded approximately \$1.2M in equity to date to cover sub debt interest and \$5.2M in short-term funding.

Executive Summary

Marketing Overview

Hickory Chase began taking deposits in July 2007. The community has met the test for standby deposits to obtain funding for the construction of RB 1.1. Hickory Chase has 22 net reservations, 79 standbys and 61 futures.

Columbus Campus, LLC

Critical Issues

There are no critical issues to report at this time.

Active Phase Status

<i>Phase/ Item</i>	<i>Construction Projected to Start</i>	<i>Projected To Open</i>
Community Building 1.0	Jun-08	Jun-09
Residential Building 1.1	Aug-08	Jun-09
Residential Building 1.2	Dec-08	Jan-10
Residential Building 1.3	Jul-09	May-10

Proforma Update

**** in millions

	Original Budget	CURRENT 9/30/2008 Budget	
Entrance Deposits	493	489	(1)
Purchase Option	72	95	(2)
	<u>565</u>	<u>584</u>	
Total Funds			
Project Costs	377	380	(3)
Financing Costs	62	67	
Operations Start Up (Working Capital) Ex. Reserves	28	23	(4)
Development Fees	24	24	
Total Costs	<u>491</u>	<u>495</u>	
Project Margin	<u>74</u>	<u>89</u>	

(1) Variance due to accelerated schedule

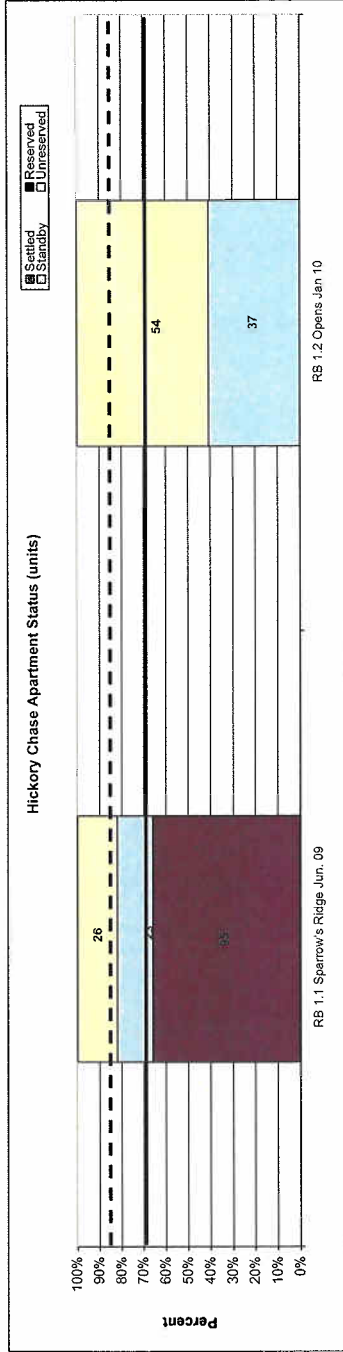
(2) Variance primarily due to cap rate decrease from 10% to 8%, accelerated schedule

(3) Variance due to accelerated schedule, update to household model

(4) Variance due to accelerated schedule, update to household model

2 Marketing Reports

Apartment Status by Building as of 09-30-08



91

144

Total Units

	2007		2007		2008		2008	
	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
Settled Reservations	0	0	0	0	0	0	0	
Standby	0	0	0	0	14	0	85	
Futures	13	90	116	137	139	79	79	
Total	13	160	134	169	202	235	235	

Monthly Trends	2007	2007	2007	2008	2008	2008
Net Settlements/Reservations/Standbys	4.3	25.7	8.7	7.0	5.3	7.0
Settlements	0.0	0.0	0.0	0.0	0.0	0.0

Anticipated Construction Test: In order to start construction on new building, current buildings must be 85% Settled, Reserved, or Standby and there must be 70% of the new building under Standby

	Units	Test	Required Reservations/Standby	Settled	Reserved	Total Standby	Projected Standby 85%	Total	Needed
Current Buildings Begins Const. June 08	144	85%	122	0	95	23	15	118	0
Construction Test for Funding of Next Building (Assuming a 70% Threshold) Begins Const. Dec. 08	91	70%	64	0	0	56	37	37	41

*Settlement vs. Covenant

Covenant Requirement
N/A

PTD Monthly Average as of 9/30/08
Opens June '09

*Test to break escrow is not applicable

NOTES:

We have met the construction funding test for RB 1.1. We need 41 more standbys in order to meet the construction test for RB 1.2 which is slated to start in December 2008.

2008 Monthly Marketing Trend Report

Campus: Hickory Chase

Monthly Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Average
1 Net Apt Reservations (MS)*	0	0	0	0	0	14	27	32	22				95	10.56
* New	0	0	0	0	0	14	27	32	22				95	10.56
* Resale	0	0	0	0	0	0	0	0	0				0	0
2 Gross Reservations (MS)	0	0	0	0	0	14	30	37	28				109	12.11
3 No. of Total Settlements (MS)*	0	0	0	0	0	0	0	0	0				0	0
* New	0	0	0	0	0	0	0	0	0				0	0
* Resale	0	0	0	0	0	0	0	0	0				0	0
4 No. of Initial Deposits (MS)	13	9	14	7	17	17	13	14	15				119	13.22
5 Requests for Refunds (MS)	0	0	1	2	2	2	3	4	4				18	2.00
6 Total Kit Requests (OT)	404	405	392	345	347	328	383	271	240				3,115	346.11
* MJO (OT)	221	208	200	148	146	152	134	106	161				1,476	164.00
* Sales Office (OT)	180	192	189	187	185	170	235	152	74				1,564	173.78
* Walk-ins (OT)	3	5	3	10	16	6	14	13	5				75	8.33
HC Kit Requests	1	0	0	2	0	0	0	0	0				3	0.33
7 Total Appts (OT)**	26	25	33	28	42	52	60	66	58				390	43.33
* First Time Appts (OT)	18	18	23	24	31	22	14	22	20				192	21.33
* Non Depositor Repeat Appts (OT)	3	1	2	0	5	1	5	2	1				20	2.22
* Depositor Appts (OT)	5	6	8	4	6	29	41	42	37				178	19.78
8 Walk-in Appts (OT)	0	0	0	0	0	1	1	0	0				2	0.22
Pipeline														
9 Reserved but Unsettled (P)	0	0	0	0	0	14	41	73	95				95	55.75
* New	0	0	0	0	0	14	41	73	95				95	55.75
* Resale	0	0	0	0	0	0	0	0	0				0	0
FPP									0				0	0
10 Standby (P)	126	131	137	138	145	139	116	93	79				79	122.67
11 Futures (P)	21	25	32	34	42	49	56	58	61				61	42.00
12 Total Deposits w/o Settled Appts (C) [9+10+11]	147	156	169	172	187	202	213	224	235				235	189.44
13 Total Settled Appts (P)	0	0	0	0	0	0	0	0	0				0	0
Total New Settled Appts (BS)	0	0	0	0	0	0	0	0	0				0	0
14 No. of Unsettled Appts (PRU)	0	0	0	0	0	144	144	144	144				144	144.00
15 Appts released by keys not turned in	0	0	0	0	0	0	0	0	0				0	0
[Ratio (Line 12/14) (C)]	N/A	N/A	N/A	N/A	N/A	1.40	1.48	1.56	1.63	N/A	N/A	N/A	1.63	1.32

Notes

* Net Reservations = Gross Reservations - Reservations withdrawn

** Total Appts = Non-Depositor (First-time and repeat) + Depositor (Futures, Standby, Reserved, Settled/Resident)



Marketing Summary

Date Range [>=9/1/08 and <=9/30/08]

HCH

LOC: Independent

Settlements	Count	Cash Collected	Current P-Note Due	Total
New	0	\$0	\$0	\$0
Resale	0	\$0	\$0	\$0
Total	0	\$0	\$0	\$0

Reservations	Initial Deposits	Priority List	Left To Settled	Withdraw	Net	Deposits Reserved	Reservations Settled	Reservations Withdrawn	Net Reservations
New	0	28	0	6	22	\$6,794,500	\$0	\$1,484,000	\$5,310,500
Resale	0	0	0	0	0	\$0	\$0	\$0	\$0
Total	0	28	0	6	22	\$6,794,500	\$0	\$1,484,000	\$5,310,500

Waiting Lists	Initial Deposits	Priority List	Changed Status	Net Change
Futures	6	0	3	3
Standby	9	5	28	-14
Total	15	5	31	-11

Initial Deposits	Initial Deposits	Requests for Refund
Initial Deposits	15	4
Requests for Refund		

3 Total Anticipated Budget

**Erickson Retirement Communities
Columbus Campus
Total Anticipated Budget
As of September 30, 2008**

	<u>Actual Costs JTD</u>	<u>% Complete to Budget</u>	<u>Estimate to Complete</u>	<u>As of 09/30/08 Estimate at Completion</u>	<u>Original Budget</u>	<u>Favorable/ (Unfavorable)</u>	
Entrance Deposits	0	0%	488,772,858	488,772,858	493,262,437	(4,489,579)	
Operating Lease	0	0%	13,562,227	13,562,227	13,713,675	(151,448)	
Funds Held/WC Loan Repayment	0	0%	(28,463,584)	(28,463,584)	(33,515,541)	5,051,957	
Total Deposits	-	0%	473,871,501	473,871,501	473,460,571	410,930	A
Hard Costs - Building	8,226,178	3%	238,892,419	247,118,597	246,911,132	(207,465)	
Hard Costs - Sitework	6,757,005	25%	20,046,265	26,803,270	26,362,918	(440,352)	
Architecture	3,686,549	28%	9,453,648	13,140,197	13,140,197	-	
Engineering	2,858,513	51%	2,783,933	5,642,446	5,642,446	-	
Builder's Risk	20,094	2%	1,026,700	1,046,794	1,045,916	(879)	
Fees, Permits & Bonds	735,958	14%	4,655,043	5,391,001	5,391,001	-	
Development Fee	0	0%	24,242,484	24,242,484	24,082,728	(159,756)	
Outside Legal	381,122	28%	995,673	1,376,795	1,401,651	24,856	
Construction MNGT Fee	190,734	4%	4,602,899	4,793,633	4,782,296	(11,337)	
Warranty Expense	0	0%	-	-	-	-	
Phase Costs Before Contingency	22,856,153	7%	306,699,064	329,555,217	328,760,284	(794,933)	
Contingency	0	0%	10,251,777	10,251,777	8,743,480	(1,508,297)	
Total Phase Costs	22,856,153	7%	316,950,841	339,806,994	337,503,764	(2,303,230)	B
Department Costs	0		-	0	0	-	
Pre-Development	0	0%	-	0	0	-	
Administration Department	1,446,464	63%	864,767	2,311,231	2,659,495	348,263	
Acquisitions and Development	2,781,144	22%	9,928,054	12,709,198	13,204,888	495,691	
Construction Management Services	45,445	0%	(45,445)	-	0	-	
Finance	0	0%	2,466,267	2,466,267	3,105,867	639,600	
Marketing Department	6,749,523	23%	22,834,063	29,583,586	27,517,823	(2,065,762)	
Information Services	564,118	26%	1,580,849	2,144,966	2,258,341	113,375	
Legal Department	144,825	31%	317,310	462,135	485,635	23,500	
Total Departmental Costs	11,731,518	24%	37,945,864	49,677,382	49,232,049	(445,333)	C
Total Hard & Soft Costs	34,587,671	9%	354,896,706	389,484,376	386,735,813	(2,748,563)	
Other Development Costs							
Land	11,626,980	100%	(30,000)	11,596,980	11,596,980	-	
Interest Costs	2,253,404	4%	61,577,440	63,830,844	60,395,591	(3,435,252)	
Financing Costs - L.O.C	2,711,617	76%	845,372	3,556,989	1,774,312	(1,782,677)	
Property Taxes	6,259	0%	1,290,559	1,296,818	1,352,496	55,679	
Capital Expenditures	451,201	33%	930,004	1,381,205	1,299,983	(81,222)	
Community Loan Interest	(13,008)	0%	13,008	-	0	-	
Total Other Development Costs	17,036,452	21%	64,626,383	81,662,835	76,419,362	(5,243,473)	D
Total Costs	51,624,123	11%	419,523,089	471,147,211	463,155,175	(7,992,036)	
Profit Margin	(51,624,123)		54,348,413	2,724,290	10,305,396	(7,581,106)	
Profit Margin %				0.57%	2.18%	-1.60%	
Purchase Price				95,203,833			
Adjustment to Funds Held/WC Loan Repayment				28,463,584			
Start Up Loss Adjustment				(23,361,775)			
Operating Lease Adjustment				(13,562,227)			
Total Adjustments				86,743,414			
Enterprise Value				89,467,704			

Columbus Campus

\$'s in Millions

Variances to Original Proforma by Reason

	<u>Category</u>	<u>\$ Detail</u>	<u>\$ Summary</u>
1 Increased average absorption from 13.18 to 13.30 units/month and updated with revised NH2 schedule			
Entrance Deposits	A	(2.1)	
Phase Costs	B	0.6	
Departmental	C	1.0	
Financing Costs	D	(0.6)	
Development Fees	B	0.1	
Funds Held	A	7.0	
Operating Lease	A	<u>3.8</u>	9.8
2 Update to HH Staffing Model & RG square foot from 176,000 to 185,730			
Phase Costs	B	(2.1)	
Financing Costs	D	1.7	
Fund Held	A	(2.0)	
Operating Lease	A	<u>(3.9)</u>	(6.3)
3 Costs above assumed model and inflation			
Departmental	C	(1.5)	
Financing costs (Closing Costs)	D	(1.8)	
Financing Costs	D	<u>(3.6)</u>	(6.9)
4 Addition of Carports			
Entrance Deposits	A	1.0	
Phase Costs	B	(0.6)	
Financing Costs	D	(0.1)	
Development Fees	B	<u>(0.0)</u>	0.2
5 Updated entrance deposit amenities assumption from 50% of total units at \$6,300 to 50% of total units at \$6,500			
Entrance Deposits	A	0.2	
Development Fees	B	(0.0)	
Financing costs	D	0.1	
Operating Lease	A	<u>(0.1)</u>	0.1
6 Update CB10 and RB11 budget to contract			
Phase Costs	B	0.0	
Financing Costs	D	<u>1.1</u>	1.1
7 Update to RB1 Entrance Deposits to honor prices shared with the public			
Entrance Deposits	A	(1.4)	
Development Fees	B	0.1	
Financing Costs	D	<u>(1.2)</u>	(2.5)
8 Updated RB1with price change for the Kellington units from \$216K to \$201K			
Entrance Deposits	A	(2.1)	
Financing Costs	D	<u>(0.7)</u>	(2.8)

(7.4)

Variance by line item (reference category code)

	<u>Total</u>
A Total Deposits (Deposits/ Working Capital/ Operating Lease)	0.4
B Phase Costs	(2.3)
C Departmental Costs	(0.5)
D Other Development Costs	<u>(5.2)</u>
Total Variance	<u>(7.6)</u>

4 Project Schedule

**Columbus Campus
Project Schedule
September 30, 2008**

Project	Original Scheduled Completion Date	Substantially Completed	Variance (in Months)
Community Building 1.0	Mar-09	Jun-09	(3.0)
Transitional Spaces	Mar-14	Aug-14	(5.0)
Residential Building 1.1	Mar-09	Jun-09	(3.0)
Residential Building 1.2	Sep-09	Jan-10	(4.0)
Residential Building 1.3	Mar-10	May-10	(2.0)
Residential Building 1.4	Oct-10	Oct-10	-
Residential Building 1.5	Sep-11	Oct-11	(1.0)
Residential Building 1.6	Sep-12	Aug-12	1.0
Residential Building 1.7	Mar-13	Mar-13	-
Community Building 2.0	Mar-14	Aug-14	(5.0)
Residential Building 2.1	Mar-14	Oct-15	(19.0)
Residential Building 2.2	Mar-14	Oct-16	(31.0)
Residential Building 2.3	Aug-15	Mar-16	(7.0)
Residential Building 2.4	Mar-16	Aug-14	19.0
Residential Building 2.5	Oct-16	Mar-14	31.0
Residential Building 2.6	Apr-17	Mar-15	25.0
Chapel 1	Apr-17	Oct-16	6.0
Gate House 1	Mar-09	Jun-09	(3.0)
Maintenance Building 1	Apr-17	Oct-16	6.0
Marketing Center 1	Dec-07	Mar-08	(3.0)
Extended Care 1A	Oct-10	Oct-11	(12.0)
Extended Care 1B	Mar-14	Aug-14	(5.0)
Extended Care 2.0	Apr-17	Oct-16	6.0

Bank Covenant:

Phases CB 1.0 - RB 2.1 - Substantial completion shall be 3 months after original schedule date.
RB 2.2 & thereafter - Substantial completion shall be 6 months after original schedule date.

19 Landowner Financial Statements

HCH
Statement of Operations by Natural Expense
All LOB, All Entities
Sep, FY08
(in thousands)

	Sep		YTD(Sep)		YTDDec	
	Actual	BudVar	Actual	BudVar	Forecast	FcstVar
Operating Revenue						
Departmental Revenues	3	3	27	27	27	27
Total Operating Revenue	3	3	27	27	27	27
Operating Expense						
Wages	11	(11)	44	(44)	44	(44)
Employee Benefits	2	(2)	6	(6)	6	(6)
Other Employee Expense	1	(1)	1	(1)	1	(1)
Contract Labor Expense	6	(6)	106	(106)	106	(106)
Supplies Expense	-	-	0	0	0	0
Professional Fee Expense	9	(9)	47	(47)	47	(47)
Purchased Services Expense	105	(105)	941	(941)	1,583	(1,583)
Other Expense	2	(2)	10	(10)	10	(10)
Total Operating Expense	135	(135)	1,154	(1,154)	1,796	(1,796)
Operating Income	(132)	(132)	(1,127)	(1,127)	(1,769)	(1,769)
Interest Expense	6	(6)	13	(13)	13	(13)
Investment Income	1	1	4	4	4	4
Total Non-Operating Income	(5)	(5)	(9)	(9)	(9)	(9)
Increase (Decrease) in Net Assets	(137)	(137)	(1,136)	(1,136)	(1,778)	(1,778)

HCH
Statement of Operations by Natural Expense
 All LOB, All Entities
 Sep, FY08
 (in thousands)

Current Month Occupancy

	Independent	Assisted Living	Skilled Nursing
Billed Units	#MISSING	#MISSING	#MISSING
Available Units	#MISSING	#MISSING	#MISSING
Occupancy %	#MISSING	#MISSING	#MISSING

YTD Payor Mix

	SNF Totals		SNF %'s	
	Operating Revenue	Resident Days	Opt Rev %'s	Resident Days%'s
Private	-	-	-	-
Medicare A	-	-	-	-
Medicaid	-	-	-	-
Other Insurance	-	-	-	-
Total	-	-	-	-

HCH
Statement of Cash Flows
 Sep , FY08
 (in thousands)

	<u>Current</u>	<u>YTD</u>
Cash Flows from Operating Activities		
Net Income	(137)	(1,136)
Adjustments to Reconcile Income		
(Increase)/Decrease in Prepaid Expenses	-	0
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(5)	60
Net Cash Provided by Operating Activities	<u>(142)</u>	<u>(1,075)</u>
Cash Flows from Investing Activities		
(Increase)/Decrease in Limited Use Cash and Investments	(95)	(434)
(Increase)/Decrease in Fixed Assets	(10)	(43)
Net Cash Used in Investing Activities	<u>(105)</u>	<u>(477)</u>
Cash Flows from Financing Activities		
Increase/(Decrease) in Advance Deposits	94	432
Increase/(Decrease) in Long Term Liabilities	106	1,271
Net Cash Provided by Financing Activities	<u>200</u>	<u>1,703</u>
Increase (Decrease) in Cash	(47)	150
Aggregate Other Items to Reconcile Cash	-	-
Cash Beginning of Period	213	16
Cash End of Period	<u><u>166</u></u>	<u><u>166</u></u>

9 Community Financial Statements

ERICKSON RETIREMENT COMMUNITIES
Columbus Campus
Landowner Balance Sheet
Sep, FY08

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	<u>Current Balance</u>	<u>Change from Prior Year</u>
ASSETS		
Current Assets		
Cash	140,766	140,766
Assets Limited as to Use	<u>8,000,000</u>	<u>8,000,000</u>
Total Current Assets	8,140,766	8,140,766
Fixed Assets		
Land and Improvements	11,626,980	11,626,980
Other Fixed Assets	<u>451,201</u>	<u>451,201</u>
Total Fixed Assets	<u>12,078,181</u>	<u>12,078,181</u>
Accumulated Depreciation	<u>(51,022)</u>	<u>(51,022)</u>
Total Fixed Assets net of Depreciation	12,027,159	12,027,159
Construction in Progress	<u>33,280,283</u>	<u>33,280,283</u>
Total Fixed Assets, Net and CIP	45,307,442	45,307,442
Other Assets		
Community Note Receivable	1,270,993	1,270,993
Deferred Financing Costs, net	<u>1,538,830</u>	<u>1,538,830</u>
Total Other Assets	2,809,823	2,809,823
TOTAL ASSETS	<u>56,258,031</u>	<u>56,258,031</u>
LIABILITIES & MEMBERS' CAPITAL		
Current Liabilities		
Accounts Payable	253,432	253,432
Construction G.C. Payable	4,288,181	4,288,181
Retainage Payable	804,327	804,327
Other Current Liabilities	203,711	203,711
Short-Term Interest Payable	383,008	383,008
ERC Short-Term Funding	5,232,316	5,232,316
Intercompany	<u>1,140,581</u>	<u>1,140,581</u>
Total Current Liabilities	12,305,555	12,305,555
Long-Term Liabilities		
Line of Credit Payable	26,294,988	26,294,988
Sale/Leaseback Payable	<u>21,350,000</u>	<u>21,350,000</u>
Total Long-Term Liabilities	47,644,988	47,644,988
Total Liabilities	<u>59,950,543</u>	<u>59,950,543</u>
Members' Capital		
Members' Capital	(100,187)	(100,187)
Members' Capital Sub-Debt Interest	1,185,526	1,185,526
Current Year's Income (Loss)	<u>(4,777,851)</u>	<u>(4,777,851)</u>
Total Members' Capital	(3,692,512)	(3,692,512)
TOTAL LIABILITIES & MEMBERS' CAPITAL	<u>56,258,031</u>	<u>56,258,031</u>

ERICKSON RETIREMENT COMMUNITIES
Columbus Campus
Landowner Income Statement
Sep, FY08

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	Period Activity	Period Budget	Period Variance	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance
Departmental Expenses						
Development Administration	92,672	102,925	10,253	1,113,613	929,757	(183,855)
Construction Mangement Services	4,862	3,647	(1,215)	45,445	32,821	(12,624)
Administration	142,288	47,808	(94,480)	1,186,112	430,275	(755,837)
Marketing	192,409	140,099	(52,310)	1,683,788	1,263,199	(420,589)
Sales and Information	88,268	99,521	11,254	725,793	855,959	130,166
Information Services	50,653	16,884	(33,769)	422,110	151,959	(270,150)
Legal	11,743	3,914	(7,829)	97,857	35,229	(62,628)
Capitalized Costs	(390,485)	-	390,485	(3,590,929)	-	3,590,929
Net Departmental Expense	192,409	414,799	222,390	1,683,788	3,699,199	2,015,411
Other Operating Expenses						
Depreciation	10,955	-	(10,955)	51,022	-	(51,022)
Amortization	23,145	-	(23,145)	1,024,267	-	(1,024,267)
Total Other Operating Expenses	34,100	-	(34,100)	1,075,289	-	(1,075,289)
Total Operating Expenses	226,510	414,799	188,290	2,759,078	3,699,199	940,122
Non-Operating Revenue						
Note Rec/Other Interest	5,922	-	5,922	13,008	-	13,008
Total Non-Operating Revenue	5,922	-	5,922	13,008	-	13,008
Non-Operating Expenses						
Interest Expense LOC, net(Sub-debt)	-	-	-	432,148	-	(432,148)
Equity Partner Interest Expense	266,875	-	(266,875)	1,452,401	-	(1,452,401)
Financing Costs	-	-	-	146,382	-	(146,382)
Real Estate & Other Taxes	-	-	-	850	-	(850)
Total Non-Operating Expenses	266,875	-	(266,875)	2,031,781	-	(2,031,781)
NET INCOME (LOSS)	(487,463)	(414,799)	(72,664)	(4,777,851)	(3,699,199)	(1,078,652)

ERICKSON RETIREMENT COMMUNITIES
Columbus Campus
Landowner Cash Flow Statement
Sep, FY08

10/29/08 4:19 PM

	<u>Period Activity</u>	<u>Year-to-Date</u>
Cash Flows from Operating Activities:		
Net Income (Loss)	(487,463)	(4,777,851)
Adjustments to reconcile Net Income (Loss) to Net Cash (Used In) Provided by Operating Activities:		
Depreciation	10,955	51,022
Amortization	23,145	1,024,267
Changes in:		
Assets Limited as to Use	-	(8,000,000)
Current Liabilities	48,983	457,143
Interest Payable	1,144	383,008
ERC Short-Term Funding	100,000	5,232,316
Intercompany	76,124	1,140,581
Net Cash (Used In) Provided by Operating Activities	(227,111)	(4,489,514)
Cash Flows from Investing Activities:		
CIP and Other Fixed Assets	(5,102,888)	(45,358,464)
Net Cash (Used In) Provided by Investing Activities	(5,102,888)	(45,358,464)
Cash Flows from Financing Activities:		
Deferred Financing Costs	-	(2,563,097)
Community Note Receivable	(106,366)	(1,270,993)
Retainage Withheld (Released)	85,524	804,327
Change in General Contractor Payable	2,154,072	4,288,181
Proceeds (Repay) LOC Sub-Debt	3,041,868	47,644,988
Members' Capital	-	21,109,305
Members' Drawing	-	(21,209,492)
Net Cash (Used In) Provided by Financing Activities	5,175,100	48,803,218
Change in Cash	120,871	140,766
Beginning Cash Balance	19,895	-
Ending Cash Balance	140,766	140,766

7 Supplemental Information

Columbus Campus, LLC Loan Covenant Compliance Summary

As of September 30, 2008

Satisfied
Pending
Not Met

Reporting Covenants

Description		Status
Monthly-Landowner Financial Statements	Enclosed	
Monthly-Community Financial Statements	Enclosed	
Monthly-Community Marketing Reports	Enclosed	
Monthly-ERC Financial Statements/MD&A	Attached	
Monthly-Project Status Report	Enclosed	
Monthly-Compliance Letter	Enclosed	
2007 Audited Financial Statements	Provided @ closing	
2008 Community Budget	Provided @ closing	
2007 Tax Returns or Extensions (if applicable)*	Provided @ closing	
2008 Annual Insurance Certificates	Provided @ closing	

Financial/Other Covenants

Description	Covenant		Actual	Status
ERC Liquidity (in millions)	Minimum	\$ 100.0	\$ 134.7	
Letter of Credit Sub-Limit (in millions)	Maximum	\$ 5.0	-	
Working Capital Loan Sub-Limit (in millions)	Maximum	\$ 44.0	\$ 1.3	
PTD Absorbtion/Month	Minimum	10.0	N/A	

* Landowners which are Limited Liability Corporations (LLC's) do not file tax returns, these entities are consolidated with the Erickson Group Tax Filings



SCHEDULE VI

Covenant Compliance Letter

October 30, 2008

KeyBank National Association
Lead Arranger and Administrative Assistant
Cleveland, Ohio 44114
Attention: Charles J. Shoop, Senior Vice President

RE: Columbus Campus, LLC

Ladies and Gentlemen:

This letter is submitted in connection with financial statements required to be provided under section 8.3 of the Construction Loan Agreement dated April 16, 2008 (the "Loan Agreement") relating to Hickory Chase. To the best knowledge of the undersigned, who is 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. All original promissory notes evidencing advances under the Community Loan Documents have been delivered (or are being delivered herewith) to you.



Jeffrey A. Jacobson
Executive Vice President
& Chief Financial Officer

Columbus Campus, LLC

Balance Test

Projected: As of September 30, 2008

Projected Fair Market Value at Completion

Phase	Completion Date	Status	No. of Units	Average Deposit per Unit	Total Deposit by Phase	Total Deposits Received	Future Deposits Remaining to be Collected	Coverage Amount
Residential	1.1		145	254,393	36,887,000	0	36,887,000	1,200,000
Residential	1.2		91	258,991	23,568,188	0	23,568,188	1,200,000
Residential	1.3		87	259,466	22,573,532	0	22,573,532	1,200,000
Residential	1.4		139	276,434	38,424,332	0	38,424,332	1,200,000
Residential	1.5		133	283,498	37,705,168	0	37,705,168	1,200,000
Residential	1.6		81	286,489	23,205,621	0	23,205,621	1,200,000
Residential	1.7		157	298,215	46,819,772	0	46,819,772	1,200,000
Residential	2.1		163	309,984	50,527,320	0	50,527,320	1,200,000
Residential	2.2		110	313,832	34,521,529	0	34,521,529	1,200,000
Residential	2.3		107	339,915	36,370,891	0	36,370,891	1,200,000
Residential	2.4		118	320,052	37,766,173	0	37,766,173	1,200,000
Residential	2.5		95	305,418	29,014,722	0	29,014,722	1,200,000
Residential	2.6		103	310,184	31,948,903	0	31,948,903	1,200,000
Extended Care 1A	10/1/2011		36	163,328	5,879,818	0	5,879,818	
Extended Care 1B	8/1/2014		48	178,473	8,566,714	0	8,566,714	
Extended Care 2	10/1/2016		132	189,342	24,993,175	0	24,993,175	
Minimum Coverage Amount								9,000,000
			1,745	488,772,858		0	488,772,858	21,000,000

BALANCE TEST COMPUTATIONS

		Estimate at Completion
		<u>Through 2020</u>
Future Deposits Remaining to Be Collected		488,772,858
Less : Working Capital		(28,463,584)
Operating Lease through December 2011		13,562,227
Purchase Option ³		<u>47,601,916</u>
Total Future Deposit/Lease Cash Receipts		521,473,418
Total Future Anticipated Cash Receipts		521,473,418
Cost to Complete: (Cash Basis)		
Hard Costs ¹		258,938,684
Soft Costs ²		<u>150,332,628</u>
Total Costs to Complete		409,271,312
Cash on Hand		8,140,766
Other Current Liabilities		
Construction G.C. Payable		4,288,181
Retainage Payable/Current Liabilities *		<u>8,017,375</u>
Total Other Current Liabilities		12,305,555
Long - Term Liabilities		
Line of Credit Payable/Subordinate Debt		26,294,988
Sale/Leasback Payable		<u>21,350,000</u>
Total Long - Term Liabilities		47,644,988
Balance Test Coverage Amount		<u>21,000,000</u>
Total Future Anticipated Cash Disbursements		482,081,089

BALANCE TEST

39,392,329 Passes Test

^{1/} Hard Costs Include Building and Sitework.

^{2/} Soft Costs Include: Architecture, Engineering, Fees & Permits, Builder's Risk, Outside Legal, Departmental Costs, Warranty, FF&E, Financing costs, Interest Costs, Land, Property Taxes, Development Fees, Insurance Reserve, Construction MNGT Fee

^{3/} Represents 50% of Purchase Option