

\$25,760,000
HICKORY CHASE COMMUNITY AUTHORITY
Infrastructure Improvement Bonds
Series 2008
(Hickory Chase Project)

SIGNIFICANT EVENT

**MATERIAL LOAN DEFAULT BY ERICKSON WITH RESPECT TO THE
PERMANENT FINANCING OF THE DEVELOPMENT**

Pursuant to Section 3 (iii) of the Developer's Continuing Disclosure Agreement included in the Official Statement, dated November 23, 2008, Erickson reports that its Construction Lender, KeyBank National Association, has commenced foreclosure proceedings on the project that will result in Erickson terminating its management of the property and being unable to open the development, as more fully described in the attached letter from Erickson. KeyBank has alleged a default by Columbus Campus LLC under the Construction Loan Agreement, as shown in the complaint recorded with Franklin County Common Pleas Court (case number is 09 CVE 79921) (attached hereto).



July 2, 2009

Mayor Don Schonhardt
Hilliard City Council Members
3800 Municipal Way
Hilliard, OH 43026

Dear Mayor Schonhardt and Council Members,

As we have recently discussed, Erickson has been working diligently with lenders to resolve the financing issue that led to the construction halt at Hickory Chase.

We have been informed by the lender for our Hickory Chase project that despite best efforts to resolve financial issues, the lender has commenced a foreclosure proceeding that will result in us not being able to open Hickory Chase and end our management of the property in Hilliard.

As always, during these difficult economic times Erickson's first priority is to our prospective residents. The accounts holding our customers' deposits and other fees are not affected by this legal action. Erickson is committed to assisting prospective residents by providing full refunds and consulting with residents and families on alternative living options. Prospective residents will receive 100% refunds of deposits and other fees paid. Erickson has begun processing refunds and plans to have all monies returned in July.

Our fully staffed marketing center will remain open through July to assist our customers. The staff will continue to help depositors find alternative living arrangements and assist those who have indicated they want to move to one of our other communities around the country.

We are deeply disappointed that we were not able to reach a resolution. Erickson intends to assist our lender representatives and town officials in transitioning the property. We have the highest esteem for the community of Hilliard and are hopeful that someday we can fulfill our goal of bringing the Erickson lifestyle to its citizens.

Sincerely,

A handwritten signature in black ink that reads "Steven Montgomery". The signature is fluid and cursive, with the first name "Steven" being larger and more prominent than the last name "Montgomery".

Steven Montgomery
Erickson Retirement Communities

IN THE COURT OF COMMON PLEAS OF FRANKLIN COUNTY, OHIO

FILED
COMMON PLEAS COURT
FRANKLIN CO. OHIO
20 JUL -2 PM 2:49
CLERK OF COURTS-CV

KEYBANK NATIONAL ASSOCIATION,
AS AGENT FOR ITSELF, FIFTH THIRD
BANK, HILLCREST BANK,
WILMINGTON TRUST FSB, SOLUTIONS
BANK, AND FIRST COMMONWEALTH
BANK
127 Public Square
Cleveland, OH 44114,

09 CVE 7 9921

CASE NO.

and
KEYBANK NATIONAL ASSOCIATION
127 Public Square
Cleveland, OH 44114,

JUDGE

and
FIFTH THIRD BANK
c/o KeyBank National Association
127 Public Square
Cleveland, OH 44114,

and
HILLCREST BANK
c/o KeyBank National Association
127 Public Square
Cleveland, OH 44114,

COMPLAINT FOR JUDGMENT,
FORECLOSURE AND
APPOINTMENT OF RECEIVER

and
WILMINGTON TRUST FSB
c/o KeyBank National Association
127 Public Square
Cleveland, OH 44114,

and
SOLUTIONS BANK
c/o KeyBank National Association
127 Public Square
Cleveland, OH 44114,

and

270

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FIRST COMMONWEALTH BANK
c/o KeyBank National Association
127 Public Square
Cleveland, OH 44114,

Plaintiffs,

v.

COLUMBUS CAMPUS, LLC
c/o Erickson Retirement Communities, LLC
701 Maiden Choice Lane
Baltimore, MD 21228,
and also serve at
COLUMBUS CAMPUS, LLC
c/o CT Corporation System, Statutory Agent
1300 East Ninth Street
Cleveland, OH 44114,

and

WINDSOR OH HOLDINGS, LLC
c/o Windsor Healthcare Equities, LLC
7312 Parkway Drive
Hanover, MD 21076,
and also serve at
WINDSOR OH HOLDINGS, LLC
c/o The Corporation Trust Company,
Statutory Agent
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801,

and

APCO Industries, Inc.
777 Michigan Avenue
Columbus, OH 43215,

and

Armstrong Wood Products Inc.
dba Armstrong Cabinet Products
16803 Dallas Parkway 200,
Addison, TX 75001,

And

BH-HWZ Group, LLC
dba HWZ Contracting - Cincinnati
4730 Ashley Drive
Hamilton, OH 45011,

and

Carportsstructures Corporation
1825 Metamora Road
Oxford, MI 48371,

and

Columbus Drywall, Inc.
876 North 19th Street
Columbus, OH 43219,

and

Crawford Mechanical Services, Inc.
3445 Morse Road
Columbus, OH 43231,

and

Ferguson Enterprises, Inc.
dba Ferguson Waterworks
3845 Groveport Road
Columbus, OH 43207,

and

Freeland Contracting Company
2100 Integrity Drive
Columbus, OH 43209,

and

George I. Landry, Inc.
510 Highland Ave., #415
Milford, MI 48381,

and

Hickory Chase Inc.
701 Maiden Choice Lane
Baltimore, MD 21228

and

Installed Building Products LLC
dba Edwards/Mooney & Moses
1320 McKinley Ave., Suite B
Columbus, OH 43222,

and
J M Olson Corporation
26210 Harper Avenue
St. Clair Shores, MI 48081,

and
John Eramo & Sons, Inc.
3670 Lacon Road
Hilliard, OH 43026,

and
Karst & Sons, Inc.
6496 Taylor Road SW
Reynoldsburg, OH 43068,

and
Kenneth Weikal
33203 Biddestone Lane
Farmington Hills, MI 48334,

and
Majestic Drywall Services, Inc.
1850 Dividend Dr.
Columbus, OH 43228,

and
Ohio Glass and Aluminum Company
1735 Atlas Street
Columbus, OH 43228,

and
Purdy Company
655 North Cassady Avenue
Columbus, OH 43219,

and
Reitter Stucco, Inc.
dba Reitter Stucco & Supply Co. Inc.
1100 King Avenue
Columbus, OH 43212,

and
Rite Rug Company
3949 Business Park Drive
Columbus, OH 43204,

and
Rocky Fork Company, Inc.
39395 West 12 Mile Road
Suite 100
Farmington Hills, MI 48331,

and
Scott & Son Concrete, Inc.
480 S. Greener Ave.
Columbus, OH 43228,

and
Southwest Greens of Ohio, LLC
1566 West First Avenue
Columbus, OH 43212,

and
Tupper Door & Hardware, Inc.
23659 Industrial Park Dr.,
Farmington Hills, MI 48335,

and
Wallace Construction Company
P.O. Box 158
Galena, OH 43021,

and
Wilson Enterprises, Inc.,
dba Wilson's Turf
900 Buckeye Park Road
Columbus, OH 43207,

and
Hickory Chase Community Authority
4383 Davidson Road
Hilliard, OH 43026,

and
Wells Fargo Bank, National Association
9062 Old Annapolis Road
Columbia, MD 21045
Attention: CMBS,

Defendants.

Now comes KeyBank National Association, as Agent for Itself, Fifth Third Bank, Hillcrest Bank, Wilmington Trust FSB, Solutions Bank and First Commonwealth Bank (hereinafter "Agent" when acting in its capacity as Lead Arranger and Administrative Agent for the above Lenders as authorized in the Construction Loan Agreement, as hereinafter defined, and as "KeyBank" when acting in its individual capacity) Fifth Third Bank (hereinafter "Fifth Third"), Hillcrest Bank (hereinafter "Hillcrest"), Wilmington Trust FSB (hereinafter "Wilmington"), Solutions Bank (hereinafter "Solutions"), and First Commonwealth Bank (hereinafter "Commonwealth") (sometimes hereinafter collectively "Lenders"), by counsel, and for their Complaint against the Defendants herein state as follows:

THE PARTIES

1. Agent is a national banking association, organized and existing under the laws of the United States. Agent maintains its principal place of business at the address indicated on the caption of this Complaint.

2. Defendant Columbus Campus, LLC (hereinafter "Campus") is a Maryland limited liability company with its principal place of business at the address indicated on the caption of this Complaint. Campus is licensed to do business in the State of Ohio.

3. [Reserved].

4. Defendant Windsor OH Holdings, LLC and Hickory Chase Inc. may have or claim an interest in the Real Property (as hereinafter described) by virtue of their respective mortgages; in addition, Hickory Chase, Inc. may have or claim an interest in the Real Property (as hereinafter described) by virtue of a Memorandum of Lease.

5. Defendants APCO Industries, Inc., Armstrong Wood Products, Inc. dba Armstrong Cabinet Products, BH-HWZ Group, LLC dba HWZ Contracting-Cincinnati,

Carportstructures Corporation, Columbus Drywall, Inc., Crawford Mechanical Services, Inc., Ferguson Enterprises, Inc. dba Ferguson Waterworks, Freeland Contracting Company, George I. Landry, Inc., Installed Building Products, LLC dba Edwards/Mooney & Moses, J M Olson Corporation, John Eramo & Sons, Inc., Karst & Sons, Inc., Kenneth Weikal, Majestic Drywall Services, Inc., Ohio Glass and Aluminum Company, Purdy Company, Reitter Stucco, Inc. dba Reitter Stucco & Supply Co. Inc., Rite Rug Company, Rocky Fork Company, Inc., Scott & Son Concrete, Inc., Southwest Greens of Ohio, LLC, Tupper Door & Hardware, Inc., Wallace Construction Company and Wilson Enterprises, Inc. dba Wilson's Turf may have or claim an interest in the Real Property (as hereinafter described) by virtue of mechanic's liens.

6. Defendants Hickory Chase Community Authority and Wells Fargo Bank, National Association are the Issuer and Trustee, respectively, under the Series 2008 bonds issued to provide, among other things, funds to finance certain public infrastructure improvements benefiting the Real Property (as hereinafter described) (the "Series 2008 Bonds").

THE CONSTRUCTION LOAN AGREEMENT

7. On or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to Agent a Construction Loan Agreement (the "Loan Agreement"), a copy of which is attached hereto as Exhibit A and incorporated herein by this reference, whereby Campus applied to Lenders for a revolving loan and letter of credit facility in the aggregate principal amount of \$90,000,000.00.

8. Pursuant to Section 11.1 of the Loan Agreement, Key was appointed as Administrative Agent under each and every Loan Document, as defined in Section 1.71 of the Loan Agreement, and each of the Lenders irrevocably authorized Key to act as agent for each

Lender and to take such action as each Lender is obligated or entitled to make under the provisions of the Loan Agreement and the Loan Documents.

9. Pursuant to the Loan Agreement, the Lenders agreed to make the Loan, as defined in Section 1.70 of the Loan Agreement, and the Loan was to be evidenced by Revolving Loan Notes to each respective Lender for the portion of the Loan committed and advanced by each Lender.

COUNT ONE – KEYBANK’S REVOLVING NOTE

10. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

11. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to KeyBank in Franklin County, Ohio a Revolving Loan Note (the “KeyBank Revolving Note”) in the original principal amount of \$20,000,000.00. A copy of the KeyBank Revolving Note is attached hereto as Exhibit B and incorporated herein by this reference.

12. Campus has defaulted on the terms of the KeyBank Revolving Note by, among other things, failing to comply with the requirements of Article IX, Sections 9.1(a), 9.1(c), 9.1(i), 9.1(o), 9.1(t) and 9.1(bb) and of the Loan Agreement.

13. As of June 30, 2009, there is due and owing from Campus to KeyBank on the KeyBank Revolving Note the principal sum of \$12,346,274.44, together with accrued interest in the amount of \$218,438.20, an unutilized/unused fee of \$8,883.86, an administrative fee of \$30,000.00, and late fees in the amount of \$654.69 for a total of \$257,976.74, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$2,400.67 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property (as

hereinafter defined), together with interest on such advances from the dates made, and attorney fees and costs expended.

COUNT TWO - FIFTH THIRD'S REVOLVING NOTE

14. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

15. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to Fifth Third in Franklin County, Ohio a Revolving Loan Note (the "**Fifth Third Revolving Note**") in the original principal amount of \$20,000,000.00. A copy of the Fifth Third Revolving Note is attached hereto as **Exhibit C** and incorporated herein by this reference.

16. Campus has defaulted on the terms of the Fifth Third Revolving Note by, among other things, failing to comply with the requirements of Article IX, Sections 9.1(a), 9.1(e), 9.1(i), 9.1(o), 9.1(t) and 9.1(bb) and of the Loan Agreement.

17. As of June 30, 2009, there is due and owing from Campus to Fifth Third on the Fifth Third Revolving Note the principal sum of \$15,432,843.05, together with accrued interest in the amount of \$273,047.74, an unutilized/unused fee of \$11,104.82 and late fees in the amount of \$818.36 for a total of \$284,970.93, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$3,000.83 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property (as hereinafter defined), together with interest on such advances from the dates made, and attorney fees and costs expended.

COUNT THREE - HILLCREST'S REVOLVING NOTE

18. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

19. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to Hillcrest, in Franklin County, Ohio a Revolving Loan Note (the "Hillcrest Revolving Note") in the original principal amount of \$5,000,000.00. A copy of the Hillcrest Revolving Note is attached hereto as Exhibit D and incorporated herein by this reference.

20. Campus has defaulted on the terms of the Hillcrest Revolving Note by, among other things, failing to comply with the requirements of Article IX, Sections 9.1(a), 9.1(e), 9.1(i), 9.1(o), 9.1(t) and 9.1(bb) and of the Loan Agreement.

21. As of June 30, 2009, there is due and owing from Campus to Hillcrest on the Hillcrest Revolving Note the principal sum of \$3,086,568.61, together with accrued interest in the amount of \$54,609.55, an unutilized/unused fee of \$2,220.96 and late fees in the amount of \$163.67 for a total of \$56,994.19, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$600.17 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property (as hereinafter defined), together with interest on such advances from the dates made, and attorney fees and costs expended.

COUNT FOUR – WILMINGTON'S REVOLVING NOTE

22. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

23. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to Wilmington in Franklin County, Ohio a Revolving Loan Note (the "Wilmington Revolving Note") in the original principal amount of \$10,000,000.00. A copy of the Wilmington Revolving Note is attached hereto as Exhibit E and incorporated herein by this reference.

24. Campus has defaulted on the terms of the Wilmington Revolving Note by, among other things, failing to comply with the requirements of Article IX, Sections 9.1(a), 9.1(e), 9.1(i), 9.1(o), 9.1(t) and 9.1(bb) and of the Loan Agreement.

25. As of June 30, 2009, there is due and owing from Campus to Wilmington on the Wilmington Revolving Note the principal sum of \$6,173,137.22, together with accrued interest in the amount of \$109,219.10, unutilized/unused fees of \$4,441.93 and late fees in the amount of \$327.34 for a total of \$113,988.37, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$1,200.33 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property (as hereinafter defined), together with interest on such advances from the dates made, and attorney fees and costs expended.

COUNT FIVE – SOLUTIONS’ REVOLVING NOTE

26. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

27. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to Solutions in Franklin County, Ohio a Revolving Loan Note (the “**Solutions Revolving Note**”) in the original principal amount of \$10,000,000.00. A copy of the Solutions Revolving Note is attached hereto as **Exhibit F** and incorporated herein by this reference.

28. Campus has defaulted on the terms of the Solutions Revolving Note by, among other things, failing to comply with the requirements of Article IX, Sections 9.1(a), 9.1(e), 9.1(i), 9.1(o), 9.1(t) and 9.1(bb) and of the Loan Agreement.

29. As of June 30, 2009, there is due and owing from Campus to Solutions on the Solutions Revolving Note the principal sum of \$6,173,137.22, together with accrued interest in

the amount of \$109,219.10, unutilized/unused fees of \$4,441.93 and late fees in the amount of \$327.34 for a total of \$113,988.37, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$1,200.33 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property (as hereinafter defined), together with interest on such advances from the dates made, and attorney fees and costs expended.

COUNT SIX – COMMONWEALTH’S REVOLVING NOTE

30. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

31. Pursuant to the Loan Agreement, on or about April 16, 2008, Campus, by and through an authorized member, executed and delivered to Commonwealth, in Franklin County, Ohio a Revolving Loan Note (the “**Commonwealth Revolving Note**”) in the original principal amount of \$10,000,000.00. A copy of the Commonwealth Revolving Note is attached hereto as **Exhibit G** and incorporated herein by this reference.

32. Campus has defaulted on the terms of the Commonwealth Revolving Note by, among other things, failing to comply with the requirements of Article IX, Sections 9.1(a), 9.1(e), 9.1(i), 9.1(o), 9.1(t) and 9.1(bb) and of the Loan Agreement.

33. As of June 30, 2009, there is due and owing from Campus to Commonwealth on the Commonwealth Revolving Note the principal sum of \$6,173,137.22, together with accrued in the amount of \$109,219.10, unutilized/unused fees of \$4,441.93 and late fees in the amount of \$327.34 for a total of \$113,988.37, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$1,200.33 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property (as hereinafter defined), together with interest on such advances from the dates made, and attorney fees and costs expended.

COUNT SEVEN – SWAP AGREEMENT

34. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

35. On or about October 14, 2008, Campus executed and delivered to KeyBank a certain ISDA Master Agreement, which has been supplemented by a Schedule dated as of October 14, 2008, and a Swap Confirmation dated October 15, 2008. The ISDA Master Agreement, as so supplemented, is hereinafter referred to as the "**Swap Agreement.**" Copies of the Swap Agreement, Schedule and Confirmation are attached hereto as collective **Exhibit H** and incorporated herein by this reference.

36. Campus' default on the KeyBank Revolving Note, the Fifth Third Revolving Note, the Hillcrest Revolving Note, the Wilmington Revolving Note, the Solutions Revolving Note and the Commonwealth Revolving Note constitutes a default under the Swap Agreement, as a result of which KeyBank exercised its right to terminate the Swap Agreement. As a result of such termination, pursuant to the terms of the Swap Agreement, Campus owes KeyBank as of June 30, 2009 the sum of \$126,066.67 for swap payments due on May 1, 2009 and June 1, 2009 plus a termination fee of \$1,056,992.00 for a total of \$1,183,058.67. In addition, Campus is liable for market movements that may increase Key's cost to terminate the Swap Agreement in an amount to be determined.

COUNT EIGHT – RESERVED

37. [Reserved].
38. [Reserved].
39. [Reserved].
40. [Reserved].

COUNT NINE – FORECLOSURE OF THE MORTGAGE

41. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

42. On or about April 16, 2008, to secure the payment of the indebtedness to the Lenders in connection with the Obligations and the performance of the other terms contained therein, Campus executed and delivered to Agent an Open-End Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing (hereinafter "**Mortgage**"), which Agent recorded on April 22, 2008 with the Recorder of Franklin County, Ohio as Instrument Number 200804220061335, a copy thereof is attached hereto as **Exhibit J** and incorporated herein by this reference.

43. The Mortgage remains a good and valid lien upon the property described therein, commonly known as Hickory Chase located at 4383 Davidson Road, Hilliard, Franklin County, Ohio, (the "**Real Property**"), subject only to the liens for taxes, penalties, interest, and assessments due to the Treasurer of Franklin County, Ohio.

44. Pursuant to the terms of the Mortgage, in addition to the sums due the Lenders on the Obligations, Agent is entitled to payment from the proceeds of the foreclosure of the Mortgage any amount Agent expends in order to protect the Lenders' interests in the Real Property or to enforce their rights, including without limitation sums advanced, or sums it may

advance, for collection services, the costs for searching records, obtaining title reports (including foreclosure reports), surveyors' reports, appraisal fees and title insurance, and court costs, the exact amount of which is undetermined at this time, but which amount will be ascertainable at the time of the Sheriff's Sale of the Real Property, together with interest from the date of expenditure until repaid at the rates provided for in the Obligations, which amounts may be added to the Mortgage.

45. The Obligations have not been paid according to their terms and the terms and conditions of the Mortgage and, together with the other events alleged herein, constitute Events of Default as set forth in Article IX, Section 9.1 of the Loan Agreement.

46. Accordingly, the conditions of the Mortgage have been broken and by reason thereof, the Mortgage has become absolute.

47. Agent is entitled to enforcement of the Mortgage on the Real Property and payment of the Obligations from the proceeds of the foreclosure of the Mortgage. The Mortgage provides at page 18, Section 9.6, that upon an Event of Default the holder of the Mortgage shall have the right to "declare the Loan to be immediately due and payable without further demand, and may recover judgment against the Mortgagor for all amounts owing in connection with the Loan [and] . . . may institute an action for foreclosure of this Mortgage and the sale of the Property . . ."

48. As alleged, Events of Default exists under the Loan Agreement. Therefore the Mortgage has become absolute and Agent is entitled to foreclose the same.

49. The Treasurer of Franklin County, Ohio may claim to have some interest in or lien upon the Real Property by virtue of unpaid real Property taxes and assessments.

50. Defendants APCO Industries, Inc., Armstrong Wood Products, Inc. dba Armstrong Cabinet Products, BH-HWZ Group, LLC dba HWZ Contracting-Cincinnati, Carportstructures Corporation, Columbus Drywall, Inc., Crawford Mechanical Services, Inc., Ferguson Enterprises, Inc. dba Ferguson Waterworks, Freeland Contracting Company, George I. Landry, Inc., Hickory Chase, Inc., Installed Building Products, LLC dba Edwards/Mooney & Moses, J M Olson Corporation, John Eramo & Sons, Inc., Karst & Sons, Inc., Kenneth Weikal, Majestic Drywall Services, Inc., Ohio Glass and Aluminum Company, Purdy Company, Reitter Stucco, Inc. dba Reitter Stucco & Supply Co. Inc., Rite Rug Company, Rocky Fork Company, Inc., Scott & Son Concrete, Inc., Southwest Greens of Ohio, LLC, Tupper Door & Hardware, Inc., Wallace Construction Company and Wilson Enterprises, Inc. dba Wilson's Turf may have of claim an interest in the Real Property by virtue of mechanic's liens.

51. Defendants Hickory Chase Community Authority and Wells Fargo Bank, National Association may have or claim an interest in the Real Property by virtue of the Series 2008 Bonds.

COUNT TEN - FORECLOSURE OF THE COLLATERAL

52. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

53. To secure repayment of the indebtedness evidenced by the Obligations, Campus, pursuant to the Mortgage, granted a security interest in any and all items as part of the Real Property which may be subject to a security interest pursuant to the Uniform Commercial Code, including but not limited to all machines, apparatus, equipment, fixtures and articles of personal property on the Real Property including furniture, fixtures, equipment and building materials. and all other personal property as more fully described in the Mortgage (the "Collateral").

54. A financing statement was filed with the Maryland Department of Assessments and Taxes on March 27, 2008 as financing statement number 181337670 perfecting the security interest in the Collateral other than fixtures.

55. A financing statement was filed with the Franklin County Recorder on April 14, 2008 as financing statement number 200804140056782 perfecting the security interest in the Collateral other than fixtures. The foregoing financing statements are attached hereto as collective Exhibit K, and are hereafter referred to as the "Financing Statements".

56. The Mortgage and the Financing Statements reflecting the security interest in the Collateral are unreleased and uncanceled of record and evidence the security interest which constitutes a valid first and best lien on the Collateral described therein.

57. The terms of the Mortgage have been broken, the Obligations have been accelerated according to their terms and conditions, and Agent is therefore entitled to sell the Collateral described therein at public sale.

COUNT ELEVEN – APPOINTMENT OF RECEIVER

58. Agent re-alleges and incorporates herein each and every allegation contained above and incorporated herein as if fully rewritten.

59. Campus authorized Agent to appoint a receiver following the occurrence of an Event of Default as set forth in the Loan Agreement. Section 9.11 of the Mortgage provides that upon an event of default, "shall be entitled to and the Mortgagor hereby consents to, the immediate appointment of a receiver for the Property." Among other powers, the receiver 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 Project Improvements . . ."

60. Agent is entitled to have a receiver appointed by the Court to manage, maintain, preserve and protect the Real Property.

WHEREFORE, Agent prays for relief as follows:

A. Judgment against Campus on the KeyBank Revolving Note as of June 30, 2009, in the principal sum of \$12,346,274.44, together with accrued interest in the amount of \$218,438.20, an unutilized/unused fee of \$8,883.86, an administrative fee of \$30,000.00, and late fees in the amount of \$654.69 for a total of \$257,976.74, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$2,400.67 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property, together with interest on such advances from the dates made, and attorney fees and costs expended;

B. Judgment against Campus on the Fifth Third Revolving Note as of June 30, 2009, in the principal sum of \$15,432,843.05, together with accrued interest in the amount of \$273,047.74, an unutilized/unused fee of \$11,104.82 and late fees in the amount of \$818.36 for a total of \$284,970.93, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$3,000.83 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property, together with interest on such advances from the dates made, and attorney fees and costs expended;

C. Judgment against Campus on the Hillcrest Revolving Note as of June 30, 2009, in the principal sum of \$3,086,568.61, together with accrued interest in the amount of \$54,609.55, an unutilized/unused fee of \$2,220.96 and late fees in the amount of \$163.67 for a total of \$56,994.19, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$600.17 per diem, plus late charges, amounts advanced for the preservation and security of the

Real Property, together with interest on such advances from the dates made, and attorney fees and costs expended;

D. Judgment against Campus on the Wilmington Revolving Note as of June 30, 2009, in the principal sum of \$6,173,137.22, together with accrued interest in the amount of \$109,219.10, unutilized/unused fees of \$4,441.93 and late fees in the amount of \$327.34 for a total of \$113,988.37, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$1,200.33 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property, together with interest on such advances from the dates made, and attorney fees and costs expended;

E. Judgment against Campus on the Solutions Revolving Note as of June 30, 2009, in the principal sum of \$6,173,137.22, together with accrued interest in the amount of \$109,219.10, unutilized/unused fees of \$4,441.93 and late fees in the amount of \$327.34 for a total of \$113,988.37, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$1,200.33 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property, together with interest on such advances from the dates made, and attorney fees and costs expended;

F. Judgment against Campus on the Commonwealth Revolving Note as of June 30, 2009, in the principal sum of \$6,173,137.22, together with accrued in the amount of \$109,219.10, unutilized/unused fees of \$4,441.93 and late fees in the amount of \$327.34 for a total of \$113,988.37, plus interest accruing on the principal sum from and after June 30, 2009 at the rate of \$1,200.33 per diem, plus late charges, amounts advanced for the preservation and security of the Real Property, together with interest on such advances from the dates made, and attorney fees and costs expended;

G. Judgment against Campus on the Swap Agreement as of June 30, 2009, the sum of \$126,066.67 for swap payments due on May 1, 2009 and June 1, 2009 plus a termination fee of \$1,056,992.00 for a total of \$1,183,058.67. In addition, Campus is liable for market movements that may increase Key's cost to terminate the Swap Agreement in an amount to be determined, together with attorney fees and costs expended;

H. [Reserved].

I. That Agent's Mortgage be found to be a good and valid lien on the Real Property, subject only to the lien of the Treasurer of Franklin County, Ohio for unpaid real property taxes, interest, penalties, and assessments, if any;

J. That all defendants be required to set up their liens upon or interest in the Real Property and the Collateral or be forever barred from asserting same;

K. That all liens upon the Real Property and the Collateral be marshaled and foreclosed;

L. That the equity of redemption of all defendants be foreclosed and forever barred;

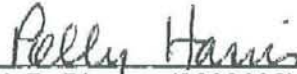
M. That the Real Property and Collateral be sold as upon execution free from all encumbrances, liens, rights, title and interest of all defendants and that the proceeds of the sale be distributed according to the priorities established herein, and to Agent in repayment of any and all sums advanced, or sums it may advance during the pendency of this action, for the payment of taxes, liens, security interests, encumbrances or other claims at any time levied or placed on the Real Property for insurance, maintenance and protection of the Real Property, for title reports, surveyors' reports, appraisal fees and title insurance, and for court costs, the exact amount of which is undetermined at this time, but which amount will be ascertainable at the time of the Sheriff's Sale of the Real Property and Collateral, together with interest from the date of

expenditure until repaid at the rate provided for in the Obligations, which amounts may be added to the Mortgage and be paid to Agent from the proceeds of the sale;

N. That a Receiver be appointed to manage, maintain, protect and preserve the Real Property and the Collateral pending their sale at foreclosure;

O. For costs of this action and attorneys fees; and

P. For such other and further relief to which Agent may be entitled under the law or in equity.



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