



**Lincolnshire Campus, LLC &
Sedgebrook, Inc.
Monthly Reporting Package
December 2008**

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↳ Project Summary

Lincolnshire Campus, LLC

Project Overview

Project Description

Lincolnshire Campus is a 92 acre project located in Lincolnshire, Illinois. The community is marketed under the name Sedgebrook and will consist of approximately 1380 independent living apartments, 96 assisted living apartments and 132 skilled nursing beds.

Financing Overview

- In August 2007 Sedgebrook, Inc. closed \$136.9 million in Variable Demand Bonds.
- The bond issuance provided Sedgebrook, Inc. with the funds to place a \$125M purchase deposit with Lincolnshire Campus, LLC. Lincolnshire Campus, in turn, paid off the \$60M construction revolver with Bank of America and the \$27M of sub debt financing with CNL.
- \$15 million Special Tax Service Bond District Financing was closed in July 2004.
- Erickson has funded approximately \$10.5M in equity to date.
- Erickson has funded approximately \$29.9M in short term funding to cover project expenses in excess of entrance fees and the purchase deposit.

Executive Summary

Marketing Overview

Sedgebrook ended December with 7 initial deposits and 9 total settlements. Advertising and sales are working hard to increase the community's pipeline that currently consists of 73 reservations, 173 standbys and 101 futures.

Lincolnshire Campus, LLC

Critical Issues

Liens:

- On 1/30/08, Walsh Landscape Construction, Inc. filed a lien in the amount of \$43,293.68 on the Sitework Phase 1B project. Walsh Landscape is a subcontractor to Erickson Construction. The issue involves unresolved change orders, as well as final retainage release. Erickson Construction is working with Walsh to settle the issue.
- We are currently re-evaluating demand and inventory to determine the most prudent building schedule. The attached project schedule is reflective of our 2009 and 2010 plan; these changes have not been incorporated in the enterprise value. An updated enterprise value will be forthcoming.

Active Phase Status

Phase/Item	Construction Began	Projected to Open
Extended Care 1.0	Nov-07	Jul-09

Proforma Update

**** in millions

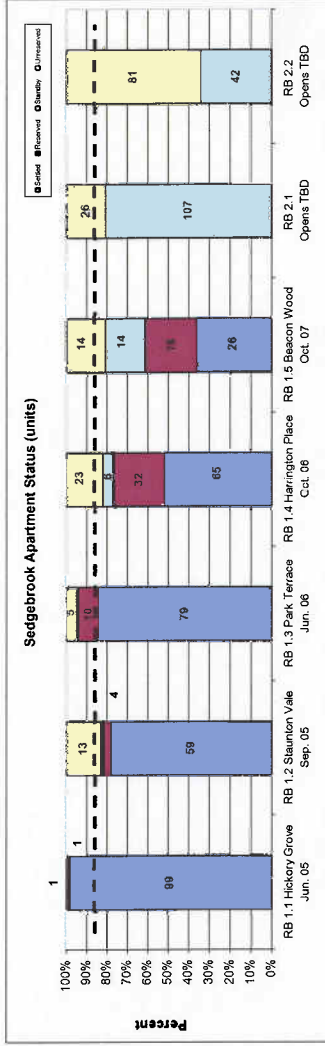
	Original Budget	CURRENT 12/31/2008 Budget	
Entrance Deposits	500	553	(1)
Purchase Price	83	105	(2)
Total Funds	582	658	
Project Costs	409	484	(3)
Financing Costs	46	106	(4)
Operations Start Up (Working Capital) Ex. Reserve:	(7)	14	(5)
Development Fees	25	28	(6)
Total Costs	473	632	
Enterprise Margin	109	26	

(1) (2) (3) (4) (6) Variance is due primarily to revised slower absorption schedule and bond issuance.

(5) Variance is due primarily to 50/50 split on surplus recovery.

2 Marketing Reports

Apartment Status by Building as of 12-31-08



Total Units

Flex Pay

Flex Pay Ratio

	2004 Year End	2005 Year End	2006 Year End	2007 1st Qtr	2007 2nd Qtr	2007 3rd Qtr	2007 4th Qtr	2008 1st Qtr	2008 2nd Qtr	2008 3rd Qtr	2008 4th Qtr
Settled	0	105	201	211	232	252	270	279	295	308	328
Reservations	82	23	35	49	42	67	67	70	59	66	65
Standby	62	116	149	157	159	167	161	163	167	174	169
Futures	89	121	76	77	88	86	91	104	104	100	101
Total	233	365	461	484	521	572	589	616	625	648	663
Monthly Trends	12.0	8.3	11.8	10.7	5.3	17.7	4.0	4.7	3.0	9.0	4.7
Net Settlements/Reservations/Standbys	0	8.8	8.0	3.3	7.0	6.7	8.0	3.0	5.3	4.3	6.7
Settlements											

Test to Break Escrow:

(Buildings with at least 50% Sold or bond posted for 60% of entrance fees)

Building	Total Units	# of Units Reserved (50%)	# of Units Settled/Reserved	# of Units Test Satisfied
RB 1.1	101	51	100	Test Satisfied
RB 1.2	76	38	63	Test Satisfied
RB 1.3	94	47	89	Test Satisfied
RB 1.4	125	63	97	Test Satisfied
RB 1.5	72	36	44	Test Satisfied

Project Phasing Test:

Can't commence construction on a Residential Building until the Commitment ratio is at least 80%. The Commitment Ratio is the sum of Settled Units, Reserved Units, Standbys and Futures divided by sum of all Completed Residential Units plus the Units of the Residential Building for which the ratio is being computed.

Test for RB 2.2		Total Available Units	
Settled	295	RB 1.1	101
Reservations	69	RB 1.2	76
Standby	167	RB 1.3	94
Futures	104	RB 1.4	126
Total	625	RB 1.5	72
		RB 2.1	133
		RB 2.2	126
		Total	728

Maximum Number of Units Completed & Under Construction Within Compliance:
 625 / 728 = 85.8%

*Settlement vs. Covenant

Original Covenant Requirement
 N/A
 PTD Monthly Average as of 12/31/08
 7.6

NOTES:

Sedgebrook has satisfied the bond commitment ratio requirement through RB 2.2.

2008 Monthly Marketing Trend Report

Campus: Sedgebrook

Monthly Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	Average
1 Net Apt Reservations (MS)*	4	3	6	5	1	4	14	11	0	4	14	3	69	5.75
* New	4	2	6	3	1	1	13	8	-1	4	12	3	56	4.67
* Resale	0	1	0	2	0	3	1	3	1	0	2	0	13	1.08
2 Gross Reservations (MS)	7	9	13	14	10	15	20	20	13	12	19	6	158	13.17
3 No. of Total Settlements (MS)*	5	3	3	4	7	7	7	5	3	9	4	9	66	5.50
* New	4	2	3	3	7	6	6	4	3	7	4	9	58	4.83
* Resale	1	1	0	1	0	1	1	1	0	2	0	0	8	0.67
4 No. of Initial Deposits (MS)	21	8	17	13	12	10	19	12	15	12	15	7	161	13.42
5 Requests for Refunds (MS)	3	8	7	4	9	7	3	6	6	5	2	8	68	5.67
6 Total Kit Requests (OT)	492	496	585	370	391	357	318	579	322	420	311	287	4,928	410.67
* MJO (OT)	359	268	439	197	199	200	133	335	184	121	118	147	2,700	225.00
* Sales Office (OT)	124	222	140	163	186	147	158	221	132	288	184	131	2,096	174.67
* Walk-ins (OT)	9	6	6	10	6	10	27	23	6	11	9	9	132	11.00
HC Kit Requests	0	0	0	0	1	1	3	1	1	0	1	1	9	0.75
7 Total Apts (OT)**	58	31	58	57	67	64	83	103	74	71	73	33	772	64.33
* First Time Apts (OT)	34	17	25	32	42	34	51	56	37	43	37	20	428	35.67
* Non Depositor Repeat Apts (OT)	10	3	18	12	9	12	20	16	16	16	22	4	158	13.17
* Depositor Apts (OT)	14	11	15	13	0	18	12	31	21	12	14	9	170	14.17
8 Walk-in Apts (OT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pipeline														
9 Reserved but Unsettled (P)	69	69	72	73	67	64	71	77	74	69	79	73	73	71.42
* New	67	67	70	70	64	59	66	70	66	63	71	65	65	66.50
* Resale	2	2	2	3	3	5	5	7	8	6	8	8	8	4.92
FPP	0	0	0	0	0	0	0	0	5	6	5	8	8	6.00
10 Standby (P)	163	158	163	169	167	167	170	167	174	178	177	173	173	168.83
11 Futures (P)	103	105	104	102	104	104	101	99	100	101	101	101	101	102.08
12 Total Deposits w/o Settled Apts (C) [9+10+11]	335	332	339	344	338	335	342	343	348	348	357	347	347	342.33
13 Total Settled Apts (P)	264	265	268	272	279	285	290	295	296	302	304	313	313	286.08
Total New Settled Apts (BS)	274	276	279	282	289	295	301	305	308	315	319	328	328	297.58
14 No. of Unsettled Apts (PRU)	205	204	201	197	190	185	180	175	174	168	166	157	157	183.50
15 Apts released by keys not turned in	0	0	0	0	0	1	1	1	1	1	1	1	1	0.58
Ratio (Line 12/14) (C)	1.63	1.63	1.69	1.75	1.78	1.81	1.90	1.96	2.00	2.07	2.15	2.21	2.21	1.87

Notes

* Net Reservations = Gross Reservations - Reservations withdrawn

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



Marketing Summary

Date Range [12/1/08 thru 12/31/08]

SED

LOC: Independent

Settlements	Count	Cash Collected	Current P-Note Due	Total
New	9	\$1,362,650	\$2,030,850	\$3,393,500
Resale	0	\$0	\$0	\$0
Total	9	\$1,362,650	\$2,030,850	\$3,393,500

Reservations	Initial Deposits	Priority List	Left To Settled	Withdraw	Net	Deposits Reserved	Reservations Settled	Reservations Withdrawn	Net Reservations
New	3	3	9	3	-6	\$2,013,000	\$3,393,500	\$985,000	-\$2,365,500
Resale	0	0	0	0	0	\$0	\$0	\$0	\$0
Total	3	3	9	3	-6	\$2,013,000	\$3,393,500	\$985,000	-\$2,365,500

Waiting Lists	Initial Deposits	Priority List	Changed Status	Net Change
Futures	1	0	1	0
Standby	3	2	9	-4
Total	4	2	10	-4

Initial Deposits	Initial Deposits	Requests for Refund
Initial Deposits	7	8

Key Definitions for the Apartment Status Report

Settled

Represents the total number of new settlements Project to Date. It is a continuous count of how many apartments we have settled for the first time.

Reservations

Groups that have reserved a particular floorplan, given a deposit, but have not fully settled.

Standby

Groups that have placed a deposit with us to join the priority list and wish to reserve but because the unit they want is not available at that time. These groups do have specific preferences in regards to what type of unit they want. These people would have priority over other groups which join at a later date.

Future

Groups that have placed a deposit with us to join the priority list and wish to reserve at a later date. These groups do not have any specific preferences in regards to units at this time. These people would have priority over other groups which join at a later date.

Flex Pay

The Flexible Payment Program is designed to allow the customer to move to an Erickson community prior to the sale of their house. The customer who moves in under the Flexible Payment Program does not count as a settlement until they have paid their full Entrance Deposit
(see Flexible Pricing Program Policy for complete details).

3 Total Anticipated Budget

**Erickson Retirement Communities
Lincolnshire Campus
Total Anticipated Budget
As of December 31, 2008**

	Actual Costs <u>JTD</u>	% Complete <u>to Budget</u>	Estimate to <u>Complete</u>	Estimate at <u>Completion</u>	Original <u>Budget</u>	Favorable/ <u>(Unfavorable)</u>	Notes
Entrance Deposits	103,617,615	19%	449,485,030	553,102,645	499,523,396	53,579,249	
Operating Lease	963,636	-8%	(12,899,149)	(11,935,513)	(16,709,748)	4,774,235	
Operating Lease	963,636	8%	10,971,877	11,935,513	16,709,748	(4,774,235)	
Interest on Excess Funds	0	0%	2,836,379	2,836,379	-	2,836,379	
Funds Held/WC Loan Repayment	(28,646,431)	26%	(80,449,555)	(109,095,986)	-	(109,095,986)	
Total Deposits	75,934,820	17%	382,843,731	458,778,551	516,233,144	(57,454,593)	A
Hard Costs - Building	123,613,177	38%	205,409,792	329,022,969	281,106,571	(47,916,398)	
Hard Costs - Sitework	16,308,792	71%	6,794,962	23,103,754	22,235,218	(868,536)	
Architecture	8,996,745	69%	4,122,885	13,119,630	9,100,789	(4,018,841)	
Engineering	3,116,103	70%	1,312,335	4,428,438	3,801,000	(627,438)	
Builder's Risk	233,128	41%	335,797	568,925	455,013	(113,912)	
Fees, Permits & Bonds	4,835,828	40%	7,371,711	12,207,539	9,197,015	(3,010,524)	
Development Fee	5,180,881	19%	22,474,852	27,655,733	24,976,168	(2,679,565)	
Outside Legal	304,749	29%	730,980	1,035,729	945,040	(90,689)	
Construction MNGT Fee	703,791	66%	361,476	1,065,267	4,550,126	3,484,859	
Phase Costs Before Contingency	163,293,192	40%	248,914,792	412,207,984	356,366,940	(55,841,044)	
Contingency	0	0%	6,497,526	6,497,526	9,560,958	3,063,432	
Total Phase Costs	163,293,192	39%	255,412,319	418,705,510	365,927,898	(52,777,612)	B
Department Costs							
Administration Department	2,130,420	67%	1,060,707	3,191,127	2,062,926	(1,128,201)	
Acquisitions and Development	7,158,553	56%	5,571,280	12,729,833	10,889,375	(1,840,458)	
Construction Management Services	1,172,344	16%	5,941,852	7,114,196	0	(7,114,196)	
Finance	361,117	18%	1,679,558	2,040,675	1,058,468	(982,207)	
Marketing Department	20,316,359	49%	21,320,896	41,637,255	28,177,403	(13,459,852)	
Information Services	785,880	44%	1,015,862	1,801,742	1,128,804	(672,938)	
Legal Department	290,874	57%	223,112	513,986	433,866	(80,120)	
Total Departmental Costs	32,215,547	47%	36,813,267	69,028,814	43,750,842	(25,277,972)	C
Total Hard & Soft Costs	195,508,739	40%	292,225,585	487,734,324	409,678,740	(78,055,584)	
Other Development Costs							
Land	21,079,819	100%	(0)	21,079,819	20,885,000	(194,819)	
Interest Costs	31,640,081	87%	4,601,852	36,241,933	25,903,964	(10,337,969)	
Financing Costs - L.O.C	2,487,139	83%	498,751	2,985,890	1,670,000	(1,315,890)	
Property Taxes	1,056,328	96%	47,418	1,103,746	1,654,088	550,342	
Capital Expenditures/	812,470	65%	444,947	1,257,417	300,000	(957,417)	
Community Loan Interest	(3,904,873)	0%	3,904,873	-	(12,946,394)	(12,946,394)	
Total Other Development Costs	53,170,965	85%	9,497,840	62,668,805	37,466,658	(25,202,147)	D
Total Costs	248,679,704	45%	301,723,426	550,403,129	447,145,398	(103,257,731)	
Profit Margin	(172,744,883)		81,120,305	(91,624,578)	69,087,746	(160,712,324)	
Profit Margin %				-19.97%	13.38%	-33.35%	
Purchase Price				104,939,750			
Adjustment to Funds Held/WC Loan Repayment Net of \$70M Bond Financing				39,199,682			
Start Up Loss Adjustment				(14,385,869)			
Operating Lease Adjustment				(11,935,513)			
Total Adjustments				117,818,050			
Enterprise Value				26,193,472			

Lincolnshire Campus, LLC

\$'s in Millions

Variances to Original Proforma by Reason

	<u>Category</u>	<u>\$ Detail</u>	<u>\$ Summary</u>
1 Revised Unit Mix and increased building square footages to address more demand for 2 bedrooms and updated 2005 pricing for all Residential Buildings (2004)			
Deposits	A	15.4	
Operating Lease	A	4.8	
Development Fees	B	(0.8)	
Phase Costs	B	<u>(15.1)</u>	4.3
2 RB1.3 through RB3.4 costs increased from \$95 to \$97 per sqft due to materials increases (2004)			
Phase Costs	B	<u>(2.2)</u>	(2.2)
3 Change in the calculation assumption for sanitation fees permits by Lake County (fees were only based on RB units, but were changed to include CB costs as well) & assumption change for VOL permitting fees to include parking decks, RGs and misc. structures, in addition to CB's and RB's (2004)			
Phase Costs	B	<u>(2.9)</u>	(2.9)
4 Lincolnshire Campus enters into ground lease agreement with CNL, which had not been anticipated in original budget (2004)			
Other Development Costs	D	<u>(20.3)</u>	(20.3)
5 Increase in projection of departmental costs as part of annual budget review (2004 & 2005)			
Other Development Costs	C	<u>(1.3)</u>	(1.3)
6 Lincolnshire Campus obtains additional financing from Legg Mason, which includes interest payments and closing costs that were not anticipated in original budget - (\$8.2M). The Legg Mason financing caused an offsetting decrease in construction loan interest - \$5.4M (2004)			
Other Development Costs	D	<u>(2.8)</u>	(2.8)
7 Erickson Construction assumes the General Contractor role for all phases after RB1.4, therefore decreasing construction mgmt fee budget (2004)			
Phase Costs	B	<u>3.5</u>	3.5
8 Revised Unit Mix to reflect new generation unit mix plans, offset against correction of overstated parking fees in budget (2005)			
Deposits	A	1.5	
Development Fees	B	<u>(0.1)</u>	1.4
9 Increase in construction loan rates from 8.25% to 8.5% (2005)			
Other Development Costs	D	<u>(3.8)</u>	(3.8)
10 Increase of NH1 active phase costs, and projected costs by \$9 per sqft costs, and project CB cost (from \$180 to \$205) due to materials cost escalation. Also, added cost for PKD2 due to increase in parking spaces from 589 to 634. (2005 & 2006)			
Phase Costs	B	(8.0)	
Other Development Costs	D	<u>(7.4)</u>	(15.4)
11 Delay of project schedule due to slower than anticipated absorption rate in Chicago market (2007)			
Deposits	A	16.5	
Development Fees	B	(0.8)	
Working Capital	A	(8.0)	
Phase Costs	B	(7.9)	
Departmental Costs	C	(15.9)	
Other Development Costs	D	<u>(4.8)</u>	(20.9)
12 Adjustment of operating lease due to change in rate and a decrease in the mortgage period, from 40 to 30 years (2007)			
Operating Lease	A	<u>0.7</u>	0.7
13 Adjustment of funds held related to converting to updating metrics w/ historical performance (2007)			
Working Capital	A	(7.0)	
Other Development Costs	D	<u>(9.0)</u>	(16.0)
14 RB1.5 through RB2.2 costs adjusted for cost increase of steel - from \$103 to \$115 per sqft. Also, construction plans for RB2.3 through RB3.4 were changed from steel to woodframe due to rising cost of steel - \$4.7, and included a change from parking decks to underground parking for RB2.3 through RB3.4 - (\$6.7) (2007) Costs were offset by an increase of 5% in pricing per unit from RB1.5 and thereafter as a result of the annual market analysis review (2007)			
Deposits	A	14.1	
Development Fees	B	(0.7)	
Phase Costs	B	(7.7)	
Other Development Costs	D	<u>(2.9)</u>	2.8

Lincolnshire Campus, LLC

\$'s in Millions

Variations to Original Proforma by Reason

	<u>Category</u>	<u>\$ Detail</u>	<u>\$ Summary</u>
15 Unit Mix Changes (2007) Phase Costs	B	<u>(3.3)</u>	(3.3)
16 Bond Issuance (2007) Funds held to cover operating deficits and debt service on bond	A	(87.3)	
Financing Costs (Pay off construction loan)	D	32.4	
Interest on Excess Funds	A	2.0	
Community Loan Interest	D	<u>(1.6)</u>	(54.5)
17 Purchase date assumed to take place in December 2015 (2007) Operating Lease	A	<u>(8.7)</u>	(8.7)
18 Update RG assumptions to 100% collection of deposits based on historical experience (2007) Deposits	A	5.9	
Development Fees	B	<u>(1.0)</u>	4.9
19 Cost per square foot increases due to steel cost escalation - RB2.1-RB2.2 (\$115 to \$128.05 per sqft); CB20-CB30 (\$205 to \$223.3), and bridges (2,898.38 to \$4,485) (2007) Phase Costs	B	<u>(10.1)</u>	(10.1)
20 RG10 Acceleration from 03/11 to 07/09 (2007) Deposits	A	(1.6)	
Phase Costs	B	<u>1.0</u>	(0.6)
21 Slow absorption schedule from 12.07 to 11.76 average settlements per month (2007) Funds Held/WC Loan	A	(5.7)	
Other Development Costs	D	<u>(0.6)</u>	(6.3)
22 Increase departmental costs due to proforma update with 2008 budget (2007) Departmental Costs	C	<u>(1.0)</u>	(1.0)
23 Interest on working capital loan is not part of enterprise value calculation (2007) Other Development Costs	D	<u>(3.0)</u>	(3.0)
24 Reclass of construction management services (2008) Phase Costs	B	7.2	
Departmental Costs	C	<u>(7.2)</u>	0.0
25 Increase EC10 hard costs to contract amount (2008) Phase Costs	B	<u>(3.6)</u>	(3.6)
26 Other Phase Costs	B	(0.3)	
Other Development Costs	D	<u>(1.5)</u>	(1.8)
			<u>(160.7)</u>

Variance by line item (reference category code)

	<u>Total</u>
A Total Deposits (Deposits/ Working Capital/ Operating Lease)	(57.5)
B Phase Costs	(52.7)
C Departmental Costs	(25.3)
D Other Development Costs	<u>(25.2)</u>
Total Variance	<u>(160.7)</u>

4 Project Schedule

**Erickson Retirement Communities
Enterprise Project Schedule
January 16, 2009**

<u>Site</u>	<u>Units</u>	<u>Construction Start Date</u>	<u>Construction Open Date</u>
Ashby Ponds (Loudoun)			
RB 1.4	78	5/1/2008	5/1/2009
RB 1.5	79	5/1/2008	5/1/2009
RB 1.6	80	3/1/2009	3/1/2010 *
CB 2.0	-	8/1/2009	8/1/2010
RB 2.1	118	8/1/2009	8/1/2010
SW 2.0	-	6/1/2009	
EC 1.0A	36	3/1/2010	6/1/2011
Hickory Chase (Hilliard)			
CB 1.0	-	6/1/2008	6/1/2009
RB 1.1	145	8/1/2008	6/1/2009
RB 1.2	91	7/1/2009	5/1/2010
RB 1.3	87	12/1/2009	10/1/2010
EC 1.0A	36	12/1/2009	3/1/2011
Maris Grove (Concord)			
RB 2.2	131	3/1/2008	5/1/2009
RB 2.4	105	6/1/2008	6/1/2009
RB 2.5	84	3/1/2009	1/1/2010
CB 3.0	-	12/1/2009	12/1/2010
RB 3.1	123	12/1/2009	12/1/2010
RB 3.2	60	4/1/2010	4/1/2011
RB 3.3	67	8/1/2010	8/1/2011
EC 1.0	132	3/1/2008	7/1/2009
Wind Crest (Denver)			
CB 2.0	-	2/1/2009	10/1/2009 *
RB 2.1	124	9/1/2009	6/1/2010
RB 2.2	84	2/1/2009	10/1/2009 *
Sedgebrook (Lincolnshire)			
EC 1.0	132	11/1/2007	7/1/2009 **
SW 4.0	-	11/2/2007	8/1/2009
Linden Ponds (Hingham)			
RB 2.5	120	4/1/2009	4/1/2010
		Last Completed Building/Info	
Eagle's Trace (Houston)		RB 1.4; RB 2.1 & SW 2 Stopped	
Fox Run (Novi)		RB 2.2	
Monarch Landing (Naperville)		RB 1.2	
Tallgrass Creek (Kansas)		RB 1.2	
Highland Springs (Dallas)		RB 1.3	
Ann's Choice (Warminster) NH 4		Pending Financing	
Seabrook (Tinton Falls) NH 3		Pending Financing	
Grant's Farm (St. Louis)		Not Started	
Tanglewood Creek (Westminster)		Not Started	
Windsor Run (Matthews)		Not Started	

*Start date is the date for construction to resume after the stop

** Construction Completed 4/15/2009, but opened for occupancy 7/1/2009

19 Landowner Financial Statements

ERICKSON RETIREMENT COMMUNITIES
Lincolnshire Campus
Landowner Balance Sheet
Dec, FY08

09 12:55 PM

	<u>Current Balance</u>	<u>Prior Year End Balance</u>	<u>Change from Prior Year</u>
ASSETS			
Current Assets			
Cash	4,956	149,736	(144,780)
Assets Limited as to Use	1,175,967	1,165,637	10,330
Other Current Assets	305,935	255,782	50,153
Total Current Assets	1,486,858	1,571,155	(84,297)
Fixed Assets			
Land and Improvements	24,390,675	24,390,675	-
Buildings	143,996,762	143,395,305	601,456
Other Fixed Assets	2,494,093	2,326,109	167,984
Total Fixed Assets	170,881,530	170,112,090	769,440
Accumulated Depreciation	(11,409,595)	(7,198,985)	(4,210,611)
Total Fixed Assets net of Depreciation	159,471,935	162,913,105	(3,441,170)
Construction in Progress	38,567,014	12,157,640	26,409,374
Total Fixed Assets, Net and CIP	198,038,949	175,070,745	22,968,204
Other Assets			
Community Note Receivable	11,966,693	15,048,558	(3,081,865)
Deferred Financing Costs, net	425,178	447,195	(22,016)
Total Other Assets	12,391,872	15,495,753	(3,103,881)
TOTAL ASSETS	211,917,679	192,137,654	19,780,025
LIABILITIES & MEMBERS' CAPITAL			
Current Liabilities			
Accounts Payable	70,212	105,334	(35,122)
Construction G.C. Payable	1,337,761	1,175,599	162,162
Retainage Payable	1,662,470	640,763	1,021,707
Other Current Liabilities	521,628	395,931	125,697
ERC Short-Term Funding	29,859,763	4,309,763	25,550,000
Development Fees Payable	-	119,645	(119,645)
Intercompany	1,763,100	394,779	1,368,320
Total Current Liabilities	35,214,934	7,141,814	28,073,120
Long-Term Liabilities			
Mortgage Payable	73,796,973	74,323,341	(526,368)
Bonds Payable	14,765,000	15,000,000	(235,000)
Purchase Option Deposit	125,000,000	125,000,000	-
Total Long-Term Liabilities	213,561,973	214,323,341	(761,368)
Total Liabilities	248,776,907	221,465,156	27,311,751
Members' Capital			
Members' Capital	(1,700,000)	(1,700,000)	-
Members' Capital Sub-Debt Interest	12,150,000	12,150,000	-
Development Fee Distributions	(5,180,881)	(4,277,988)	(902,893)
Retained Earnings	(35,499,515)	(35,499,515)	-
Current Year's Income (Loss)	(6,628,833)	-	(6,628,833)
Total Members' Capital	(36,859,228)	(29,327,502)	(7,531,726)
TOTAL LIABILITIES & MEMBERS' CAPITAL	211,917,679	192,137,654	19,780,025

ERICKSON RETIREMENT COMMUNITIES
Lincolnshire Campus
Landowner Income Statement
Dec, FY08

01/22/09 12:55 PM

	Period Activity	Period Budget	Period Variance	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Variance
Departmental Expenses						
Development Administration	73,120	93,271	20,151	989,690	1,112,490	122,800
Construction Management Services	71,747	3,647	(68,100)	940,330	43,761	(896,569)
Administration	48,075	46,386	(1,689)	576,898	556,635	(20,263)
Marketing	1,058,560	197,911	(860,649)	3,856,542	2,368,409	(1,488,133)
Sales and Information	191,695	121,613	(70,081)	1,386,445	1,442,918	56,473
Information Services	(36,565)	16,884	53,450	149,163	202,613	53,450
Legal	3,914	3,914	-	46,971	46,971	-
Capitalized Costs	(351,986)	(285,716)	66,270	(4,089,499)	(3,405,388)	684,110
Net Departmental Expense	1,058,560	197,911	(860,649)	3,856,542	2,368,409	(1,488,133)
Other Operating Expenses						
Bank Charges/Other Fees	230	-	(230)	982	-	(982)
Depreciation	352,557	403,987	51,430	4,210,611	4,300,361	89,750
Amortization	1,835	-	(1,835)	22,016	-	(22,016)
Total Other Operating Expenses	354,621	403,987	49,366	4,233,609	4,300,361	66,751
Total Operating Expenses	1,413,180	601,897	(811,283)	8,090,191	6,668,770	(1,421,421)
Non-Operating Revenue						
Note Rec/Other Interest	49,913	-	49,913	1,008,325	-	1,008,325
Community Lease Revenue	387,398	371,745	15,653	4,614,149	4,084,166	529,983
Total Non-Operating Revenue	437,310	371,745	65,565	5,622,474	4,084,166	1,538,308
Non-Operating Expenses						
Interest Expense LOC, net(Sub-debt)	-	76,083	76,083	(979)	1,069,083	1,070,063
Mortgage Interest Expense	313,205	361,015	47,810	3,735,959	3,809,087	73,128
Financing Costs	8,237	4,000	(4,237)	147,095	108,000	(39,095)
Real Estate & Other Taxes	-	149,904	149,904	279,042	149,904	(129,138)
Total Non-Operating Expenses	321,442	591,002	269,560	4,161,116	5,136,074	974,958
NET INCOME (LOSS)	(1,297,312)	(821,155)	(476,158)	(6,628,833)	(7,720,678)	1,091,845

ERICKSON RETIREMENT COMMUNITIES
Lincolnshire Campus
Landowner Cash Flow Statement
Dec, FY08

01/22/09 12:55 PM

	Period Activity	Year-to-Date
Cash Flows from Operating Activities:		
Net Income (Loss)	(1,297,312)	(6,628,833)
Adjustments to reconcile Net Income (Loss) to Net Cash (Used In) Provided by Operating Activities:		
Depreciation	352,557	4,210,611
Amortization	1,835	22,016
Changes in:		
Assets Limited as to Use	(2,103)	(10,330)
Other Current Assets	83,043	(50,153)
Current Liabilities	54,975	90,575
ERC Short-Term Funding	1,650,000	25,550,000
Development Fees Payable	(15,675)	(119,645)
Intercompany	775,403	1,368,320
Net Cash (Used In) Provided by Operating Activities	1,602,723	24,432,561
Cash Flows from Investing Activities:		
CIP and Other Fixed Assets	(2,178,774)	(27,178,814)
Net Cash (Used In) Provided by Investing Activities	(2,178,774)	(27,178,814)
Cash Flows from Financing Activities:		
Deferred Financing Costs	-	-
Community Note Receivable	913,478	3,081,865
Retainage Withheld (Released)	317,404	1,021,707
Mortgage Proceeds	-	-
Principal Repayments - Mortgage	(44,874)	(526,368)
Change in General Contractor Payable	(596,692)	162,162
Proceeds (Repay) of Purchase Deposit	-	-
Members' Capital	-	-
Members' Drawing	(125,842)	(902,893)
Net Cash (Used In) Provided by Financing Activities	463,474	2,836,473
Change in Cash	(112,577)	(144,780)
Beginning Cash Balance	117,533	149,736
Ending Cash Balance	4,956	4,956

9 Community Financial Statements

SED
Comparative Balance Sheet
(in thousands)

	YTDDec FY08	YTDNov FY08	Change	YTDDec FY07	Change
Assets					
<i>Current Assets</i>					
Cash	36	205	(169)	488	(452)
Designated Cash	513	508	5	99	414
Accounts Receivable	254	269	(14)	157	97
Inventory	48	41	7	58	(10)
Prepays	451	488	(37)	535	(84)
Short Term Notes Receivable	2,652	2,617	35	2,216	435
<i>Total Current Assets</i>	<u>3,954</u>	<u>4,128</u>	<u>(174)</u>	<u>3,554</u>	<u>400</u>
<i>Limited Use Cash and Investments</i>					
Escrow Deposits	3,285	3,249	35	2,283	1,002
Restricted Fund Accounts	14,002	13,303	699	13,040	961
<i>Total Limited Use Cash & Investments</i>	<u>17,287</u>	<u>16,552</u>	<u>734</u>	<u>15,324</u>	<u>1,963</u>
<i>Non-Current Assets</i>					
Work-In-Process	54,787	28,359	26,428	28,359	26,428
Fixed Assets- Net	20,538	20,318	220	20,633	(95)
Capitalized Bond Interest	4,728	6,465	(1,737)	644	4,083
Deferred Assets	2,277	2,283	(6)	2,318	(41)
LT Mortgage & Note Receivables	198,217	198,315	(99)	198,797	(580)
<i>Total Non-Current Assets</i>	<u>280,547</u>	<u>255,740</u>	<u>24,807</u>	<u>250,751</u>	<u>29,796</u>
Total Assets	<u>301,788</u>	<u>276,420</u>	<u>25,367</u>	<u>269,628</u>	<u>32,159</u>
Liabilities					
<i>Current Liabilities</i>					
Accounts Payable and Accrued Liabilities	2,165	2,208	(43)	2,531	(366)
Resident Refunds	-	-	-	476	(476)
Short Term Obligations Debt	2,225	1,748	478	2,180	46
<i>Total Current Liabilities</i>	<u>4,390</u>	<u>3,956</u>	<u>435</u>	<u>5,187</u>	<u>(797)</u>
<i>Non-Current Liabilities</i>					
Advance Deposits	1,332	1,802	(470)	1,550	(218)
Parking Deposits	1,212	1,224	(12)	1,236	(24)
Capital	105,750	102,466	3,285	85,493	20,257
Amort of Capital	(5,689)	(5,470)	(218)	(3,321)	(2,368)
Long Term Liabilities	220,533	194,482	26,051	197,896	22,637
<i>Total Non-Current Liabilities</i>	<u>323,138</u>	<u>294,503</u>	<u>28,635</u>	<u>282,853</u>	<u>40,285</u>
Total Liabilities	<u>327,528</u>	<u>298,458</u>	<u>29,070</u>	<u>288,041</u>	<u>39,488</u>
Net Assets					
Unrestricted Net Assets	(18,545)	(18,545)	-	(12,347)	(6,198)
Temporarily Restricted	282	358	(76)	133	150
Current Year Increase (Decrease) In Net Assets	(7,478)	(3,852)	(3,627)	(6,198)	(1,281)
Total Net Assets	<u>(25,741)</u>	<u>(22,038)</u>	<u>(3,703)</u>	<u>(18,412)</u>	<u>(7,329)</u>
Total Liabilities and Net Assets	<u>301,788</u>	<u>276,420</u>	<u>25,367</u>	<u>269,628</u>	<u>32,159</u>

SED
Statement of Operations by Natural Expense
 All LOB, All Entities
 Dec, FY08
 (in thousands)

	Dec		YTD(Dec)		YTDDec	
	Actual	BudVar	Actual	BudVar	Forecast	FcstVar
Operating Revenue						
Resident Monthly Fees	621	(180)	7,183	(1,111)	7,111	(1,183)
Departmental Revenues	261	97	1,990	193	2,102	305
Total Operating Revenue	882	(83)	9,173	(918)	9,212	(878)
Operating Expense						
Wages	475	(68)	4,284	283	4,423	143
Employee Benefits	94	0	890	175	949	116
Other Employee Expense	30	0	240	84	224	101
Contract Labor Expense	123	2	1,150	184	1,086	248
Supplies Expense	95	24	1,078	148	1,085	141
Repairs and Maintenance Expense	53	(40)	315	(164)	193	(42)
Professional Fee Expense	9	0	86	19	96	9
Purchased Services Expense	493	(343)	2,153	(343)	2,153	(343)
Other Expense	250	45	2,631	657	2,847	441
Marketing Cost	0	0	1	(1)	0	0
Operating Reserve Expense	125	(125)	123	(123)	1	(1)
Total Operating Expense	1,747	(504)	12,952	918	13,056	814
Operating Income	(864)	(587)	(3,779)	0	(3,844)	(65)
Net Rent	74	(63)	878	(603)	881	(606)
Interest Expense	2,281	(2,281)	3,104	(2,884)	917	(697)
Investment Income	(4)	(16)	105	(45)	114	(36)
47770-Amortization Income	218	(37)	2,368	(284)	2,341	(311)
59910-Amortization Expense	6	0	67	0	67	0
59950-FF&E Depreciation Expense	555	(458)	1,422	(365)	1,014	44
68300-Letter of Credit Fees	61	(53)	700	(602)	690	(591)
68900-Building Depreciation Expense	-	0	-	3	-	3
Total Non-Operating Income	(2,762)	(2,908)	(3,700)	(4,781)	(1,114)	(2,196)
Increase (Decrease) in Net Assets	(3,627)	(3,495)	(7,478)	(4,782)	(4,958)	(2,261)

SED
Statement of Operations by Natural Expense
 All LOB, All Entities
 Dec, FY08
 (in thousands)

 **DRAFT**

Current Month Occupancy

	Independent	Assisted Living	Skilled Nursing
Billed Units	312	#MISSING	#MISSING
Available Units	469	#MISSING	#MISSING
Occupancy %	66.5%	#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	-	-	-	-

SED
Statement of Cash Flows
 Dec , FY08
 (in thousands)

	Current	YTD
Cash Flows from Operating Activities		
Net Income	(3,627)	(7,478)
Adjustments to Reconcile Income		
Depreciation and Amortization Expense	561	1,490
Amortization Income	(218)	(2,368)
Unrealized (Gain) Loss on Investments	4	3
Realized (Gain) Loss on Investments	-	-
(Increase)/Decrease in Accounts Receivable	14	(97)
(Increase)/Decrease in Inventory	(7)	10
(Increase)/Decrease in Prepaid Expenses	37	84
Increase/(Decrease) in Accounts Payable and Accrued Liabilities	(43)	(366)
Net Cash Provided by Operating Activities	<u>(3,279)</u>	<u>(8,722)</u>
Cash Flows from Investing Activities		
(Increase)/Decrease in Short Term Notes	(35)	(435)
(Increase)/Decrease in Limited Use Cash and Investments	(810)	(1,813)
(Increase)/Decrease in Designated Cash	(5)	(414)
(Increase)/Decrease in Designated Securities	(4)	(3)
(Increase)/Decrease in Work-In-Process	(26,428)	(26,428)
(Increase)/Decrease in Fixed Assets	(775)	(1,327)
(Increase)/Decrease in Capitalized Bond Interest	1,737	(4,083)
(Increase)/Decrease in Deferred Assets	-	(27)
(Increase)/Decrease in LT Mortgage & Note Receivables	99	580
Net Cash Used in Investing Activities	<u>(26,221)</u>	<u>(33,951)</u>
Cash Flows from Financing Activities		
Increase/(Decrease) in Resident Refunds	-	(476)
Increase/(Decrease) in Advance Deposits	(470)	(218)
Increase/(Decrease) in Parking Deposits	(12)	(24)
Increase/(Decrease) in Resident Deposits	3,285	20,257
Increase/(Decrease) in Short Term Obligations	478	46
Increase/(Decrease) in Long Term Liabilities	26,051	22,637
Net Cash Provided by Financing Activities	<u>29,331</u>	<u>42,222</u>
Increase (Decrease) in Cash	(169)	(452)
Aggregate Other Items to Reconcile Cash	-	-
Cash Beginning of Period	205	488
Cash End of Period	<u>36</u>	<u>36</u>

SEDGEBROOK

SEDGEBROOK COMPLIANCE CERTIFICATE

Sedgebrook, Inc. ("Sedgebrook") HEREBY CERTIFIES that:

1. This Certificate is furnished pursuant to Section 8.08 (c) of the Loan Agreement dated as of August 1, 2007 (the "Agreement") among Sedgebrook, Inc. and the Illinois Finance Authority.
2. The financial statements attached hereto have been prepared in accordance with generally accepted accounting principles and, to the best of my knowledge, reflect accurately and completely the financial condition and results of operation of the Borrower as of and for the period ended on the date of such statements.
3. As of December 31, 2008, Sedgebrook was in compliance with the covenants set forth in the Loan Agreement.

IN WITNESS WHEREOF, we have executed this Certificate as of January 30, 2009.

SEDGEBROOK, INC.

By: _____


Jeffrey A. Jacobson
Asst. Treasurer

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
01/06/2009 16:27

PRODUCER
Riggs, Counselman, Michaels & Downes
555 Fairmount Avenue
Towson, MD 21286-5497
410-339-7263

INSURED
Sedgebrook, Inc.
c/o Risk Management
991 Corporate Blvd.
Linthicum, MD 21090

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Columbia Casualty Company	31127
INSURER B: Valley Forge Insurance Company	20508
INSURER C: American Zurich Insurance Company	40142
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE	\$
					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
					MED EXP (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS - COMP/OP AGG	\$
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	C2091777844	10/15/2008	10/15/2009	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE (Per accident)	\$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
					OTHER THAN AUTO ONLY: EA ACC	\$
					AGG	\$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$	2048948763	10/15/2008	10/15/2009	EACH OCCURRENCE	\$ 15,000,000
					AGGREGATE	\$ 15,000,000
						\$
						\$
						\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	WC343390605	1/1/2009	1/1/2010	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER	
					E.L. EACH ACCIDENT	\$ 500,000
					E.L. DISEASE - EA EMPLOYEE	\$ 500,000
					E.L. DISEASE - POLICY LIMIT	\$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Re: Sedgebrook, Inc. Facility, Certificate holder is a Mortgagee/Insureds include: Sedgebrook, Inc., Erickson Retirement Communities, LLC & Lincolnshire Campus, LLC/Loss Payee w/respect to Property

CERTIFICATE HOLDER

Sovereign Bank
235 North Second St/Attn: Thomas B. Gale
MC: PA1-HNS-0401
Harrisburg, PA 17101

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Albert R. Counselman*

ACORD 25 (2001/08)

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Client # 13387

Mst # 08-09 Sedgebrook - Auto & EI Cert # 194526

ACORD. EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YY)
01/15/2009

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

PRODUCER Riggs, Counselman, Michaels & Downes 555 Fairmount Avenue Towson, MD 21286-5497 410-339-7263		PHONE (A/C. No. Ext.): 443-921-2548 ext. 1378	COMPANY Travelers Property Casualty Company of America	
CODE: AGENCY CUSTOMER ID #: 13387	SUB CODE:			
INSURED Sedgebrook, Inc. c/o Risk Management 991 Corporate Blvd. Linthicum, MD 21090		LOAN NUMBER	POLICY NUMBER QT6605484C978	
		EFFECTIVE DATE 1/1/2009	EXPIRATION DATE 1/1/2010	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION
See Below

COVERAGE INFORMATION Insuring against risks of direct physical loss or damage subject to policy terms, conditions and exclusions.

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Builder's Risk-Blanket per Project Limit/Repl. Cost/Special Form/No Co-Ins./Incl. Boiler & Machinery	\$75,000,000	\$25,000
Earthquake	\$5,000,000	\$50,000
Flood (A,A1-A30, AH,A99, V, V1-V30 & VE Excluded)	\$5,000,000	\$50,000
Insuring Against Risks of Direct Physical Loss except as Modified or Excluded		
Soft Costs	\$6,000,000	5 Days
Temporary Off Site Storage	\$1,000,000	\$25,000
Transit Limit	\$1,000,000	\$25,000


REMARKS (Including Special Conditions)

Re: Sedgebrook, Inc. Facility, Certificate holder is a Mortgagee/Insureds include: Sedgebrook, Inc., Erickson Retirement Communities, LLC & Lincolnshire Campus, LLC/Loss Payee w/respect to Property

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Sovereign Bank 235 North Second St/Attn: Thomas B. Gale MC: PA1-HNS-0401 Harrisburg, PA 17101	<input checked="" type="checkbox"/> MORTGAGEE	<input type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	
LOAN #		
AUTHORIZED REPRESENTATIVE 		

SED
Budget Profit and Loss by Account
All LOB, Entities
FY09
(in thousands)

	<u>YearTotal Budget</u>
Operating Revenue	
Resident Monthly Fees	9,044
Departmental Revenues	<u>2,330</u>
Operating Revenue	<u>11,374</u>
Operating Expense	
Wages	6,453
Employee Benefits	1,447
Other Employee Expense	524
Contract Labor Expense	1,472
Supplies Expense	1,590
Repairs and Maintenance Expense	235
Professional Fee Expense	255
Purchased Services Expense	2,351
Other Expense	<u>3,434</u>
Operating Expenses	<u>17,761</u>
Operating Income	<u>(6,387)</u>
Net Rent	900
Interest Expense	649
Investment Income	66
47770-Amortization Income	2,852
59910-Amortization Expense	72
59950-FF&E Depreciation Expense	1,464
68300-Letter of Credit Fees	780
Net Income	<u><u>(7,333)</u></u>