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Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2010
Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 01-01-2010 and ending 12-31-2010

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization
 EAGLE'S TRACE INC

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
 14703 EAGLE VISTA DRIVE

City or town, state or country, and ZIP + 4
 HOUSTON, TX 77077

D Employer identification number
 03-0498683

E Telephone number
 (281) 249-7000

G Gross receipts \$ 54,859,414

F Name and address of principal officer
 RODNEY COE
 14703 EAGLE VISTA DRIVE
 HOUSTON, TX 77077

H(a) Is this a group return for affiliates? Yes No

H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status 501(c)(3) 501(c) () (Insert no) 4947(a)(1) or 527

J Website: ▶ WWW.NATIONALSENIORCAMPUSES.ORG

K Form of organization Corporation Trust Association Other ▶

L Year of formation 2002

M State of legal domicile MD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities PROVIDE A HOME FOR SENIORS THAT SATISFIES THEIR THREE PRIMARY NEEDS SEE SCHEDULE O		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	8
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	274
	6 Total number of volunteers (estimate if necessary)	6	212
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	152,305	314,080
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	11,600,029	12,435,245
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,763,173	4,754,167
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	165,945	37,345,571
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	16,681,452	54,849,063
	14 Benefits paid to or for members (Part IX, column (A), line 4)	9,000	12,500
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	5,230,859	5,551,573
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	0	0
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	15,748,118	15,367,044
19 Revenue less expenses Subtract line 18 from line 12	20,987,977	20,931,117	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	-4,306,525	33,917,946
	21 Total liabilities (Part X, line 26)	Beginning of Current Year	End of Year
	22 Net assets or fund balances Subtract line 21 from line 20	95,634,434	154,024,259
		119,119,383	143,591,687
	-23,484,949	10,432,572	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

 Signature of officer

DAVID L BURK DIRECTOR
 Type or print name and title

2011-06-29
 Date

Paid Preparer Use Only

Print/Type preparer's name JULIA FLANNERY Preparer's signature JULIA FLANNERY Date Check if self-employed PTIN

Firm's name ▶ RSM MCGLADREY INC Firm's EIN ▶

Firm's address ▶ 100 INTERNATIONAL DRIVE SUITE 1400 Phone no ▶ (410) 246-9300
 BALTIMORE, MD 21202

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III Yes No

1 Briefly describe the organization's mission
THE BOARD OF DIRECTORS OF NATIONAL SENIOR CAMPUSES, INC AND ITS SUPPORTED COMMUNITIES ARE COMMITTED TO CREATING COMMUNITIES THAT CELEBRATE LIFE SEE SCHEDULE O FOR THE COMPLETE MISSION STATEMENT

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 19,550,468 including grants of \$ 12,500) (Revenue \$ 49,538,410)
EAGLE'S TRACE, INC PROVIDES SERVICES NEEDED BY SENIOR RESIDENTS, WHO RESIDE IN 375 INDEPENDENT LIVING UNITS THE SERVICES WE PROVIDE TO OUR RESIDENTS INCLUDE, BUT ARE NOT LIMITED TO HOUSING, FOOD, MEDICAL, SECURITY AND MAINTENANCE SERVICES, RECREATIONAL AND PASTORAL ACTIVITIES

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 19,550,468

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>		No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
11a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	Yes	
11b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		No
11c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		No
11d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
11e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
11f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>		No
12b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
20b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> <input checked="" type="checkbox"/>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> <input checked="" type="checkbox"/>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> <input checked="" type="checkbox"/>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> <input checked="" type="checkbox"/>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> <input checked="" type="checkbox"/>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> <input checked="" type="checkbox"/>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> <input checked="" type="checkbox"/>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> <input checked="" type="checkbox"/>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> <input checked="" type="checkbox"/>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> <input checked="" type="checkbox"/>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input checked="" type="checkbox"/>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> <input checked="" type="checkbox"/>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Table with columns for question ID, question text, and Yes/No response. Includes rows 1a-1b, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7h, 8, 9a-9b, 10a-10b, 11a-11b, 12a-12b, 13a-13c, 14a-14b.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	Yes	

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input type="checkbox"/> _____
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input type="checkbox"/> BRUCE SIXX 701 MAIDEN CHOICE LANE CATONSVILLE, MD 21228 (410) 402-2362

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

• List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RODNEY M COE DIRECTOR/CHAIRPERSON	2 00	X		X			11,814	65,186	0	
(2) JAMES P HAYES DIRECTOR/PRESIDENT/VICE CHAIR	1 00	X		X			6,189	70,811	0	
(3) JOHN BOWSER DIRECTOR/SECRETARY	6 00	X		X			5,000	0	0	
(4) BOONE POWELL DIRECTOR/TREASURER	1 00	X		X			6,686	20,064	0	
(5) DAVID L BURK DIRECTOR	3 00	X					6,688	20,062	0	
(6) STEVEN HUNSICKER DIRECTOR	1 00	X					6,686	20,064	0	
(7) ZINA JACQUE DIRECTOR	1 00	X					0	22,250	0	
(8) MICHAEL ROSKIEWCZ DIRECTOR	1 00	X					0	22,250	0	
(9) HAROLD ASHBY DIRECTOR	1 00	X					2,936	59,064	0	
(10) DEBRA B DOYLE VICE PRESIDENT	10 00			X			0	0	0	
(11) JEFFREY A JACOBSON ASSISTANT TREASURER	10 00			X			0	0	0	
(12) J BENJAMIN UNKLE ASSISTANT SECRETARY	10 00			X			0	0	0	
(13) KEVIN KNOPF EXECUTIVE DIRECTOR	40 00			X			184,954	0	12,784	
(14) SHIRLEY GLUECK DIRECTOR OF FINANCE	40 00			X			102,021	0	750	

Part VIII Statement of Revenue

		(A)	(B)	(C)	(D)	
		Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	314,080				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f	314,080				
	Program Service Revenue		Business Code			
2a RESIDENT FEES		623990	9,032,393	9,032,393		
b ANCILLARY FEES		623990	2,156,885	2,156,885		
c RESIDENT DEPOSITS		623990	1,237,267	1,237,267		
d PROCESSING FEES		623990	8,700	8,700		
e _____						
f All other program service revenue						
g Total. Add lines 2a-2f			12,435,245			
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)		4,756,840		4,756,840	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross Rents	(i) Real	152,965			
		(ii) Personal				
		b Less rental expenses				
		c Rental income or (loss)	152,965			
	d Net rental income or (loss)		152,965		152,965	
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less cost or other basis and sales expenses		2,673		
		c Gain or (loss)		-2,673		
	d Net gain or (loss)		-2,673		-2,673	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a		14,495		
		b Less direct expenses b		7,678		
c Net income or (loss) from fundraising events			6,817		6,817	
9a Gross income from gaming activities See Part IV, line 19 a						
	b Less direct expenses b					
	c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances a						
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue	Business Code					
11a GAIN ON FORGIVENESS OF _____	623990	37,103,165	37,103,165			
	b OTHER INCOME _____	900099	82,624		82,624	
	c _____					
	d All other revenue					
e Total. Add lines 11a-11d		37,185,789				
12 Total revenue. See Instructions		54,849,063	49,538,410	0	4,996,573	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	12,500	12,500		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	348,054		348,054	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	3,953,643	3,633,845	319,798	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	36,373	30,753	5,620	
9	Other employee benefits	856,563	761,650	94,913	
10	Payroll taxes	356,940	307,937	49,003	
a	Fees for services (non-employees)				
	Management	451,777	451,777		
b	Legal	7,658	2,110	5,548	
c	Accounting	76,126	76,126		
d	Lobbying				
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees				
g	Other				
12	Advertising and promotion	951,210	951,210		
13	Office expenses	1,375,438	1,316,591	58,847	
14	Information technology				
15	Royalties				
16	Occupancy	4,073,177	4,073,177		
17	Travel	46,269	28,877	17,392	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings				
20	Interest	4,635,484	4,635,484		
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	1,704,540	1,704,540		
23	Insurance	162,755	162,755		
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	CONTRACT PROF SERVICES	1,396,368	956,353	440,015	
b	EQUIPMENT RENTAL	258,706	236,752	21,954	
c	RESIDENT RELATIONS	141,315	128,025	13,290	
d	ADMINISTRATIVE & MISC	86,221	80,006	6,215	
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	20,931,117	19,550,468	1,380,649	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	2,078	1	2,106
	2 Savings and temporary cash investments	4,285,622	2	5,387,501
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	360,975	4	462,553
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		6	
	7 Notes and loans receivable, net	89,297,905	7	93,728,953
	8 Inventories for sale or use	27,447	8	32,513
	9 Prepaid expenses and deferred charges	70,046	9	34,865
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	58,735,978		
	10b Less accumulated depreciation	4,360,210		
		1,590,361	10c	54,375,768
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
15 Other assets. See Part IV, line 11		15		
16 Total assets. Add lines 1 through 15 (must equal line 34)	95,634,434	16	154,024,259	
Liabilities	17 Accounts payable and accrued expenses	3,062,666	17	2,305,822
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	34,439,415	23	225,810
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	81,617,302	25	141,060,055
	26 Total liabilities. Add lines 17 through 25	119,119,383	26	143,591,687
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	-23,782,799	27	9,896,310
	28 Temporarily restricted net assets	297,850	28	536,262
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	-23,484,949	33	10,432,572	
34 Total liabilities and net assets/fund balances	95,634,434	34	154,024,259	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	54,849,063
2	Total expenses (must equal Part IX, column (A), line 25)	2	20,931,117
3	Revenue less expenses Subtract line 2 from line 1	3	33,917,946
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-23,484,949
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-425
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	10,432,572

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
EAGLE'S TRACE INC

Employer identification number

03-0498683

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** **Section C. Computation of Public Support Percentage**

14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	

16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization **b 33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization **17a 10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization **b 10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization **18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	33,048	128,495	138,397	152,305	314,080	766,325
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	5,680,988	8,679,771	11,030,116	11,625,900	49,552,905	86,569,680
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	5,714,036	8,808,266	11,168,513	11,778,205	49,866,985	87,336,005
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						87,336,005

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	5,714,036	8,808,266	11,168,513	11,778,205	49,866,985	87,336,005
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,206,997	3,885,808	4,527,142	4,911,616	4,909,805	20,441,368
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	2,206,997	3,885,808	4,527,142	4,911,616	4,909,805	20,441,368
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)					82,624	82,624
13 Total support (Add lines 9, 10c, 11 and 12)	7,921,033	12,694,074	15,695,655	16,689,821	54,859,414	107,859,997
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	80.970 %
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	70.940 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	18.950 %
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	29.060 %

19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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Explanation

SCHEDULE A, PART II, LINE 12, EXPLANATION OF OTHER INCOME OTHER INCOME

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization EAGLE'S TRACE INC

Employer identification number 03-0498683

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment
- b** Permanent endowment
- c** Term endowment

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings	54,774,790		1,181,805	53,592,985
c Leasehold improvements				
d Equipment	3,961,188		3,178,405	782,783
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				54,375,768

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	54,849,063
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	20,931,117
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	33,917,946
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-425
9	Total adjustments (net) Add lines 4 - 8	9	-425
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	33,917,521

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	54,909,051
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	59,988
e	Add lines 2a through 2d	2e	59,988
3	Subtract line 2e from line 1	3	54,849,063
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	54,849,063

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	20,991,530
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	60,413
e	Add lines 2a through 2d	2e	60,413
3	Subtract line 2e from line 1	3	20,931,117
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	20,931,117

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	EAGLE'S TRACE, INC ("ETH") AND EAGLE'S TRACE HOME CARE, LLC ("ETHC") ARE EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE AND THE APPLICABLE STATE INCOME TAX REGULATIONS IN 2008, ETH AND ETHC ADOPTED THE GUIDANCE ON FASB INTERPRETATION NO 48 ("FIN 48"), ACCOUNTING FOR INCOME TAXES THE ADOPTION OF THIS STANDARD DID NOT HAVE A MATERIAL EFFECT ON THE FINANCIAL STATEMENTS NO FIN 48 LIABILITIES WERE IDENTIFIED FOR THE YEAR ENDED DECEMBER 31, 2010
PART XI, LINE 8 - OTHER ADJUSTMENTS		TALON BAR NET LOSS INCLUDED ON CONSOLIDATED FINANCIAL STATEMENTS -425
PART XII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES FROM SPECIAL FUNDRAISING EVENTS ON PART VIII LINE 8B 7,678 ADJUSTMENT TO TRNA -705 REVENUE FROM THE TALON BAR COMPANY 53,015
PART XIII, LINE 2D - OTHER ADJUSTMENTS		EXPENSES FROM SPECIAL FUNDRAISING EVENTS ON PART VIII LINE 8B 7,678 ADJUSTMENT TO TRNA -705 EXPENSES FROM THE TALON BAR COMPANY 53,440

Additional Data

Software ID:
Software Version:
EIN: 03-0498683
Name: EAGLE'S TRACE INC

Form 990, Schedule D, Part X, - Other Liabilities

¹ (a) Description of Liability	(b) Amount
ADVANCE DEPOSITS	204,600
CLAIMS RESERVE	206,565
RESIDENT DEPOSITS (NET)	84,026,422
FUNDS HELD FOR RESIDENTS	35,400
UNCLAIMED PROPERTY	6,655
RESIDENT REFUNDS PAYABLE	1,444,000
INTEREST PAYABLE	524,976
CAPITAL LEASE PAYABLE	54,611,437

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
Attach to Form 990

2010

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization EAGLE'S TRACE INC

Employer identification number 03-0498683

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of non-cash assistance, (h) Purpose of grant or assistance.

2 Enter total number of section 501(c)(3) and government organizations
3 Enter total number of other organizations

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) EDUCATIONAL SCHOLARSHIPS - SEE PART IV	14	12,500			

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
OTHER INFORMATION	PART IV	<p>SCHOLAR CANDIDATES MUST BE CURRENTLY EMPLOYED YEAR-ROUND AT EAGLE'S TRACE, INC ONLY MEDICAL LEAVES OF ABSENCE ARE ALLOWABLE DURING THE TWO YEARS OTHER REQUESTS FOR A LEAVE OF ABSENCE WILL BE REVIEWED AND DETERMINED CASE BY CASE A SCHOLAR CANDIDATE MUST HAVE BEEN EMPLOYED BY EAGLE'S TRACE, INC ON OR BEFORE SEPTEMBER 30, 2010 THE CANDIDATE MUST ALSO ACHIEVE 1,000 HOURS OF WORK DURING A TIME SPAN THAT BEGINS NO EARLIER THAN AUGUST 1, 2010 OF THEIR JUNIOR YEAR OF HIGH SCHOOL (500 OF 1,000 HOURS MUST BE COMPLETED BY THE END OF THEIR JUNIOR YEAR OF HIGH SCHOOL TO QUALIFY) CONTINUED ON SCHEDULE I, PAGE 2, PART IV ANY HOURS WORKED PRIOR TO AUGUST 1, 2010 DO NOT COUNT TOWARDS THE 1,000 HOURS REQUIREMENT CANDIDATES MUST ACHIEVE THE 1,000 HOUR REQUIREMENT AS WELL AS FULFILL THE TWO-YEAR MINIMUM EMPLOYMENT REQUIREMENT CANDIDATES MUST BE IN "GOOD STANDING" FROM THEIR ORIGINAL DATE OF HIRE THROUGH THEIR LAST DAY OF WORK TO MAINTAIN "GOOD STANDING," SCHOLAR CANDIDATES, AS EMPLOYEES, MUST ABIDE BY ALL EMPLOYMENT POLICIES AND PROCEDURES, TO INCLUDE GIVING TWO WEEKS NOTICE TO THEIR SUPERVISOR WHEN TERMINATING EMPLOYMENT SCHOLAR CANDIDATES MUST COMPLETE EACH STEP AS OUTLINED IN THE PROGRAM DESCRIPTION BY THE RESPECTIVE DUE DATE FURTHERMORE, CANDIDATES MUST TURN IN PROOF OF FULL-TIME STATUS WITHIN THE DATES SPECIFIED IN THE PROGRAM DESCRIPTION FOR EACH SPRING AND FALL SEMESTER THEY ATTEND SCHOOL FAILURE TO DO SO WILL DISQUALIFY THE SCHOLAR THAT SEMESTER AND WILL COUNT TOWARDS ONE OF THE TWO ALLOWABLE SEMESTER LAPSES CANDIDATES SHOULD INTEND TO GO TO COLLEGE OR TRADE SCHOOL AFTER HIGH SCHOOL SCHOLAR CANDIDATES MUST ATTEND SCHOOL FULL-TIME (12 CREDIT HOURS EACH SEMESTER) AFTER HIGH SCHOOL SCHOLAR CANDIDATES MUST BE ACCEPTED AND/OR REGISTERED IN THE FALL OF 2012 AT A TRADE SCHOOL, COLLEGE, OR UNIVERSITY TO BENEFIT (IN EXCEPTIONAL CASES, A SCHOLAR CANDIDATE MAY ARRANGE TO START SCHOOL UP TO TWO SEMESTERS AFTER BEING INDUCTED INTO THE PROGRAM, BUT THEY MUST MAKE ARRANGEMENTS WITH THE RESIDENT LIFE DEPARTMENT THESE TWO SEMESTERS WILL COUNT AS THE TWO ALLOCABLE SEMESTER LAPSES) SCHOLARS WHO LAPSE FROM THE PROGRAM FOR MORE THAN A TOTAL OF TWO SEMESTERS AFTER BEING INDUCTED INTO THE PROGRAM ARE NO LONGER ELIGIBLE TO RECEIVE THE AWARD</p>

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
EAGLE'S TRACE INC

Employer identification number

03-0498683

Part I Questions Regarding Compensation

Yes No

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items
- | | |
|---|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax idemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e g , maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- | | |
|---|---|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment from the organization or a related organization?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

	Yes	No
1b		
2		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) KEVIN KNOPF	(i) (ii)	159,954 0	25,000 0	0 0	750 0	13,291 0	198,995 0	0 0
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
SUPPLEMENTAL INFORMATION	PART III	ALL OF THE INDIVIDUALS LISTED IN SCHEDULE J, PART II ARE EMPLOYEES OF ERICKSON RETIREMENT COMMUNITIES, LLC ("ERC") AND ERICKSON LIVING MANAGEMENT, LLC ("ELM"), UNRELATED ORGANIZATIONS TO EAGLE'S TRACE, INC, IN ACCORDANCE WITH THE MANAGEMENT AGREEMENT BETWEEN EAGLE'S TRACE, INC AND ERC AND ELM. SEE SCHEDULE O EXPLANATION FOR FORM 990, PART VI, SECTION A, LINE 3. THEREFORE, FOR IRS MATCHING PURPOSES, ERC AND ELM ARE THE ISSUERS OF THESE FORMS W-2. UNDER THE MANAGEMENT AGREEMENT, EAGLE'S TRACE, INC REIMBURSES ERC AND ELM FOR THE COST OF SERVICES PERFORMED FOR EAGLE'S TRACE, INC.

Schedule L (Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b. Attach to Form 990 or Form 990-EZ. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization EAGLE'S TRACE INC

Employer identification number 03-0498683

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

Table with 3 main columns: (a) Name of disqualified person, (b) Description of transaction, (c) Corrected? (Yes/No)

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958. 3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization.

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

Table with 7 main columns: (a) Name of interested person and purpose, (b) Loan to or from the organization?, (c) Original principal amount, (d) Balance due, (e) In default?, (f) Approved by board or committee?, (g) Written agreement?

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

Table with 3 main columns: (a) Name of interested person, (b) Relationship between interested person and the organization, (c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ERICKSON RETIREMENT COMMUNITIES LLC (ERC)	D DOYLE, J JACOBSON, J B UNKLE, & K KNOPF ARE OFFICERS OF ERC	148,735	MANAGEMENT SERVICES		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
SCHEDULE L, PART IV		TRANSACTIONS WITH INTERESTED PERSONS - SCHEDULE L THE OFFICERS LISTED IN PART IV OF SCHEDULE L WERE EMPLOYEES OF ERICKSON RETIREMENT COMMUNITIES, LLC WHICH PROVIDED MANAGEMENT SERVICES TO THE ORGANIZATION WITH THE EXCEPTION OF K KNOPF, WHO SERVES AS THE EXECUTIVE DIRECTOR OF THE ORGANIZATION'S FACILITIES, THE OTHERS SERVED AS OFFICERS FOR ADMINISTRATIVE CONVENIENCE ONLY IN CONNECTION WITH THEIR PERFORMANCE OF DUTIES UNDER THE MANAGEMENT AGREEMENT CERTAIN BOARD MEMBERS OF THE ORGANIZATION ALSO SERVE AS OFFICERS OF THE ORGANIZATION AND THOSE BOARD MEMBERS HAVE PRIMARY RESPONSIBILITY FOR CARRYING OUT THE DUTIES OF THE ORGANIZATION'S OFFICERS THE AMOUNT LISTED AS MANAGEMENT FEES ON SCHEDULE L, PART IV IS THE TOTAL MANAGEMENT FEE PAID BY THE COMMUNITY TO ERICKSON RETIREMENT COMMUNITIES, LLC ALL SUCH OFFICER APPOINTMENTS ENDED ON APRIL 28, 2010 WHEN NEW OFFICERS WERE APPOINTED AT THAT TIME, NO EMPLOYEES OF THE MANAGEMENT COMPANY WERE APPOINTED AS OFFICERS OF THE ORGANIZATION

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization
EAGLE'S TRACE INC

Employer identification number

03-0498683

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 2		DEBRA B DOYLE, OFFICER, KEVIN KNOPF, OFFICER, J BENJAMIN UNKLE, OFFICER, AND JEFFREY A JACOBSON, OFFICER, HAVE A BUSINESS RELATIONSHIP THEY WERE OFFICERS ONLY FOR THE PERIOD JANUARY-APRIL 2010

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 3		<p>EAGLE'S TRACE, INC PREVIOUSLY CONTRACTED WITH ERICKSON RETIREMENT COMMUNITIES, LLC ("ERC") TO PROVIDE MANAGEMENT SERVICES WITH RESPECT TO THE CCRC FACILITY ERC IS A MARYLAND LIMITED LIABILITY COMPANY WHICH OPERATED AND MANAGED LARGE SCALE CONTINUING CARE RETIREMENT COMMUNITIES ERC FILED FOR BANKRUPTCY PROTECTION IN OCTOBER 2009 THE SALE OF ERC'S ASSETS WAS CONDUCTED BY A COMPETITIVE AUCTION PROCESS THROUGH THE BANKRUPTCY COURT ON APRIL 30, 2010, EAGLE'S TRACE, INC ENTERED INTO A NEW MANAGEMENT AND MARKETING AGREEMENT WITH ERICKSON LIVING MANAGEMENT, LLC ("ELM") TO PROVIDE THE SERVICES PREVIOUSLY PROVIDED BY ERC ELM IS A SUBSIDIARY OF REDWOOD-ERC SENIOR LIVING HOLDINGS, LLC, NOW KNOWN AS ERICKSON LIVING HOLDINGS, LLC WHICH, TOGETHER WITH OTHER RELATED ENTITIES, PURCHASED THE MAJORITY OF THE ASSETS OF ERC ELM IS A MARYLAND LIMITED LIABILITY COMPANY WHICH OPERATES AND MANAGES LARGE SCALE CONTINUING CARE RETIREMENT COMMUNITIES THE NEW MANAGEMENT AGREEMENT INCLUDES (WITHOUT LIMITATION) PROVISIONS WHICH PERMIT EAGLE'S TRACE, INC TO REVIEW AND RENEGOTIATE MANAGEMENT FEES WITH THE MANAGEMENT COMPANY AFTER YEAR THREE AND YEAR SEVEN, RESPECTIVELY, IF THE MANAGEMENT FEES BEING PAID UNDER THE NEW MANAGEMENT AGREEMENT DEVIATE FROM MARKET (AS DEFINED IN THE AGREEMENT) AT SUCH TIME THE MANAGEMENT AGREEMENTS IS FOR A TERM OF TEN YEARS EAGLE'S TRACE, INC MAY TERMINATE THE NEW MANAGEMENT AGREEMENT IF CERTAIN OBJECTIVE PERFORMANCE CRITERIA ARE NOT MET IN ADDITION TO A NEW MANAGEMENT AND MARKETING AGREEMENT, EAGLE'S TRACE, INC ALSO ENTERED INTO A NEW MASTER LEASE AND USE AGREEMENT, A NEW AMENDED AND RESTATED COMMUNITY LOAN AGREEMENT AND NOTE, A NEW WORKING CAPITAL LOAN AGREEMENT AND NOTE, AND A SUBORDINATION AGREEMENT (HEREINAFTER COLLECTIVELY REFERRED TO AS THE ("NEW AGREEMENTS")) WHILE THE MATERIAL TERMS OF THE NEW AGREEMENTS WERE DETERMINED THROUGH THE COMPETITIVE AUCTION PROCESS, WHICH PROCESS WAS APPROVED BY THE BANKRUPTCY COURT, THE PARTIES ALSO ENGAGED IN EXTENSIVE NEGOTIATIONS DURING THE THREE MONTH PERIOD PRECEDING THE APRIL 30, 2010 SALE TO FINALIZE THE NEW AGREEMENTS AN IMPORTANT OUTCOME OF THE ERC BANKRUPTCY PROCEEDING, THE AUCTION, AND THE SALE OF ERC'S ASSETS WAS THE ELIMINATION OF THE CONSTRUCTION DEBT THAT HAD ENCUMBERED THE REAL ESTATE COMPRISING THE ORGANIZATION'S FACILITY MASTER LEASE AND USE AGREEMENT THE ORGANIZATION LEASES ITS CAMPUS FROM A THIRD PARTY REDWOOD-ERC HOUSTON CAMPUS, L L C (HEREINAFTER "HOUSTON CAMPUS") WAS FORMED BY ERICKSON LIVING HOLDINGS, LLC FOR THE INTENDED PURPOSE OF ACQUIRING THE CAMPUS LEASED BY THE ORGANIZATION AS PART OF THE ERC BANKRUPTCY ONCE THE ACQUISITION WAS COMPLETED, THE ORGANIZATION ENTERED INTO A NEW MASTER LEASE AND USE AGREEMENT (HEREINAFTER THE "LEASE") WITH HOUSTON CAMPUS PLEASE NOTE THAT ALL RIGHTS OF THE RESIDENTS, INCLUDING THEIR RIGHT TO RESIDE IN THEIR UNITS AND THEIR RIGHT TO A REFUND OF THEIR ENTRANCE DEPOSITS, ARE PRESERVED IN THE LEASE VIA A NON-DISTURBANCE AGREEMENT ADDITIONALLY, HOUSTON CAMPUS IS REQUIRED TO IMPOSE THIS NON-DISTURBANCE AGREEMENT ON ANY FUTURE LENDER FOR FINANCING OF THE PROPERTY AND FACILITY THIS IS AN EXPANSION OF THE PROTECTION AFFORDED RESIDENTS IN THE PRIOR LEASE, AS IT ENSURES THAT, UNLESS THE RESIDENT IS IN BREACH OF HIS/HER RESIDENCE AND CARE AGREEMENT, THE RESIDENT WILL NOT LOSE HIS/HER RIGHT TO OCCUPY HIS/HER UNIT OR THE RIGHT TO AN ENTRANCE DEPOSIT REFUND AS A RESULT OF A DEFAULT UNDER THE LEASE OR UNDER ANY FUTURE FINANCING IF THE LEASE IS TERMINATED, HOUSTON CAMPUS ASSUMES THE RESPONSIBILITY TO PROVIDE NECESSARY SERVICES AND TO REFUND ENTRANCE DEPOSITS TO THE RESIDENTS AS SET FORTH IN THE RESIDENCE AND CARE AGREEMENT THIS IS A SIGNIFICANT IMPROVEMENT IN THE PROTECTION OF THE RESIDENTS THE PREVIOUS MASTER LEASE ONLY PROTECTED THE RESIDENTS' RIGHT TO OCCUPY THEIR UNITS NOW ALL RESIDENT RIGHTS UNDER THE RESIDENCE AND CARE AGREEMENT ARE PROTECTED, INCLUDING THE RIGHT TO RECEIVE A REFUND THE TERM OF THE LEASE IS 27.5 YEARS AND IS SUBJECT TO RENEWAL OPTIONS ON THE PART OF THE ORGANIZATION THE ORGANIZATION HAS A PURCHASE OPTION AND HAS THE RIGHT TO MAKE AN OFFER TO PURCHASE THE PROPERTY AT ANY TIME DURING THE LEASE TERM THE PURCHASE PRICE FORMULA UNDER THE PURCHASE OPTION WAS CHANGED BY REQUIRING A DETERMINATION OF THE FAIR MARKET VALUE OF THE PREMISES THE FAIR MARKET VALUE IS DETERMINED AT THE TIME OF PURCHASE BY AN INDEPENDENT APPRAISER BASED ON A FORMULA CONTAINED IN THE LEASE AMENDED AND RESTATED COMMUNITY LOAN AGREEMENT THE AMENDED AND RESTATED COMMUNITY LOAN AGREEMENT INCLUDES NEW PROVISIONS WHICH BENEFIT THE ORGANIZATION AND THE RESIDENTS FOR EXAMPLE, ONE NEW SECTION PROVIDES THAT, IN THE EVENT THE MASTER LEASE IS TERMINATED FOR ANY REASON, THE BORROWER (IE, HOUSTON CAMPUS) ASSUMES EAGLE'S TRACE, INC 'S OBLIGATIONS UNDER THE RESIDENCE AND CARE AGREEMENTS ALTHOUGH THE OUTSTANDING BALANCE OF THE PREPETITION COMMUNITY LOAN DUE TO EAGLE'S TRACE, INC COULD HAVE BEEN DISCHARGED, THAT BALANCE WAS REINSTATED IN FULL AS PART OF ERC'S BANKRUPTCY PROCEEDING AND IT REMAINS AS AN OBLIGATION DUE TO EAGLE'S TRACE, INC EAGLE'S TRACE, INC ENTERED INTO IN A NEW AGREEMENT IN CONNECTION WITH THE AMENDED AND RESTATED COMMUNITY LOAN AGREEMENT, A SUBORDINATION AGREEMENT BETWEEN THE ORGANIZATION AND REDWOOD-ERC PROPERTIES, L L C THE SUBORDINATION AGREEMENT PROVIDES FOR THE RELATIVE PRIORITY OF THE PRE AND POST PETITION COMMUNITY LOAN OBLIGATIONS THE ORGANIZATION REPRESENTED IN ITS APPLICATION FOR EXEMPTION THAT IT WOULD SUBMIT THE MANAGEMENT AGREEMENT TO A COMPETITIVE BIDDING PROCESS ON A REGULAR SCHEDULE THE BOARD HAS MODIFIED ITS POLICY WITH RESPECT TO GOING OUT TO BID FOR THE MANAGEMENT AGREEMENT THIS FOLLOWED AN EXHAUSTIVE COMPETITIVE BIDDING PROCESS THAT WAS CONDUCTED IN 2008 BY A RELATED ORGANIZATION THE PROCESS TOOK ALMOST A FULL YEAR TO COMPLETE AT A COST IN EXCESS OF \$100,000 AND ONLY THREE MANAGEMENT COMPANIES WERE INTERESTED IN BIDDING GIVEN THE AMOUNT OF TIME AND MONEY SPENT ON THE COMPETITIVE PROCUREMENT PROCESS BY A RELATED ORGANIZATION AND THE END RESULT, THE BOARD OF DIRECTORS DECIDED THAT CONDUCTING A MANDATORY COMPETITIVE PROCUREMENT PROCESS ON A PREDETERMINED SCHEDULE WAS NOT NECESSARILY THE BEST METHOD OF PROCURING A MANAGEMENT COMPANY THEREFORE, ON JANUARY 29, 2009, THE POLICY REQUIRING A COMPETITIVE PROCUREMENT PROCESS WAS REVISED BY THE ORGANIZATION'S BOARD OF DIRECTORS FOR THE REASONS SET FORTH IN THE PRIOR PARAGRAPH THE RESOLUTION ADOPTED BY THE ORGANIZATION'S BOARD OF DIRECTORS TO AMEND THE MANAGEMENT COMPANY PROCUREMENT PROCESS REAFFIRMED THE ORGANIZATION'S POLICIES THAT ANY RENEWAL, RENEGOTIATION OR AMENDMENT OF THE MANAGEMENT COMPANY AGREEMENT RELATING TO THE COMPENSATION OF THE MANAGEMENT COMPANY OR ANY SUCCESSOR MANAGEMENT COMPANY (1) WILL COMPLY WITH IRS REGULATIONS IN SUPPORT OF IRC SECTION 4958, AND (2) WILL BE NEGOTIATED ON AN ARMS-LENGTH BASIS THE RESOLUTION FURTHER PROVIDED THAT THE BOARD WILL DETERMINE WHEN, IF AT ALL, IT IS IN THE BEST INTERESTS OF THE ORGANIZATION TO ENGAGE IN A PROCUREMENT PROCESS WITH RESPECT TO ENGAGING MANAGEMENT COMPANY SERVICES IN THE FUTURE A COMPETITIVE BIDDING PROCESS WAS HELD IN DECEMBER 2009 UNDER THE BANKRUPTCY COURT PROCEEDING WHEREBY A COMPETITIVE BIDDING PROCESS WAS USED TO DETERMINE THE PURCHASER OF THE ASSETS OF ERC THE MATERIAL TERMS OF THE NEW MANAGEMENT AGREEMENT WERE DETERMINED THROUGH THE COMPETITIVE AUCTION PROCESS, WHICH PROCESS WAS APPROVED BY THE BANKRUPTCY COURT, THE PARTIES ALSO ENGAGED IN EXTENSIVE NEGOTIATIONS DURING THE THREE MONTH PERIOD PRECEDING THE APRIL 30, 2010 SALE TO FINALIZE THE NEW AGREEMENT</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4		EAGLE'S TRACE, INC ADOPTED BY LAWS AMENDMENTS IN 2009 WHEREBY MOST OF THE RESERVED POWERS OF THE SOLE MEMBER WERE ELIMINATED. ADDITIONALLY, EAGLE'S TRACE, INC AMENDED ITS ARTICLES OF INCORPORATION (CHARTER) IN 2009 TO ADD A PROVISION AUTHORIZED BY SECTION 2-104 OF THE CORPORATIONS & ASSOCIATIONS ARTICLE OF THE MARYLAND ANNOTATED CODE.

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		EAGLE'S TRACE, INC 'S SOLE MEMBER IS NATIONAL SENIOR CAMPUSES, INC ("NSC") NSC IS A MARYLAND NON-STOCK CORPORATION AT THE CURRENT TIME, NSC HAS FILED AN APPLICATION FOR RECOGNITION OF EXEMPTION WITH THE INTERNAL REVENUE SERVICE, AS A "SUPPORTING ORGANIZATION" WITH RESPECT TO EAGLE'S TRACE, INC , AS WELL AS CERTAIN OTHER ORGANIZATIONS SPECIFIED IN ITS GOVERNING DOCUMENTS AS REQUIRED BY THE REGULATIONS RELATING TO "SUPPORTING ORGANIZATIONS," CERTAIN MEMBERS OF THE BOARD OF DIRECTORS OF NSC WILL ALSO BE MEMBERS OF THE BOARD OF DIRECTORS OF THE ORGANIZATION

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		NATIONAL SENIOR CAMPUSES, INC HAS THE RIGHT TO APPOINT AND ELECT ALL DIRECTORS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B		CERTAIN EXTRAORDINARY ACTIONS OF THE CORPORATION REQUIRE THE APPROVAL OF THE MEMBER UNDER APPLICABLE STATE LAW

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		THE BOARD APPOINTS A COMMITTEE FROM AMONG ITS DIRECTORS AS WELL AS THE DIRECTORS FROM ONE OR MORE RELATED ENTITIES TO OVERSEE THE PREPARATION OF FORM 990 THE BOARD CHAIR HAS THE RESPONSIBILITY TO REVIEW FORM 990 PRIOR TO ITS FILING OR TO DESIGNATE ANOTHER BOARD MEMBER TO REVIEW THE FORM THE FULL BOARD IS GIVEN THE OPPORTUNITY TO REVIEW THE FINAL VERSION OF FORM 990 BEFORE IT IS FILED AND ASK QUESTIONS OF THE COMMITTEE OR THE REVIEWER REGARDING THE FORM THE BOARD CHAIR DESIGNATES AN OFFICER TO SIGN FORM 990

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EAGLE'S TRACE, INC 'S CONFLICT OF INTEREST POLICY COVERS ALL DIRECTORS, OFFICERS, KEY EMPLOYEES, EMPLOYEES AND VOLUNTEERS IN A POSITION TO EXERCISE SUBSTANTIAL INFLUENCE OVER EAGLE'S TRACE, INC 'S AFFAIRS, COMMITTEE MEMBERS, PROSPECTIVE DIRECTORS, AND SENIOR STAFF PROVIDING SERVICES TO THE ORGANIZATION UNDER A MANAGEMENT AGREEMENT EACH COVERED PERSON COMPLETES A CONFLICT OF INTEREST DISCLOSURE STATEMENT ANNUALLY AND AS POTENTIAL CONFLICTS ARISE DURING THE YEAR THESE STATEMENTS ARE REVIEWED BY THE BOARD CHAIR IF THE CONFLICT INVOLVES A COVERED EMPLOYEE, THE CHAIR DETERMINES WHETHER A CONFLICT EXISTS AND, IF SO, HOW IT IS TO BE HANDLED, OR THE CHAIR MAY REFER THE MATTER TO THE BOARD OF DIRECTORS FOR CONSIDERATION FOR ALL OTHER CONFLICTS, THE BOARD OF DIRECTORS OR A COMMITTEE OF DISINTERESTED DIRECTORS WILL DETERMINE WHETHER A CONFLICT ACTUALLY EXISTS A COVERED PERSON MAY NOT PARTICIPATE IN ANY DISCUSSION OR DEBATE BY THE BOARD BUT MAY ANSWER QUESTIONS OR PROVIDE CLARIFYING INFORMATION UNLESS ANY BOARD MEMBER OBJECTS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	THE BOARD HAS APPROVED A DIRECTORS' COMPENSATION POLICY WHICH ESTABLISHES THE PROCESS BY WHICH ALL DIRECTOR COMPENSATION IS DETERMINED OFFICERS SERVE WITHOUT COMPENSATION A REVIEW OF THE DIRECTORS' COMPENSATION IS CONDUCTED EACH FISCAL YEAR COMPENSATION IS APPROACHED ON AN OVERALL BASIS AND THE TOTAL VALUE OF ALL FORMS OF COMPENSATION IS ESTABLISHED AND MONITORED AN INDEPENDENT COMPENSATION CONSULTANT IS PERIODICALLY RETAINED TO PERFORM AN ANALYSIS OF EAGLE'S TRACE, INC 'S COMPENSATION USING COMPARABLES OF BOTH FOR-PROFIT AND NON-PROFIT PEERS A COMMITTEE OF THE NSC BOARD REVIEWS THE CONSULTANT'S REPORT AND MAKES A RECOMMENDATION TO THE ORGANIZATION AS TO APPROPRIATE COMPENSATION OF DIRECTORS THE FULL BOARD HAS ACCESS TO EAGLES TRACE INC 'S CONSULTANT'S REPORT AND AN OPPORTUNITY TO QUESTION THE CONSULTANT ABOUT THE PROCESS, METRICS, AND COMPARABLES THAT WERE USED IN DETERMINING THE RECOMMENDED COMPENSATION THE BOARD THEN VOTES ON THE COMPENSATION RECOMMENDATIONS AND A CONTEMPORANEOUS RECORD IS MADE OF THE MEETING AND THE VOTE THE CONSULTANT REVIEW WAS LAST UNDERTAKEN IN 2010 AND WAS ACTED UPON BY THE BOARD IN EARLY 2011

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND THE FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST AT THE EXECUTIVE DIRECTOR'S OFFICE

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	TALON BAR NET LOSS INCLUDED ON CONSOLIDATED FINANCIAL STATEMENTS - 425 TOTAL TO FORM 990, PART XI, LINE 5 -425

Identifier	Return Reference	Explanation
	FORM 990, PART XII, LINE 2C	THE PROCESS FOR OVERSEEING THE AUDIT OF THE FINANCIAL STATEMENTS AND SELECTION OF AN INDEPENDENT ACCOUNTANT THAT AUDITED THE FINANCIAL STATEMENTS HAS BEEN CONSISTENT WITH PRIOR YEARS

Identifier	Return Reference	Explanation
		<p>MISSION STATEMENT - 990 PAGE 1, PART I, LINE 1 AND PART III, LINE 1 MISSION STATEMENT SHARING OUR GIFTS TO CREATE COMMUNITIES THAT CELEBRATE LIFE THE BOARD OF DIRECTORS OF NATIONAL SENIOR CAMPUSES, INC AND ITS SUPPORTED COMMUNITIES ARE COMMITTED TO ACHIEVING THE MISSION BY</p> <ol style="list-style-type: none"> 1 PROMOTING AN ACTIVE QUALITY OF LIFE FOR SENIORS -CREATING LARGE SCALE RETIREMENT CAMPUSES TO PROMOTE ACTIVITY AND HEALTHY LIVING -PROVIDING A RESIDENT CENTERED SERVICE CULTURE -ENCOURAGING RESIDENT RUN ACTIVITIES WITH PROFESSIONAL SUPPORT 2 ACHIEVING EXCELLENCE IN SERVICES AND PROGRAMS -EXERCISING ITS AUTHORITY IN SERVICES, PROGRAMS, FEES, FACILITIES AND FINANCING - EMBRACING COMPLIANCE, ETHICS AND INTEGRITY -OVERSEEING SERVICES AND PROGRAMS PERSONALLY AND IN MEETINGS WITH THE RESIDENTS ADVISORY COUNCIL -TAKING A LONG-TERM VIEW OF FIDUCIARY RESPONSIBILITY 3 INSURING AFFORDABILITY TO MIDDLE INCOME SENIORS -FOCUSING ON THE LONG TERM VIABILITY OF THE COMMUNITY FOR CURRENT AND FUTURE RESIDENTS -USING FINANCING STRATEGIES TO LOWER THE COST OF CAPITAL -QUALIFYING FOR EXEMPTION FROM FEDERAL AND STATE INCOME TAX - OBTAINING PROPERTY TAX REDUCTIONS FROM COMMUNITY GOVERNMENTS -ACCUMULATING NET INCOME TO FURTHER THE MISSION -MAINTAINING A POLICY FOR FULLY REFUNDABLE ENTRANCE DEPOSIT -OFFERING FEE-FOR-SERVICE HEALTH CARE 4 MAKING A LIFE CARE COMMITMENT -TO THE EXTENT FEASIBLE, ENSURING THAT NO RESIDENT SHOULD EVER HAVE TO LEAVE A COMMUNITY AS A RESULT OF FINANCIAL INABILITY TO PAY FOR THE COST OF THEIR CARE -ENCOURAGING FUNDRAISING EFFORTS IN SUPPORT OF BENEVOLENT CARE 5 FOSTERING GROWTH -COMMITTING TO MAKING THIS LIFESTYLE AVAILABLE TO AN INCREASING NUMBER OF SENIORS -INCREASING EFFORTS TO ACHIEVE AFFORDABILITY -DEVELOPING NEW COMMUNITIES IN CURRENT MARKETS -DEVELOPING COMMUNITIES IN NEW MARKETS

Identifier	Return Reference	Explanation
		FORM 990, PART VI, LINE 9 THE BOARD OF DIRECTORS AS LISTED IN PART VII, SECTION A, CAN BE REACHED AT THE FOLLOWING ADDRESS C/O BOARD RELATIONS MANAGER NATIONAL SENIOR CAMPUSES, INC 701 MAIDEN CHOICE LANE BALTIMORE, MD 21228

Identifier	Return Reference	Explanation
		<p>FORM 990, PART VII - BOARD OF DIRECTORS COMPENSATION THE COMPENSATION PAID BY RELATED ENTITIES FOR EACH DIRECTOR IS AS FOLLOWS INDIVIDUAL RODNEY M COE ORGANIZATION COMPENSATION NATIONAL SENIOR CAMPUSES, INC \$ 10,000 SEABROOK VILLAGE, INC \$ 38 CEDAR CREST VILLAGE, INC \$ 38 MARIS GROVE, INC \$ 38 LINDEN PONDS, INC \$ 38 SEDGEBROOK, INC \$ 6,503 ANN'S CHOICE, INC \$ 38 FOX RUN VILLAGE, INC \$ 6,503 TALLGRASS CREEK, INC \$ 11,816 HIGHLAND SPRINGS, INC \$ 11,816 EAGLE'S TRACE, INC \$ 11,814 WIND CREST, INC \$ 11,816 MONARCH LANDING, INC \$ 6,503 ASHBY PONDS, INC \$ 39 -----</p> <p>INDIVIDUAL SUB-TOTAL \$ 77,000 INDIVIDUAL HAROLD ASHBY ORGANIZATION COMPENSATION NATIONAL SENIOR CAMPUSES, INC \$ 37,500 SEABROOK VILLAGE, INC \$ 500 CEDAR CREST VILLAGE, INC \$ 500 MARIS GROVE, INC \$ 500 LINDEN PONDS, INC \$ 500 SEDGEBROOK, INC \$ 3,250 ANN'S CHOICE, INC \$ 500 FOX RUN VILLAGE, INC \$ 3,250 TALLGRASS CREEK, INC \$ 2,938 HIGHLAND SPRINGS, INC \$ 2,938 EAGLE'S TRACE, INC \$ 2,936 WIND CREST, INC \$ 2,938 MONARCH LANDING, INC \$ 3,250 ASHBY PONDS, INC \$ 500 ----- INDIVIDUAL SUB-TOTAL \$ 62,000 INDIVIDUAL JAMES P HAYES ORGANIZATION COMPENSATION NATIONAL SENIOR CAMPUSES, INC \$ 10,000 SEABROOK VILLAGE, INC \$ 38 CEDAR CREST VILLAGE, INC \$ 38 MARIS GROVE, INC \$ 38 LINDEN PONDS, INC \$ 38 SEDGEBROOK, INC \$ 14,003 ANN'S CHOICE, INC \$ 39 FOX RUN VILLAGE, INC \$ 14,003 TALLGRASS CREEK, INC \$ 6,191 HIGHLAND SPRINGS, INC \$ 6,191 EAGLE'S TRACE, INC \$ 6,190 WIND CREST, INC \$ 6,190 MONARCH LANDING, INC \$ 14,003 ASHBY PONDS, INC \$ 38 ----- INDIVIDUAL SUB-TOTAL \$ 77,000</p>

Identifier	Return Reference	Explanation
		INDIVIDUAL STEVEN HUNSICKER ORGANIZATION COMPENSATION TALLGRASS CREEK, INC \$ 6,688 HIGHLAND SPRINGS, INC \$ 6,688 EAGLE'S TRACE, INC \$ 6,686 WIND CREST, INC \$ 6,688 ----- INDIVIDUAL SUB-TOTAL \$ 26,750 INDIVIDUAL ZINA JACQUE ORGANIZATION COMPENSATION SEDGEBROOK, INC \$ 7,417 FOX RUN VILLAGE, INC \$ 7,417 MONARCH LANDING, INC \$ 7,416 ----- INDIVIDUAL SUB-TOTAL \$ 22,250 INDIVIDUAL MICHAEL ROSKIEWICZ ORGANIZATION COMPENSATION SEDGEBROOK, INC \$ 7,417 FOX RUN VILLAGE, INC \$ 7,417 MONARCH LANDING, INC \$ 7,416 ----- INDIVIDUAL SUB-TOTAL \$ 22,250

Identifier	Return Reference	Explanation
		INDIVIDUAL DAVID L BURK ORGANIZATION COMPENSATION TALLGRASS CREEK, INC \$ 6,686 HIGHLAND SPRINGS, INC \$ 6,688 EAGLE'S TRACE, INC \$ 6,688 WIND CREST, INC \$ 6,688 ----- INDIVIDUAL SUB-TOTAL \$ 26,750 INDIVIDUAL BOONE POWELL, JR ORGANIZATION COMPENSATION TALLGRASS CREEK, INC \$ 6,688 HIGHLAND SPRINGS, INC \$ 6,688 EAGLE'S TRACE, INC \$ 6,686 WIND CREST, INC \$ 6,688 ----- INDIVIDUAL SUB-TOTAL \$ 26,750

Identifier	Return Reference	Explanation
		FORM 990, PART VII - BOARD OF DIRECTORS HOURS PER WEEK APPROXIMATE HOURS PER WEEK, BY ENTITY NSC OCV SBV GSV RWV CCV MGC LPH ACH BBV GFM LCC R COE 6 0 1 0 0 1 1 1 1 0 0 0 H ASHBY 3 0 0 0 0 0 0 0 0 0 0 0 J HAYES 5 0 1 0 0 1 1 1 1 0 0 0 S HUNSICKER 0 0 0 0 0 0 0 0 0 0 0 0 Z JACQUE 0 0 0 0 0 0 0 0 0 0 0 M ROSKIEWICZ 0 0 0 0 0 0 0 0 0 0 0 0 D BURK 0 0 0 0 0 0 0 0 0 0 0 0 B POWELL 0 0 0 0 0 0 0 0 0 0 0 0 M TWERSKY 1 8 0 1 0 0 1 1 0 1 0 0 0 FRV TCK HSD ETH WCD APL SED MLN TWC WRC NSCF R COE 1 2 2 2 2 1 1 1 0 0 0 H ASHBY 0 0 0 0 0 0 0 0 0 0 0 0 J HAYES 2 1 1 1 1 1 2 2 0 0 0 S HUNSICKER 0 1 1 1 1 0 0 0 0 0 0 Z JACQUE 2 0 0 1 0 0 2 2 0 0 0 M ROSKIEWICZ 2 0 0 1 0 0 2 2 0 0 0 D BURK 0 3 3 3 3 0 0 0 0 0 1 B POWELL 0 1 1 1 1 0 0 0 0 0 0 M TWERSKY 0 0 0 0 0 0 0 0 0 0 0 0

Identifier	Return Reference	Explanation
		MORTGAGES AND OTHER NOTES PAYABLE - PART X, LINE 23 THE ORGANIZATION ENTERED INTO A NEW WORKING CAPITAL LOAN AGREEMENT IN THE AMOUNT OF UP TO \$2,700,000 TO FUND WORKING CAPITAL DEFICITS THE NEW WORKING CAPITAL LOAN AGREEMENT PROVIDES THAT THE ORGANIZATION'S PAYMENT OBLIGATION MAY BE DEFERRED WITHOUT PENALTY TO ALLOW THE ORGANIZATION TO MAINTAIN CERTAIN REQUIRED CASH ON HAND UNTIL SUCH TIME AS IT IS ABLE TO RESUME MAKING PAYMENTS ON THE LOAN AND MEET THE REQUIREMENTS FOR CASH RESERVES (IF PAYMENT WOULD CAUSE THE ORGANIZATION TO FALL BELOW REGULATORY REQUIREMENTS FOR CASH RESERVES) ONE OF THE RESULTS ACHIEVED BY THE ORGANIZATION THROUGH ERC'S BANKRUPTCY PROCEEDING WAS THE ELIMINATION OF THE OUTSTANDING WORKING CAPITAL LOAN BALANCE OF APPROXIMATELY \$ 37.1 MILLION OWED BY THE ORGANIZATION AS OF APRIL 30, 2010

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2010

Open to Public Inspection

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
EAGLE'S TRACE INC

Employer identification number
03-0498683

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) EAGLE'S TRACE HOME CARE LLC 701 MAIDEN CHOICE LANE BALTIMORE, MD 21228 75-3194292	HOME SUPPORT SERVICES	MD	749,818	0	N/A

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) THE TALON BAR COMPANY 701 MAIDEN CHOICE LANE BALTIMORE, MD21128 56-2500131	TO HOLD THE LIQUOR LICENSE FOR THE EAGLE'S TRACE RETIREMENT COMMUNITY	TX	N/A	C	53,015		100.000 %

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n		No
1o	Yes	
1p		No
1q		No
1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
		SCHEDULE R, PART II, RELATED TAX-EXEMPT ORGANIZATIONS ON NOVEMBER 23, 2010, SEDGEBROOK, INC (EIN 30-0192403) CHANGED ITS NAME TO SB-LAKE, INC AND MONARCH LANDING, INC (EIN 55-0878965) CHANGED ITS NAME TO ML-DUPAGE, INC

Software ID:
Software Version:
EIN: 03-0498683
Name: EAGLE'S TRACE INC

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
ASHBY PONDS INC 21170 ASHBY PONDS BLVD ASHBURN, VA20147 20-5609803	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
BROOKSBY VILLAGE INC 100 BROOKSBY VILLAGE DRIVE PEABODY, MA01960 52-2126755	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
CEDAR CREST VILLAGE INC 1 CEDAR CREST VILLAGE DRIVE POMPTON PLAINS, NJ07444 52-2184915	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
FOX RUN VILLAGE INC 41000 13 MILE ROAD NOVI, MI48377 52-2291271	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
ANN'S CHOICE INC 10000 ANNS CHOICE WAY WARMINSTER, PA18974 52-2095427	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
HICKORY CHASE INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 20-8991395	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
HIGHLAND SPRINGS INC 8000 FRANKFORD ROAD DALLAS, TX75252 51-0536892	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
LINDEN PONDS INC 300 LINDEN PONDS WAY HINGHAM, MA02043 14-1849849	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
MARIS GROVE INC 100 MARIS GROVE WAY GLEN MILLS, PA19342 55-0878964	CONTINUING CARE RETIREMENT COMMUNITY	PA	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
MONARCH LANDING INC 2255 ERICKSON DRIVE NAPERVILLE, IL60563 55-0878965	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
NATIONAL SENIOR CAMPUSES INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 20-4356247	SUPPORTING ORGANIZATION	MD	501(C)(3)	LINE 11C, III-FI	N/A		No
NATIONAL SENIOR CAMPUSES FOUNDATION INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 03-0611973	FOUNDATION	MD	501(C)(3)	LINE 11C, III-FI	N/A		No

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c) (3))	(f) Direct controlling entity	(g) Section 512 (b)(13) controlled organization	
						Yes	No
OAK CREST VILLAGE INC 8800 WALTHER BOULEVARD PARKVILLE, MD21234 52-1874053	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
RIDERWOOD VILLAGE INC 3110 GRACEFIELD ROAD SILVER SPRING, MD20904 52-2126753	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
SEABROOK VILLAGE INC 3000 ESSEX ROAD TINTON FALLS, NJ07753 52-2126751	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
SEDGEBROOK INC 800 AUDUBON WAY LINCOLNSHIRE, IL60069 30-0192403	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
TALLGRASS CREEK INC 13800 METCALF AVENUE OVERLAND PARK, KS66223 87-0765641	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
WINDCREST INC 3235 MILL VISTA ROAD HIGHLANDS RANCH, CO80129 51-0549976	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
GRANT'S FARM MANOR COMMUNITY INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 26-2505987	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
LAUREL CHASE INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 26-3542112	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
TANGLEWOOD CREEK INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 26-2708615	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
WINDSOR RUN INC 701 MAIDEN CHOICE LANE BALTIMORE, MD21228 26-2255005	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No
GREENSPRING VILLAGE INC 7440 SPRING VILLAGE DRIVE SPRINGFIELD, VA22150 52-2095427	CONTINUING CARE RETIREMENT COMMUNITY	MD	501(C)(3)	9	NATIONAL SENIOR CAMPUSES INC		No