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6 Proposed Attorneys for Chapter 11
7 Debtors and Debtors in Possession

8 UNITED STATES BANKRUPTCY COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 LOS ANGELES DIVISION

11 In re:	)	Case No. LA 07-12312-EC
12 PLEASANT CARE CORPORATION, et al.	)	CHAPTER 11
13 Debtors.	)	Jointly Administered with Case
14	)	Nos.:
15 <input type="checkbox"/> Affects All Debtors	)	Case No. LA 07-12316-EC
16 <input type="checkbox"/> Affects Pleasant Care Corporation only	)	Case No. LA 07-12319-EC
17 <input type="checkbox"/> Affects SNF Properties Incorporated only	)	Case No. LA 07-12322-EC
18 <input type="checkbox"/> Affects PCC Health Services, Inc. only	)	Case No. LA 07-12326-EC
19 <input type="checkbox"/> Affects Atlas Care Enterprises, Inc. only	)	FIRST SUPPLEMENT TO DEBTORS' EMERGENCY MOTION FOR USE OF CASH COLLATERAL AND REQUEST FOR APPROVAL OF SECOND INTERIM CASH COLLATERAL ORDER
20 <input type="checkbox"/> Affects Ember Care Corporation only	)	Date: April 5, 2007
21	)	Time: 3:00 p.m.
22	)	Place: Courtroom 1639
23	)	255 E. Temple St.
24	)	Los Angeles, CA
25)	
26)	
27)	
28)	

1
2 Pleasant Care Corporation, SNF Properties Incorporated, PCC
3 Health Services, Inc., Atlas Care Enterprises, Inc., and Ember
4 Care Corporation, California corporations, jointly administered
5 Chapter 11 debtors and debtors in possession herein
6 (collectively, the "Debtors"), hereby files this First
7 Supplement to the Debtors' Emergency Motion for Use of Cash
8 Collateral.

9 1. On March 22, 2007 (the "Petition Date"), the Debtors
10 filed voluntary petitions under Chapter 11 of the Bankruptcy
11 Code. Since the commencement of these cases, the Debtors have
12 been operating their businesses as debtors in possession
13 pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

14 2. The Debtors are principally engaged in the business of
15 owning and operating 30 skilled nursing facilities and
16 residential care facilities. A skilled nursing facility cares
17 for patients who require a higher level of nursing care, most of
18 whom remain there permanently. A residential care facility
19 cares for patients who require a lesser level of care. Both
20 types of facilities generally involve patients who remain at the
21 facilities on a long term basis.

22 3. The Debtors currently have approximately 3,000
23 residents at the Debtors' various facilities and approximately
24 3,500 employees.

25 4. As the Court is aware, the Debtors' bankruptcy filings
26 were prompted by the decision made by the Debtors' senior
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1 secured creditor, Bridge Healthcare Finance, LLC ("Bridge"), on
2 Wednesday, March 21, 2007, to stop funding the Debtors. Under
3 the Debtors' financing agreement with Bridge, all of the
4 Debtors' collections were paid into a lock box controlled by
5 Bridge and then swept by Bridge on a daily basis, and then
6 Bridge would make daily advances back to the Debtors. Once
7 Bridge made the decision to stop advancing funds back to the
8 Debtors, the Debtors had absolutely no ability to continue
9 operating outside of Chapter 11, even for one day, because the
10 Debtors had no source of funding with which to pay the Debtors'
11 most basic operating expenses, including payroll for the
12 Debtors' approximately 3,500 employees and food and care for the
13 Debtors' approximately 3,000 residents.

15 5. The Debtors have had three of their facilities
16 decertified, which meant the government stopped paying the
17 Debtors for resident care at those facilities. The Debtors made
18 the business decision to leave those three decertified
19 facilities open and operating, including funding their operating
20 expenses, while attempting to have those three facilities
21 recertified. During this process, the Debtors have lost a
22 significant amount of money and incurred a significant amount of
23 debt. During this process, Bridge and the various governmental
24 agencies lost confidence in the Debtors' principal, Emmanuel I.
25 Bernabe.
26

27 6. It was clear from the outset that in order to restore
28 the confidence of Bridge (so it would continue to finance the

1 Debtors' operations) and the various governmental agencies in
2 the Debtors, the Debtors would need to employ new management
3 whose competency and skill were without question.

4 7. It was equally clear that the ability of the Debtors
5 to survive long enough to effectuate a restructuring or asset
6 sale is entirely dependent upon the Debtors, Bridge and the
7 Creditors' Committee working collaboratively to make this
8 happen. All of the parties understand that. The Debtors must
9 have continued financing from Bridge and continued supply and
10 trade support from the Debtors' key suppliers, who effectively
11 make up the members of the Creditors' Committee.

13 8. The Debtors, Bridge and the Creditors' Committee
14 (along with their respective professionals) have literally been
15 working around-the-clock from the commencement of these Chapter
16 11 cases to keep the Debtors operating effectively, protect the
17 residents and maintain the going concern value of the Debtors'
18 facilities. Based upon the prices obtained from the recent sale
19 of four of the Debtors' facilities, the price offers the Debtors
20 are currently receiving for their existing 30 facilities, and
21 the sales that occur in the marketplace, it is clear that as
22 long as the going concern value of the Debtors' facilities is
23 maintained, which will occur only from their continued
24 operation, the unsecured creditors in these cases, who are owed
25 more than \$20 million, will receive a significant dividend, and
26 may even be paid in full.
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1 9. Based upon the Debtors' most recent cash flow
2 projections, which are attached as an exhibit to the Debtors'
3 most recent motion for Court approval of the Debtors' continued
4 use of cash collateral and dip financing from Bridge, it is clear
5 that the Debtors cannot continue operating, including keeping the
6 facilities open, caring and feeding the Debtors' approximately
7 3,000 residents, and paying the Debtors' approximately 3,500
8 employees, without a significant amount of dip financing and
9 trade credit from the Debtors' key suppliers.
10

11 10. Bridge has agreed to provide the Debtors with the
12 necessary continued dip financing, and the Debtors' key suppliers
13 have agreed to provide the Debtors with the necessary trade
14 credit, provided the Debtors employ a new, experienced, talented
15 and professional President and Chief Operating Officer to assume
16 control of the Debtors' business operations and Chief Clinical
17 Officer to assume control of the Debtors' clinical matters. The
18 Debtors are also hopeful that turning control over the Debtors'
19 business operations and clinical matters to new, experienced and
20 talented people, coupled with Bridge's dip financing commitment,
21 will satisfy the various governmental agencies involved with the
22 Debtors, including the Department of Health Services (the "DHS")
23 and the Office of the United States Trustee (the "OUST").
24

25 11. Throughout the day on March 29 and March 30, 2007, the
26 Debtors, the Creditors' Committee and Bridge all worked
27 collaboratively to find people and companies with excellent
28 credentials and reputations to serve as the Debtors' President

1 and COO, and CCO, and to make themselves available to be
2 interviewed on extremely short notice.

3 12. On March 30, 2007, the Debtors, the Creditors'
4 Committee and Bridge conducted in-person interviews of four
5 extremely talented people and companies to serve as the Debtors'
6 President and COO with support. Those four companies consist of
7 The Tuttera Group; XRoads Solutions Group; Alvarez & Marsal; and
8 Bridge Associates LLC (no relationship with Bridge the secured
9 creditor in these cases). All four of those companies had
10 representatives appear in person in Los Angeles on March 30, 2007
11 to be interviewed in person.
12

13 13. After analyzing all of the credentials and
14 qualifications of the four companies, the Debtors, the Creditors'
15 Committee and Bridge all agreed that employing Joseph Tuttera
16 ("JT") as the Debtors' President and Chief Operating Officer
17 (along with having the significant resources of LTC Services
18 behind him) was in the best interests of these estates.
19

20 14. The Tuttera Group, an affiliate of LTC Services, by and
21 through various affiliates and subsidiaries (collectively,
22 "Tuttera"), is a nationally recognized health care management
23 and restructuring company based in Kansas City, Missouri. Tuttera
24 currently owns, operates or manages in excess of 40 skilled
25 nursing, assisted living, or retirement facilities in 10 states
26 and has operated as many as 90+ facilities at any given time over
27 the past several years. Tuttera is one of the largest privately
28

1 owned health care management companies in the United States. JT
2 is the President and Chief Executive Officer of Tutera.

3 15. After analyzing her impressive qualifications and
4 interviewing her, the Debtors, the Creditors' Committee and
5 Bridge all agreed that employing Carol Van Horst ("CVH") as
6 Chief Clinical Officer ("CCO"), to work in conjunction with LTC
7 Services and JT, was in the best interests of these estates.

8 16. The Debtors have filed an emergency motion with the
9 Court seeking the approval of the court to employ JT as the
10 Debtors' President and Chief Operating Officer and to employ CVH
11 as the Debtors Chief Clinical Officer. The necessity of the
12 emergency is that the Debtors' employment of new management
13 acceptable to Bridge is a condition of Bridge's agreement to
14 consent to the Debtors' continued use of cash collateral and to
15 providing the Debtors with continued financing.

16 17. At a hearing held on March 27, 2007, the Court approved
17 a stipulated interim order entered into between the Debtors,
18 Bridge and Omnicare, the junior secured creditor, which
19 authorized the Debtors to use cash collateral through this
20 Friday, April 6, 2007. The same parties have now negotiated and
21 agreed upon a second interim cash collateral order, which will
22 enable the Debtors to use cash collateral through April 27, 2007.
23 A copy of that order is attached hereto as Exhibit "1". A copy
24 of the budget that is referenced to be Exhibit "A" in the second
25 interim cash collateral order is attached hereto as Exhibit "2".
26 Given the 5:00 p.m. deadline of April 2, 2007 imposed by the
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28

1 Court, the Debtors did not have time to obtain the signatures of
2 the other parties to the second interim cash collateral order.
3 However, counsel for the Debtors has received email confirmation
4 from both Bridge and Omnicare that they consent to the terms of
5 the second interim cash collateral order. The parties attempted
6 to incorporate into the second interim cash collateral order the
7 changes interlineated by the Court to the first interim cash
8 collateral order.
9

10 18. Now that the Creditors' Committee has been formed, and
11 some semblance of order has been brought to these cases, the
12 parties hope and intend on being able to reach an agreement on
13 the form of a final cash collateral order which would be
14 presented to the Court, presumably at a further hearing held in
15 late April, 2007 (but not later than April 27, 2007, since that
16 is when the continued use of cash collateral will expire).

17 19. The Debtors would have no ability to operate their
18 businesses, care for their residents, pay their employees, and
19 pay their other operating expenses without the ability to
20 continue using cash collateral.
21

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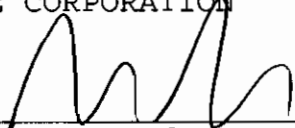
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WHEREFORE, the Debtors respectfully request the Court to approve and enter the second interim cash collateral order attached hereto as Exhibit "1" at the hearing to be held on April 5, 2007, at 3:00 p.m.

Dated: April 2, 2007

PLEASANT CARE CORPORATION; SNF PROPERTIES INCORPORATED; PCC HEALTH SERVICES, INC.; ATLAS CARE ENTERPRISES, INC.; AND EMBER CARE CORPORATION

By:  _____

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Monica Y. Kim
Jacqueline L. Rodriguez
Levene, Neale, Bender,
Rankin & Brill L.L.P.
Proposed Attorneys for
Debtors and Debtors
in Possession

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8 UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
9 LOS ANGELES DIVISION
10

11 In re:
PLEASANT CARE CORPORATION, a
California corporation, *et al.*,

12 Debtors.
13

Case No. LA 07-12312-EC

Jointly Administered

Chapter 11

14 **SECOND INTERIM ORDER PURSUANT**
15 **TO 11 U.S.C. §§ 361, 362 AND 364**
16 **(i) AUTHORIZING USE OF CASH**
17 **COLLATERAL, (ii) GRANTING**
18 **ADEQUATE PROTECTION, AND**
19 **SCHEDULING FINAL HEARING**

Date: April ____, 2007

Time: _____

Place: Courtroom 1639
255 E. Temple St.
Los Angeles, CA
20
21

22 This matter came before the Court on the Debtors' Emergency Motion (the "Motion")
23 dated April ____, 2007 seeking the entry of a Second Interim Order (the "Second Interim Order");
24 (a) authorizing, pursuant to 11 U.S.C. §§ 363 on an emergency basis, use of "Cash Collateral" (as
25 that term is defined in Section 363(a) pursuant to the Supplemental Budget (as defined herein);
26 (b) providing, pursuant to Sections 361 and 363(c) of the Bankruptcy Code, adequate protection
27 to Bridge Healthcare Finance, LLC and Bridge Opportunity Finance, LLC (collectively "Bridge")
28

1 or the “Lender”) and Omnicare, Inc. (“Omnicare”), with respect to any diminution in the value of
2 the Lender’s interest in its prepetition collateral and for the use of all Cash Collateral; and
3 requesting that a final hearing (the “Final Hearing”) be scheduled, to consider entry of a final
4 order authorizing the use of the Cash Collateral; the Preliminary Hearing having been held before
5 the Court on April ___, 2007; due and sufficient notice of the Motion under the circumstances
6 having been given; and the Court having found good and sufficient cause appearing therefore,
7

8 **IT IS ORDERED THAT:**

9 1. The Motion is granted on an interim basis, pursuant to the terms and conditions set
10 forth in this Second Interim Order.

11 2. Subject to the terms and conditions of this Second Interim Order,¹ the Debtors may
12 use Cash Collateral for the period from April 7, 2007 through and including April [27], 2007,
13 pursuant to the supplemental budget attached hereto and incorporated herein as Exhibit A (the
14 “Supplemental Budget”). In no event shall the Debtors use any Cash Collateral to pay any items
15 except as set forth in the Supplemental Budget or as may be consented to in writing by the Lender
16 and by Omnicare or as otherwise ordered by the Bankruptcy Court. The Debtors further agree not
17 to incur any administrative expenses other than as set forth in the Supplemental Budget (and other
18 than fees and expenses incurred by professionals employed in these cases and fees and costs
19 owing to the OUST or the Clerk of the Court) without the prior written consent of the Lender and
20 Omnicare or approval by the Bankruptcy Court after notice to the Lender and Omnicare and a
21 hearing. Not later than the second (2nd) business day of each week, the Debtors shall provide to
22 the Lender and Omnicare a variance report reflecting, on a line-item basis, the actual cash receipts
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24

25 ¹ Contemporaneously with the filing of this Motion, the Debtors have filed a motion seeking
26 authority to obtain additional secured post-petition financing under the terms of that certain
27 Second Interim Order Pursuant to 11 U.S.C. §§ 361, 362 and 364 (i) Authorizing Debtors to Incur
28 Post-Petition Secured Indebtedness and Granting Security Interests and Priority and (ii)
Scheduling a Final Hearing (the “Second Interim Financing Order”).

1 and disbursements for such week, the dollar variance and the percentage variance (the "Variance
2 Percent") of such actual receipts and disbursements from those reflected in the Supplemental
3 Budget for that week. Any disbursement by the Debtors other than for such expenses set forth in
4 the Supplemental Budget within the Variance Percent, shall constitute an Event of Default under
5 this Second Interim Order unless the Lender and Omnicare consent to such disbursements in
6 writing; provided, however, that the Debtors may make payments in excess of the total budgeted
7 disbursements so long as (i) the Variance Percent of the aggregate of all actual disbursements for
8 each week shall not exceed ten (10%) percent of the budgeted disbursements for that week and
9 shall at no time exceed the actual cash receipts of the Debtors; and (ii) the Variance Percent of the
10 aggregate of all actual disbursements prior to the expiration date shall not exceed five (5%)
11 percent of the aggregate of all budgeted disbursements prior to the Expiration Date (subsections
12 (i) and (ii) above are collectively, the "Allowed Variance").

15 3. The Debtors shall continue their cash management system, which shall include a
16 lockbox/blocked account agreement in the form and substance reasonably acceptable to the
17 Lender (the "Lock Box Account"), pursuant to which the Debtors shall direct all collections
18 whether from sales, business activities or otherwise as proceeds from the sale, use or lease of
19 Collateral (as defined below) to the Lock Box Account and the Lender will have full domain and
20 control over the Cash Collateral and the cash proceeds of the Collateral (as defined below). All
21 cash, checks, notes, drafts, instruments, acceptances and other property and interests in property
22 of the Debtors (the "Cash Proceeds") currently in the possession of the Debtors or in any accounts
23 in financial institutions, including any lock box or depository accounts, shall be deemed proceeds
24 of the Prepetition Collateral.

26 4. The Debtors' right to use Cash Collateral shall commence on the date of the entry
27 of this Second Interim Order and expire on the earlier of (a) the close of business on April [27],
28

1 2007, (b) the occurrence of any Event of Default of this Second Interim Order, or (c) the date
2 scheduled for any subsequent hearing pursuant to paragraph 12 of this Second Interim Order (the
3 "Expiration Date"). In no event shall the Debtors be authorized to use Cash Collateral except
4 strictly in compliance with the terms and conditions of this Second Interim Order and the
5 Supplemental Budget. Except for repayment of the Secured Financing and Supplemental Secured
6 Financing provided by Lender pursuant to the Second Interim Financing Order and the prior
7 Interim Financing Order that was entered and approved by the Court, no Cash Collateral shall be
8 applied against the Lender's prepetition indebtedness without further court order.
9

10 5. So long as no Events of Default exist under this Second Interim Order, the Lender
11 and Omnicare shall consent to the use by the Debtors of such amounts of Cash Collateral as are
12 deposited in the Lock Box Account and authorized for use by the Debtors pursuant to the terms
13 and conditions of this Second Interim Order and the limitations of the Supplemental Budget.
14

15 6. The Lender and Omnicare are hereby granted, as adequate protection for any
16 diminution in the value of the collateral securing their pre-petition indebtedness (the "Prepetition
17 Collateral"), and the proceeds thereof, and Cash Collateral, and the proceeds thereof, a
18 replacement lien (the "Replacement Liens") in and upon the Prepetition Collateral, and the
19 proceeds thereof, and Cash Collateral, and all postpetition assets of the Debtor except avoidance
20 actions, and the proceeds thereof, and all other real and personal property of the Debtors of any
21 description whatsoever, wherever located and whenever arising or acquired, including, without
22 limitation, all accounts, inventory, instruments, investment property, documents, equipment,
23 fixtures, general intangibles, and any and all proceeds and products, whether tangible or
24 intangible, or any of the foregoing, including proceeds of insurance covering any of the foregoing
25 (collectively, all of the collateral described in this paragraph, the "Postpetition Collateral", with
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1 such Replacement Liens to have the same validity, priority and perfection as Lender's and
2 Omnicare's prepetition liens against the Prepetition Collateral.

3 7. The Replacement Liens herein granted: (i) are and shall be in addition to all
4 security interests, liens and rights of set-off of the Lender and Omnicare existing on the Petition
5 Date in the same order of priority as such security interests existed on the Petition Date; and
6 (ii) are and shall be valid, perfected, enforceable and effective as of the date of the entry of this
7 Second Interim Order without any further action by the Debtors or the Lender or Omnicare and
8 without the necessity of the execution, filing or recordation of any financing statements, security
9 agreements, vehicle lien applications, filings with the United States Patent and Trademark Office,
10 mortgages or other documents.
11

12 8. In addition to the Replacement Liens granted to the Lender and Omnicare pursuant
13 to this Second Interim Order, the Lender and Omnicare are hereby granted a superpriority
14 administrative claim under Section 507(b) of the Bankruptcy Code (the "507(b) Claim") in the
15 full amount allowable under Section 507(b) and the Bankruptcy Code. Such 507(b) Claim shall
16 be allowed and have priority in payment over all other costs and expenses, now existing or
17 hereafter arising, of the kind specified in or ordered pursuant to Sections 105, 326, 330, 331,
18 503(b), 506(c), 507(a), and 1114 of the Bankruptcy Code; provided that the 507(b) Claim shall
19 not have priority over any allowed administrative claims in any chapter 7 to which any or all of
20 these cases may be converted. The priorities of their respective 507(b) Claims shall be the same
21 as their respective pre-petition liens.
22

23 9. Any default of the terms and conditions of this Second Interim Order shall
24 constitute an "Event of Default" hereunder. Notwithstanding anything to the contrary in this
25 Second Interim Order, the Debtors' authority to use Cash Collateral pursuant to this Second
26 Interim Order shall terminate immediately and automatically (the "Termination Date"), (a) upon
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1 twenty-four (24) hours after the delivery of written notice to the Debtors by the Lender or
2 Omnicare of any Event of Default of any terms and provisions of this Second Interim Order, and
3 (b) without notice of any kind upon (i) the Expiration Date, (ii) the conversion of the Chapter 11
4 Cases to Chapter 7 cases or appointment of a trustee without the consent of the Lender and
5 Omnicare, (iii) the Debtors' use of Cash Collateral in excess of amounts permitted under this
6 Second Interim Order, or (iv) the Debtors' termination of the COO or CCO, or otherwise taking
7 any action inconsistent with or that seeks to diminish, reduce or alter the terms of their
8 employment agreements approved by this Court. In the event of any such termination of the
9 Debtors' use of Cash Collateral pursuant to this Second Interim Order, the Debtors reserve all
10 rights to seek Court authority to use Cash Collateral after notice and a hearing, and the Lender,
11 Omnicare, and all other parties in interest reserve all rights to oppose any such request by the
12 Debtors to use Cash Collateral.
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15 10. Any default of the terms and conditions of this Second Interim Order or under the
16 Second Interim Financing Order shall constitute the only "Events of Default" hereunder.

17 11. As a precondition to the Lender's and Omnicare's consent to the Debtors' use of
18 Cash Collateral, the Debtors shall obtain an Order of the Court, in form and substance satisfactory
19 to Lender and Omnicare, authorizing them to hire a Chief Operating Officer (the "COO")
20 acceptable to the Debtors, the Committee, the Lender, and Omnicare who cannot be terminated
21 by the Debtors' current management or board of directors. The COO shall assume full
22 operational control over the Debtors' businesses and shall be irrevocably granted the full
23 unfettered authority necessary to ensure that the Debtors carry out their fiduciary duties to their
24 estates, creditors, and elderly residents. In addition, as a precondition to the Lender's and
25 Omnicare's consent to the Debtors' use of Cash Collateral, the Debtors shall obtain an Order of
26 the Court, in form and substance satisfactory to Lender and Omnicare, authorizing them to hire a
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1 Chief Clinical Officer (the “CCO”) acceptable to the Debtors, the Committee , the Lender and
2 Omnicare who cannot be terminated by the Debtors’ current management or board of directors.
3 The CCO shall assist the COO to ensure that the elderly residents of the Debtors’ facilities are
4 receiving the quality of care and treatment necessary to protect their health, safety and well being
5 and shall further assist the COO in carrying out the Debtors’ fiduciary duties to their estates,
6 creditors, and elderly residents. The Debtors, with consultation from the Committee , the Lenders
7 and Omnicare, have filed motions with this Court seeking the immediate authority to hire Joe
8 Tutera as the COO and Carol Van Horst as the CCO.
9

10 12. A final hearing on the Motion shall be heard before this Court on April ____, 2007
11 at ____ p.m. at the United States Bankruptcy Court located at 255 E. Temple St., Los Angeles,
12 California. Any party-in-interest objecting to the relief sought in the final order shall be made in
13 writing and filed with the Court (with a courtesy copy to chambers) and served (so as to be
14 received) no later than April ____, 2007 at ____ p.m. pacific daylight time, on: (i) Levene,
15 Neale, Bender, Rankin & Brill L.L.P. (ATTN: Ron Bender and Monica Y. Kim), bankruptcy
16 counsel to the Debtors; (ii) Vedder, Price, Kaufman & Kammholz, P.C., 222 North LaSalle
17 Street, Suite 2600, Chicago, Illinois 60601 (ATTN: Eric S. Prezant) and Frandzel Robins
18 Bloom & Csato, L.C., 6500 Wilshire Boulevard, Seventeenth Floor, Los Angeles, California
19 90048-4920 (ATTN: Michael Gerard Fletcher and Marshall J. August), counsel to the Lender;
20 (iii) the OUST; and (iv) Theodore B. Stolman, Stutman Triester & Glatt, 1901 Avenue of the
21 Stars, 12th Floor, Los Angeles California, counsel for Omnicare.
22
23

24 **IT IS SO ORDERED THIS ____ DAY OF APRIL, 2007.**

25
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27 ELLEN CARROLL
28 UNITED STATES BANKRUPTCY JUDGE

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1 Approved as to form and content by:

2 LEVENE, NEALE, BENDER, RANKIN &
3 BRILL L.L.P.

STUTMAN, TREISTER & GLATT P.C.

4 By: Ron Bender / Jacqueline Rodriguez
5 Attorneys for the Debtors

By: Theodore B. Stolman
Counsel for Omnicare, Inc.

6 and

7 FRANDZEL ROBINS BLOOM & CSATO,
8 L.C.

9 By: Michael Gerard Fletcher

10 VEDDER PRICE KAUFMAN &
11 KAMMHOLZ, P.C.

12 By: Eric S. Prezant
13 Attorneys for the Lender

14 **CONSENT**

15 The Parties hereto consent and agree to the foregoing:

16 PLEASANT CARE CORPORATION,
17 PCC HEALTH CARE SERVICES, INC.,
18 EMBER CARE CORPORATION,
19 SNF PROPERTIES, INC.,
20 ARBOR CARE ENTERPRISES,
INCORPORATED
As Debtors

BRIDGE HEALTHCARE FINANCE, LLC,
and BRIDGE OPPORTUNITY FINANCE,
LLC as Lender

21 By: _____
22 Emmanuel I. Bernabe
23 President

By: _____
Shawn Andrews
Managing Director

24 _____
Emmanuel I. Bernabe, Guarantor

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Pleasant Care Corporation - 5 Week Cash Flow Forecast

Week	1	2	3	4	5
Starting Balances	03/30/07	04/06/07	04/13/07	04/20/07	04/27/07
Actual					

Remarks

CASH FLOW

NET Revenue	747	747	747	747	747
A Net Revenue					
Medicare Medical	747	747	747	747	747
HMO / Hospice / others	1,967	1,967	1,967	1,967	1,967
Total A/R Net Revenue	3,014	3,014	3,014	3,014	3,014
Private	257	257	257	257	257
Total Invoiced Net Revenue	3,271	3,271	3,271	3,271	3,271
B RECEIPTS					
A/R Cash-Medicare	1,061	1,772	2,299	1,248	2,402
A/R Cash-Medicare	1,913	91	205	1,035	1,243
A/R Cash-HMO - Hospice - Other	154	114	180	172	162
Private and SOC	15	627	946	833	179
Additional Bridge Funding	1,700	-	3,271	-	1,526
RECEIPTS	4,843	2,604	6,901	3,288	5,512
DISBURSEMENTS					
C Payroll & Related Expenses					
Bt - Weekly Payroll (includes taxes)	4,000	7	4,174	7	4,000
Pension & retirement	-	7	7	-	7
Benefits- Health Insurance	30	250	-	-	-
Benefits-Workers Compensation	400	-	-	-	-
Benefits-Dental	-	25	-	-	-
Benefits-Medical	-	9	-	-	-
Total Payroll and Benefits	4,430	291	4,287	108	4,287
Contract Services					
Purchased Services	-	20	20	20	185
Registry Nursing	-	70	70	70	70
Repairs and Maintenance	-	20	10	10	10
Dietary Consultant	-	9	9	9	9
Other contact services	-	70	30	30	30
Total Contract Services	-	189	139	69	304
Supplies					
Food	40	50	50	50	108
Medical Supplies	-	20	20	20	20
Non Medical Supplies	-	24	24	24	24
Office Supplies	-	14	14	14	14
Oxygen & Other Gases	-	5	5	5	5
Pharmaceuticals	-	10	10	10	10
Linen, beddings	-	8	8	8	8
Minor Equipment	-	6	6	6	6
All Other supplies	-	12	12	12	12
Twin Med Credit	-	(86)	(86)	(86)	(86)
Total Supplies	40	63	63	63	231
Utilities	-	25	25	25	25
Electricity	-	-	-	-	-

W/C Deposit and other fees for new carrier

Healthcare Services Group with credit terms (\$70,000 per month)
Registry expenses paid at the same time as payroll.

Dairy King excluded from first three weeks. 9 days of March paid at end of April (\$ 200,000 per month)

Twin Med giving 30 day terms paid at end of month pro-rated

Pleasant Care Corporation - 5 Week Cash Flow Forecast						
Week ending	Week					Remarks
	1	2	3	4	5	
Starting Balances	03/30/07 Actual	04/06/07	04/13/07	04/20/07	04/27/07	
Water		10	10	10	10	
Gas		26	26	26	26	
Trash & Garbage		13	13	13	13	
Sewer		5	5	5	5	
Telephone & Telegraph		16	16	16	16	
Total Utilities		95	95	95	95	
D Rent						
Lease-Building			1,760			
Lease-Equipment		48				
Lease-Auto		0	0	0	0	
Equipment Rental						
Total Rents		0	48	1,760	0	0
Property Expenses						
Real Property Taxes			340			
Fire Insurance		45				45
Auto Insurance						
Liability Insurance		300				
Other Insurance						
Total Property Expenses		345	340			45
Ancillary Services						
Physical Therapy		94				
Occupational Therapy		67				
Pharmacy / I.V. Therapy		147	65	65	65	65
Equipment Rental			27			
Speech Therapy				10		
All Other Ancillary Services				25		
Total Ancillary Services		308	127	65	65	65
Others						
Taxes & Licenses (Including Bed tax)						300
Miscellaneous		28	28	28	28	28
Total Other Expenses		28	28	28	28	328
Total Operating Expenses		4,470	1,367	6,839	428	5,355
Cash Flows From Operations		373	1,237	62	2,860	157
E Bankruptcy/Implementation/Other						
Adequate Assurance Payments						
- Utilities						
- Vendors						
Patient Refunds			50	50	50	50
Self Insurance Claims (90 Day Pipe-line)						
-Self Insurance (Delta / Cigna)						
Professionals						
-(Debtors Financial Advisors)						20
- Retainer						
(Debtor's Council)						
- Retainer						
(Debtor Labor attorneys)						
- Retainer						
-Special Council (Regulatory issues)						
Creditors Committee counsel/Advisors						
Bankruptcy Trustee fees						

Property taxes due on 4/10 for 14 facilities; prop taxes for other facilities are impounded and included in rent payments above.
Insurance premium payments

Ancillary charges are to be paid on the 10th of the following month for services for the prior month except for Pharmacy and I.V. therapy which is weekly. First payment on 4/10 are prorated charges for 3/23 to 3/31.

Facility licenses due at end of April and Bed tax prorated for March

Pleasant Care Corporation - 5 Week Cash Flow Forecast

Week ending	Week					Remarks
	1	2	3	4	5	
03/30/07	04/06/07	04/13/07	04/20/07	04/27/07		
Starting Balances	Actual					
(Chief Operating Officer & Clinical Officer)						
Totals						
	-	230	50	50	70	
F Non-Operating Disbursements						
Bridge interest on line of credit	-					
Bridge interest on term note	-					
Principal Payments on term note						
Bridge Operating fees		79			20	
Capital Expenditures (Specific)		12	12	12	12	
Capital Expenditures (General)						
OIG Fine		16			55	
Independent Monitor Expenses		1,473		2,798		
Re-Payment to Bridge for DIP Revolver		1,580	12	2,810	87	
Totals	-	1,580	12	2,810	87	
DISBURSEMENTS						
	4,470	3,177	6,901	3,288	5,512	
NET CASH POSITION						
	373	(573)	0	(0)	0	
CASH ACCOUNT BALANCE						
	200	573	(0)	(0)	(0)	

II Accounts Receivable						
Beginning Balance	23,955	24,083	24,750	24,391	24,374	
Sales	3,271	3,271	3,271	3,271	3,271	
Adjustments	(3,143)	(2,604)	(3,630)	(3,288)	(3,986)	
Ending Balance	23,955	24,083	24,391	24,374	23,659	
I. Bridge Funding						
Beginning Balance	-	1,700	227	3,498	700	
Funding	1,700	-	3,271	-	1,526	
Funding Payment	-	(1,473)	-	(2,798)	-	
Ending Balance	-	1,700	227	3,498	700	2,226
Interest Accrual		4	1	9	2	

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PROOF OF SERVICE
STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am an employee in the County of Los Angeles, State of California. I am over the age of 18 and am not a party to the within action; my business address is: 10250 Constellation Boulevard, Suite 1700, Los Angeles, California 90067.

On April 2, 2007 I served the foregoing document(s) described as:

FIRST SUPPLEMENT TO DEBTORS' EMERGENCY MOTION FOR USE OF CASH COLLATERAL AND REQUEST FOR APPROVAL OF SECOND INTERIM CASH COLLATEAL ORDER

on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Los Angeles, California, addressed as follows:

SEE ATTACHED SERVICE LIST

(By Mail) I caused such envelope with postage thereon, fully prepaid to be placed in the United States mail. Executed on April __, 2007, at Los Angeles, California.

(By Facsimile) I caused said document to be sent via facsimile transmission to the party(ies) so designated on attached list. Executed on April __, 2007, at Los Angeles, California.

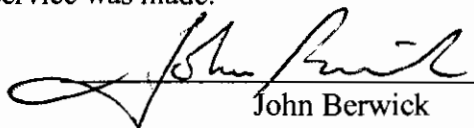
(By E-mail) I caused such document to be delivered via email to the addressees on the attached list. Executed on April 2, 2007, at Los Angeles, California.

(By Personal Service) I caused such envelope to be delivered by hand to the offices of the addressees so delineated on the attached list. Executed on April __, 2007, at Los Angeles, California.

(By Federal Express **and** Express Mail) I caused said document to be sent via Federal Express **or** for next business morning delivery to the attached list. Executed on April 2, 2007, at Los Angeles, California.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am an employee in the offices of a member of the State Bar of this Court at whose direction the service was made.



John Berwick

EMAIL SERVICE LIST

Re: In re Pleasant Care Corporation, In re Ember Care Corporation, In re PCC Health Services, Inc., In re SNF Properties Incorporated, In re Atlas Care Enterprises, Inc.

Date: April 2, 2007

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In re Ember Care Corporation
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In re SNF Properties Incorporated
In re Atlas Care Enterprises, Inc.
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In re Pleasant Care Corporation
In re Ember Care Corporation
In re PCC Health Services, Inc.
In re SNF Properties Incorporated
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Consolidated – Request for Special Notice

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In re Ember Care Corporation
In re PCC Health Services, Inc.
In re SNF Properties Incorporated
In re Atlas Care Enterprises, Inc.
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