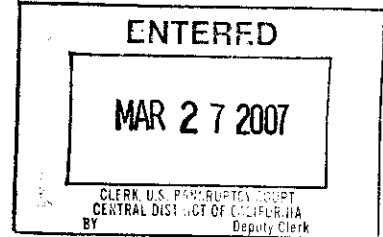
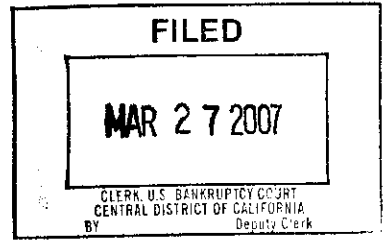


1 RON BENDER (SBN 143364)  
2 MONICA Y. KIM (SBN 180139)  
3 JACQUELINE L. RODRIGUEZ (SBN 198838)  
4 LEVENE, NEALE, BENDER, RANKIN & BRILL L.L.P.  
5 10250 Constellation Blvd., Suite 1700  
6 Los Angeles, California 90067  
7 Telephone: (310) 229-1234  
8 Facsimile: (310) 229-1244

9 Proposed Attorneys for Chapter 11  
10 Debtors and Debtors in Possession

11 UNITED STATES BANKRUPTCY COURT  
12 CENTRAL DISTRICT OF CALIFORNIA  
13 LOS ANGELES DIVISION



11	In re:	)	Main Case No. LA 07-12312-EC
12	PLEASANT CARE CORPORATION, a	)	
13	California corporation,	)	Case No. LA 07-12322-EC
14	_____	)	Case No. LA 07-12319-EC
15	In re:	)	Case No. LA 07-12326-EC
16	SNF PROPERTIES INCORPORATED, a	)	Case No. LA 07-12316-EC
17	California corporation,	)	
18	_____	)	Chapter 11
19	In re:	)	
20	PCC HEALTH SERVICES, INC., a	)	INTERIM ORDER PURSUANT TO 11 U.S.C.
21	California corporation,	)	§§ 361, 363 AND 364 (i) AUTHORIZING
22	_____	)	USE OF CASH COLLATERAL, (ii)
23	In re:	)	GRANTING ADEQUATE PROTECTION,
24	ATLAS CARE ENTERPRISES, INC., a	)	AND (iii) SCHEDULING FINAL HEARING
25	California corporation,	)	
26	_____	)	Date: March 27, 2007
27	In re:	)	Time: 1:30 p.m.
	EMBER CARE CORPORATION, a	)	Place: Courtroom 1639
	California corporation,	)	255 E. Temple St.
	_____	)	Los Angeles, CA
	Debtors.	)	

1  
2 This matter came before the Court on the Debtors' Emergency Motion (the "Motion") dated  
3 March 23, 2007 seeking the entry of an Interim Order (the "Interim Order"); (a) authorizing,  
4 pursuant to 11 U.S.C. §§ 363 on an emergency basis, use of "Cash Collateral" (as that term is  
5 defined in Section 363(a) pursuant to the Budget (as defined herein); (b) providing, pursuant to  
6 Sections 361 and 363(e) of the Bankruptcy Code, adequate protection to Bridge Healthcare Finance,  
7 LLC and Bridge Opportunity Finance, LLC (collectively "Bridge" or the "Lender")<sup>and Omnicare, Inc.</sup> with respect to  
8 any diminution in the value of the Lender's interest in its prepetition collateral and for the use of all  
9 Cash Collateral; and requesting that a final hearing (the "Final Hearing") be scheduled, to consider  
10 entry of a final order authorizing the use of the Cash Collateral; the Preliminary Hearing having been  
11 held before the Court on March 26, 2007 and March 27, 2007; due and sufficient notice of the  
12 Motion under the circumstances having been given; and the Court having found good and sufficient  
13 cause appearing therefore,

14 **IT IS ORDERED THAT:**

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

17 ~~2. The Debtors shall immediately take actions to address their health care compliance~~  
18 ~~issues and shall interview replacement management to take over full operational control of the~~  
19 ~~Debtors, with the consultation of Bridge, the Ad Hoc Committee of Unsecured Creditors (or an~~  
20 ~~Official Committee of Unsecured Creditors which gets formed in these cases), the Office of the~~  
21 ~~United States Trustee (the "OUST"), and the State of California, Department of Health Services.~~

22 3. Subject to the terms and conditions of this Interim Order, the Debtors may use Cash  
23 Collateral for the period from March 26, 2007 through and including April 6, 2007, pursuant to the  
24 budget attached hereto and incorporated herein as Exhibit A (the "Budget"). In no event shall the  
25 Debtors use any Cash Collateral to pay any items except as set forth in the Budget or as may be  
26 consented to in writing by the Lender and by Omnicare, Inc. or as otherwise ordered by the  
~ Bankruptcy Court. The Debtors further agree not to incur any administrative expenses other than as  
set forth in the Budget (and other than fees and expenses incurred by professionals employed in

1 these cases and fees and costs owing to the OUST or the Clerk of the Court) without the prior  
2 written consent of the Lender and Omnicare, Inc. or approval by the Bankruptcy Court after notice to  
3 the Lender and a hearing. Not later than the second (2nd) business day of each week, the Debtors  
4 shall provide to the Lender and Omnicare, Inc. a variance report reflecting, on a line-item basis, the  
5 actual cash receipts and disbursements for such week, the dollar variance and the percentage  
6 variance (the "Variance Percent") of such actual receipts and disbursements from those reflected in  
7 the Budget for that week. Any disbursement by the Debtors other than for such expenses set forth in  
8 the Budget within the Variance Percent, shall constitute an Event of Default under this Interim Order  
9 unless the Lender <sup>and Omnicare, Inc.</sup> consent to such disbursements in writing; provided, however, that the Debtors may  
10 make payments in excess of the total budgeted disbursements so long as (i) the Variance Percent of  
11 the aggregate of all actual disbursements for each week shall not exceed ten (10%) percent of the  
12 budgeted disbursements for that week and shall at no time exceed the actual cash receipts of the  
13 Debtors; and (ii) the Variance Percent of the aggregate of all actual disbursements prior to the  
14 expiration date shall not exceed five (5%) percent of the aggregate of all budgeted disbursements  
15 prior to the Expiration Date (subsections (i) and (ii) above are collectively, the "Allowed Variance").

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

26 5. The Debtors' right to use Cash Collateral shall commence on the date of the entry of  
27 this Interim Order and expire on the earlier of (a) the close of business on April 5, 2007, (b) the  
occurrence of any Event of Default of this Interim Order, or (c) the date scheduled for any

1 subsequent hearing pursuant to paragraph 14 of this Interim Order (the "Expiration Date"). In no  
2 event shall the Debtors be authorized to use Cash Collateral except strictly in compliance with the  
3 terms and conditions of this Interim Order and the Budget.

4 6. So long as no Events of Default exist under this Interim Order, the Lender shall  
5 consent to the use by the Debtors of such amounts of Cash Collateral as are deposited in the Lock  
6 Box Account and authorized for use by the Debtors pursuant to the terms and conditions of this  
7 Interim Order and the limitations of the Budget.

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

20 ~~8. All other creditors who have an interest in the Cash Collateral, including Omnicare,~~  
21 ~~Inc., are hereby granted, as adequate protection for any diminution in the value of their prepetition~~  
22 ~~collateral, and the proceeds thereof, and Cash Collateral, and the proceeds thereof, a replacement~~  
23 ~~lien in and upon their prepetition collateral, and the proceeds thereof, and Cash Collateral, and all~~  
24 ~~postpetition assets of the Debtor except avoidance actions, and the proceeds thereof, and all other~~  
25 ~~real and personal property of the Debtors of any description whatsoever, wherever located and~~  
26 ~~whenever arising or acquired, including, without limitation, all accounts, inventory, instruments,~~  
27 ~~investment property, documents, equipment, fixtures, general intangibles, and any and all proceeds~~  
~~and products, whether tangible or intangible, or any of the foregoing, including proceeds of~~

1 ~~insurance covering any of the foregoing, with such replacement liens to have the same validity,~~  
2 ~~priority and perfection as their prepetition liens against the prepetition collateral~~

Handwritten initials: JJC, EE

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

10 10. In addition to the Replacement Liens granted to the Lender <sup>and Omnicare, Inc.</sup> pursuant to this Interim  
11 Order, the Lender ~~is~~ hereby granted a superpriority administrative claim under Section 507(b) of the  
12 Bankruptcy Code ( the "507(b) Claim") in the full amount allowable under Section 507(b) and the  
13 Bankruptcy Code. Such 507(b) Claim shall be allowed and have priority in payment over all other  
14 costs and expenses, now existing or hereafter arising, of the kind specified in or ordered pursuant to  
15 Sections 105, 326, 330, 331, 503(b), 506(c), 507(a), and 1114 of the Bankruptcy Code; provided that  
16 the 507(b) Claim shall not ~~apply to~~ <sup>have priority over</sup> any allowed administrative claims <sup>in</sup> of any chapter 7 trustee  
17 subsequently appointed in these cases. <sup>The priorities of their respective 507(b) claims shall be the same as their respective pre-petition liens.</sup>

18 ~~11. Unless and until the Prepetition Loan Obligations have been repaid in full, the~~  
19 ~~protections afforded to the Lender under this Interim Order shall survive the entry of any order~~  
20 ~~confirming a plan of reorganization and the Lender's prepetition liens and Replacement Liens in and~~  
21 ~~to the Collateral and the 507(b) Claim shall continue in these proceedings, and the Lender's~~  
22 ~~prepetition liens and Replacement Liens and 507(b) Claim shall maintain their priority as provided~~  
23 ~~by this Interim Order until the Prepetition Loan Obligations have been repaid in full.~~

24 12. The Lender may, at its sole discretion, retain third party consultants selected by the  
25 Lender to review matters pertaining to the business and properties of the Debtors, each at the  
26 Debtors' expense (collectively, the "Lender's Consultants"). The Debtors will permit the Lender's  
27 Consultants to examine the respective corporate, financial and operating records, and, at the Debtors'  
~~expense, make copies thereof, inspect the assets, properties, operations and affairs of the Debtors,~~

Handwritten note: to which any or all of these cases may be converted.

1 ~~visit any or all of the offices of the Debtors to discuss such matters with their officers, independent~~  
2 ~~auditors, accountants or consultants (and the Debtors hereby authorize such independent auditors,~~  
3 ~~accountants and consultant to discuss such matters with the Lender's Consultants), and the Debtors~~  
4 ~~will cooperate with the Lender's Consultants in all respects.~~

5 13. Any default of the terms and conditions of this Interim Order shall constitute an  
6 "Event of Default" hereinunder. Notwithstanding anything to the contrary in this Interim Order, the  
7 Debtors' authority to use Cash Collateral pursuant to this Interim Order shall terminate immediately  
8 and automatically (the "Termination Date"), (a) upon twenty-four (24) hours after the delivery of  
9 written notice to the Debtors by the Lender <sup>or Omnicare, Inc.</sup> of any Event of Default of any terms and provisions of  
10 this Interim Order, and (b) without notice of any kind upon (i) the Expiration Date, (ii) the  
11 conversion of the Chapter 11 Cases to Chapter 7 cases or appointment of a trustee without the  
12 consent of the Lender <sup>and Omnicare, Inc.</sup> (iii) ~~the initiation by any person of any lawsuit or adversary proceeding~~  
13 ~~seeking to challenge the validity or priority of (or to subordinate) any of the Lender's liens and~~  
14 ~~security interests on any of the Collateral between now and the Expiration Date,~~ and (iv) the Debtors'  
15 use of Cash Collateral in excess of amounts permitted under this Interim Order. In the event of any  
16 such termination of the Debtors' use of Cash Collateral pursuant to this Interim Order, the Debtors  
17 reserve all rights to seek Court authority to use Cash Collateral after notice and a hearing, and the  
18 Lender <sup>Omnicare, Inc.</sup> and all other parties in interest reserve all rights to oppose any such request by the Debtors to  
19 use Cash Collateral.

20 14. A final hearing on the Motion shall be heard before this Court on April 5, 2007 at  
21 3:00 p.m. at the United States Bankruptcy Court located at 255 E. Temple St., Los Angeles,  
22 California. Any party-in-interest objecting to the relief sought in the final order shall be made in  
23 writing and filed with the Court (with a courtesy copy to chambers) and served (so as to be received)  
24 no later than April 4, 2007 at <sup>12</sup>4:00 p.m. pacific daylight time, on: (i) Levene, Neale, Bender,  
25 Rankin & Brill L.L.P. (ATTN: Ron Bender and Monica Y. Kim), bankruptcy counsel to the Debtors;  
26 (ii) Vedder, Price, Kaufman & Kammholz, P.C., 222 North LaSalle Street, Suite 2600, Chicago,  
27 Illinois 60601 (ATTN: Eric S. Prezant) and Frandzel Robins Bloom & Csato, L.C., 6500 Wilshire

1 Boulevard, Seventeenth Floor, Los Angeles, California 90048-4920 (ATTN: Michael Gerard  
2 Fletcher and Marshall J. August ), counsel to the Lender; and (iii) the OUST; and (iv)

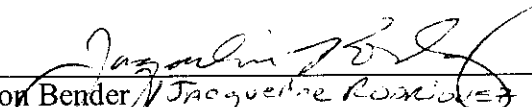
3 **IT IS SO ORDERED THIS 27<sup>th</sup> DAY OF MARCH , 2007.**

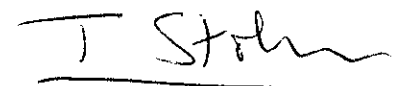
4   
5 ELLEN CARROLL  
6 UNITED STATES BANKRUPTCY JUDGE

7 Approved as to form and content by:

8 LEVENE, NEALE, BENDER, RANKIN & BRILL L.L.P.

*Stolman, Treister & Blatt*

9  
10   
11 By: Ron Bender / *Jacqueline R. ...*  
12 Attorneys for the Debtors

  
By Theodore B. Stolman  
Counsel for Omni care

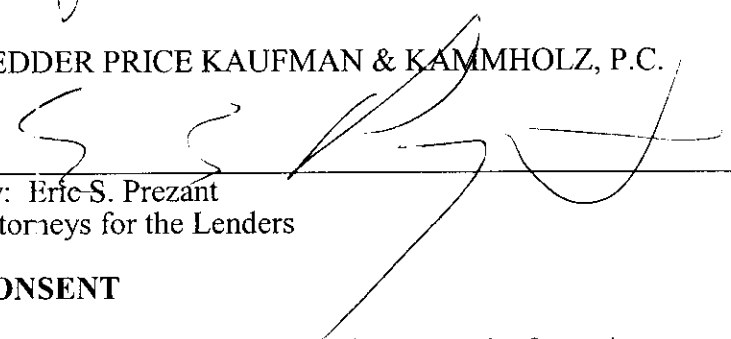
11 and

12 FRANDZEL ROBINS BLOOM & CSATO, L.C.

13  
14   
15 By: Michael Gerard Fletcher

Theodore B. Stolman  
Stolman Treister + Blatt  
1901 Avenue of the Stars  
12th Floor  
Los Angeles, CA 90067,  
counsel for Omnicare, Inc.

16 VEDDER PRICE KAUFMAN & KAMMHOLZ, P.C.


17  
18   
19 By: Eric S. Prezant  
20 Attorneys for the Lenders

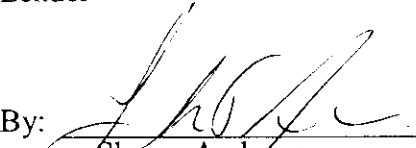
21 **CONSENT**

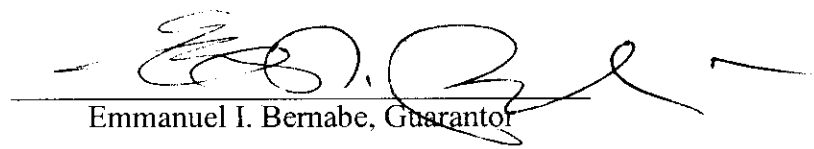
22 The Parties hereto consent and agree to the foregoing:

23 PLEASANT CARE CORPORATION.,  
24 PCC HEALTH SERVICES, INC.,  
25 EMBER CARE CORPORATION,  
26 SNF PROPERTIES, INC.,  
27 ARBOR CARE ENTERPRISES, Incorporated  
As Debtors

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

28  
29   
30 By: Emmanuel I. Bernabe  
31 President

32   
33 By: Shawn Andrews  
34 Managing Director

35   
Emmanuel I. Bernabe, Guarantor

Pleasant Care Corporation  
 Daily Cash flow Projection (Total Company)  
 3/22/2007  
 000's

	Tues. 27-Mar	Wed. 28-Mar	Thurs. 29-Mar	Friday 30-Mar	4 Days Ended 30-Mar	Week Ended 6-Apr	Week Ended 13-Apr
<i>Net Sales (Memo Only)</i>	467.7	467.7	467.7	467.7	1,871.0	1,871.0	1,871.0
<u>Cash Receipts</u>							
A/R Cash Receipts - Medical				500.0	500.0	2,093.0	2,093.0
A/R Cash Receipts - Medicare						537.0	537.0
A/R Cash Receipts - HMO, Hospice	25.0	25.0	25.0	25.0	100.0	225.0	225.0
A/R Cash Receipts - Private	25.0	25.0	25.0		100.0	400.0	400.0
A/R Cash Receipts - Rebills							
Additional Loans							
Sale of Facilities							
<b>Total cash Receipts</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>550.0</b>	<b>700.0</b>	<b>2,718.0</b>	<b>3,255.0</b>
<u>Cash Disbursements</u>							
Payroll, Payroll Taxes, W/C & Other Benes	(4,000.0)				(4,000.0)		(4,330.0)
Worker's Compensation Insurance				(325.0)	(325.0)		(125.0)
Food				(125.0)	(125.0)	(125.0)	(2,020.0)
Rents & Taxes				(125.0)	(125.0)	(125.0)	(125.0)
Utilities				(160.0)	(160.0)	(160.0)	(160.0)
Hskp and Other Purchased services				(46.0)	(46.0)	(215.0)	-
Bed Tax				(85.0)	(85.0)	(85.0)	(85.0)
Property Insurance and Prepays (2)				(200.0)	(200.0)	(50.0)	(50.0)
Corporate and Other							
Health Insurance							
Liability Insurance							
Nursing Supplies and other supplies							(100.0)
Ancillary							(360.0)
<b>Net Cash Disbursements</b>	<b>(4,000.0)</b>	<b>-</b>	<b>-</b>	<b>(1,066.0)</b>	<b>(5,066.0)</b>	<b>(710.0)</b>	<b>(7,355.0)</b>
<b>Net Cash Flow</b>	<b>(3,950.0)</b>	<b>50.0</b>	<b>50.0</b>	<b>(516.0)</b>	<b>(4,366.0)</b>	<b>2,008.0</b>	<b>(4,100.0)</b>
<b>Cumulative Cash Flow</b>	<b>(3,950.0)</b>	<b>(3,900.0)</b>	<b>(3,850.0)</b>	<b>(4,366.0)</b>	<b>(4,366.0)</b>	<b>(2,358.0)</b>	<b>(6,458.0)</b>
(1) In addition, Lifehouse will deposit and PCC will pay an approximately \$300k to cover additional payroll for leased employees.							
(2) Includes \$46k pre-petition property insurance which requires a motion to approve payment.							
<u>Cash Balances</u>							
Beginning Cash Balance	2,708.0	(1,242.0)	(1,192.0)	(1,142.0)	2,708.0	(1,658.0)	350.0
Deposits	50.0	50.0	50.0	550.0	700.0	2,718.0	3,255.0
Disbursements	(4,000.0)	-	-	(1,066.0)	(5,066.0)	(710.0)	(7,355.0)
Ending Cash Balance (OD)	(1,242.0)	(1,192.0)	(1,142.0)	(1,658.0)	(1,658.0)	350.0	(3,750.0)
(3) In addition there is a balance of approximately \$500k in a payroll account with approximately \$500k of prepetition payroll checks outstanding.							

EXHIBIT "A"

Accounts Receivable Rollforward

Accounts Receivable Bal.	23,955.1	24,372.8	24,790.6	25,208.3	23,955.1	25,126.1	24,279.0
Plus: Sales	467.7	467.7	467.7	467.7	1,871.0	1,871.0	1,871.0
A/R Cash Receipts - Medical, Medicare	-	-	-	(500.0)	(500.0)	(2,093.0)	(2,093.0)
A/R Cash Receipts - HMO	(25.0)	(25.0)	(25.0)	(25.0)	(100.0)	(225.0)	(225.0)
A/R Cash Receipts - Rebills	-	-	-	-	-	-	-
A/R Cash Receipts - Private	(25.0)	(25.0)	(25.0)	(25.0)	(100.0)	(400.0)	(400.0)
Ending Accounts Receivable	24,372.8	24,790.6	25,208.3	25,126.1	25,126.1	24,279.0	23,432.0

RON BENDER (SBN 143364)
MONICA Y. KIM (SBN 180139)
JACQUELINE L. RODRIGUEZ (SBN 198838)
LEVENE, NEALE, BENDER, RANKIN & BRILL L.L.P.
10250 Constellation Blvd., Suite 1700
Los Angeles, California 90067
Telephone: (310) 229-1234
Facsimile: (310) 229-1244
Proposed Attorneys for Chapter 11
Debtors and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA

In re:

In re: PLEASANT CARE CORPORATION, a California corporation, Main Case No. LA 07-12312-EC
In re: SNF PROPERTIES INCORPORATED, a California corporation, Case No. LA 07-12322-EC
Case No. LA 07-12319-EC
Case No. LA 07-12326-EC
Case No. LA 07-12316-EC
In re: PCC HEALTH SERVICES, INC., a California corporation,
In re: ATLAS CARE ENTERPRISES, INC., a California corporation,
In re: EMBER CARE CORPORATION, a California corporation,
Debtors.

NOTICE OF ENTRY JUDGMENT OR ORDER AND CERTIFICATE OF MAILING

TO ALL PARTIES IN INTEREST ON THE FOLLOWING SERVICE LIST:

- 1. You are hereby notified that a judgment or order entitled (specify):

INTERIM ORDER PURSUANT TO 11 U.S.C. §§ 361, 363 AND 364 (i) AUTHORIZING USE OF CASH COLLATERAL, (ii) GRANTING ADEQUATE PROTECTION, AND (iii) SCHEDULING FINAL HEARING

was entered on (specify date): 3-27-07

- 2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment of the persons and entities on the attached service list on (specify date):

See Attached Service List: 3-28-07

Dated: 3-28-07

JON D. CERETTO
Clerk of the Bankruptcy Court

by Nancy Vano Deputy Clerk

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.

**Consolidated – Request for Special Notice**

Alvin Mar/Russell Clementson  
Office of the U.S. Trustee  
725 S. Figueroa St. Suite 2600  
Los Angeles, CA 90017

Counsel for Bridge Healthcare Finance, LLC  
and Bridge Opportunity Finance, LLC  
Michael Fletcher  
Frantzel Robins Bloom & Csato  
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Los Angeles, CA 90048

Counsel for Bridge Healthcare Finance, LL  
and Bridge Opportunity Finance, LLC  
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Vedder Price Kaufman & Kammholz  
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Chicago, IL 60601

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