

orders regarding interim relief on May 4, 2012 as Interim Order (A) Authorizing Use of Cash Collateral, (B) Granting Adequate Protection, and (C) Scheduling a Final Hearing [Docket No. 29] and Second Interim Order (A) Authorizing Use of Cash Collateral, (B) Granting Adequate Protection, and (C) Scheduling a Final Hearing (the "Second Interim Order") [Docket No. 75].

**BASED UPON THE RECORD PRESENTED AT THE INTERIM HEARINGS,
THE COURT FINDS AS FOLLOWS:**

A. The Debtor has requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2), and the Debtor has an immediate need to obtain use of the Cash Collateral in order to permit, among other things, the preservation of the Debtor's business and assets and the orderly administration of its estate. Without such funds, the Debtor will be unable to pay necessary expenses. The necessity for the Debtor to realize liquidity through the use of the Cash Collateral is vital to the Debtor and the Debtor's efforts to maximize the value of the Debtor's assets and to the confirmation of a plan of reorganization. Absent entry of this Order, the Debtor's estate will be immediately and irreparably harmed.

B. The terms of this Order and the emergency use by the Debtor of the Cash Collateral, as set forth herein, have been negotiated in good faith.

Based upon the foregoing findings and conclusions, upon the Motion and other pleadings filed in this chapter 11 case, and upon the record made before this Court at the hearings, and good and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. **Approval.** The Motion is GRANTED, subject to the terms and conditions set forth in this Order. Any objections to the Motion with respect to the entry of this interim Order that have not been withdrawn, waived or settled are denied and overruled. All parties retain their rights to object to any relief requested in the Motion on any ground at the final hearing on same.

This Order takes the place of and revises the Second Interim Order entered on May 18, 2012 as Docket No. 75.

2. **Authorization.** Subject to the terms of this Order, the Debtor is immediately authorized to use Cash Collateral from the date of entry of this Order through the Termination Date (as defined below). Cash Collateral may be used during the period from the date of entry of this Order through the Termination Date (the "Interim Period") on an emergency basis to pay those costs and expenses contained in the cash budget (the "Cash Collateral Budget") attached as **Exhibit A** and solely up to the amounts, at the times and for the purposes identified in the Cash Collateral Budget. **This Cash Collateral Budget takes the place of and revises the Cash Collateral Budget attached to the Second Interim Order entered on May 18, 2012 as Docket No. 75.** The Debtor shall not, without the prior written consent of Harborcove Financial LLC ("Harborcove"), use Cash Collateral with respect to any single period in the Cash Collateral Budget in an amount in excess of the aggregate amount budgeted for that period, subject to a permitted variance of 10%. The expenditures authorized in the Cash Collateral Budget shall be adhered to on a line-by-line basis, but may carry forward to a successive period (i.e., any unused amounts in a line-item in a given week may carry over to that line-item to a subsequent week or weeks).

3. **Revision to Cash Collateral Budget.** **The budget amounts on the attached Cash Collateral Budget are hereby revised as to officer salaries. The Debtor is NOT authorized to pay Marty McVey, Christopher Ashby and Rick Garfinkel any compensation that exceeds 50% of the gross amounts listed on the cash collateral budget for the Interim Period. Ms. Lockhart and other listed officers are entitled to be paid their full salary as shown on the attached Cash Collateral Budget for the Interim Period.**

4. **Reserve Amounts.** The Debtor shall set aside \$310,000 (“Reserved Amount”) for possible repayment to Centurion Service Group, LLC (“Centurion”) for any court approved administrative expense due to equipment that was unable to be delivered under the terms of the sale of the Debtor’s medical equipment to Centurion that was approved by this Court by Order at Docket No. 32 (the “Sale Order”) or any related expenses or costs. Notwithstanding any other authorization contained in this Order, the Debtor shall not, without separate Court approval after motion by the Debtor on prior written notice to Centurion, use or expend the Reserved Amount. No amounts shall be paid to Centurion until this Court approves their administrative expense application and orders such payment. This provision does not impose a limit to the Reserved Amount of the administrative expenses Centurion may seek, or that the Debtor may refute same.

5. **Adequate Protection.** The Debtor shall pay Harborcove, \$150,000 during the first week of June, 2012; Harborcove is hereby granted (effective upon the Petition Date and without the necessity of the execution or filing of mortgages, security agreements, pledge agreements, financing statements, or otherwise), a replacement security interest and lien in the Debtor’s postpetition assets that are subject to its existing prepetition liens and security interests with the same scope, validity, and priority as held by Harborcove as of the Petition Date. The Debtor reserves all rights to contest the validity, amount and priority of any and all claims, liens, and security interests asserted by Harborcove.

6. **No Offsets or Recoupment.** No Cash Collateral or prepetition obligations shall be subject to any right of offset or recoupment by any account debtor of the Debtor arising prior to the Petition Date.

7. **Collection of Cash Collateral and Rights of Access.** From the date hereof, the Debtor is authorized and directed to maintain the cash management system in use by the Debtor as of the Petition Date in accordance with the loan documents.

8. **Debtor's Duties.** The Debtor shall provide Harborcove spending reports that compare the Cash Collateral Budget with the Debtor's actual expenditures for each one month period no later than one week after the expiration of such one month period, and such reports shall contain the Debtor's cash position as of the date of such report. Additionally, the Debtor shall provide specific detail regarding the submission and collection of all claims and receivables and report all of the cash collected on such claims and receivables.

9. **Termination.** Upon the earliest to occur of (a) the dismissal of this chapter 11 case or the conversion of this chapter 11 case to a case under chapter 7 of the Bankruptcy Code; (b) the entry by this Court of an order granting relief from the automatic stay imposed by § 362 of the Bankruptcy Code to any entity other than Harborcove with respect to the prepetition collateral or the Collateral without the written consent of Harborcove, which consent may be withheld in its reasonable business discretion; (c) the appointment or election of a trustee, examiner with expanded powers or any other representative with expanded powers; (d) the occurrence of the effective date or consummation date of a plan of reorganization for the Debtor; (e) the entry of an order of this Court reversing, staying, vacating or otherwise modifying in any material respect the terms of this Order; or (f) the date of the Final Hearing on the use of Cash Collateral (the "Termination Date"), the Debtor's right to use Cash Collateral as approved herein shall automatically terminate without notice or further order of this Court. The Termination Date may be extended from time to time by a written agreement between Harborcove and the Debtor without the need for further approval of this Court, subject only to the delivery of written notice

thereof to counsel to any statutory committee appointed in this chapter 11 case and the filing of such notice with this Court.

10. **Final Hearing.** The Final Hearing on the Motion will be held on June 29, 2012, at 2:00 p.m. (Central Time) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, 515 Rusk Avenue, Courtroom 600, Houston, TX 77002.

11. **Service of Order.** Within three business days after the entry of this Order, the Debtor shall serve, by United States mail, first-class postage prepaid, a copy of this Order (the "Final Hearing Notice"), on: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Internal Revenue Service; (c) counsel to any official committee(s); (d) the creditors holding the 20 largest unsecured claims against the Debtor's estate, as identified in the Debtor's chapter 11 petition; and (e) counsel for Harborcove.

12. **Objections.** Any objection to the relief requested in the Motion on a permanent basis must be (a) filed in writing with the Clerk of the Bankruptcy Court on the date that is seven (7) days prior to the Final Hearing (the "Objection Deadline") and (b) served so as to be actually received by the following parties by the Objection Deadline: (i) the U.S. Trustee, 515 Rusk Avenue, Suite 3516, Houston, Texas 77002; and (ii) proposed counsel for the Debtor, Johnson DeLuca Kurisky & Gould, P.C. 1221 Lamar Street, Suite 1000 Houston, TX 77010, attn: Millard A. Johnson. Paragraph 10 shall not apply to Harborcove, as it has already filed a written objection to the Motion, which was properly and timely served.

Pursuant to Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

Dated: 5/25/2012.



THE HONORABLE JEFF BOHM
UNITED STATES BANKRUPTCY JUDGE

AGREED TO FORM:

PROPOSED ATTORNEYS FOR THE DEBTOR HARBORCOVE FINANCIAL LLC

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UNITED STATES TRUSTEE

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Expenses	May 14 to end	June
Contract Services		
Water Treatment	\$ -	\$ 1,000.00
Lawn Service	\$ 1,350.00	\$ 2,700.00
Internet	\$ -	\$ 600.00
Telephone	\$ -	\$ 6,500.00
Security Card Access	\$ -	\$ 600.00
General & Administration		
Information Technology (Thompson Reuters)	\$ -	\$ 2,600.00
Bank Service Charges	\$ 1,000.00	\$ 1,000.00
Postage and Delivery	\$ -	\$ 700.00
Licenses & Permits (As necessary)	\$ -	\$ 1,000.00
Inspections (As necessary)	\$ -	\$ 400.00
Utility		
Water	\$ -	\$ 13,500.00
Waste Disposal	\$ -	\$ 3,500.00
Electricity	\$ -	\$ 40,000.00
Gas	\$ -	\$ 12,500.00
Utility Deposits (One-time payments)		
Tara Electricity	\$ 45,000.00	\$ 45,000.00
City- Water	\$ 9,000.00	\$ -
Gas	\$ 12,500.00	\$ -
Repairs & Maintenance		
Central Plant Repairs (Major Repairs, as necessary)	\$ -	\$ 55,000.00
General Maintenance	\$ -	\$ 20,000.00
Miscellaneous Office Expenses		
Medical Supplies	\$ 1,000.00	\$ 500.00
Medical Gases	\$ -	\$ 1,250.00
Office Supplies	\$ -	\$ 3,000.00
Laboratory Supplies	\$ -	\$ 250.00
Supplies - Oncology Ctr	\$ -	\$ 500.00
X-Ray Supplies	\$ -	\$ 1,000.00
Hazard disposal	\$ 1,000.00	\$ 1,000.00
Tax		
Payroll	\$ -	\$ 38,485.00
Insurance		
General Liability	\$ -	
Personal Property	\$ -	
Casualty	\$ 40,000.00	\$ 16,000.00
Professionals		
Legal Fees	\$ 65,000.00	\$ 30,000.00
Accounting Fees	\$ -	\$ 5,000.00
Appraiser	\$ 7,500.00	\$ 7,500.00
Employee		
Employee Benefits	\$ -	\$ 10,000.00

Expenses	May 14 to end	June
Salaries and Wages, Staff	\$ 66,116.50	\$ 101,180.77
Salaries and Wages, Officers*	\$31,250.00	\$ 46,634.00
UST fees	\$ -	\$ -
Property Tax (as ordered-estimated amounts)		
Personal property	\$ 160,188.66	\$ -
vehicles	\$ 290.26	\$ -
TOTALS	\$ 441,195.42	\$ 468,899.77
Harborcove Adequate Protection Payments	\$ -	\$ 150,000.00
TOTALS	\$ 441,195.42	\$ 618,899.77
* Numbers represents gross amounts as follows:		
Murphy, Wanda CNO	\$ 10,000.00	
Brown, Robin CCO	\$ 10,000.00	
Lockhart, Connie COO	\$ 10,000.00	
Ashby, Christopher CFO	\$ 12,000.00	
McVey, Marty CEO	\$ 14,500.00	
Garfinkel, Richard VP & General Counsel	\$ 8,000.00	