

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

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In re:)	Chapter 11	
)		
Peninsula Hospital Center, et al.,)	Case No.	11- 47056 (ess)
)		11-47985 (ess)
Debtors.)		(Jointly Administered)
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FOURTEENTH INTERIM ORDER AUTHORIZING USE OF CASH COLLATERAL

A motion having been made by Peninsula Hospital Center (“PHC”) and Peninsula General Nursing Home Corp. d/b/a Peninsula Center For Extended Care & Rehabilitation (“PGN”) (each a “Debtor” and collectively, the “Debtors”) for the entry of an interim order authorizing the use of the Cash Collateral of 1199 SEIU National Benefit Fund for Health and Human Services Employees, 1199 SEIU Health Care Employees Pension Fund, League/1199 SEIU Training and Upgrading Fund, 1199 SEIU Employer Child Care Fund, and League/1199 SEIU Health Care Industry Job Security Fund (the “1199 Funds”), pursuant to sections 105(a), and 363 (c)(2)(A), of Title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the “Bankruptcy Code”) and Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”); and a Consent Order having been entered on March 6, 2012 directing the United States Trustee to appoint a Chapter 11 Trustee for the Debtors’ estates; and Lori Lapin Jones having been appointed the Chapter 11 Trustee for the Debtors’ estates on March 9, 2012; and this Court having jurisdiction over these Chapter 11 Cases and the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion constituting a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and upon the statutory predicates for the relief sought herein are sections 105 and 363 of the Bankruptcy Code and Rules 2002, 4001 and 9014 of the Bankruptcy Rules; and based upon the foregoing and upon the record made before this Court at the interim hearing on the Motion; and upon the Interim Order Authorizing Use of Cash Collateral entered on September 21, 2011 Authorizing the Use of Cash

Collateral through and including September 27, 2011; and upon the Second Interim Order Authorizing Use of Cash Collateral entered on September 27, 2011 Authorizing the Use of Cash Collateral through and including October 7, 2011; and upon the Third Interim Order Authorizing Use of Cash Collateral entered on October 11, 2011 Authorizing the Use of Cash Collateral through and including October 31, 2011; and upon the Fourth Interim Order Authorizing Use of Cash Collateral entered on November 1, 2011 Authorizing the Use of Cash Collateral through and including November 30, 2011; and upon the Fifth Interim Order Authorizing Use of Cash Collateral entered on November 30, 2011; and upon the Sixth Interim Order Authorizing Use of Cash Collateral entered on December 30, 2011; and upon the Seventh Interim Order Authorizing Use of Cash Collateral entered on February 2, 2012 Authorizing the Use of Cash Collateral through and including February 29, 2012; and upon the Eighth Interim Order Authorizing the Use of Cash Collateral through and including March 31, 2012; and upon the Ninth Interim Order Authorizing the Use of Cash Collateral through and including May 31, 2012 (the “Ninth Interim Order”); and upon the Tenth Interim Order Authorizing the Use of Cash Collateral through and including July 31, 2012 (the “Tenth Interim Order”); and upon the Eleventh Interim Order Authorizing the Use of Cash Collateral through and including September 30, 2012 (the “Eleventh Interim Order”); and upon the Twelfth Interim Order Authorizing the Use of Cash Collateral through and including December 31, 2012 (the “Twelfth Interim Order”); and upon the Thirteenth Interim Order Authorizing the Use of Cash Collateral through and including March 31, 2013 (the “Thirteenth Interim Order”); and the Trustee having requested a further extension of such period and the consent of the parties thereto; and the Trustee having acknowledged the 1199 Funds are owed certain amounts on account of the accrued benefits that will be due through February 3, 2013 which amounts shall be given administrative expense

priority; and the Court, on December 22, 2011, having entered an order Authorizing Secured Post Petition Financing with Certain Super Priority Provisions of the lender Revival Funding Co., LLC (“Revival”); and the Trustee having requested an extension of the authorization to use the Cash Collateral of Revival; and upon the agreement by and among the Trustee, the 1199 Funds, JPMorgan Chase Bank, NA (“JPM”), Revival, and the Committee; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED that:

The Trustee shall pay the monthly benefits to the 1199 Funds (in amounts agreed upon between the Trustee and the 1199 Funds each month) that became due through February 3, 2013, commencing on March 31, 2013 and continuing through April 30, 2013, in accordance with the terms of an agreed upon budget annexed as Exhibit A hereto as the same may be amended or modified by agreement between 1199 and the Trustee (the “Budget”). Each of JPM, Revival, and the Committee shall be advised of any agreed material modifications to the Budget; and

The balance of the amounts owed to the 1199 Funds for the post-petition period due through February 3, 2013 shall be treated as an allowed administrative expense claim of the 1199 Funds; and

The Trustee shall be authorized on consent to use the Cash Collateral of the 1199 Funds in connection with the wind down of PHC substantially in accordance with the Budget commencing as of the date of this Order through and including June 30, 2013, pending further order of this Court; and

The Trustee shall be authorized on consent to use the Cash Collateral of the 1199 Funds and Revival in connection with the ordinary course operations of PGN in amounts not

materially greater than is set forth in the Budget commencing as of the date of this Order through and including June 30, 2013, pending further order of this Court. Although a Receiver assumed responsibility to operate PGN as of February 3, 2013, the budgeted expenses of PGN include operating costs incurred prior to, and which were outstanding as of such date and other costs of administering the PGN Chapter 11 estate; and

As previously provided in the Thirteenth Interim Order, the 1199 Funds agree that there shall continue to be carved out from the proceeds payable to the 1199 Funds on account of the lien and secured claim it asserts against PGN an amount of up to \$500,000 (the “Trustee Additional Fee Carveout”) for the exclusive use of paying the commissions, fees and expenses of the Trustee, and the Trustee’s professionals, Garfunkel Wild, P.C., LaMonica, Herbst & Maniscalco, LLP (now, together with Gary R. Lampert, CPA, the “Trustee’s Professionals”) solely in the event, and only to the extent, that there are insufficient funds in the estate of PGN, whether from the proceeds from the sale of the assets and properties of PGN or otherwise, to pay the allowed amount of any commissions, fees or expenses of the Trustee and the Trustee’s Professionals. The Trustee Additional Fee Carveout shall be used only to satisfy any unpaid allowed amounts of the commissions, fees or expenses of the Trustee and the Trustee’s Professionals after payments to the Trustee and the Trustee’s professionals on account of their allowed administrative claims for such commissions, fees or expenses. The Trustee Additional Fee Carveout shall be segregated from the proceeds of the sale of the assets and properties of PGN and shall be maintained by the Trustee in a segregated account (separate and apart from the any previous Carveouts under prior Interim Orders), and shall be used only as hereinabove provided. The Trustee Additional Fee Carveout shall survive dismissal or conversion of the case to Chapter 7 and the appointment of any Chapter 7 trustee; and

Upon expiration of this Fourteenth Interim Order, the Trustee in each case shall be authorized to use the Cash Collateral of the 1199 Funds and Revival to pay any accrued amounts under the Budget appended to this Fourteenth Interim Order Authorizing the Use of Cash Collateral which were not paid as of the expiration of this ~~Twelfth~~ Fourteenth Interim Order; and

The Trustee shall continue to maintain segregated accounts for the Trustee Fee Carveout, the Committee Fee Carveout and the Ombudsman Carvout (as defined in, and consistent with the terms of prior Interim Orders and this Fourteenth Interim Order), and shall fund those accounts only in accordance with the Budget. Any amounts in the Trustee Fee Carveout, the Committee Fee Carvout and/or the Ombudsman Carveout accounts that have been segregated under *prior* ~~the Ninth and Tenth~~ Interim Orders and this Fourteenth Interim Order may be used to pay any interim awards of commissions, fees and expenses of the Trustee and the Trustee's professionals, the Committee's professionals and/or the Ombudsman and his professional as may be allowed by the Bankruptcy Court. Any portion of the Trustee Fee Carveout, the Committee Fee Carveout or the Ombudsman Carveout not so used in connection with the payment of any interim awards of commissions, fees and expenses of the Trustee and the Trustee's professionals, the Committee's professionals or the Ombudsman and his professional shall be maintained by the Trustee in the separate accounts and may be used to pay any subsequent allowance of commissions, fees and expenses of the Trustee and the Trustee's professionals the Committee's professionals or the Ombudsman and his professionals as may be allowed by the Bankruptcy Court. The Trustee Fee Carveout, the Committee Fee Carveout and the Ombudsman Carveout each shall survive dismissal or conversion of the case to Chapter 7 and the appointment of any Chapter 7 trustee; and

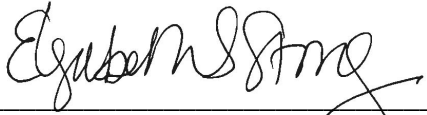
Nothing contained in this Stipulation and Order shall limit or otherwise affect the permitted use of Cash Collateral authorized in any other order in these Chapter 11 Cases.

IT IS FURTHER ORDERED that:

- a) The Trustee is authorized to take all actions necessary to implement the relief granted in this Order.
- b) The terms and conditions of this Order shall be immediately effective and enforceable upon its entry pursuant to Bankruptcy Rule 6004(h).
- c) The requirements of Rule 6004(a) are hereby waived.
- d) This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

**Dated: Brooklyn, New York
March 29, 2013**




Elizabeth S. Stong
United States Bankruptcy Judge