

**NOT FOR PUBLICATION**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
NEW HAVEN DIVISION**

In Re:	:	Chapter 11
	:	
Haven Eldercare, LLC, <i>et al.</i> , <sup>1</sup>	:	<b>Jointly Administered under</b>
	:	<b>CASE NO. 07-32720 (ASD)</b>
Debtors.	:	<b>RE: Doc. I.D. No. 1120</b>

**<sup>1</sup> ORDER APPROVING DEBTORS ENTRY INTO A TRANSITION  
AGREEMENT WITH CONTINUING CARE OF SOUTH WINDSOR, INC.  
AND AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF ITS  
MEDICARE AGREEMENT**

Upon the motion dated June 27, 2008 (the “Motion”) of Haven Eldercare, LLC *et al.*, as debtors and debtors in possession (each a “Debtor,” and collectively, the “Debtors”), pursuant to Sections 363 and 365 of the Bankruptcy Code for an order authorizing Haven Health Center of South Windsor, LLC (“Haven”) to enter into a transition agreement with Continuing Care of South Windsor, Inc. (“CCSW”) and Connecticut Health Facilities, Inc. (“CHF”), and authorizing Haven to assume and assign its Medicare Agreement; and it appearing that proper and adequate notice has

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Haven Eldercare, LLC, Case No. 07-32720, Waterford Equities, LLC, Case No. 07-32719, Haven Health Care Center of Windham, LLC, Case No. 07-32721, Haven Healthcare Management, LLC, Case No. 07-32722, Haven Health Center of Cromwell, LLC, Case No. 07-32723, Haven Health Center of Rocky Hill, LLC, Case No. 07-32724, Haven Health Center of Danielson, LLC, Case No. 07-32725, Haven Health Center of Litchfield Hills, LLC, Case No. 07-32726, Haven Health Center of East Hartford, LLC, Case No. 07-32727, Haven Health Center of Jewett City, LLC, Case No. 07-32728, Haven Health Center Soundview, LLC, Case No. 07-32729, Haven Health Center of New Haven, LLC, Case No. 07-32730, Haven Health Center of West Hartford, LLC, Case No. 07-32731, Haven Health Center of Farmington, LLC, Case No. 07-32732, Haven Health Center of Norwich, LLC, Case No. 07-32733, Haven Health Center of Waterbury, LLC, Case No. 07-32734, Haven Health Center of South Windsor, LLC, Case No. 07-32735, Haven Health Center of Waterford, LLC, Case No. 07-32736, Haven Health Center of Rutland, LLC, Case No. 07-32740, Lighthouse Medical Supply, LLC, Case No. 07-32741, Haven Health Center of St. Albans, LLC, Case No. 07-32742, Haven Health Care Trust II, LLC, Case No. 07-32743, Cromwell Crest Convalescent Home, Inc., Case No. 07-32744, Applegate Lane, Inc., Case No. 07-32745, Haven Health Center of Claremont, LLC, Case No. 07-32746, Litchfield Health Care Trust, LLC, Case No. 07-32747, Haven Health Care Center of Warren, LLC, Case No. 07-32748, Ferretti’s Nursing Home, Inc., Case No. 07-32749, Haven Equities of Warren, Rhode Island, LLC, Case No. 07-32750, Haven Health Center of Pawtucket, LLC, Case No. 07-32751, Pawtucket Equities, LLC, Case No. 07-32752, Haven Health Center of Derry, LLC, Case No. 07-32753, Haven Health Center of Greenville, LLC, Case No. 07-32754, Haven Eldercare of New Hampshire, LLC, Case No. 07-32755, Haven Eldercare II, LLC, Case No. 07-32756, Greenville Equities, LLC, Case No. 07-32757, Hampton Equities, LLC, Case No. 07-32758, Haven Health Center at Seacoast, LLC, Case No. 07-32759, Haven Health Center of Coventry, LLC, Case No. 07-32760, Chelsea Equities, LLC, Case No. 07-32761, Coventry Equities, LLC, Case No. 07-32762, Haven Health Center of Chelsea, LLC, Case No. 07-32763, Haven Eldercare of New England, LLC, Case No. 07-32870, Haven Health Center Common Paymaster, LLC, Case No. 07-32873, Haven Eldercare of Connecticut, LLC, Case No. 07-32962, Waterbury Equities, LLC, Case No. 08-30134.

been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and in accordance with the Court's *Findings of Fact and Conclusions of Law on Motions to Sell Assets and for Related Relief* entered this day, it is

**ORDERED** that the Motion be and hereby is granted to the extent set forth herein; and

**IT IS FURTHER ORDERED** that Haven is authorized to enter into the Transition Agreement, attached hereto as Exhibit A; and

**IT IS FURTHER ORDERED** that Haven's Medicare Agreement be and hereby is assumed and assigned to CHF, effective immediately; and

**IT IS FURTHER ORDERED** that all receivables and collections shall be received and deposited into the existing CapitalSource Finance LLC (as agent under the DIP Credit Facility, hereinafter, "CapitalSource") lock box, and CCSW shall account to CapitalSource, or its designee with respect to all collections received by CCSW or its agents, and CCSW and CapitalSource shall "true up" the collections made into the lock box in a time and manner reasonably agreed to by CapitalSource and CCSW, as soon as possible after such receipt; but no later than three business days after receipt into the lock box, and

**IT IS FURTHER ORDERED** that the existing lock box shall be terminated six months after the entry of this Order, but any sums thereafter received by CCSW which constitute part of the DIP Collateral shall be promptly remitted and paid over to CapitalSource; and

**IT IS FURTHER ORDERED** that CCSW shall not have access to any “lock box” currently established or in place to which payments are made for the benefit of CapitalSource; and

**IT IS FURTHER ORDERED** that CCSW shall make an appropriate officer or employee available on a weekly basis, during normal business hours to consult with CapitalSource, or its designated agent, to review the record of DIP Collateral receivables collected by CCSW and the funds delivered to CapitalSource, with such meeting to take place initially on a weekly basis for the first 30 days after the commencement of operations by CCSW, and thereafter at such longer intervals as shall be mutually agreed upon by CCSW and CapitalSource; and

**IT IS FURTHER ORDERED** that the transfer, transition or conveyance of the personal property by the Debtors to CCSW does not have the effect of terminating or releasing the lien of CapitalSource on any of the DIP Collateral as identified in the DIP Financing Order, which lien shall remain and continue, and in particular, such transfer, transition or conveyance pursuant to this order shall have no effect upon the lien status of CapitalSource on the property and equipment identified on Schedule A to this Order; and

**IT IS FURTHER ORDERED** that notwithstanding any language or provision in the Transition Agreement between CCSW and the Debtors, the terms and conditions of this Order shall prevail, and it is further

**IT IS FURTHER ORDERED** that pursuant to Bankruptcy Rule 7026 this Order shall be deemed effective and enforceable immediately and the provisions of Bankruptcy Rules 6004(h) and 6006(d) staying the effectiveness of this Order are hereby waived; and

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction to hear and determine all matters arising from implementation of this Order.

Dated: July 4, 2008

BY THE COURT

  
Albert S. Dabrowski  
Chief United States Bankruptcy Judge