Specialty Hospitals of America, LLC

Weekly Cash Flow Forecast - Filed with Court, Final Order - modified to reflects actual cash and DIP balance as of 8/15/14

($000's)

PRIVILEGED & CONFIDENTIAL

		Extended DIP Forecast 1																			
Week Number:		14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Pro Fees	19 Week
Actual/Projected:		Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	& Other	Forecast
Week ending:		*22-Aug*	*29-Aug*	*5-Sep*	*12-Sep*	*19-Sep*	*26-Sep*	*3-Oct*	*10-Oct*	*17-Oct*	*24-Oct*	*31-Oct*	*7-Nov*	*14-Nov*	*21-Nov*	*28-Nov*	*5-Dec*	*12-Dec*	*19-Dec*	*Accr Admin*	*Total*
Cash Flow Model																					
Capitol Hill Total		$ 551	$ 126	$ 1,421	$ 215	$ 265	$ 90	$ 265	$ 1,246	$ 203	$ 90	$ 78	$ 90	$ 1,234	$ 215	$ 78	$ 90	$ 1,234	$ 215	$ -	$ 7,704
Hadley Total		150	516	888	173	243	148	243	791	217	146	241	146	887	171	241	146	887	171	-	6,406
Total Receipts	(1)	**701**	**642**	**2,309**	**388**	**508**	**237**	**508**	**2,037**	**420**	**236**	**319**	**236**	**2,121**	**386**	**319**	**236**	**2,121**	**386**	**-**	**14,109**
Operating Disbursements																					
Payroll, Payroll Taxes & Benefits		1,362	329	1,399	-	1,749	-	1,399	-	1,749	-	1,399	-	1,749	-	1,399	325	1,399	-	1,399	15,659
Payroll Taxes (Escrow)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medical supplies		-	-	-	100	-	150	-	100	-	150	-	100	-	150	-	200	-	200	-	1,150
Outside Services	(2)	-	-	-	350	-	275	373	175	175	275	373	175	175	275	373	275	548	275	-	4,092
Physician Services		-	-	-	-	-	-	480	-	-	-	480	-	-	-	480	186	325	-	-	1,951
Rent		-	230	-	-	-	-	230	-	-	-	230	-	-	-	230	-	-	-	-	920
Miscellaneous	(3)	-	7	-	100	-	-	376	-	100	-	426	-	100	-	376	200	100	-	-	1,785
Other	(4)	273	3,693	227	219	200	355	257	196	183	208	183	393	208	183	183	265	265	265	1,775	9,530
Total Operating Disbursements		1,635	4,259	1,626	769	1,949	780	3,115	471	2,207	633	3,091	668	2,232	608	3,041	1,451	2,637	740	3,174	35,087
Net Operating Cash Flow		(934)	(3,617)	683	(381)	(1,442)	(543)	(2,608)	1,566	(1,787)	(397)	(2,772)	(432)	(111)	(222)	(2,722)	(1,215)	(517)	(354)	(3,174)	(20,978)
Non-Operating Disbursements																					
Professional Fees	(5)	797	65	94	144	94	191	151	101	101	146	246	151	171	151	251	151	151	251	2,213	5,619
Other	(6)	-	-	-	-	-	-	-	-	-	-	28	-	161	-	-	-	-	28	226	443
Lender Professional Fees	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	-	400	1,200
503(b)(9) Claims	(8)	-	-	-	25	-	-	-	-	458	-	-	-	-	-	-	-	-	-	-	483
Carevout Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Disbursements		797	65	94	169	94	191	151	101	559	146	274	151	332	151	251	151	951	279	2,839	7,745
Taxes																					
DC Taxes (provider, sales & use, property)		-	-	-	83	-	175	540	83	-	-	-	-	-	-	-	-	-	-	-	880
Interest																					
BB&T Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCB		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mezzanine Loan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Interest, Fees & Expenses	(9)	-	101	-	-	-	-	162	-	-	-	251	-	-	-	215	-	-	1,390	-	2,118
Total Cash Flow		**(1,731)**	**(3,783)**	**590**	**(632)**	**(1,535)**	**(909)**	**(3,460)**	**1,383**	**(2,346)**	**(543)**	**(3,297)**	**(583)**	**(443)**	**(373)**	**(3,188)**	**(1,366)**	**(1,468)**	**(2,022)**	**(6,013)**	**(31,721)**
Beginning Cash		$ 5,162	$ 3,431	$ -	$ 590	$ -	$ -	$ -	$ -	$ 1,383	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,162
Change in Cash		(1,731)	(3,783)	590	(632)	(1,535)	(909)	(3,460)	1,383	(2,346)	(543)	(3,297)	(583)	(443)	(373)	(3,188)	(1,366)	(1,468)	(2,022)	(6,013)	(31,721)
Borrowings (Repayment) of Debt		-	353	-	43	1,535	909	3,460	-	963	543	3,297	583	443	373	3,188	1,366	1,468	2,022	6,013	26,560
Ending Cash		$ 3,431	$ -	$ 590	$ -	$ -	$ -	$ -	$ 1,383	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending DIP Balance		**$ 10,848**	**$ 11,201**	**$ 11,201**	**$ 11,244**	**$ 12,779**	**$ 13,687**	**$ 17,148**	**$ 17,148**	**$ 18,111**	**$ 18,655**	**$ 21,951**	**$ 22,535**	**$ 22,978**	**$ 23,351**	**$ 26,539**	**$ 27,905**	**$ 29,372**	**$ 31,395**	**$ 37,408**	**$ 37,408**

NOTES: Assumes sale closing date 12/19/2014. Cure cost payments are not included in the DIP forecast
Amounts exclude estimate for accrued administrative expenses at transaction close; e.g. payroll due through 12/19/2014, etc.
Does not include lump sum payment of post-petition PTO amounts, if not assumed by the buyer
Does not include payroll and payroll-related expenses for the three principals
Does not include payment of pre-petition employee medical benefits under the self insured plan (current estimate is $1.7MM)
Includes a contribution of $275K (to be added to the $425K currently on deposit) for healthcare claims of employees and dependents incurred between 5/20/2014 and 8/1/2014 under the self-funded insurance plan, to bring the total available to pay such claims to $700k. Such claims, above the $700K, will also be paid by DCA and/or affiliates even though such funding obligation is not currently reflected in the budget line items.
Includes estimates for costs associated with reopening floor 3N of Capital Hill LTACH.
In certain categories (i.e. 503(b)9, pro fees incurred pre-8/22) the Debtor already qualifies to borrow amounts projected in later weeks because they carried forward un-drawn or not fully drawn amounts from the original DIP budget.
The DIP Budget reflects the Debtors' current estimate of DIP facility usage except as noted elsewhere. Irrespective of the DIP Budget, the Debtors understand that with the exception of professional fees which are limited in the aggregate to a negotiated amount, the Buyer and its DIP lender affiliate are obligated to fund (or assume) all post-petition obligations of every kind.

(1) Reflects Capitol Hill 2014 bi-weekly PIP reduction from $646K to $175K and Hadley 2014 bi-weekly PIP reduction from $483K to $295K. Receipts net of any recoupments
(2) Includes food, lab, pharmacy and rehabilitation services
(3) Includes utilities and insurance
(4) Includes employee travel and expense, equipment rental, IT services, air & gas for patients, capex, 3N Capitol Hill reopen expenses, payoff of post-petition AP and accrued expenses, contribution to payable healthcare claims, etc.
(5) Incudes Debtors' counsel, FA, IB, patient care ombudsman and patient care ombudsman professionals, claims agent, ordinary course professionals; UCC counsel and FA
(6) Includes utility deposits, US Trustee fees, D&O and malpractice tail insurance
(7) Includes Lenders' counsel and FA
(8) Preliminary estimates
(9) Interest and fees on DIP facility per the DIP agreement. Includes $600K estimate of DIP lender legal fees and expenses for DIP drafting and estimate for APA expense reimbursement in accordance with the DIP agreement

PRELIMINARY DRAFT – FOR DISCUSSION PURPOSES ONLY

PRIVILEGED & CONFIDENTIAL

Specialty Hospitals of America, LLC

Weekly Cash Flow Forecast - DETAIL; modified to reflects actual cash and DIP balance as of 8/15/14

($000's)

Week Number (Reset to Current Week)	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Pro Fees	19 Weeks
Actual/Projected:	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	& Other	Forecast
Week ending:	22-Aug	29-Aug	5-Sep	12-Sep	19-Sep	26-Sep	3-Oct	10-Oct	17-Oct	24-Oct	31-Oct	7-Nov	14-Nov	21-Nov	28-Nov	5-Dec	12-Dec	19-Dec	Accr Admin	Total
Cash Flow Model																				
Receipts																				
Medicaid CH	$ 260	$ 114	$ 1,156	$ 126	$ -	$ -	$ -	$ 1,156	$ 126	$ -	$ -	$ -	$ 1,156	$ 126	$ -	$ -	$ 1,156	$ 126	$ -	$ 5,503
Medicaid Hadley	46	87	645	25	-	-	-	645	25	-	-	-	645	25	-	-	645	25	-	2,814
Medicare CH	187	5	205	30	205	30	205	30	18	30	18	30	18	30	18	30	18	30	-	1,137
Medicare Hadley	104	39	107	12	107	12	107	10	56	10	105	10	105	10	105	10	105	10	-	1,024
Commercial and Other CH	104	7	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	60	-	1,064
Commercial and Other Hadley	-	390	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	136	-	2,568
Total Receipts	701	642	2,309	388	508	237	508	2,037	420	236	319	236	2,121	386	319	236	2,121	386	-	14,109
Operating Disbursements																				
401k Plan	41	-	47	-	47	-	47	-	47	-	47	-	47	-	47	-	47	-	47	464
Facility payroll	908	-	927	-	927	-	927	-	927	-	927	-	927	-	927	-	927	-	927	9,249
Facility payroll taxes - Federal & State	413	-	425	-	425	-	425	-	425	-	425	-	425	-	425	-	425	-	425	4,242
Facility payroll taxes - Federal & State (Escrow)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Benefits - Claims	-	329	-	-	350	-	-	-	350	-	-	-	350	-	-	325	-	-	-	1,704
Food services	-	-	-	175	-	-	-	-	175	-	-	-	175	-	-	-	175	-	-	700
Insurance coverage - Policy Coverage	-	7	-	100	-	-	100	-	100	-	150	-	100	-	100	200	100	-	-	957
Lab Services - LTACH	-	-	-	75	-	75	-	75	-	75	-	75	-	75	-	75	-	75	-	600
Medical supplies	-	-	-	100	-	150	-	100	-	150	-	100	-	150	-	200	-	200	-	1,150
Pharmacy - LTACH	-	-	-	100	-	200	-	100	-	200	-	100	-	200	-	200	-	200	-	1,300
Pharmacy - Skilled Nursing Homes	-	-	-	-	-	-	123	-	-	-	123	-	-	-	123	-	123	-	-	492
Physician Coverage - Capitol Hill	-	-	-	-	-	-	187	-	-	-	187	-	-	-	187	93	125	-	-	779
Physician Coverage - Hadley	-	-	-	-	-	-	93	-	-	-	93	-	-	-	93	93	-	-	-	372
Physician Coverage - Other	-	-	-	-	-	-	200	-	-	-	200	-	-	-	200	-	200	-	-	800
Rehabilitation services	-	-	-	-	-	-	250	-	-	-	250	-	-	-	250	-	250	-	-	1,000
Rent	-	230	-	-	-	-	230	-	-	-	230	-	-	-	230	-	-	-	-	920
Utilities	-	-	-	-	-	-	276	-	-	-	276	-	-	-	276	-	-	-	-	828
Other	273	93	227	135	190	305	237	196	183	183	183	183	183	183	183	225	225	225	-	3,611
Other - Capex/Repairs	-	-	-	84	10	50	20	-	-	25	-	210	25	-	-	40	40	40	-	544
Other - Payable Healthcare Claims	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	275	275
Payoff of Post-Petition AP & Accrued / Contingency		3,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500	5,100
Total Operating Disbursements	1,635	4,259	1,626	769	1,949	780	3,115	471	2,207	633	3,091	668	2,232	608	3,041	1,451	2,637	740	3,174	35,087
Net Operating Cash Flow	(934)	(3,617)	683	(381)	(1,442)	(543)	(2,608)	1,566	(1,787)	(397)	(2,772)	(432)	(111)	(222)	(2,722)	(1,215)	(517)	(354)	(3,174)	(20,978)
Non-Operating Disbursements																				
Professional Fees - Ordinary Course Professionals	-	-	10	10	10	10	10	10	10	10	10	10	30	10	10	10	10	10	140	320
Professional Fees - Misc. Transaction Costs	-	-	-	-	-	-	-	-	-	-	-	-	161	-	-	-	-	-	200	361
Incentive Performance Plan	-	-	-	-	-	-	-	-	-	-	-	-	-							-
Utility Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-							-
Prof. Fees (OCoUC Counsel)	106	-	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	124	350
Prof. Fees (OCoUC Financial Advisor)	11	-	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	55	122
Prof. Fees (Debtors' Counsel)	395	-	43	43	43	70	45	45	45	45	45	50	50	50	50	50	50	50	697	1,865
Prof. Fees (Debtors' Financial Advisor)	258	-	30	30	30	50	35	35	35	35	35	35	35	35	35	35	35	35	297	1,115
Prof. Fees (Debtors' Financial Advisor - expanded role)	-	-	-	-	-	-	-	-	-	45	45	45	45	45	45	45	45	45	-	405
Prof. Fees (Lender(s))	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	800	-	400	1,200
Prof. Fees (Claims agent)	27	-	-	50	-	-	50	-	-	-	50	-	-	-	50	-	-	50	-	277
Prof. Fees (Patient Care Ombudsman)	-	65	-	-	-	50	-	-	-	-	50	-	-	-	50	-	-	50	49	314
Debtors IB Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	852	852
US Trustee Fee	-	-	-	-	-	-	-	-	-	-	28	-	-	-	-	-	-	28	26	82
Cure Costs - pending analysis	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
503(b)(9) Claims - pending analysis	-	-	-	25		-	-	-	458	-	-	-	-	-	-	-	-	-	-	483
Carveout Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Disbursements	797	65	94	169	94	191	151	101	559	146	274	151	332	151	251	151	951	279	2,839	7,745
Taxes																				
DC Taxes (provider, sales & use, property)	-	-	-	83	-	175	540	83	-	-	-	-	-	-	-	-	-	-	-	880
Interest																				
BB&T Facilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCB ($6MM)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mezzanine Loan ($3.2MM)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIP Interest, Fees & Expenses	-	101	-	-	-	-	162	-	-	-	251	-	-	-	215	-	-	1,390	-	2,118
Total Cash Flow	**(1,731)**	**(3,783)**	**590**	**(632)**	**(1,535)**	**(909)**	**(3,460)**	**1,383**	**(2,346)**	**(543)**	**(3,297)**	**(583)**	**(443)**	**(373)**	**(3,188)**	**(1,366)**	**(1,468)**	**(2,022)**	**(6,013)**	**(31,721)**
Beginning Cash	$ 5,162	$ 3,431	$ -	$ 590	$ -	$ -	$ -	$ -	$ 1,383	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,162
Change in Cash	(1,731)	(3,783)	590	(632)	(1,535)	(909)	(3,460)	1,383	(2,346)	(543)	(3,297)	(583)	(443)	(373)	(3,188)	(1,366)	(1,468)	(2,022)	(6,013)	(31,721)
Borrowings (Repayment) of Debt	-	353	-	43	1,535	909	3,460	-	963	543	3,297	583	443	373	3,188	1,366	1,468	2,022	6,013	26,560
Ending Cash	$ 3,431	$ -	$ 590	$ -	$ -	$ -	$ -	$ 1,383	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ending DIP Balance	**$ 10,848**	**$ 11,201**	**$ 11,201**	**$ 11,244**	**$ 12,779**	**$ 13,687**	**$ 17,148**	**$ 17,148**	**$ 18,111**	**$ 18,655**	**$ 21,951**	**$ 22,535**	**$ 22,978**	**$ 23,351**	**$ 26,539**	**$ 27,905**	**$ 29,372**	**$ 31,395**	**$ 37,408**	**$ 37,408**

Extended DIP Forecast 1

PRELIMINARY DRAFT – FOR DISCUSSION PURPOSES ONLY

Specialty Hospitals of America, LLC
Cash Forecast - DIP Interest, Fees & Expenses
$000's

PRIVILEGED & CONFIDENTIAL

Week ending:		**14** **8/22/14**	**15** **8/29/14**	**16** **9/5/14**	**17** **9/12/14**	**18** **9/19/14**	**19** **9/26/14**	**20** **10/3/14**	**21** **10/10/14**	**22** **10/17/14**	**23** **10/24/14**	**24** **10/31/14**	**25** **11/7/14**	**26** **11/14/14**	**27** **11/21/14**	**28** **11/28/14**	**29** **12/5/14**	**30** **12/12/14**	**31** **12/19/14**	**Other**	**Total**
Revolver																					
Beginning Balance		10,848	10,848	11,201	11,201	11,243	12,778	13,687	17,148	17,148	18,111	18,654	21,951	22,534	22,978	23,350	26,538	27,905	29,372	31,394	10,848
PIK Draw /(Paydown)		-	353	-	43	1,535	909	3,460	-	963	543	3,297	583	443	373	3,188	1,366	1,468	2,022	6,013	26,560
Ending Balance		10,848	11,201	11,201	11,243	12,778	13,687	17,148	17,148	18,111	18,654	21,951	22,534	22,978	23,350	26,538	27,905	29,372	31,394	37,408	37,408
DIP Interest	Margin																				
A) Libor (2.0% floor) + 12.0%	12.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
B) Default Interest	3.0%																				
Interest Accrued		**$ -**	**$ 101**	**$ 30**	**$ 30**	**$ 30**	**$ 34**	**$ 37**	**$ 46**	**$ 105**	**$ 49**	**$ 50**	**$ 59**	**$ 61**	**$ 62**	**$ 63**	**$ 73**	**$ 73**	**$ 73**	**$ -**	**$ 976**
Monthly Interest		**$ -**	**$ 101**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 162**	**$ -**	**$ -**	**$ -**	**$ 251**	**$ -**	**$ -**	**$ -**	**$ 244**	**$ -**	**$ -**	**$ 218**	**$ -**	**$ 976**
DIP Fee	2.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	382	-	382
Collateral Monitoring Fee	1.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	191	-	191
Call Premiun	3.0%																				-
Agent Fee																					-
DIP Costs & Expenses (Legal & Other Fees)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	-	300
APA Costs & Expenses (Legal & Other Fees)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299	-	299
Total Fees & Expenses		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,172**	**-**	**450**
Total DIP Interest, Fees & Expenses		**-**	**101**	**-**	**-**	**-**	**-**	**162**	**-**	**-**	**-**	**251**	**-**	**-**	**-**	**244**	**-**	**-**	**1,390**	**-**	**1,426**

PRELIMINARY DRAFT – FOR DISCUSSION PURPOSES ONLY