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FILED & ENTERED

FEB 11 2019

CLERK U.S. BANKRUPTCY COURT
Central District of California
BY gonzalez DEPUTY CLERK

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA - LOS ANGELES DIVISION

In re

VERITY HEALTH SYSTEM OF
CALIFORNIA, INC., *et al.*,

Debtors and Debtors In Possession.

Lead Case No. 2:18-bk-20151-ER

Jointly Administered With:

CASE NO.: 2:18-bk-20162-ER
CASE NO.: 2:18-bk-20163-ER
CASE NO.: 2:18-bk-20164-ER
CASE NO.: 2:18-bk-20165-ER
CASE NO.: 2:18-bk-20167-ER
CASE NO.: 2:18-bk-20168-ER
CASE NO.: 2:18-bk-20169-ER
CASE NO.: 2:18-bk-20171-ER
CASE NO.: 2:18-bk-20172-ER
CASE NO.: 2:18-bk-20173-ER
CASE NO.: 2:18-bk-20175-ER
CASE NO.: 2:18-bk-20176-ER
CASE NO.: 2:18-bk-20178-ER
CASE NO.: 2:18-bk-20179-ER
CASE NO.: 2:18-bk-20180-ER
CASE NO.: 2:18-bk-20171-ER

Chapter 11 Cases

Hon. Judge Ernest M. Robles

**ORDER APPROVING TERMS OF AGREEMENTS
RESOLVING CERTAIN CURE OBJECTIONS
RELATING TO EXECUTORY CONTRACTS AND
UNEXPIRED LEASES DESIGNATED BY SANTA
CLARA COUNTY FOR ASSUMPTION AND
ASSIGNMENT [RELATED DOCKET NO. 1290, 1292]**

HEARING:

Date: January 30, 2019

Time: 10:00 a.m.

Place: Courtroom 1568

Debtors and Debtors In Possession.

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1 The Debtors' *Omnibus Reply to Cure Objections Relating to Executory Contracts and*
2 *Unexpired Leases Designated By Santa Clara County For Assumption and Assignment* (the
3 "Reply") [Docket No. 1292], as well as the agreements (the "Agreements") resolving certain
4 Resolved Cure Objections¹ described therein, came on regularly for hearing on January 30, 2019
5 (the "Hearing") before the Honorable Ernest M. Robles, United States Bankruptcy Judge, in
6 Courtroom 1568, United States Bankruptcy Court, Edward R. Roybal Building, 255 E. Temple
7 Street, Los Angeles, CA 90012. Appearances were made as set forth on the record. The Reply
8 relates to the sale of O'Connor Hospital and Saint Louise Regional Hospital and related assets to
9 the County of Santa Clara ("SCC"), which required the assumption and assignment of various
10 contracts and leases to SCC. *See Order (A) Authorizing the Sale of Certain of the Debtors' Assets*
11 *to Santa Clara County Free and Clear of Liens, Claims, Encumbrances, and Other Interests; (B)*
12 *Approving the Assumption and Assignment of an Unexpired Lease Related Thereto; and (C)*
13 *Granting Related Relief* [Dkt. No. 1153].

14 The Court, having reviewed the Reply and the Agreements, the statements, arguments and
15 representations of the parties made at the Hearing; and the entire record of these cases; and the
16 Court, having determined that the Agreements are in the best interests of the Debtors, their estates,
17 their creditors and their shareholders, and after due deliberation and sufficient good cause appearing
18 therefor, and the Debtors having provided proper, timely, adequate and sufficient notice of the
19 Reply,

20 **IT IS HEREBY ORDERED:**

- 21 1. The Agreements resolving the Resolved Cure Objections are APPROVED.
- 22 2. The Debtors shall pay a cure amount of \$51,823.59 at closing of the SCC Sale, as a
23 condition to the assumption and assignment of the Roche Diagnostics Corporation contract to SCC.
24 The Debtors shall also continue to pay any post-petition amounts due to Roche Diagnostics
25 Corporation in the ordinary course of business and that any unpaid post-petition amounts shall be
26 paid on the closing of the SCC Sale.

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¹ All capitalized terms not otherwise defined herein shall have the meaning afforded in the Reply.

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1 3. The Debtors shall pay the following cure amounts at closing of the SCC Sale as a
2 condition to the assumption and assignment of the contracts with the following Stanford related
3 counterparties:

- 4 • CMQCC - \$0
- 5 • Packard Children's Health Alliance - \$0
- 6 • Stanford Blood Center, LLC - \$2,975.00
- 7 • Stanford Health Care Advantage - \$2,565.00
- 8 • Stanford Health Care - \$897,626.04
- 9 • University Healthcare Alliance - \$170,881.53

10 The Debtors shall also continue to pay any post-petition amounts due to the above contract
11 counterparties in the ordinary course of business and that any unpaid post-petition amounts shall be
12 paid on the closing of the SCC Sale. Any post-petition amount that is outstanding as of the closing
13 date of the SCC Sale shall be pro-rated between the Debtors and SCC, with the Debtors paying the
14 prorated pre-closing amount as a cure payment and the remaining prorated post-closing amount shall
15 be owed by SCC.

16 4. The Debtors shall pay the following cure amounts to Care 1st Health Plan at closing
17 of the SCC Sale as a condition to the assumption and assignment of the contracts with the following
18 Debtors:

- 19 • O'Connor Hospital - \$1,483.53
- 20 • St. Louise Regional Hospital - \$0.00

21 5. The Debtors shall pay a cure amount of \$3,136.23 at closing of the SCC Sale as a
22 condition to the assumption and assignment of the Humana Inc. contract to SCC.

23 **IT IS SO ORDERED.**

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Date: February 11, 2019



Ernest M. Robles
United States Bankruptcy Judge