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Debtors In Possession

**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.

- ☒ Affects All Debtors  
☐ Affects Verity Health System of  
California, Inc.  
☐ Affects O'Connor Hospital  
☐ Affects Saint Louise Regional Hospital  
☐ Affects St. Francis Medical Center  
☐ Affects St. Vincent Medical Center  
☐ Affects Seton Medical Center  
☐ Affects O'Connor Hospital Foundation  
☐ Affects Saint Louise Regional Hospital  
Foundation  
☐ Affects St. Francis Medical Center of  
Lynwood Foundation  
☐ Affects St. Vincent Foundation  
☐ Affects St. Vincent Dialysis Center, Inc.  
☐ Affects Seton Medical Center  
Foundation  
☐ Affects Verity Business Services  
☐ Affects Verity Medical Foundation  
☐ Affects Verity Holdings, LLC  
☐ Affects De Paul Ventures, LLC  
☐ Affects De Paul Ventures - San Jose  
Dialysis, LLC

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-20181-ER

Chapter 11 Cases

Hon. Judge Ernest M. Robles

**STIPULATION CONTINUING HEARING RE  
OBJECTION OF HEALTH NET, LLC TO  
PROPOSED CURE AMOUNTS AND PROPOSED  
SALE [RELATED TO DKT. NOS. 1704, 1940]**

**Continued Hearing:**

Date: June 5, 2019

Time: 10:00 a.m.

Place: United States Bankruptcy Court  
Courtroom 1568  
255 East Temple Street  
Los Angeles, California 90012

DENTONS US LLP  
601 SOUTH FIGUEROA STREET, SUITE 2500  
LOS ANGELES, CALIFORNIA 90017-5704  
(213) 623-9300



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1 This stipulation is entered between Verity Health System of California, Inc. and the above-  
2 referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter  
3 11 bankruptcy case (collectively, the “Debtors”), on the one hand, and Health Net, LLC (“Health  
4 Net”), on the other, in the above-captioned jointly administered cases with respect to the  
5 following:  
6

7 1. On February 19, 2019, the Court entered its *Order (1) Approving Form Of Asset*  
8 *Purchase Agreement For Stalking Horse Bidder And For Prospective Overbidders, (2) Approving*  
9 *Auction Sale Format, Bidding Procedures And Stalking Horse Bid Protections, (3) Approving*  
10 *Form Of Notice To Be Provided To Interested Parties, (4) Scheduling A Court Hearing To*  
11 *Consider Approval Of The Sale To The Highest Bidder, And (5) Approving Procedures Related To*  
12 *The Assumption Of Certain Executory Contracts And Unexpired Leases; And (II) An Order (A)*  
13 *Authorizing The Sale Of Property Free And Clear Of All Claims, Liens And Encumbrances*  
14 [Docket No. 1572] the (“Bidding Procedures Order”), which set a deadline for counterparties to  
15 executory contracts and unexpired leases to object to the cure amounts, identified by the Debtors,  
16 on or before March 22, 2019, at 4:00 p.m. (PST) (the “Objection Deadline”).

17 2. On March 5, 2019, the Debtors filed a *Notice of Counterparties to Executory*  
18 *Contracts and Unexpired Leases of the Debtors That May Be Assumed and Assigned* [Docket No.  
19 1704].

20 3. On March 22, 2019, the Court approved an extension of the Objection Deadline for  
21 Health Net to March 29, 2019, at 4:00 p.m. [Docket No. 1886].

22 4. On March 29, 2018, Health Net filed its *Objection of Health Net, LLC to*  
23 *Designated “Cure Amounts” In Debtors’ Notice of Motion and Motion for the Entry of (I) An*  
24 *Order (1) Approving Form Of Asset Purchase Agreement For Stalking Horse Bidder And For*  
25 *Prospective Overbidders, (2) Approving Auction Sale Format, Bidding Procedures And Stalking*  
26 *Horse Bid Protections, (3) Approving Form Of Notice To Be Provided To Interested Parties, (4)*  
27 *Scheduling A Court Hearing To Consider Approval Of The Sale To The Highest Bidder, And (5)*  
28 *Approving Procedures Related To The Assumption Of Certain Executory Contracts And*

1 *Unexpired Leases; And (II) An Order (A) Authorizing The Sale Of Property Free And Clear Of All*  
2 *Claims, Liens And Encumbrances* [Docket No. 1940] (the "Health Net Objection").

3 5. The Bidding Procedures Order provides that the Court will hold a hearing to  
4 consider the sale on April 17, 2019, at 10:00 a.m. (Pacific Time) (the "Hearing Date").

5 6. Health Net and the Debtors have continued discussions regarding cure amounts  
6 related to executory contracts and unexpired leases, and the Debtors have agreed to continue the  
7 Hearing Date regarding the Health Net Objection to allow additional time to review and reconcile  
8 such amounts.

9 NOW, THEREFORE, all of the parties to this Stipulation hereby stipulate as follows:

10 A. The Hearing Date to consider the Health Net Objection shall be continued from  
11 April 17, 2019, at 10:00 a.m., to June 5, 2019, at 10:00 a.m. (Pacific Time). For the avoidance of  
12 doubt, this Stipulation does not affect the other matters on calendar at the Sale Hearing.

13 B. The deadline for the Debtors to reply to the Health Net Objection is extended to  
14 May 29, 2019, at 4:00 p.m. (PST).

15  
16 **Verity Health System of California, Inc. *et al.***

17 DATED: April 15, 2019

DENTONS US LLP

18  
19 By: /s/ Tania M. Moyron

Samuel Maizel

Tania M. Moyron

Counsel to Debtors and Debtors in Possession

20  
21 **Health Net, LLC**

22  
23 DATED: April 15, 2019

KATTEN MUCHIN ROSENMAN LLP

24  
25 By: 

William B. Freeman

Counsel to Health Net, LLC