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Honorable Whitman L. Holt

8 **IN THE UNITED STATES BANKRUPTCY COURT**  
9 **EASTERN DISTRICT OF WASHINGTON**  
10 **SPOKANE/YAKIMA DIVISION**

11 In re: ) Lead Case No. 19-01189-11  
12 )  
13 ASTRIA HEALTH, *et al.*,<sup>1</sup> ) Chapter 11  
14 )  
15 Debtors and Debtors-in-Possession. ) Jointly Administered

16 **STIPULATION BETWEEN DAVITA, INC. AND DEBTORS**

17 This stipulation (the “**Stipulation**”) is entered into between Astria Health, a Washington  
18 nonprofit corporation, along with each of the above-referenced affiliated reorganized debtors  
19 (collectively, the “**Debtors**”), the debtors and debtors in possession in the above-captioned  
20 chapter 11 bankruptcy cases (collectively, the “**Chapter 11 Cases**”), and DaVita, Inc., on  
21 behalf of its subsidiaries Renal Treatment Centers—West, Inc. and Total Renal Care, Inc.  
22 (collectively, “**Creditor**”, and together with the Debtors, the “**Parties**”).

23 **Recitals**

24 1. On May 6, 2019 (the “**Petition Date**”), the Debtors filed voluntary petitions for  
25 relief under chapter 11 of the Bankruptcy Code.

26 <sup>1</sup> The Debtors, along with their case numbers, are as follows: Astria Health (19-01189-11), Glacier  
27 Canyon, LLC (19-01193-11), Kitchen and Bath Furnishings, LLC (19-01194-11), Oxbow Summit,  
28 LLC (19-01195- 11), SHS Holdco, LLC (19-01196-11), SHC Medical Center - Toppenish (19-01190-  
11), SHC Medical Center - Yakima (19-01192-11), Sunnyside Community Hospital Association (19-  
01191-11), Sunnyside Community Hospital Home Medical Supply, LLC (19-01197-11), Sunnyside  
Home Health (19-01198-11), Sunnyside Professional Services, LLC (19-01199-11), Yakima Home  
Care Holdings, LLC (19-01201-11), and Yakima HMA Home



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1           2.       On July 22, 2020, Creditor filed its *Motion, Pursuant to 11 U.S.C. § 503(b)(1)(A)*,  
2 *for Payment of Administrative Expense Claim* (Docket No. 1549) (the “**Admin Claim**”)  
3 requesting payment of \$66,339.36 on account of post-petition services rendered to the Debtors  
4 consisting of the following invoices:

5	Invoice No. 00124897 (12/31/2019):	\$	38,940.36
6	Invoice No. 00132171 (06/30/2020):	\$	27,372.00
7	Interest Note 00127707 (05/31/2020):	\$	27.00
8	<b>TOTAL:</b>	<b>\$</b>	<b>66,339.36</b>

9           3.       On September 11, 2020, the Debtor responded to the Admin Claim stating that  
10 they had already paid Creditor \$27,372.00 on account of Invoice No. 00132171 and do not  
11 object to payment of the remaining balance of the Admin Claim, in the amount of \$38,967.36,  
12 at confirmation of a plan of reorganization. (Docket No. 1787).

13           4.       On November 11, 2020, the Debtors filed their *Second Amended Joint Chapter*  
14 *11 Plan of Reorganization of Astria Health and its Debtor Affiliates* [Docket No. 1987] (the  
15 “**Plan**”). Pursuant to the Plan, the Debtors proposed to pay all administrative expenses and  
16 cure claims under an executory contract on the effective date of the Plan. (*See Plan at §*  
17 *II.D.1.d.(ii)*).

18           5.       On December 4, 2020, the Debtors filed their *Amended Schedule Re Certain Plan*  
19 *Supplements to the Second Amended Joint Chapter 11 Plan of Reorganization of Astria Health*  
20 *its Debtors Affiliates* (Docket No. 2082) (the “**Amended Plan Supplement**”). The Amended  
21 Plan Supplement, *inter alia*, identified for potential assumption an Acute Services Agreement  
22 dated November 5, 2013 between Sunnyside Community Hospital Association and Renal  
23 Treatment Centers West, Inc., as amended on July 17, 2014 and January 22, 2018 (the “**Acute**  
24 **Services Agreement**”) (*See Docket No. 2082, at p. 10*). The Amended Plan Supplement  
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1 further alleged that to cure all defaults under the Acute Services Agreement that Debtors needed  
2 to pay Creditor \$206,000.00 (the “**Proposed Cure Amount**”). (*Id.*).

3 6. On December 17, 2020, Creditor filed its *Objection to Cure Amount Identified in*  
4 *Debtors’ Amended Schedule of Assumed Agreements* (Docket No. 2166) (the “**Cure**  
5 **Objection**”). The Cure Objection states that the appropriate amount to cure all defaults under  
6 the Acute Services Agreement was \$264,535.18, as shown below:  
7

Date	Invoice Number	Amount
10/31/2018	00107327	\$29,204.00
12/21/2018	00108265	\$31,722.00
12/30/2018	014760IN	\$1,222.87
12/31/2018	014894IN	\$1,690.28
01/24/2019	00109831	\$21,932.00
01/31/2019	015064IN	\$853.27
02/13/2019	00111179	\$29,162.00
02/28/2019	00111634	\$31,547.00
02/28/2019	015252IN	\$967.01
03/31/2019	00113102	\$26,466.00
03/31/2019	015444IN	\$2,413.04
04/30/2019	00114684	\$24,297.00
06/10/2019	00116914	\$5,652.00
09/30/2020	00135836	\$31,369.00
11/30/2020	023380IN	\$485.71
12/07/2020	00138926	\$25,552.00
<b>TOTAL</b>		<b>\$264,535.18</b>

8 7. On December 10, 2020, the Debtors paid the September 30, 2020 Invoice No.  
9 00135836 in the total amount of \$31,369.00 by check number 286149.  
10

11 8. On December 23, 2020, the Court confirmed the Debtors’ Plan. (Docket No.  
12 2217).  
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14 9. Following the filing of the Cure Objection, Creditor and the Debtors conferred  
15 regarding the nature and extent of the amounts due and owing and have decided to enter into  
16 this Stipulation.  
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**Agreement**

NOW THEREFORE, the Parties to this Stipulation hereby agree and stipulate as follows:

A. Payment of Admin Claim. On the effective date of the Plan, the Debtors shall pay the remaining amount of the Admin Claim, in the amount of \$38,967.36, in accordance with the terms of the Plan.

B. Payment of Cure Claims. On the effective date of the Plan or as soon as practicable thereafter, the Debtors shall pay Creditor \$77,722.06 (the “**Initial Payment**”).<sup>2</sup> Following the Initial Payment, the Debtors shall pay Creditor the remaining \$155,444.12, with interest at the rate of one and a half percent (1.5%) per month, in twelve (12) equal monthly installments in the amount of \$14,251.12 commencing on February 1, 2021 or as soon as practicable thereafter, and on the first day of the month for each month thereafter for the following twelve (12) months.

C. Effectiveness of Stipulation. Upon entry of an order approving the terms of hereof, this Stipulation shall be effective and binding upon the Parties (the “**Effective Date**”). Upon the Effective Date, the Cure Objection shall be deemed withdrawn without any further action of the Parties. Until the occurrence of the Effective Date, the Cure Objection shall be held in abeyance by the Parties.

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<sup>2</sup> On January 26, 2021, the Debtors issued check number 286768 in the total amount of \$61,800.00 in furtherance of the Initial Payment. Creditor reserves all rights to seek further relief from this Court to the extent Debtors have failed to timely pay all amounts due hereunder and in full including the \$61,800.00 represented by check number 286768. The Debtors will issue another check to cover the outstanding \$15,922.06, which is the portion of the Initial Payment not yet tendered as soon as practicable.

1 D. Retention of Jurisdiction. The Court shall retain jurisdiction to interpret,  
2 implement and/or enforce this Stipulation, any order granting this Stipulation, the Admin Claim  
3 and the Cure Objection.

4 Dated: February 9, 2020.

5 **DENTONS**

6  
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