GARY E. KLAUSNER (State Bar No. 69077),
GREGORY K. JONES (State Bar No. 181072) and
NATHAN A. SCHULTZ (State Bar No. 223539), Members of
STUTMAN, TREISTER & GLATT PROFESSIONAL CORPORATION
1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Telephone: (310) 228-5600
Facsimile: (310) 228-5788

Reorganization Counsel for
Debtor and Debtor In Possession

Debtor's Mailing Address:
3405 W. Imperial Highway, Suite 304
Inglewood, California 90303

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re	Case No. LA 05-22627-TD
	Chapter 11
WATTSHealth Foundation, Inc. dba UHP Healthcare, a California not-for-profit corporation,	**STIPULATION REGARDING SECOND OBJECTION TO CLAIMS THAT ARE NOT CONSISTENT WITH DEBTOR'S BOOKS AND RECORDS [APPLICABLE TO CLAIM NOS. 128, 301, and 1546]**
Debtor.	
	SCHEDULED HEARING:
Tax I.D. No. 95-2623688	Date: July 30, 2007 Time: 10:30 a.m.

WATTSHealth Foundation, Inc., dba UHP Healthcare, debtor and debtor in possession in the above-captioned chapter 11 case (the "Debtor") and the County of San Bernardino (Arrowhead Regional Medical Center) ("SB") hereby enter into the following stipulation.

RECITALS

A. This case was commenced on May 31, 2005 (the "Petition Date"), when the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").

B. On or about March 16, 2007, the Court entered an order setting forth certain procedures for the filing and prosecution of objections to claim in the Debtor's case [Docket No. 843] (the "Claim Objection Procedure Order").

C. On or about June 25, 2007, the Debtor filed its "Second Objection To Claims That Are Not Consistent With Debtor's Books And Records" (the "Objection"). The Objection sought to reduced or disallow certain claims, including Claim Nos. 128, 301, and 1546 asserted by SB (the "SB Claims"). The Objection is set for an initial hearing on July 30, 2007 (the "Initial Hearing").

D. SB disputes certain of the reductions to the SB Claims sought by the Objection.

E. SB and the Debtor have had discussions regarding the SB Claims and the prosecution of the Objection, and have reached certain agreements set forth below.

WHEREFORE, THE PARTIES STIPULATE AND AGREE AS FOLLOWS:

1. The Initial Hearing on the Objection will be continued for approximately forty-five (45) days, i.e., until

September 12, 2007, or such other date that is convenient for the Court (the "Continued Hearing").

2. If, prior to the Continued Hearing, SB and the Debtor resolve their disputes regarding the SB Claims and the Objection, then the Debtor will file a notice regarding such settlement and the Continued Hearing will not go forward.

3. If, prior to the Continued Hearing, SB and the Debtor do not resolve their disputes regarding the SB Claims, then in accordance with the Claim Objection Procedure Order, the Continued Hearing will be treated as a status conference in order to determine the timing and procedures by which the Objection will be resolved. SB will not be required to file a request for hearing or other response to the Objection prior to the Continued Hearing.

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4. On or after the date of the Initial Hearing, the Debtor will lodge an order providing for the approval of this Stipulation.

Dated: July 20, 2007

WATTSHealth Foundation, Inc.
dba UHP Healthcare, a California
not-for-profit corporation

By: Greg Jones

GREGORY K. JONES and
NATHAN A. SCHULTZ
STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
Counsel for Reorganized Debtor

Dated: July 20, 2007

County of San Bernardino (Arrowhead
Regional Medical Center)

By: Paul St. John

Paul St. John
Counsel for the County of San
Bernardino (Arrowhead Regional
Medical Center)

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DECLARATION OF SERVICE

I, Danielle Trujillo, am over the age of 18 years and not a party to the within action. I am employed in an office that employs a member of the bar of this court, at whose direction the within service was made. My business address is Stutman, Treister, & Glatt Professional Corporation, 1901 Avenue of the Stars, 12th Floor, Los Angeles, California 90067-6013.

On July 20, 2007, I served the following pleading:

STIPULATION REGARDING SECOND OBJECTION TO CLAIMS THAT ARE NOT CONSISTENT WITH DEBTOR'S BOOKS AND RECORDS [APPLICABLE TO CLAIM NOS. 128, 301, and 1546]

on the interested parties in this action by placing true copies thereof, enclosed in sealed envelopes, with first class postage thereon fully prepaid, in the United States mail at Los Angeles, California addressed as follows:

Steven Schwartz, Esq.
Danning, Gill, Diamond & Kollitz, LLP
2029 Century Park East, Third Floor
Los Angeles, CA 90067

Paul St. John, Esq.
County of San Bernardino
385 N. Arrowhead Avenue
San Bernardino, CA 92415

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 20, 2007, at Los Angeles, California.

Danielle Trujillo, Declarant

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