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UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

In Re:

PASCACK VALLEY HOSPITAL  
ASSOCIATION, INC.,

Debtor.

Case No. 07-23686 (RG)  
Chapter 11  
Hon. Rosemary Gambardella

HEALTH NET OF THE NORTHEAST, INC.'S  
STATEMENT OF CURE AMOUNT AND  
RELATED CLAIMS

Health Net of the Northeast, Inc. ("Health Net"), by and through its attorneys Gibbons P.C., submits this statement of cure amount in connection with chapter 11 debtor Pascack Valley Hospital, Inc.'s ("PVH") amendment and assumption of that certain "Administrative Services Agreement" effective as of October 1, 2005 ("ASA") by and between Health Net and PVH pursuant to 11 U.S.C. § 365 and the Court's "Order Granting Debtor's Motion for Entry of an Order Authorizing Amendment and Assumption of Health Net Administrative Services Agreement" dated October 29, 2007 ("Order"), and states as follows:

1. Pursuant to the Order, the Court (i) authorized PVH's amendment and assumption of the ASA, (ii) ordered that "[t]he ASA is hereby assumed pursuant to its terms and conditions, as amended", and (iii) directed that, within five days of the date of the Order, PVH is to pay all amounts due to Health Net under the ASA and a related "Stop Loss Insurance Agreement" effective as of October 1, 2006 ("SLA") by and between Health Net and PVH. PVH's

performance and payment of all of its obligations due to Health Net under the SLA is a condition to PVH's performance of its obligations to Health Net under the ASA.

2. The prepetition cure amount pursuant to 11 U.S.C. § 365(b)(1) due to Health Net from PVH under the ASA and the SLA totals \$201,500.

3. As set forth in PVH's "Notice of Motion for Entry of an Order Authorizing Amendment and Assumption of Health Net Administrative Services Agreement" dated October 12, 2007 and related pleadings pursuant to which the Court entered the Order, under the ASA, Health Net administers and manages PVH's self-funded employee health and welfare benefit plan ("Plan"). PVH pays all benefits due under the Plan (by reimbursement) through Health Net, which is paid an administrative fee for its services. As the ASA has been amended and assumed, Health Net will continue to administer the Plan through December 31, 2007, and will continue to render a weekly invoice or invoices to PVH for the benefits and administrative fee payments due under the ASA and the SLA through that date, subject to the conditions set forth in the Order.

4. As of November 2, 2007, Health Net has delivered an "Invoice for Reimbursement of Claim Payments" dated October 30, 2007 and an "Invoice for Reimbursement of Stop Loss" dated October 30, 2007 setting forth a total due of \$114,260.35, representing benefits claim, stop loss and related payments due from PVH to Health Net under the ASA and the SLA for the week of October 24, 2007 through October 30, 2007. Under the terms of the ASA, the SLA and the Order, such invoices are due upon presentment. Health Net will continue to administer the Plan and submit such invoices to PVH on a weekly basis under the terms set forth in the ASA, the SLA and the Order through December 31, 2007.

5. This statement is with full reservation and without waiver any and all additional claims that Health Net may have against PVH under the ASA, the SLA, the Order and/or otherwise.

Dated: November 2, 2007

GIBBONS P.C.  
Attorneys for Health Net of the  
Northeast, Inc.

By: s/Dale E. Barney  
Dale E. Barney