

**IN THE COURT OF COMMON PLEAS OF DELAWARE COUNTY, PENNSYLVANIA  
CIVIL DIVISION**

CKHS, INC. and	:	
THE FOUNDATION FOR	:	
DELAWARE COUNTY,	:	
Petitioners	:	
v.	:	No. CV-2022-007161
PROSPECT MEDICAL	:	
HOLDINGS, INC., and	:	CIVIL ACTION-LAW
PROSPECT CROZER, LLC	:	
Respondents	:	
and	:	
COMMONWEALTH OF PENNSYLVANIA	:	
Intervenors	:	
and	:	
IN THE MATTER OF THE ACQUISITION	:	
OF ASSETS OF CROZER-KEYSTONE	:	Orphans' Court No. 0342-1997
HEALTH SYSTEM	:	

**STIPULATION**

AND NOW this 16<sup>th</sup> day of October, 2023, upon the record in this case and the consents affixed hereto of CKHS, Inc., and The Foundation for Delaware County (collectively "Petitioners" or "Foundation"), Prospect Medical Holdings, Inc., and Prospect Crozer, LLC (collectively "Respondents" or "Crozer"), and the Commonwealth of Pennsylvania by Attorney General Michelle Henry ("Intervenors" or "Commonwealth") collectively known as the "Parties," and in light of the following:

WHEREAS, an action was commenced by the Foundation's Complaint in the Form of a Petition for Emergency Preliminary Injunction filed in the Court of Common Pleas of Delaware County, Pennsylvania, at No. CV-2022-007161, alleging that the Respondents violated the terms of the 2016 Asset Purchase Agreement ("APA"); and

**WHEREAS**, an action was commenced by the Foundation's Complaint in the form of a Complaint alleging breach of the APA by Respondents with regard to certain lease obligations in Springfield, Delaware County, Pennsylvania, filed in the Orphans' Court of Delaware County, Pennsylvania, No. 1997-342, together with the above-referenced action, herein referred to as the "Litigation."

**WHEREAS**, The Respondents deny the allegations against them; and

**WHEREAS**, the Parties desire to avoid the time and minimize the expense of the ongoing litigation and explore possible avenues of a sale of the Respondents' hospital system to a third party operator;

**NOW, THEREFORE**, the Parties have agreed to a limited suspension of the ongoing litigation so that Crozer can pursue a sale process under the following terms and conditions:

1. The Litigation shall be continued for a period of two hundred and seventy (270) days from the date of the approval of this stipulation, which continuance may be extended as may be necessary by mutual consent. Nothing in this decree shall be construed to affect the Foundation's pending Petition for Allowance of Appeal before the Supreme Court of Pennsylvania at 299 MAL 2023 concerning the May 3, 2023 Opinion and Order of the Commonwealth Court of Pennsylvania at 1118 C.D. 2022 and 1265 C.D. 2022.

WHEREFORE, and intending to be legally bound, the Parties have set their hands and

seals:

**CKHS, Inc., and  
THE FOUNDATION FOR  
DELAWARE COUNTY,**

By:  \_\_\_\_\_

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Counsel for Petitioners

**PROSPECT MEDICAL HOLDINGS, INC,  
and PROSPECT CROZER, LLC,**

By:  \_\_\_\_\_

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Counsel for Respondents

**COMMONWEALTH OF PENNSYLVANIA,  
MICHELLE A. HENRY,  
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By:  \_\_\_\_\_

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Counsel for the Commonwealth

**BY THE COURT:**

\_\_\_\_\_  
Cheryl L. Austin, S.J.