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*Attorneys for the Debtors
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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

PROSPECT MEDICAL HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-80002 (SGJ)

(Jointly Administered)

**NOTICE OF STIPULATION AND AGREED ORDER
BETWEEN THE DEBTORS AND THE STATE OF RHODE ISLAND
REGARDING THE DEBTORS' RHODE ISLAND TRANSFER MOTION**

PLEASE TAKE NOTICE that, pursuant to the Stipulation and Agreed Order attached hereto as **Exhibit A**, Prospect Medical Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases, and the State of Rhode Island through its Attorney General have, in connection with the *Debtors' Motion for Entry of an Order (I) Granting Relief from the Centurion Sale Order and (A) Authorizing the Transfer of the Rhode*

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors' mailing address is 3824 Hughes Ave., Culver City, CA 90232.

Island Hospitals to the State of Rhode Island, or (B) in the Alternative, Approving the Closure of the Rhode Island Hospitals; and (II) Granting Related Relief [Docket No. 3666], agreed to a temporary funding solution for the Debtors' RI Hospitals on the terms set forth in **Exhibit A**.

[Remainder of the page intentionally left blank.]

Certificate of Service

I certify that on November 6, 2025, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Northern District of Texas.

/s/ Thomas R. Califano
Thomas R. Califano

Exhibit A

Stipulation and Agreed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:

PROSPECT MEDICAL HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 25-80002 (SGJ)

(Jointly Administered)

**STIPULATION AND AGREED ORDER
BY AND AMONG THE DEBTORS AND THE STATE OF RHODE ISLAND
REGARDING THE DEBTORS' RHODE ISLAND TRANSFER MOTION**

This stipulation and agreed order (this “Stipulation and Agreed Order”) is made by and among Prospect Medical Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), and the Attorney General for the State of Rhode Island (the “RI Attorney General” and, together with the Debtors, the “Parties”). The Parties hereby stipulate and agree as follows:

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://omniagentsolutions.com/Prospect>. The Debtors’ mailing address is 3824 Hughes Ave., Culver City, CA 90232.

RECITALS

WHEREAS, beginning on January 11, 2025 (“Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Northern District of Texas (the “Court”);

WHEREAS, on February 12, 2025, the Court entered the *Order (I) Approving and Authorizing (A) the Asset Purchase Agreement, (B) the Sale of the Debtors’ Assets Free and Clear of Interests, (C) the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (D) Assignment of Certain Permits; and (II) Granting Related Relief* [Docket No. 606] (the “Centurion Sale Order”), approving a private sale of the Debtors’ Rhode Island hospitals (the “RI Hospitals”) to The Centurion Foundation Inc. (“Centurion” and such sale, the “Centurion Sale”), pursuant to the terms of an asset purchase agreement dated as of November 18, 2022 (as amended on April 18, 2023 and November 7, 2023, and amended and restated on February 2, 2025, the “APA”);

WHEREAS, in the eight months following the Centurion Sale Order, Centurion has not yet closed the Centurion Sale;

WHEREAS, on October 30, 2025, given the uncertainty regarding the Centurion Sale and the mounting operating losses at the RI Hospitals, the Debtors filed the *Debtors’ Motion for Entry of an Order (I) Granting Relief from the Centurion Sale Order and (A) Authorizing the Transfer of the Rhode Island Hospitals to the State of Rhode Island, or (B) in the Alternative, Approving the Closure of the Rhode Island Hospitals; and (II) Granting Related Relief* [Docket No. 3666]

(the “RI Transfer Motion”), seeking to either transfer the RI Hospitals to the State of Rhode Island or, in the alternative, safely and expeditiously close such hospitals;²

WHEREAS, the RI Hospitals are projected to operate at a loss of approximately \$6.0 million for the month of November 2025;

WHEREAS, on November 4, 2025, the Court held a status conference on the RI Transfer Motion (the “Status Conference”). Following the Status Conference, the Debtors, the RI Attorney General, the Patient Care Ombudsman, and the Official Committee of Unsecured Creditors entered into negotiations for an interim resolution of the RI Transfer Motion, while confirming that Centurion is not able to fund any of the projected November losses; and

WHEREAS, the State of Rhode Island and the Debtors are working cooperatively with all possible acquirors to provide necessary diligence and information so they can advise the Court on or about November 18, 2025, regarding an alternative sale transaction, transfer or other disposition, if any, which is subject in all cases to obtaining regulatory approval from the State of Rhode Island.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED AS FOLLOWS:

1. The RI Attorney General hereby agrees to provide the Debtors access to up to \$3.0 million of the Hospital Fund (as defined in the RI Transfer Motion) (the “Rhode Island Contribution”) to defray one-half (1/2) of the November losses, upon and subject to this Court’s approval of this Stipulation.

2. Any sale of the RI Hospitals shall be conditioned on, *inter alia*, a payment to the Debtors’ estates equal to the amount of losses incurred after November 1, 2025, which are not defrayed by the Rhode Island Contribution, along with any replenishment or other consideration

² Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Centurion Sale Order or the RI Closure Motion, as applicable.

acceptable to the RI Attorney General regarding the funding or use of the Hospital Fund in light of the Rhode Island Contribution.

3. The RI Transfer Motion shall be continued to November 18, 2025, at 9:30 a.m. (prevailing Central Time).

4. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Stipulation and Agreed Order.

5. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Stipulation and Agreed Order.

END OF ORDER

STIPULATED AND AGREED:

/s/ Thomas R. Califano

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[Signatures Continue Next Page]

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