

# Court Examines Intended Third Party Beneficiaries of Indemnification Provision

“In CHS/Community Health Systems, Inc. et al v. Steward Health Care System LLC, the Delaware Court of Chancery examined who was an intended third-party beneficiary of an indemnification provision in an Asset Purchase Agreement,” writes Steve Quinlivan in *Stinson’s Blog*.

“The dispute arose in a transaction where Steward agreed to purchase substantially all the assets of certain hospitals owned by CHS.”

“Specifically, the APA listed a series of ‘Seller Entities’ that would ‘sell to [Steward] . . . substantially all of [their] assets . . . which are . . . used in connection with . . . [a] Healthcare Business.’”

“Steward agreed to ‘assume . . . the future payment and performance of . . . all obligations accruing . . . after the Effective Time with respect to the Assumed Contracts.’”

***Read the article.***