



June 27, 2014

CONFIDENTIAL

VIA EMAIL
BLigibel@HL.com

Daughters of Charity Health System
c/o Geoffrey Ligibel
Houlihan Lokey
123 N. Wacker Drive, 4th Floor
Chicago, IL 60606

VIA EMAIL
SJackson@HL.com

Daughters of Charity Health System
c/o Scott Jackson
Houlihan Lokey
123 N. Wacker Drive, 4th Floor
Chicago, IL 60606

Dear Geoff and Scott:

On behalf of Aeoro LLC (“Aeoro”), we submit this amendment (the “Amendment”) to our Proposal Letter dated May 21, 2014 (the “Proposal”) for the proposed transaction described therein (the “Transaction”) between Aeoro, a Delaware LLC and newly formed subsidiaries and/or affiliates thereof (collectively, “Aeoro”), and Daughters of Charity Health System (the “DCHS”), as follows.

Section 4, Sources of Capital.

Section 4 of Aeoro’s Proposal shall be replaced in its entirety with the following:

Transaction financing will be provided by Platinum Equity, headquartered in Beverly Hills, California. Platinum Equity has reviewed the Transaction internally with its investment committee and expects to complete its due diligence by the end of July 2014.

Section 5, Buyer Plans with Respect to Collective Bargaining Agreements.

Section 5 of Aeoro’s Proposal shall be replaced in its entirety with the following:

DCHS acknowledges the impact of the current Collective Bargaining Agreements on all prospective Buyers’ transaction valuations. Accordingly, Aeoro proposes to enter into negotiations with all Unions (who currently have bargaining units in the DCHS facilities) between execution and Closing of the Purchase Agreement. Aeoro plans to engage all Unions immediately after execution, with DCHS consent. Aeoro expects to successfully renegotiate the CBAs, to its satisfaction, by the Closing Date.



The changes to the CBAs that Aeoro would seek are with respect to any covenants, agreements or provisions in the CBAs that limit the employer's rights generally and the employer's rights to manage its cost of labor specifically, as follows:

- Management rights to staff operations appropriately and cost effectively
- Management rights to flex and call-off appropriately and cost effectively
- Management rights to manage performance and discipline of rank and file employees
- Management rights as they relate to control and discretion over staffing decisions, generally
- Wage scales (we understand steps on all wage scales increased well in excess of the market rates during the last 5 years)
- Health and Welfare benefits (to a more reasonably priced plan and/or employee contribution/commitment to share in the burden)

Section 6, Buyer Plans with Respect to Pension Plans.

Section 6 of Aeoro's Proposal shall be replaced in its entirety with the following:

Subject to any Material Adverse Effect, as defined in the Asset Purchase Agreement, (e.g., Seller's receipt of a materially adverse actuarial report), Aeoro intends to assume DCHS's liabilities under the Retirement Plan for Hospital Employees (the "RPHE") and the "Church Plan."

Section 7, Further Due Diligence.

Section 7 of Aeoro's Proposal shall be replaced in its entirety with the following:

Subject to Aeoro's and Platinum Equity's rights to request and conduct additional diligence, or to supplement or modify this list as the needs arise, Platinum Equity is commencing its due diligence immediately, and Aeoro contemplates conducting further diligence as follows:

- a. Seller's and Hospitals' policies and procedures regarding paid time off versus sick leave and accruals in each bank showing on the books of Seller/Hospitals, if any.



- b. Liabilities represented by the “Seller Plans,” as that term is defined in the Asset Purchase Agreement, including, but not limited to the “top up” plans.
- c. For the purposes of planning capital expenditure needs, Buyer would like to understand: (1) the assets held by Seller on behalf of the Foundation, and (2) all restricted and unrestricted cash and cash equivalents held by Seller.
- d. Aeoro will produce a list of further diligence requests related to Marillac Insurance Company, Ltd.
- e. Platinum Equity must conduct its due diligence, and anticipates completing its material due diligence by the end of July 2014.

Section 8, Contingencies.

Section 8 of Aeoro’s Proposal shall be amended and revised by deleting Section 8c., the Financing contingency, in its entirety.

Except to the extent expressly amended or modified by the terms of this Amendment, all of the terms and provisions of Aeoro’s Proposal dated May 21, 2014, are and shall continue to be in effect and are hereby ratified and confirmed.

Very truly yours,

AEORO LLC

Sharyn G. Alcaraz
General Counsel