



STRATEGIC GLOBAL MANAGEMENT, INC.

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Kali P. Chaudhuri, M.D.
F.A.C.S., F.I.C.S., F.A.A.O.S.
Chairman and
Chief Executive Officer

William E. Thomas, Esq.
Executive Vice President
and General Counsel
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September 11, 2014

Andrew Turnbull
Managing Director
Houlihan Lokey
123 North Wacker Drive, 4th Floor
Chicago, IL 60606

Re: Daughters of Charity Health System ("DCHS" or the "System")

Dear Mr. Turnbull,

On behalf of Strategic Global Management, Inc., we are pleased to present this proposal for the purchase of substantially all of the assets of the Daughters of Charity Health System ("DCHS" or the "System").

Please find enclosed the following:

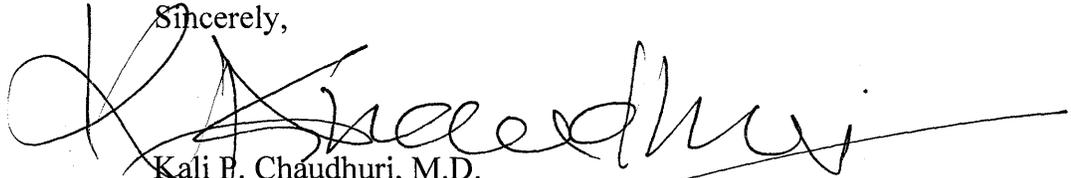
1. Asset Purchase Agreement ("APA"). The APA is redlined against your suggested changes. We shall have to continue further discussion on what you and we consider open points in the document.
2. Letter from MidCap Financial ("MidCap Letter") reflecting a commitment to lend up to \$345,000,000.
3. Letter from Rendina Healthcare Real Estate ("Rendina Letter") reflecting an agreement to purchase certain medical office buildings for a total of \$91,500,000.

Once we have finalized a mutually agreed APA, Dr. Chaudhuri will consider backstopping further financial requirements as necessary.

We have also enclosed two charts, one reflecting our calculation of purchase price and the other showing sources and uses at closing.

Please let us know if you need further information or would like to discuss any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kali P. Chaudhuri'. The signature is written in a cursive style with a long horizontal stroke extending to the right.

Kali P. Chaudhuri, M.D.
Chairman