



Garrett Fletcher
Managing Director
MidCap Financial, LLC

7255 Woodmont Avenue
Suite 200
Bethesda, MD 20814

June 10th, 2014

Mr. Geoffrey Ligibel
Director
Houlihan Lokey
123 North Wacker Dr.
4th Floor
Chicago, IL 60606

c/o Mr. Joel Freedman
President
Paladin Healthcare Capital, LLC
2121 Rosecrans Avenue, Suite 2320
El Segundo, CA 90245

Dear Mr. Ligibel,

Midcap Financial, LLC ("MidCap") has agreed to partner with Paladin Healthcare Capital and its affiliates (collectively, "Paladin") with respect to its planned acquisition of substantially all of the assets of Daughters of Charity Health System ("DHCS") as more fully described in that certain Bid Letter dated May 21, 2014 (the "2nd Bid Letter") delivered by Paladin to DCHS; the updated Bid Letter dated June 10th, 2014 (the "3rd Bid Letter") delivered by Paladin to DCHS; and the form of Asset Purchase Agreement (the "APA") delivered by Paladin to DCHS, each of which have been reviewed and approved by MidCap. We are pleased to advise you that, subject to confirmatory due diligence and final credit committee approvals, MidCap and Paladin are committed to funding the total capital necessary to complete the Transaction, based on the terms set forth in the Bid Letters and form APA, and the Sources and Uses provided in the 2nd Bid Letter.

Midcap and its Parent-company, Apollo Global Management, are excited about the transaction and look forward to working closely and diligently with Paladin, Houlihan Lokey, and DCHS to reach mutually acceptable purchase agreements as soon as possible. If you have any questions, feel free to call me at

[REDACTED]

Sincerely,

A handwritten signature in blue ink, appearing to read "Garrett W. Fletcher", with a long horizontal flourish extending to the right.

Garrett W. Fletcher
Managing Director