ST. FRANCIS MEDICAL CENTER

Resolutions of the Board of Directors

October 9, 2014

WHEREAS, Daughters of Charity Health System, a nonprofit religious corporation (the "Corporate Member"), is the member of St. Francis Medical Center (the "Corporation") and other entities comprising a nonprofit health care system (the "Daughters of Charity Health System") overseen by the Daughters of Charity Ministry Services Corporation ("Ministry Services Corporation") and sponsored by the Daughters of Charity of St. Vincent de Paul, Province of the West (the "Province");

WHEREAS, the Health System consists of: (i) the nonprofit religious corporations St. Francis Medical Center, St. Vincent Medical Center, Saint Louise Regional Hospital, O'Connor Hospital and Seton Medical Center (collectively, the "LHMs"); and (ii) the related entities that support those sponsored ministries: Daughters of Charity Health System, DCHS Medical Foundation, Caritas Business Services, De Paul Ventures, LLC, and Marillac Insurance Company, Ltd., St. Francis Medical Center Foundation, St. Vincent Foundation, Saint Louise Regional Hospital Foundation, O'Connor Hospital Foundation and Seton Medical Center Foundation (collectively with the LHMs, the "DCHS Affiliates");

WHEREAS, the Province has determined, after careful study and reflection, that continuing sponsorship of the Health System is not tenable;

WHEREAS, the Board of Directors of the Corporate Member (the "Member Board") has determined that it is in the best interest of the Daughters of Charity Health System as a whole and each of its Affiliates, including this Corporation, to seek a transfer of control of the Health System with the following objectives: (1) to preserve health care services in the communities served by each of the LHMs; and (2) to fulfill the Daughters of Charity Health System's commitments to its stakeholders, including its associates, bondholders and retirees;

WHEREAS, the Member Board has engaged in an extensive process over the past year to find options that meet these objectives to the greatest extent possible, and the Member Board has overseen its financial advisors' efforts through regular reports, comparisons of proposals received at each stage, and evaluation of individual and full Daughters of Charity Health System solutions;

WHEREAS, the LHMs are linked by major joint liabilities, including obligations to bondholders, retirees, associates under collective bargaining agreements and parties to system-wide contracts (the "Health System's shared obligations"), necessitating a single approach under the Member Board's supervision to the development and selection of proposals;

WHEREAS, the Member Board concluded that the proposed transaction outlined in the attached Exhibit A (the "Transaction") will best satisfy the Corporate Member's key objectives and criteria;

WHEREAS, on a regular basis over the course of the sale process, the Corporate Member has provided the Board of Directors of the Corporation (the "Board") with information on the process, its progress and results and has kept the Board apprised of such matters;

WHEREAS, the Member Board has asked this Board to concur that the Transaction is in the Corporation's best interests and for this Board to authorize all actions required to be taken by this Corporation in order to implement the Transaction;

WHEREAS, the Transaction is subject to approval by the Holy See with respect to alienation of the Province's stable patrimony and other canonical assets, which comprise a substantial portion of the property used by the LHMs;

WHEREAS, the Transaction is subject to the approval and consent of the California Attorney General and other state or federal governmental entities;

WHEREAS, a majority of the Directors of the Board are present and voting and none are Interested Directors as such term in defined in Section 5233 of the California Corporations Code; and the requirements of applicable law with regard to self-dealing transactions and the Corporation's policies on conflicts of interest have been considered and addressed.

NOW, THEREFORE, IT IS HEREBY:

RESOLVED: That the Board has reviewed the details of the Transaction and concurs that the Transaction is in the best interest of the Corporation; and

RESOLVED: That the Board recommends approval of the Transaction by Ministry Services Corporation; and

RESOLVED: That each of the individuals holding the following offices of the Corporation from time to time is designated an "Authorized Officer" for all purposes in connection with the Transaction:

President and Chief Executive Officer
Chief Financial Officer

Board Chairperson
Board Vice Chairperson
Board Treasurer

RESOLVED: That the articles of incorporation and bylaws of the Corporation and St. Francis Medical Center Foundation (the "Foundation") be amended as necessary or advisable to consummate the Transaction; and that each of the Authorized Officers acting singly be authorized, empowered and directed to execute and file any such amendments to the articles of incorporation and bylaws of the Corporation and the Foundation, related actions by written consent of this Corporation as sole member and other evidence of approvals required by reserved powers under applicable bylaws of subsidiaries; and

RESOLVED: That each of the Authorized Officers acting singly be authorized and directed to prepare, negotiate, execute and deliver all notifications, filings documents and certificates, and take all other actions, as may be reasonably necessary or appropriate and to obtain all approvals or consents to the Transaction from any state or federal government agency or regulatory body; and

RESOLVED: Each Authorized Officer acting singly is authorized to execute and deliver such certificates, affidavits, documents, actions by written consent, waivers or conditions, directions and instruments, to approve regulatory conditions, to modify or waive closing conditions, modify the manner, form and structure of the transfer of control of this Corporation's assets, liabilities and operations, and to take such other actions as each Authorized Officer so acting deems to be necessary or desirable to carry out the intent of these resolutions to consummate the Transaction and to address post-closing regulatory, contractual and other requirements, such execution and delivery or other action to be conclusive evidence of authorization by this Board; and

RESOLVED: That, in accordance with the Corporation's articles and bylaws these resolutions will become final, binding action of the Corporation and the Foundation when such action has been approved or ratified by final action of Ministry Services Corporation acting in accordance with the Corporation's bylaws and the bylaws of Ministry Services Corporation; and

RESOLVED: That the Corporation hereby irrevocably appoints the Corporate Member as its agent and the Corporation's true and lawful attorney-in-fact and agent, with full powers of substitution and resubstitution, in the Corporation's name, place and stead, in any and all capacities, in connection with the Transaction and the Transaction Documents, granting to the Corporate Member as attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection with the Transactions as fully to all intents and purposes as the Corporation might or could do itself, that the power-of-attorney granted in this resolution is coupled with an interest and is irrevocable, that the Corporate Member may perform its duties as such through sub-agents and attorneys-in-fact and shall have no liability for any acts or omissions of any such sub-agent or attorney if selected by it with reasonable care and that the Corporate Member shall notify this Corporation within a reasonable time of all material actions taken by it pursuant to this resolution.

The undersigned Chairperson and Secretary of the Board do hereby certify that this document is a true and complete copy of the resolutions adopted by the Board on October 9, 2014.

Sister Joyce Weller
Chairperson, Board of Directors

Sister J-Anne Lavialette
Secretary, Board of Directors

EXHIBIT A

Summary of Definitive Agreement Terms: Prime

Name of the Agreement	• Definitive Agreement

Parties to the Agreement	• DCHS Parties
	  ° DOCMSC
	  ° DCHS
	• Acquirors
	  ° Prime Healthcare Services, Inc. ("Prime Healthcare")
	  ° Prime Healthcare Foundation, Inc. ("PHF")

Form of Transaction	• Membership substitution and conversion of membership interests
	  ° Prime Healthcare or its designated affiliates to acquire ownership or control of DCHS and its affiliates through membership substitution, stock or asset transfer, merger or other means; DCHS and St. Francis Medical Center, St. Louise Regional Hospital, O'Connor Hospital, Seton Medical Center and Caritas Business Services to convert to California business corporations
	  ° PHF to become the sole corporate member of St. Vincent Medical Center, DCHS Medical Foundation and the LHM Foundations and each to convert to a California nonprofit public benefit corporation (if not currently a public benefit corporation)
	  ° Final structure of assets, liabilities and ownership interests will be determined by DCHS and Acquirors by closing.

Necessary Approvals	• All actions required by statute, the articles of incorporation and the bylaws of each of the DCHS entities are authorized to be taken, including without limitation approval by each member and board of directors of articles of amendment, amendment of bylaws, conversion of corporate status from religious or public benefit to business corporation type, conversion to limited liability form, and transfer of all or substantially all assets, in each case as necessary or advisable to implement fully the intent of the approving resolutions and the terms and conditions of the Transaction.
Approved Ancillary Agreements	• Assignment and Assumption agreement between DCHS and DOCMSC transferring the retained assets from DCHS to DOCMSC • Escrow Agreement between DCHS and Prime Healthcare