



**DAUGHTERS OF CHARITY HEALTH SYSTEM
BOARD OF DIRECTORS MEETING
EXECUTIVE SESSION**

Friday, February 28, 2014

In-Person Meeting | Los Altos Hills | California

MINUTES

PRESENT

Sister Marjory Ann Baez, D.C., *Board Chair*
Sister Marion Bill, D.C., *Board Vice-chair*
Sister Judith Lynn Gardenhire, D.C.
Sister Christina Maggi, D.C.
Sister Janet Barrett, D.C., *Secretary*
Sister Betty Marie Dunkel, D.C.
William Del Biaggio
S. Daniel Higgins, M.D.
Robert Issai, President & CEO, *Ex-Officio Voting Member*

GUESTS

Mark Bane, Ropes & Gray
Andrew Turnbull, Houlihan Lokey
Scott Jackson, Houlihan Lokey
Geoff Ligibel, Houlihan Lokey

STAFF

Mike Stuart, CFO
Pascale Roy, General Counsel
Annie Melikian, VP Operational Finance
Beth Nikels, VP Marketing and Communications
Fr. Gerald Coleman, VP Corporate Ethics
Samantha Schumacher, *Recorder*

1. CALL TO ORDER

The Board Chair called the meeting to order at 8:37a.m.

2. OPENING PRAYER

Sister Marion Bill offered the Opening Prayer / Reflection.

3. DCHS BOARD MEETING MINUTES

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

7. RESTRUCTURING UPDATE

Andrew Turnbull of Houlihan Lokey updated the Board on the current restructuring and sale process. Mr. Turnbull reported that the 290 page Confidential Information Memorandum (“CIM”) has been completed and has been distributed to all interested parties that have executed a non-disclosure agreement (“NDA”). Such distribution is implemented by providing each party with an internet site link that provides access to the document with a watermark on the document unique to each party, thereby ensuring that a party ensuring that a party that shares the document improperly can be identified. The CIM contains information about all LHMs, the Medical Foundation and Medical Office Buildings (“MOBs”) that are available for sale. A copy of the CIM was distributed to each Board member.

The Board discussed the need to ensure adequate communication with the Archbishops/Bishops in the dioceses in which the LHMs are located in to make certain that they understand the challenges being confronted and the responsive process being undertaken.

Mr. Turnbull then reported that a letter was being prepared that will outline the sale process going forward. When completed, this process letter will be distributed to interested parties. The letter will advise of a March 21, 2014 deadline for the submissions by parties of Indications of Interest. Indications of Interest received will be presented to the Board at the March 28, 2014 Board meeting.

[REDACTED]

[REDACTED]