From: Bill Thomas <bthomas@GlobalMSO.com>
Sent: Thursday, October 02, 2014 5:09 PM
To: Turnbull, Andrew; Kali Pradip Chaudhuri; bill.leyhe@verizon.net; Todd E. Swanson
Cc: Balalian, Steve; Jackson, Scott; Ilhardt, Benjamin; Wingkun, Lauren-Nicole
Subject: RE: DCHS - RE: Revised Proposal Chart

Andrew, thank you for your prompt response to our proposal

We are willing to increase the deposit to $40M

We are willing to meet future funding requirements without limit to the extent of the properly determined liability on the Church Plan which promise will be secured by a junior lien against the purchased assets and further secured by a guaranty up to $60M from IHHI, all subject to the approval of and conditions required by the senior lender. However the Church Plan will remain under the sponsorship of DCHS.

In light of the fact we are assuming such liability and securing our performance of same, we do not see the need to establish the requested $40M Church Plan Reserve.

We believe our proposal of an early sale of the MOB assets is meritorious but we will not condition our offer on that transaction

Let us know if you have any questions or comments.

William E. Thomas
Executive Vice President and General Counsel
Strategic Global Management, Inc.
6800 Indiana Avenue, Suite 130
Riverside, California 92506
[redacted]

From: Turnbull, Andrew [mailto:ATurnbull@HL.com]
Sent: Wednesday, October 01, 2014 10:16 PM
To: Bill Thomas; Kali Pradip Chaudhuri; bill.leyhe@verizon.net; Todd E. Swanson
Cc: Balalian, Steve; Jackson, Scott; Ilhardt, Benjamin; Wingkun, Lauren-Nicole
Subject: DCHS - RE: Revised Proposal Chart

Gentlemen,

Thank you for reviewing and commenting on the chart we assembled regarding the proposal you made on the Church Plan. We have added comments to the right hand column of the chart for your consideration.

In light of the timetable / the DCHS board meeting scheduled for first thing Friday morning, we have populated the chart with guidance for your consideration and not as points to negotiate from. We strongly encourage you to submit your final APA and schedules so that we can share and consider this information with the Board.

If you have any questions on this, the APA or otherwise, please let us know at your earliest convenience.

Thanks, Andrew

Andrew Turnbull
Managing Director

HOULIHAN LOKEY
312.456.4719 **Direct**
312.543.5198 **Cell**
ATurnbull@HL.com

From: Bill Thomas [mailto:bthomas@GlobalMSO.com]
Sent: Wednesday, October 01, 2014 5:41 PM
To: Turnbull, Andrew
Cc: Kali Pradip Chaudhuri; bill.leyhe@verizon.net; Todd E. Swanson
Subject: Revised Proposal Chart

Andrew, you've captured the gist of our proposal.

Please find enclosed our clarifying revisions. You'll also see we provided answers to your questions embedded in the chart.

I see you've received the IHHI audit report by separate email today.

I also sent you our updated Mid Cap letter by separate email

Please let me know if you have further questions or comments.

William E. Thomas
Executive Vice President and General Counsel
Strategic Global Management, Inc.
6800 Indiana Avenue, Suite 130
Riverside, California 92506
[redacted]

Please consider the environment before printing.

This e-mail message and any attachments are for the sole use of the intended recipient(s) and may contain confidential information. If you are not an intended recipient, or an intended recipient's authorized agent, you are hereby notified that any dissemination, distribution or copying of this e-mail message or any attachments is strictly prohibited. If you have received this message in error, please notify the sender by reply e-mail and delete this e-mail message and any attachments from your computer system.