



# HOULIHAN LOKEY

## PERSONAL AND CONFIDENTIAL

October 15, 2014

[Name]  
[Company]  
[Address Line 1]  
[Address Line 2]

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

Dear \_\_\_\_\_:

On behalf of DCHS, we would like to thank you for your interest in the System and participation in the sale process. You have now had the opportunity to conduct significant due diligence on DCHS and as we have discussed, you are working to finalize your due diligence efforts and complete the binding definitive transaction documentation.

We invite you to submit a final proposal (the “Proposal”) for the acquisition of DCHS. **The Proposal should be in the form of definitive transaction documentation that has been fully negotiated with DCHS’ transaction team (including applicable disclosure schedules), and the Proposal should have no remaining due diligence or financing contingencies. All Proposals are due on Friday, September 12, 2014 (the “Submission Time”), by no later than 1:00 PM Pacific.**

You should submit your highest and best bid at the Submission Time. You should not assume that you will be given the opportunity to rebid or increase the amount or terms of your Proposal after the deadline above. DCHS expressly reserves the right in its sole and absolute discretion to evaluate the terms and conditions of any Proposal and to reject any or all Proposals and to terminate discussions with any or all parties, as well as the sale process itself, without assigning any reasons thereof regardless of whether or not it represents the highest proposed transaction value. DCHS further reserves the right to amend or modify these procedures and guidelines at any time in its sole and absolute discretion with or without sending notice of any changes to prospective purchasers. DCHS’s interpretation of the provisions, terms and conditions of this invitation to bid shall be conclusive, final and binding on all parties submitting a Proposal.

October 15, 2014

- 2 -

DCHS retains the right to negotiate with any prospective purchaser at any time regardless of whether or not such prospective purchaser has participated in the sale process.

Among various other criteria, we will consider the financial wherewithal of the potential acquiring organizations as part of our evaluation process. As a result, please include with your Proposal relevant and recent financial information (income statement and balance sheet) as it relates to your organization.

Proposals may be sent via email to Andrew Turnbull, Scott Jackson and Geoff Ligibel at Houlihan Lokey.

Houlihan Lokey is available to discuss any questions you may have regarding the System or these procedures. We thank you again for your continued interest in DCHS.

Sincerely,

Andrew Turnbull  
Managing Director  
ATurnbull@HL.com

Scott Jackson  
Director  
SJackson@HL.com

Geoff Ligibel  
Director  
GLigibel@HL.com

cc: John Chesley, Ropes & Gray  
Michael Beauvais, Ropes & Gray  
Steve Balalian, Advisor to DCHS