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

*Friday, January 31, 2014*

**Telephonic 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*  
William Del Biaggio  
S. Daniel Higgins, M.D.  
Robert Issai, President & CEO, *Ex-Officio Voting Member*

**EXCUSED**

Sister Betty Marie Dunkel, D.C.

**GUESTS**

Mark Bane, Ropes & Gray  
Adam Turnbull, Houlihan Lokey (for portions of the meeting)  
Scott Jackson, Houlihan Lokey (for portions of the meeting)  
Geoff Ligibel, Houlihan Lokey (for portions of the meeting)  
Adam Meyers, Sullivan Cotter (via teleconference) (for portions of the meeting)  
Cecily Dumas, Dumas & Clark (for portions of the meeting)

**STAFF**

Mike Stuart, CFO  
Pascale Roy, General Counsel  
Annie Melikian, VP Operational Finance  
Nancy Carragee, VP Quality Improvement (for portions of the meeting)  
Fr. Gerald Coleman, VP Corporate Ethics  
Samantha Schumacher, *Recorder*

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**1. CALL TO ORDER**

The Board Chair called the meeting to order at 8:06a.m.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**7. RESTRUCTURING UPDATE**

**Nancy Carragee left the meeting and** Andrew Turnbull, Scott Jackson and Geoff Ligibel of Houlihan Lokey (HL) joined the meeting.

Mr. Turnbull updated the Board on the restructuring process. He described three areas of focus: (1) meetings, (2) sales initiatives and (3) process.

Mr. Turnbull listed the numerous meetings held by HL with various constituencies necessary to the process, as well as meetings planned going forward.

Mr. Turnbull reported that an Information Memorandum is being put together which will contain information on all LHMs, the Medical Foundation and the MOB in Morgan Hill. This way all potential purchasers will have information about the entire system. The goal is to have this memorandum ready for distribution by the week of February 10, 2014.

An outline of the potential buyers list has been prepared. There has been quite a bit of inbound interest as well. The non-disclosure agreement (NDA) has been drafted including provisions on non-solicitation as well as buying of claims. By having all parties sign the same NDA, this levels the playing field. A form of Asset Purchase Agreement is also being drafted.

