March 12, 2019

Mr. Scott Chan  
Deputy Attorney General  
California Department of Justice  
Office of the Attorney General  
Charitable Trusts Section  
455 Golden Gate Avenue, Suite 11000  
San Francisco, Ca. 94102

Re: St. Joseph Health System (“SJHS”) and Adventist Health Systems/West (“AHW”)

Dear Mr. Chan:

In a letter dated August 30, 2018, you requested that SJHS and AHW provide your office with additional information pertaining to the Applications for Attorney General Consent submitted by those parties. On behalf of SJHS and AHW (as applicable), set forth herein are explanatory and clarification materials in response to your August 30 letter. We will be pleased to provide any further clarification or explanations as needed.

This letter will be included in the Applicants’ website postings and in the hospital reading rooms as a supplement to the extensive materials already included on the websites and in the reading rooms.

(1) AHW has confirmed that Tagalog is a threshold language for the County of Solano.

(2) SJHS confirms that the proposed transaction with AHW will have no impact on reproductive services at any of SJHS’s hospitals or healthcare facilities.

(3) The Restrictive Covenants listed in Paragraph 13 in the Operating Agreement of ST Network, LLC are limited as follows:

- Section 13.1 (New, Expanded or Renewed Affiliations by JOC Participants): The time period of this covenant is limited to the term of the Operating Agreement.

- Section 13.2 (Restrictions on Competitive Activities): The time period of this covenant is limited to the term of the Operating Agreement. Geographically, this
covenant is limited to the Sacred Trust Region, as defined in the Operating Agreement.

• Section 13.3 (Non-Solicitation – Employees/Independent Contractors of the JOC): The time period of this covenant is limited to the time period each member (i.e., SJHS or AHW) is a member of ST Network, LLC.

• Section 13.4 (Proprietary Information): The time period of this covenant is limited to the term of the Operating Agreement, and for a period of four years after the term of the Operating Agreement.

(4) John Gierek, who was previously a member of the Board of Trustees of St. Joseph Health Northern California, LLC\(^1\), did not participate in negotiations of the terms and conditions of the MFA or the related agreements between SJHS and AHW. Mr. Gierek did vote on matters concerning the creation of the ST Network.

The proposed transaction does not confer any personal financial benefit on Mr. Gierek, nor does Mr. Gierek have any personal financial interest in the proposed transaction. As noted in Section (3)(A) of SJHS’s Application, Mr. Gierek is the President of Humboldt Moving and Storage Company, a company that currently provides record storage services to St. Joseph Hospital of Eureka. Humboldt Moving and Storage Company contracted with St. Joseph Hospital of Eureka and Redwood Memorial Hospital in 2014, and, in February 2017, extended the term of that contract through March 2020. This contract is not affected by the proposed transaction.

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If you have any questions about the foregoing responses, or require any additional information, please let us know. Thank you for your professional courtesy and cooperation in this matter.

Sincerely,

James R. Schwartz

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\(^1\) Mr. Gierek is no longer a member of the Board of Trustees of St. Joseph Health Northern California, LLC.
cc: Quyen Toland, Esq.
    Douglas Ross, Esq.
    Peggy Ward, Esq.