

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF BUYER AND VANGUARD

Except as disclosed in the Schedules, each of Buyer and Vanguard make the following representations and warranties to Seller on and as of the Effective Date and shall be deemed to make them again at and as of the Closing Date:

4.1 Organization. Vanguard is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware. Each Buyer is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware and by Closing will be qualified to do business in the State of Michigan.

4.2 Corporate Powers; Consents; Absence of Conflict, Etc. Each of Vanguard and Buyer has the requisite power and authority to conduct its business as now being conducted, to enter into this Agreement, and to perform its obligations hereunder. The execution, delivery and performance by Vanguard and Buyer of this Agreement and the Closing Documents to which they are or become a party and the consummation by Vanguard and Buyer of the transactions contemplated herein and therein:

(a) are within their respective corporate powers and are not in contravention of the terms of their respective certificates of incorporation, bylaws and other governing documents, if any, as amended to date, and have been approved by all requisite corporate action;

(b) do not conflict with or result in any breach or contravention of, any material agreement to which Vanguard or Buyer is a party or by which either is bound; and

(c) do not violate any Delaware or Michigan law to which Vanguard or Buyer may be subject.

4.3 Binding Agreement. This Agreement and each of the Closing Documents to which Vanguard and Buyer are or become parties are (or upon execution will be) valid and legally binding obligations of Vanguard and Buyer, as the case may be, enforceable against each of them in accordance with the respective terms hereof and thereof, except as enforceability against them may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

4.4 Brokers and Finders. Neither Buyer, Vanguard nor any Affiliate of Buyer, Vanguard, nor any officer, director, employee or agent thereof, has engaged any finder or broker in connection with the transactions contemplated hereunder.

4.5 Compliance with Government Programs. Neither Buyer nor Vanguard nor any of their Affiliates nor any Person who owns a 5% or greater equity interest in Vanguard or Buyer has been barred, excluded or otherwise prohibited from participation in any Government Payment Program or has been convicted of a criminal offense relating to any such program and no action or proceeding relating to any such Government Payment Program is pending against Buyer, Vanguard, or any of their Affiliates or any Person who owns a 5% or greater equity interest in Vanguard or Buyer, except as disclosed in the Vanguard SEC Documents.

4.6 Litigation and Proceedings. Except as set forth on Schedule 4.6, to Vanguard's and Buyer's knowledge, there are no claims, actions, suits, litigation, arbitration, mediations, investigations or other proceedings pending, affecting or to Vanguard's or Buyer's knowledge threatened against Vanguard or Buyer in which an adverse determination would adversely affect the ability of Buyer to consummate the transactions contemplated by this Agreement or could result in a material adverse change in the results of operations, financial condition or businesses of Vanguard and its Affiliates, taken as a whole.

4.7 Bankruptcy. None of Vanguard or Buyer, at Closing as a result of the transactions contemplated hereby, will be rendered insolvent or otherwise unable to pay their respective debts as they become due; none of Vanguard or Buyer has any intention of filing in any court pursuant to any statute either of the United States or any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or any portion of their respective property; and to Vanguard's and Buyer's knowledge, no other Person has filed or threatened to file such a petition against Vanguard or Buyer.

4.8 Availability of Funds. Vanguard and Buyer have the ability to obtain funds in cash in amounts equal to the Purchase Price and necessary to perform their obligations hereunder that are to be performed as of Closing by means of credit facilities or otherwise and will at Closing have immediately available funds in cash which will be sufficient to pay the Purchase Price and to perform their obligations hereunder that are required to be performed as of Closing.

4.9 Vanguard's Securities Filing and Financial Statements. Vanguard has furnished or made available to Seller true and complete copies of all reports or registration statements it has filed with the SEC under the Securities Act and the Exchange Act, for all periods subsequent to January 1, 2009, all in the form so filed (collectively the "Vanguard SEC Documents"). As of their respective filing dates, the Vanguard SEC Documents filed under the Exchange Act complied in all material respects with the requirements of the Exchange Act and none of the Vanguard SEC Documents filed under the Exchange Act contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made, not misleading. The Vanguard SEC documents filed under the Securities Act complied in all material respects with the requirements of the Securities Act at the time such Vanguard SEC Documents became effective under the Securities Act, and none of the Vanguard SEC Documents filed under the Securities Act contained an untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading at the time such Vanguard SEC Documents became effective under the Securities Act. The Vanguard Financial Statements filed under the Securities Act (at and after the time the Vanguard SEC Documents became effective under the Securities Act) and filed under the Exchange Act comply as to form in all material respects with applicable accounting requirements and with the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles consistently applied (except as may be indicated in the notes thereto) and present fairly Vanguard's consolidated financial position at the dates thereof and of its operations and cash flows for the period then ended (subject, in the case of unaudited statements, to normal recurring year-end adjustments (the effect of which will not have a Material Adverse Effect)) and the inclusion of condensed notes in accordance with applicable SEC regulations. Since the date of the balance sheet included in the Vanguard Financial Statements, Vanguard has not effected

any change in any method of accounting or accounting practice, except for any such change required because of a concurrent change in generally accepted accounting principles.

4.10 Due Diligence. Vanguard, Buyer and their Affiliates are engaged in the business of purchasing, owning and operating hospitals and related healthcare facilities, have substantial experience conducting due diligence associated with the acquisition of such facilities, have had a reasonable opportunity to conduct their due diligence and ask questions of and receive answers from Seller concerning the Hospital Businesses, and all such questions have been answered to the reasonable satisfaction of Buyer and Vanguard.

4.11 Principal Credit Agreement. In the event the transaction described herein was to be consummated on the Effective Date (subsequent to all of Buyer's conditions to Closing described in Article 9 having been satisfied), Buyer's assumption of the Assumed Liabilities and purchase of the Assets and the Hospital Businesses as described herein, taking into account the matters disclosed in the Schedules on the Effective Date, would not constitute a default under, or result in a breach of any provision of, the Principal Credit Agreement.

4.12 Full Disclosure. The representations and warranties of Buyer and Vanguard in this Agreement and the Schedules do not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein not misleading.

ARTICLE 5 COVENANTS AND AGREEMENTS OF SELLER

5.1 Operations. From the Effective Date until the Closing Date and except as set forth on Schedule 5.1 or otherwise expressly provided in this Agreement, or agreed to in writing by Buyer (as hereinafter provided), Seller will:

(a) Use Commercially Reasonable Efforts to carry on the Hospital Businesses in substantially the same manner as it currently conducts the Hospital Businesses;

(b) Use Commercially Reasonable Efforts to maintain the Assets in substantially their current condition, ordinary wear and tear excepted and make routine and budgeted capital expenditures related to the Assets and/or the Hospital Businesses in the ordinary course of business;

(c) Use Commercially Reasonable Efforts to deliver to Buyer title to the Assets or an assignment of Seller's interest therein, as the case may be, free and clear of all Encumbrances (except for the Permitted Encumbrances) and use Commercially Reasonable Efforts to obtain appropriate releases, consents, estoppels, certificates, opinions and other instruments as Buyer may reasonably request;

(d) Keep in full force and effect present insurance policies or other comparable insurance benefiting the Assets and the conduct of the Hospital Businesses;

(e) Use Commercially Reasonable Efforts to maintain and preserve its business organizations intact (subject to the right of Seller to discharge any employee in the ordinary

course of business and, in the case of the proposed discharge of any Hospital president after reasonable notice to Buyer);

(f) Except as may be necessary or desirable to (i) liquidate any such balances for purposes of paying the indebtedness described in Schedule 2.5(a)(i) or (ii) to preserve any funds that constitute donor restricted assets that are among the Excluded Assets, invest the balances in the accounts described in Section 2.5(a)(ii) that will be used to pay the indebtedness described in Schedule 2.5(a)(i) in a manner consistent with Seller's historical investment practices, and cause such balances to be transferred into liquid investments in a timely manner so that such funds are available to pay the indebtedness described in Schedule 2.5(a)(i) as of the Closing Date; it being understood that funds that constitute donor restricted assets that are among the Excluded Assets will be maintained in the reasonable discretion of DMC; and

(g) Permit and allow reasonable access by Buyer during normal business hours to discuss with and make offers of post-Closing employment to personnel working at the Hospital Businesses, to advertise for post-Closing employment at the Hospital Businesses, and to establish relationships with physicians, payers and other Persons having business relations with Seller.

For purposes of Sections 5.1 and 5.2, Buyer shall be deemed to have "agreed to in writing" to a request from Seller if Seller has provided written notice to Keith Pitts, or his designee, which written notice may be in the form of an email to Keith Pitts or his designee, and Seller has not received a response from Keith Pitts or his designee within five Business Days after delivery of the written notice (commencing on the day of receipt if received prior to 5:00 p.m. eastern time and commencing on the day after receipt if received after 5:00 p.m. eastern time). In the case of an email, such written notice shall be deemed delivered to Keith Pitts or his designee if the email is simultaneously copied to Vanguard's General Counsel (generalcounsel@vanguardhealth.com) and Ira Rappeport (irappeport@mwe.com) of McDermott, Will & Emery LLP, Vanguard's transaction counsel.

5.2 Negative Covenants. From the Effective Date until the Closing Date and except as set forth on Schedule 5.2 or otherwise expressly provided in this Agreement or agreed to by Buyer in writing as provided in Section 5.1, Seller will not:

(a) Amend or terminate any Assumed Contract, or enter into any Contract, except in the ordinary course of the Hospital Businesses consistent with past practices; provided that Seller may amend any such Assumed Contract to the extent that the principal effect of such amendment is to effectuate the assignment and assumption thereof pursuant to this Agreement and such amendment does not increase the obligations of Buyer following the Closing to any material extent or reduce the obligations of the other party or parties thereto to any material extent;

(b) Make an offer for employment after Closing to any employee of the Hospital Businesses who is entitled to receive an offer of employment from Buyer; provided, however, the terms of this Section 5.2(b) shall not be applicable to those employees identified by Seller in a written notice to Buyer that is received by Buyer on or before July 15, 2010 and reasonably acceptable to Buyer;

(c) Increase compensation payable or to become payable to, make a bonus or severance payment to, or otherwise enter into one or more bonus or severance Contracts with, any employee or agent of any Seller, except (i) that bonus payments may be made as required by Contracts entered into prior to the Effective Date and (ii) in the ordinary course of the Hospital Businesses consistent with past practices in accordance with existing personnel policies;

(d) Create or assume any new Encumbrances (other than Permitted Real Property Encumbrances described in subsection (i) and (iv) of the definition of Permitted Real Property Encumbrances) upon any of the Assets other than the interests of lessors or lessees under operating leases entered into in the ordinary course of the Hospital Businesses consistent with past practices;

(e) Sell, assign, transfer, distribute or otherwise transfer or dispose of any item of property, plant or equipment of Seller having an original cost in excess of \$100,000, other than any Excluded Assets, except in the ordinary course of the Hospital Businesses consistent with past practices;

(f) Create, incur, assume, guarantee or otherwise become liable for any indebtedness, or agree to do any of the foregoing, except (i) indebtedness owed to Seller and (ii) other liabilities in the ordinary course of the Hospital Businesses consistent with past practices;

(g) Cancel, forgive, release, discharge or waive any Accounts Receivable or any similar Asset or right with respect to the Hospital Businesses, or agree to do any of the foregoing, except in the ordinary course of the Hospital Businesses consistent with past practices;

(h) Sell or factor any Accounts Receivables;

(i) Change any accounting method, policy or practice or, other than in the ordinary course of business in accordance with current accounting methods, policies and practices, or reduce any reserves in the Financial Statements, except in connection with any reduction in reserves pertaining to any Government Payment Programs or third party payors made in the ordinary course of business consistent with past practices;

(j) Terminate, amend or otherwise modify any Seller Employee Benefit Plan, except Seller may make amendments required to comply with this Agreement or applicable Legal Requirements which amendments are promptly provided to Buyer;

(k) Increase in any material respect the liabilities or obligations included within the definition of Unbooked Employee Benefits; or

(l) Amend or agree to amend the articles or certificates of incorporation or bylaws of Seller, any Captive Insurance Company or any Not-for-Profit Corporation, amend or agree to amend the certificate of organization or operating agreement of any Joint Venture which is a limited liability company, amend or agree to amend the organizational document of any Joint Venture which is not a limited liability company, or otherwise take any action relating to any liquidation or dissolution of Seller, any Captive Insurance Company, any Not-for-Profit Corporation or any Joint Venture.

5.3 Buyer Access to and Provision of Additional Information.

(a) From the Effective Date until the Closing Date, Seller, to the extent legally permissible without waiving any privilege or violating any duties of confidentiality to third Persons imposed by Contracts or Legal Requirements: (i) will make available to Buyer reasonable access to and the right to inspect the Assets, books and records of Seller relating to the Hospital Businesses during normal business hours; (ii) will use its Commercially Reasonable Efforts to provide to Buyer full and complete access to any of the employees and medical staff members providing services at or for the Hospital Businesses during normal business hours; (iii) will furnish to Buyer such additional financial, operating and other data and information regarding the Hospital Businesses as Buyer may from time to time reasonably request, without regard to where such information may be located to the extent in Seller's possession, and with respect to such data not in Seller's possession, will use Commercially Reasonable Efforts to make such data (including auditors' work papers) available to Buyer; and (iv) where any such access or information is denied due to duties of confidentiality to third Persons imposed by a Contract, Seller will give Buyer written notice of the subject matter of each non-disclosure, and, at Buyer's reasonable request, make Commercially Reasonable Efforts to obtain the waiver of such duty of confidentiality by such third Person to allow disclosure of such matter to Buyer. The right of access and inspection of Buyer shall be made in such a manner as not to unreasonably interfere with the operation of the Hospital Businesses. In this regard, Buyer agrees that such inspection shall not take place, and no employees or other personnel at any of the Hospital Businesses shall be contacted by representatives of Buyer, without first coordinating such contact or inspection with Mike Duggan, Chief Executive Officer of Seller, or his designee.

(b) Buyer shall defend, indemnify and hold harmless Seller against any loss, liability, damages, costs or expenses including reasonable attorneys' fees, incurred by Seller caused by Buyer's negligent or reckless exercise of the right of inspection related to physical assets granted to Buyer under Section 5.3(a), provided that such indemnification obligation shall exclude any claim, costs, expenses and liabilities arising out of the discovery of any Materials of Environmental Concern resulting from such investigations, which Materials of Environmental Concern were in, on, or under the Real Property prior to such investigations. Buyer acknowledges and agrees that any such physical inspection conducted by Buyer or its agents and representatives shall be solely at the risk of Buyer. Notwithstanding the foregoing, Buyer shall be entitled to rely on the representations and warranties of Seller set forth in Article 3.

(c) From the Effective Date until the Closing Date, Seller will deliver to Buyer complete and genuine copies of: (i) within 25 days following the end of each calendar month prior to the Closing Date, the unaudited balance sheet of Seller and its Affiliates, and the related unaudited statement of operations and changes in net assets and the unaudited statement of cash flows of the Hospital Businesses for each such month then ended and for the year-to-date then ended, in consolidating and consolidated format; and (ii) promptly after prepared, any other financial statements or reports prepared prior to Closing by or for management relating to the Hospital Businesses, together with any notes thereto.

(d) From the Effective Date until the Closing Date, Seller shall cause the officers and employees of the Hospital Businesses to confer on a regular and frequent basis with one or more

representatives of Buyer at Buyer's request and to answer Buyer's reasonable questions regarding matters relating to the conduct of the Hospital Businesses and the status of transactions contemplated by this Agreement. Seller shall promptly notify Buyer in writing of any material changes in the operations or financial condition of the Hospital Businesses and of any lawsuits filed against Seller, investigations instituted by Governmental Authorities (other than those initiated or received in the ordinary course of business that Seller does not believe are or could become material), or significant developments in material lawsuits that have been filed by or against Seller and shall keep Buyer reasonably informed of such matters.

5.4 Insurance Ratings. From the Effective Date until the Closing Date, Seller will take all actions reasonably requested by Buyer to enable Buyer, at Buyer's expense, to succeed to the Workers' Compensation and Unemployment Insurance ratings of Seller and the Hospital Businesses for insurance purposes; provided that Seller makes no representation or warranty that Buyer will be successful in such succession. Buyer shall not be obligated to succeed to any such rating, except as it may elect to do so.

5.5 Consent of Others.

(a) Subject to the obligations of Buyer under Section 6.1, as soon as reasonably practicable after the Effective Date, and in any event prior to Closing, Seller shall use Commercially Reasonable Efforts to obtain the consents required to be obtained by Seller of all necessary Persons and Governmental Authorities having jurisdiction over this transaction to the consummation of the transactions contemplated hereunder, including the Permits listed in Schedule 3.16 that are assignable by Seller and the contractual rights, licenses, investments, interests and assets referred to in Sections 2.1(h), 2.1(j), 2.1(m) and 2.1(n). The foregoing notwithstanding, Buyer shall use Commercially Reasonable Efforts to obtain any Permits listed in Schedule 3.16 that are not assignable by Seller, provided that Seller shall cooperate with Buyer in obtaining such consents so long as such cooperation is at no material cost to Seller.

(b) Seller shall use Commercially Reasonable Efforts to identify the Assumed Contracts that require the consent of the counterparty thereto prior to the assignment of same to Buyer. Seller will request and use Commercially Reasonable Efforts to obtain such consents. Buyer shall reasonably assist and cooperate with Seller in Seller's efforts to obtain such consents.

5.6 Seller's Efforts to Close. Seller shall use Commercially Reasonable Efforts to satisfy all the conditions precedent set forth in Article 8 and Article 9 to its or to Buyer's obligations under this Agreement to the extent that Seller's action or inaction can control or influence the satisfaction of such conditions.

5.7 Employee Terminations. At Closing, Seller shall deliver to Buyer a list as of the Closing Date setting forth the name of each employee of the Hospital Businesses whose employment was terminated during the 90 day period ending on the Closing Date and the reason for such termination.

5.8 Seller Termination of 403(b) Plan. Effective immediately before the Closing, Seller shall terminate Seller's DMC 403(b) Matching Plan, shall make all employee and

employer contributions due and owing through the date of such termination, shall make lump sum distributions to all participants, and shall cooperate with Buyer to effectuate rollovers from Seller's DMC 403(b) Matching Plan to Buyer's 401(k) plan pursuant to Section 6.3(a). Buyer agrees to cooperate with the vendors of Seller's DMC 403(b) Matching Plan (including any vendor appointed to administer the termination of such plan) to effectuate the lump sum distributions to all participants and shall provide any assistance required to facilitate such distributions. However, in no event will Buyer constitute the plan sponsor of, or the employer maintaining, any Seller 403(b) plan.

5.9 Reportable Events. If any Reportable Event occurs with respect to a Seller Employee Benefit Plan that is an Employee Pension Benefit Plan before the Closing Date, Seller shall (i) comply with any notice required to be given before the Closing Date (and shall provide Buyer a copy thereof) and Buyer shall reasonably cooperate with Seller in connection therewith and (ii) promptly notify Buyer of any notice required to be provided thereunder after the Closing Date.

5.10 No Shop. Until the earlier of the termination of this Agreement or Closing, Seller shall not, and shall not permit any Affiliate of Seller or any other Person acting for or on behalf of Seller or any Affiliate of Seller to, without the prior written consent of Buyer: (a) offer for sale, lease or other disposition of all or substantially all of the Assets or any material portion thereof (whether by virtue of an asset sale transaction, a lease transaction, affiliation transaction, or a change of control, change of membership, merger, consolidation or other combination transaction with respect to any Seller (collectively, a "Prohibited Transaction")), or negotiate in respect of an unsolicited offer therefore; (b) solicit offers to acquire all or substantially all of the Assets, or any material portion thereof, in a Prohibited Transaction; (c) enter into any Contract with any Person with respect to the disposition of all or substantially all of the Assets, or any material portion thereof, in a Prohibited Transaction; or (d) furnish or permit or cause to be furnished any information to any Person that Seller knows or has reason to believe is in the process of considering a Prohibited Transaction. If Seller, any Affiliate of Seller, or any Person acting for or on behalf of any of the foregoing, receives from any Person (other than Buyer or its representatives) any offer, inquiry or informational request referred to above, Seller will promptly advise such Person, by written notice, of this Section and advise Buyer of the receipt of such offer, inquiry or request.

5.11 Survival of Covenants. The covenants and obligations of Seller set forth in this Article 5 shall remain in full force and effect until the Closing has occurred, and such covenants and agreements shall expire upon, and be of no force or effect after, the Closing Date; provided, however, Seller's covenants contained in Sections 5.8, 5.9(ii), 5.12 and 5.13 shall survive the Closing.

5.12 Premier. In the event that Seller is not able to transfer its interest in Premier, Inc. or Premier Purchasing Partners, LP to Buyer at Closing, Seller shall liquidate its interests in such entities and include the proceeds thereof in the Assets conveyed to Buyer at Closing. If such interest is not liquidated until after Closing, Seller shall deliver the net proceeds of any such liquidation to Buyer promptly after receipt of same.

5.13 Harper Professional Office Building. The Parties are working with the holder of the right of first refusal encumbering the Harper Professional Office Building to obtain the acknowledgement of the holder of such right that the execution and delivery of this Agreement and the consummation of the transactions described herein will not trigger the right of first refusal. Seller and Buyer shall use their Commercially Reasonable Efforts to obtain such acknowledgement. In connection with such efforts, Buyer will acknowledge that the right of first refusal, although not triggered by the transactions described herein, shall remain a covenant running with the Harper Professional Office Building and be enforceable against Buyer in accordance with its terms with respect to potential transactions occurring subsequent to Closing. To the extent that the holder of the right of first refusal does not acknowledge that the execution and delivery of this Agreement do not trigger its right of first refusal and the Parties allocate a portion of the Purchase Price to the Harper Professional Office Building pursuant to Section 2.6, Seller will promptly use Commercially Reasonable Efforts to follow the procedures set forth in the agreement giving rise to such right of first refusal and Buyer understands that if the party holding such right of first refusal exercises its rights, the Harper Professional Office Building will not be included among the Assets transferred to Buyer at Closing. If Seller is not able to deliver title to the Harper Professional Office Building as a consequence of the exercise of the right of first refusal encumbering the property, the net proceeds of the sale of the Harper Professional Office Building will be included among the Assets transferred to Buyer at Closing. If the sale of the Harper Professional Office Building to the holder of the right of first refusal occurs after Closing, Seller shall deliver the net proceeds of such sale to Buyer promptly after the completion of such sale. If, after having exercised its right of first refusal, the holder of the right of first refusal fails, after Closing, to complete the acquisition of the Harper Professional Building in accordance with the right of first refusal and such right is thereby terminated, Seller will convey that Harper Professional Office Building to Buyer promptly upon the termination of such right.

5.14 Severance, Vacation and CTO Policies. Prior to Closing, Seller shall amend its severance policies applicable to Seller's hourly employees and executives and its vacation and CTO policies to provide that the closing of the transaction and the attendant termination of those of Seller's employees who become Hired Employees of Buyer will not, in and of itself, trigger the payment of severance, vacation or CTO to a Hired Employee. In addition, Seller will use Commercially Reasonable Efforts to amend, prior to Closing, any employment agreements with employees of Seller to provide that the consummation of the transaction described herein, in and of itself, will not entitle the counterparty to such employment agreement to receive any severance, vacation or CTO payments.

**ARTICLE 6
COVENANTS AND OBLIGATIONS OF BUYER**

From the Effective Date until the Closing Date and except as otherwise expressly provided in this Agreement, or agreed to in writing by Seller, Buyer will:

6.1 Consent of Others. As soon as reasonably practicable after the Effective Date, and in any event prior to Closing, Buyer shall use Commercially Reasonable Efforts to obtain the Permits, accreditations, consents and approvals required to be obtained by Buyer of all necessary Governmental Authorities having jurisdiction over this transaction to the consummation of the

transactions contemplated hereunder, including the Permits listed in Schedule 3.16 that are not assignable by Seller and shall make all necessary filings and applications with the Medicare and Medicaid programs so as to be in a position to satisfy the conditions to Closing specified in Sections 9.3(a) and (b). Buyer shall cooperate with Seller in Seller's efforts to obtain the consents required to be obtained from any Governmental Authority in order to consummate the transactions described herein so long as such cooperation is of no material cost to Buyer.

6.2 Buyer's Efforts to Close. Buyer shall use Commercially Reasonable Efforts to satisfy all the conditions precedent set forth in Article 8 and Article 9 to its or Seller's obligations under this Agreement to the extent that Buyer's action or inaction can control or influence the satisfaction of such conditions.

6.3 Employee Matters.

(a) Buyer will provide offers to employ as of the Closing Date each individual who is an employee (including, without limitation, employees who are on approved family or medical leave, short-term disability or other approved leaves of absence) of Seller with respect to the Hospital Businesses immediately prior to Closing in his or her current position (i.e. job duties, title, responsibilities and location), at his or her current salary or wages and at benefit levels such that his or her salary or wages and benefits are substantially the same, in the aggregate, as are the salary or wages and benefits applicable to such employee immediately prior to Closing. Seller acknowledges that all employment offers will be made subject to the satisfactory completion by Buyer of its customary employee background checks and pre-employment screenings. Buyer will keep positions available for employees of Seller who are on approved family or medical leave, short-term disability or other approved leaves of absence on the Closing Date. Employees employed under written Contracts will not be offered employment pursuant to this Section, but shall be employed pursuant to the terms of the Assumed Contracts, if any, relating to such employees. Any workforce reduction after the Closing shall be conducted by Buyer in compliance with all applicable Legal Requirements. Buyer will continue to maintain all Seller Employee Benefit Plans (except plans to which Code Section 403(b) applies) after the Closing until at least June 30, 2011 and, after such date, such Seller Employee Benefit Plans may be amended, modified, replaced or terminated in accordance with the provisions of such Seller Employee Benefit Plans, as amended, and applicable Legal Requirements; provided, however, Buyer (i) will continue to maintain retiree life insurance benefits under Prudential Insurance Company of America Sinai Hospital of Detroit Insurance Continuance Fund Contract # 0041391 ("Sinai Plan") for retirees listed on Schedule 6.3(a) until all benefits have been paid in accordance with the terms of the Sinai Plan, (ii) agrees, for the period beginning on the Closing and ending June 30, 2011, to provide a rate of employer contributions under its 401(k) plan for Hired Employees which is equal to the rate of employer contributions in effect under the Seller's DMC 403(b) Matching Plan immediately prior to the Closing and, in Buyer's discretion, this rate of employer contributions may continue after such date, and (iii) agrees to provide Hired Employees who would have been credited with three years of vesting service under DMC's 403(b) Matching Plan had they continued employment with Seller continuously through June 30, 2011, a vesting schedule for matching contributions in Buyer's 401(k) plan equal to the vesting schedule for matching contributions under Seller's DMC 403(b) Matching Plan immediately prior to the Closing. Further, Buyer will allow the Hired Employees to participate in Buyer's 401(k) plan effective as of the Closing Date and will accept rollovers (including rollovers of any

outstanding loans made as part of a direct rollover) by Hired Employees into Buyer's 401(k) plan from Seller's DMC 403(b) Matching Plan, to the extent any such rollover qualifies as an eligible rollover distribution as defined in Section 402(c)(4) of the Code.

(b) Nothing contained in this Section or elsewhere in this Agreement shall be deemed to limit or otherwise affect in any manner the right of Buyer to terminate at will the employment of any Hired Employee (except as otherwise provided in Assumed Contracts with such employees), or limit the right of Buyer to apply its existing personnel policies and procedures to the Hired Employees. Nothing contained in this Section or elsewhere in this Agreement shall be deemed to limit or otherwise affect in any manner the right of Buyer to make changes after Closing to the terms and conditions of Seller Employee Benefit Plans offered to the Hired Employees and assumed under this Agreement, or to terminate such plans (subject to the requirement in Section 6.3(a) that Buyer maintain all Seller Employee Benefit Plans after the Closing until at least June 30, 2011), provided such changes are effected in accordance with applicable law and the terms of such Seller Employee Benefit Plans.

(c) Effective as of the Closing, Buyer shall recognize each union that is a party to an unexpired collective bargaining agreement with any Seller as the sole and exclusive representative of the bargaining units covered by such collective bargaining agreement. In addition, upon the Closing, and notwithstanding any provision to the contrary contained in this Agreement, Buyer shall be bound by the terms of each such collective bargaining agreement. No provision of this Agreement shall be interpreted to impose any such collective bargaining agreement on any employees not includable as a matter of law in the bargaining unit described in each such collective bargaining agreement.

(d) With respect to the Hired Employees and their eligible dependents, Buyer will count service with Seller as service with Buyer for purposes of satisfying any eligibility waiting periods and the "pre-existing condition" exclusions under any applicable Employee Welfare Benefit Plan offered to the Hired Employees. Buyer shall give all Hired Employees credit for their accumulated and unused vacation, sick and personal days, to the extent the same constitute Accrued CTO, and for their Unbooked Employee Benefits; such amounts shall not be subject to reduction, offset or any other limitation under Buyer's vacation, holiday, sick pay or paid time-off policies and procedures. Buyer shall give all Hired Employees credit after Closing for their years of service with Seller for the purposes of determining how much vacation, holiday and sick pay, severance pay and other benefits the Hired Employees are entitled to under the applicable Employee Welfare Benefit Plan offered to the Hired Employees and for purposes of determining eligibility to participate and vesting under any Employee Pension Benefit Plans offered to the Hired Employees. Effective as of the Closing, Buyer will assume sponsorship of and maintain in all respects to the extent required under Section 6.3(a) (including making any required contributions) all Seller Employee Benefit Plans (except plans to which Code Section 403(b) applies).

(e) Buyer shall be treated as a "successor employer" to Seller for purposes of providing coverage under COBRA with respect to any "qualified beneficiary" under a Seller Employee Benefit Plan that is a "group health plan," and as such, Buyer shall assume the obligation (and all liability associated with such obligation) to provide coverage under COBRA to such "qualified beneficiaries." For the purposes hereof, "qualified beneficiary," "group health

plan,” and “successor employer” shall have the meaning ascribed thereto in Section 4980B of the Code and the regulations promulgated thereunder.

(f) Buyer will credit each Hired Employee and their eligible dependents under the Employee Welfare Benefit Plans offered to the Hired Employee with any deductibles, co-payments or other cost-sharing amounts incurred by the Hired Employee or eligible dependent under Seller’s Employee Welfare Benefit Plans for the current plan year and before the Closing Date.

(g) Buyer will provide tuition reimbursement to the Hired Employees enrolled in a qualified educational program at Closing, for the year in which the Closing occurs, in accordance with, and subject to the terms and conditions of, Seller’s tuition reimbursement plan.

(h) The parties intend to comply with the requirements of § 4204 of ERISA in order that the transaction contemplated by this Agreement shall not be deemed a complete and partial withdrawal liability from any Multiemployer Plan. Accordingly, Seller and Buyer agree:

(i) Notwithstanding any provision to the contrary contained in this Agreement, after the Closing Date, Buyer shall contribute to each Multiemployer Plan with respect to the operations of Seller for substantially the same number of “contribution base units” for which Seller had an “obligation to contribute” to each Multiemployer Plan pursuant to each collective bargaining agreement.

(ii) To the extent required by §4204 of ERISA, unless exempted under PBGC Regulation Sections 4204.11, 4204.12 or 4204.13, Buyer shall provide to each Multiemployer Plan, for a period of five consecutive plan years commencing with the first plan year beginning after the Closing Date, either a bond issued by a surety company that is an acceptable surety for purposes of § 412 of ERISA or an amount held in escrow by a bank or similar financial institution satisfactory to each Multiemployer Plan. The amount of such bond or escrow deposit to each Multiemployer Plan shall be equal to the greater of (A) the average annual contribution that Seller was required to make under such Multiemployer Plan with respect to the operations of the Hospital Businesses for the three plan years immediately preceding the plan year in which the Closing Date occurs, or (B) the annual contribution that Seller was required to make under such Multiemployer Plan with respect to the operations of the Seller for the last plan year immediately preceding the plan year in which the Closing Date occurs.

(iii) If Buyer completely or partially withdraws from any Multiemployer Plan prior to the end of the fifth plan year beginning after the Closing Date, and the resulting liability of Buyer with respect to the Multiemployer Plan is not paid, then it is acknowledged and agreed that Seller shall be secondarily liable in an amount not to exceed the amount of withdrawal liability Seller would have had to pay to such Multiemployer Plan as a result of the transaction contemplated by this Agreement but for §4204 of ERISA. Buyer shall indemnify Seller against any liability incurred by Seller pursuant to this clause (iii).

(iv) Seller shall cooperate with Buyer if Buyer wishes to prepare and submit to any Multiemployer Plan or the PBGC a request for a variance of exemption from the bond/escrow requirement of §4204(a)(i)(B) of ERISA (as described in Section 6.3(h)).

Unless and until such a variance or exemption is granted, Buyer shall comply with the bond/escrow requirement except to the extent provided in PBGC Regulation Section 4204.11(d).

(i) If any Reportable Event occurs with respect to any Seller Employee Benefit Plan that is an Employee Pension Benefit Plan and such Reportable Event requires notice to be given on or after the Closing Date, Buyer shall comply with such notice requirements.

ARTICLE 7 ADDITIONAL COVENANTS AND OBLIGATIONS

7.1 Necessary Antitrust Filings. From the Effective Date until the Closing Date, each of the Parties shall file, if and to the extent required by law, all reports or other documents required or requested by Governmental Authorities under the HSR Act or under the antitrust laws of the State of Michigan concerning the transactions contemplated hereby, and comply promptly with any requests by the Governmental Authorities for additional information concerning such transactions, so that (a) the waiting period specified in the HSR Act will expire as soon as reasonably possible after the Effective Date and (b) Governmental Authorities in Michigan have been provided all information they have reasonably requested concerning the transactions contemplated hereby. Each of the Parties shall furnish to the other Parties such information as the other Parties reasonably require to perform their obligations under the HSR Act or under such Michigan laws and shall exchange drafts of the relevant portions of each other's report forms or other filings prior to filing.

7.2 Costs and Expenses.

(a) Except as otherwise expressly set forth in this Agreement, all expenses of the preparation of this Agreement and of the purchase of the Assets set forth herein, including counsel, accounting, brokerage and investment advisor fees and disbursements, shall be borne by the respective Party incurring such expenses, whether or not such transactions are consummated.

(b) Seller shall pay the cost of complying with the Attorney General approval process referred to in Section 7.5, and the cost of removing Encumbrances that are not Permitted Encumbrances. Buyer shall pay all sales and use Taxes arising out of the transfer of the Assets, State and County real estate transfer Taxes, the HSR Act filing fee, certificate of exemption filing fees, city real estate transfer Taxes, the cost of Buyer's standard form owner's or leasehold title insurance policies described in Section 9.6, and endorsements requested by Buyer, including extended coverage endorsement, the costs of land title surveys of the Real Property undertaken by Buyer and environmental, engineering and other professional studies undertaken by Buyer, and any fees related to obtaining any new Permits or the assignment or transfer of any existing Permits.

7.3 Fulfillment of Conditions. Each Party will execute and deliver at Closing each Closing Document that such Party is required by this Agreement to execute and deliver as a condition to Closing, and will take all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each other condition to the obligations of the Parties contained in this Agreement, to the extent that satisfaction of such condition is within the control of such Party.

7.4 Release of Encumbrances. Seller shall cause all Encumbrances other than the Permitted Encumbrances to be released and discharged at or prior to Closing.

7.5 Attorney General Process for Sales of Nonprofit Assets to For Profit Corporations. Seller shall promptly seek the approval of the Attorney General of, or the receipt of a determination from the Attorney General not to object to, the consummation of the transactions contemplated herein. Seller shall cooperate with the Attorney General in connection with the Attorney General's investigation and approval or no objection process and use Commercially Reasonable Efforts to obtain such approval or no objection determination as soon as reasonably practicable. Buyer shall reasonably cooperate with Seller and the Attorney General in connection with Seller's efforts to obtain the Attorney General's approval of or no objection determination pertaining to the transactions described herein.

ARTICLE 8 CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller hereunder are subject to the satisfaction on or prior to the Closing Date of the following conditions, unless waived in writing by Seller:

8.1 Accuracy of Representations and Warranties; Covenants.

(a) Each of the representations and warranties of Vanguard and Buyer contained in this Agreement shall be true and correct on and as of the Effective Date; each of the representations and warranties of Vanguard and Buyer contained in this Agreement that are qualified as to materiality shall be true and correct on and as of the Closing Date; and each of the other representations and warranties of Vanguard and Buyer contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date.

(b) Each and all of the terms, covenants and agreements to be complied with or performed by Vanguard and Buyer on or before the Closing Date shall have been complied with and performed in all material respects.

8.2 Adverse Action or Proceeding. There shall not be in effect any order restraining, enjoining or otherwise preventing consummation of the sale of the Assets and other transactions contemplated hereunder.

8.3 HSR Act. Seller shall have obtained documentation or other evidence reasonably satisfactory to Seller to the effect that all applicable waiting periods under the HSR Act have expired.

8.4 Attorney General Approval. Seller shall have received all approvals from the Attorney General that are necessary or appropriate in order for Seller to consummate the transactions described herein and to sell and transfer the Assets, the Hospitals and the Hospital Businesses to Buyer or a determination from the Attorney General that the Attorney General does not object to the consummation of the transactions described herein.

8.5 Redemption of the Bonds/Satisfaction of the Indenture. All actions required to be taken and all conditions required to be satisfied in connection with the defeasance or

redemption of all outstanding tax-exempt debt issued by or on behalf of Seller, and the satisfaction, discharge, release, and termination of all Trust Indentures and related documents (collectively, the "Indenture") associated with such tax-exempt debt, and all liens created by or in connection with such documents, shall have been taken and satisfied. The Indenture and all liens created by or in connection with the Indenture shall have been satisfied, discharged and terminated, and Seller shall have received an opinion from nationally recognized bond counsel to the effect that all conditions precedent to the foregoing have been satisfied and that Seller and its Affiliates may transfer and convey the Assets to Buyer free and clear of the Indenture and all liens and security interests created by or in connection therewith.

8.6 Captive Insurance Companies. All action required to be taken and all consents and approvals of Governmental Authorities required to be obtained in connection with the transfer of all right, title and interest of Seller in and to the Captive Insurance Companies shall have been taken and obtained.

8.7 Extraordinary Events. Neither Vanguard nor Buyer shall: (a) be in receivership or dissolution; (b) have made any assignment for the benefit of creditors; (c) have been adjudicated a bankrupt; (d) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against Vanguard or Buyer; or (e) have entered into any Contract to do or permit the doing of any of the foregoing on or after the Closing Date.

8.8 Opinion of Vanguard's and Buyer's Counsel. Seller shall have received an opinion from counsel to Vanguard and Buyer (who may be in-house counsel) dated as of the Closing Date and addressed to Seller, in form and substance reasonably satisfactory to Seller, to substantially the following effect:

(a) Vanguard is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware with full corporate power to carry on its business as it is now being conducted. Vanguard has full power and authority to execute and deliver this Agreement and each of the Closing Documents to which it is a party and to perform its obligations herein and therein. All corporate proceedings required to be taken by Vanguard to authorize the execution and delivery of this Agreement and each of the Closing Documents to which it is a party and to authorize the performance of its obligations herein and therein, have all been duly and properly taken;

(b) Each Buyer is a corporation duly incorporated and validly existing in good standing under the laws of the State of Delaware with full corporate power to carry on its business as it is now being conducted and is qualified to do business in the State of Michigan. Buyer has full power and authority to execute and deliver this Agreement and each of the Closing Documents to which it is a party and to perform its obligations herein and therein. All corporate proceedings required to be taken by Buyer to authorize the execution and delivery of this Agreement and each of the Closing Documents to which it is a party and to authorize the performance of its obligations herein and therein, have all been duly and properly taken;