

Legacy DMC

May 29, 2012

Ms. Katharyn Barron, Division Chief
Consumer Protection Division and
Charitable Trust Section
Department of Attorney General
State of Michigan

Dear Ms. Barron:

The purpose of this letter is to confirm compliance with Article 2 of the Monitoring and Compliance Agreement among the Department of Attorney General, Legacy DMC, VHS of Michigan, Inc. and Vanguard Health Systems, Inc. This agreement supplements the Purchase and Sales Agreement (PSA) and defines various requirements relating to the Post-Closing Covenants contained in the PSA.

ARTICLE 2 – “Update to Ensure No Conflict of Interest”

This article addresses the risk of a conflict of interest for the Detroit Medical Center's Board of Trustees (22 members) and specific Key Employees (25 identified in Exhibit A of the Monitoring Agreement).

Item A required completion of the standard DMC conflict of interest statement (COI) covering a specified period just prior to the Closing.

- Our review indicates that all required parties completed the DMC's Conflict of Interest statements timely. The COI forms were reviewed in 2011 using normal processes by the Chief Compliance Officer of DMC at that time, Mr. Stanton Beatty, shortly after their completion. No actionable events were found in the review and no new conflicts were reported or discovered. We believe the intent of the Attorney General (AG) in requiring this item prior to closing has been fulfilled.

Item B required an Attestation Letter from the same group stating that they would not receive any form of compensation for supporting approval of the PSA, nor any increase in salary or other incentive post-closing, unless solely on the basis of post-closing performance (except as provided in accord with DMC's 2010 Incentive Compensation Plan).

- Our review indicates that all required parties signed Attestation Letters using the required language. No exceptions were identified.

Ms. Katharyn Barron

May 29, 2012

Page 2


Item C required that persons serving as DMC Trustees, Officers, and Key Employees complete within 90 days of closing written disclosures of all agreements regarding future employment or compensation not disclosed in the PSA.

- Our review indicates that the affected trustees, officers and employees had individual responsibility to report directly to the AG. Legacy DMC does not have a defined role in this process. We note, however, that, pursuant to a recommendation of the DMC Board of Trustees, Mr. Stephen D'Arcy has accepted an appointment to the Vanguard Health Systems, Inc. Board of Directors. We understand that this appointment has been communicated to the AG. Legacy DMC is not aware of any other similar arrangements.

CONCLUSION

Legacy DMC believes the requirements of Article 2 have been met. All documents required by Article 2 have been delivered to the Department of Attorney General, Charitable Trusts. No further reports on this Article are required.

Sincerely,



Joe Walsh
President