

June 6, 2008

Mr. Geoff Watson
Board Chair
The Credit Valley Hospital

Mr. Wayne Fyffe
President and Chief Executive Officer
The Credit Valley Hospital
2200 Eglinton Avenue West
Mississauga ON L5M 2N1

Dear Mr. Watson and Mr. Fyffe:

Thank you for your letter dated April 14, 2008 and your signed Hospital Service Accountability Agreement (H-SAA). As you are aware, the Mississauga Halton Local Health Integration Network (MH LHIN) has signed back the H-SAA and it is now fully executed. However, we felt it was important to respond to the points raised in your letter.

We would like to stress that the receipt of the letter and the execution of the H-SAA does not imply that the MH LHIN agrees or endorses the forecasted growth volumes and associated costs noted in the letter, nor can we guarantee funding for these costs should they be incurred. However, as noted in Schedule B, section 9.6 of the H-SAA, "the LHIN and the hospital will work together to incorporate any growth funding, PCOP funding, and other investments by the LHIN in "Aging at Home" and other initiatives including exploring regional strategies to deal with the overall impact of growth on hospitals". We would also like to reiterate that one of the key performance indicators of the H-SAA is the achievement of 0 total margin at the facility level.

We look forward to our ongoing partnership with The Credit Valley Hospital to serve the needs of our community.

Sincerely,



John Magill
Board Chair



Bill MacLeod
Chief Executive Officer

c: Narendra Shah, Chief Operating Officer, MH LHIN