

ARTICLE XII  
ADDITIONAL COVENANT OF LESSOR

Lessor and Lessee recognize that Lessee is leasing and purchasing the Leased Premises along with all goodwill associated therewith, and agree and acknowledge that the District's and Lessee's future financial health and Lessee's ability to continue to service low-income populations are both dependent on Lessee's ability to fulfill all of its financial and clinical obligations under this Agreement. Accordingly, in order to safeguard the full value of Lessee's acquisition, including the Hospital's goodwill, and in order to promote the objectives set forth in Recital G above, after the Commencement Date and during the Term, the following provisions shall apply.

12.1 Grant-Making by the District. Neither Lessor nor any Affiliate, including Desert Healthcare Foundation (collectively, the "District Entities") shall directly or indirectly provide financial assistance or grant any funds for any project within the geographical boundaries of the District if the revenues associated with such project would be reflected on the consolidated financial statements of another acute care hospital. Directly or indirectly shall be defined as any project or service that financially benefits another acute-care hospital or affiliated entities or operations.

12.2 District's Ability to Own, Operate or Manage. During the Term, the District Entities shall not directly or indirectly own any interest in, manage or operate any "Competing Business" which shall mean any healthcare related business currently conducted by the Lessee or its affiliates within the geographical boundaries of the District as of the Commencement Date, including those set forth on Schedule 12.2(a), but

excluding: (1) any businesses already owned by the District as of the Commencement Date or (2) the District owning a medical office building that is adjacent to the Leased Premises pursuant to which it operates as a landlord for other providers. Notwithstanding the foregoing, the District Entities shall be permitted to own real property located in the medically underserved areas set forth on Schedule 12.2(b), as may be revised from time to time, and lease such real property to tenants who (x) provide for equal access to care with respect to accepting government-funded healthcare reimbursement (*e.g.*, Medi-Cal and Medicare), and (y) do not provide services under the licensure of another acute care hospital or for which the revenues associated with such services would be directly or indirectly reflected on the consolidated financial statements of another acute care hospital.

In the event the provisions contained in this Article XII shall ever be deemed to exceed the time or geographic limits or any other limitations permitted by applicable law in any jurisdiction, then such provisions shall be deemed reformed in such jurisdiction to the maximum extent permitted by applicable law. Lessor acknowledges and agrees that (i) its covenants herein form part of the consideration hereunder and are a material inducement for Lessee entering into and consummating this Agreement, (ii) the provisions of this paragraph are necessary to protect the interests of Lessee and the continued goodwill of the business and operation of the Desert Businesses, an interest in which Lessee is hereby acquiring, (iii) the restrictive covenants set forth herein are reasonable in scope and duration, (iv) a breach of the covenants contained in this paragraph will result in irreparable harm and damages to Lessee which cannot be

adequately compensated for by a monetary award, and (v) in addition to all other remedies available in law or in equity, Lessee shall be entitled to the remedy of a temporary restraining order, preliminary injunction, or such other form or injunctive or equitable relief as may be issued by a court of competent jurisdiction to restrain or enjoin Lessor and its Affiliates from breaching the provisions of this paragraph or otherwise to specifically enforce the provisions of this paragraph. Lessor covenants to cause its Affiliates (including the Foundation) to comply with the restrictions set forth herein and to confirm the same to Lessee upon request. Lessee shall defend (with counsel selected by Lessee in its sole discretion), indemnify, and hold Lessor and its Affiliates harmless from any challenge to the provisions of this Article XII in a legal proceeding. Lessor agrees to fully cooperate with Lessee (at no expense to Lessor) and to fully support Lessee's position in any such legal proceeding.