

## HOSPITAL LEASE PURCHASE AGREEMENT

This Hospital Lease Purchase Agreement (“Agreement”) is made and dated as of August 1, 2024, by and between Desert Healthcare District, a political subdivision of the State of California (“Lessor” or “District”), and Desert Regional Medical Center, Inc., a California corporation (formerly known as Tenet HealthSystem Desert, Inc.) (“Lessee”), with reference to the following facts:

### RECITALS

A. Lessor is the owner of Desert Hospital, also known as Desert Regional Medical Center (the “Hospital”), an acute care hospital located at 150 North Indian Canyon Drive, Palm Springs, California, licensed to operate 352 beds for acute care, which facility includes all related real and personal property and assets owned by the District, as more particularly defined herein. The Hospital and all associated District-owned operating assets, including certain medical office buildings, clinical offices, and any other activity or business related thereto and all goodwill associated therewith, as the same may change from time to time, are hereinafter referred to as the “Desert Businesses.”

B. Lessee is a wholly owned subsidiary corporation of Tenet HealthSystem, Inc. In 1997, after a due diligence process and pursuant to the authority granted to Lessor under the Local Health Care District Law of the State of California, commencing with Section 32000 of the California Health and Safety Code (the “Local Health Care District Law”), the Board of Directors of Lessor determined that, in accordance with the

requirements of Section 32126 of the Health and Safety Code, it was in the best interest of Lessor and the communities served by Lessor to provide for the operation and maintenance of the Hospital through a lease of the Hospital, including all related real and personal property assets, to Lessee for a term of thirty (30) years.

C. On May 30, 1997, Lessor and Lessee entered into the original Lease Agreement (“1997 Lease”), which expires on May 30, 2027. The 1997 Lease has provided a unique public/private partnership by successfully combining the public resources of a state-of-the-art community hospital with a nationally recognized healthcare system and has promoted the parties’ objectives as set forth in the 1997 Lease.

D. The Board of Directors of Lessor finds and determines that entering into this Agreement is desirable and is in the best interests of the communities served by the District.

E. This Agreement is entered into in accordance with Health & Safety Code sections 32121(p)(1), and is subject to majority approval by the District’s voters on a measure lawfully placed on an election ballot.

F. Except as expressly provided herein, nothing herein shall prohibit District from exercising its power to engage in any of the activities allowed by the Local Health Care District Law as presently written or hereinafter amended. District shall support and continue in existence such programs of public health as are necessary for the maintenance of good physical and mental health of the communities served by District.

G. Pursuant to Section 32126 of the Local Health Care District Law and after consideration of public review and comment, District finds that execution of this Agreement will promote the following objectives:

1. Enhance the provision of quality health care to the communities served by District.
2. Enhance the participation of the Hospital in the regional health care system developed by Lessee, which combines the resources of the Hospital and Lessee and which utilizes the size and geographic scope arising from this Agreement in order to better serve the general public residing in the communities served by District.
3. Achieve general efficiencies in economies of scale.
4. Provide access to capital and/or improve access to equity capital markets and enable the Hospital facilities to borrow on the regional strengths of Lessee and the national strength of Lessee's Affiliates.
5. Eliminate unnecessary duplication of major capital equipment.
6. Allow the participation of the Hospital in a comprehensive integrated health care system to better serve the communities served by District.
7. Spread new technology risks among a broader provider base.
8. Preserve and protect District's assets and ensure the ability to provide inpatient and outpatient services, including the retention of essential patient services, for the communities served by District.

H. The Board of Directors of District, deeming the lease and purchase of the Leased Premises (defined below) by Lessee pursuant to the terms and conditions set forth in this Agreement to be desirable and in the best interests of the communities served by District, has approved this Agreement.

I. This Agreement is hereby entered into between the parties hereto pursuant to the terms and conditions of this Agreement.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants, and agreements contained in this Agreement, the parties hereto agree as follows:

### ARTICLE I PREMISES AND TERM

1.1 Lease. Lessor hereby leases to Lessee, and Lessee hereby leases and agrees to purchase from Lessor, in accordance with the terms and conditions set forth in this Agreement, all of the assets which are owned by District and are directly or indirectly related to, used in, necessary for, or contribute to the operation of the Desert Businesses as the same may exist from time to time (whether within, adjacent to, or off-site from the Hospital) including, without limiting the generality of the foregoing, all right, title, and interest of District in and to the following assets (collectively, the “Leased Premises”):

1.1(a) The real property owned in fee by District upon which the Hospital or any medical office building or other Desert Business is situated and all other real property owned in fee by District (all of which real property is identified in Schedule

“1.1(a)” hereto), together with all land improvements, the Hospital, construction work-in-progress, the medical office buildings, and any other buildings and other improvements thereon, and all goodwill associated therewith, and all rights, privileges, and easements appurtenant thereto (collectively referred to as the “Real Property and Improvements”).

1.1(b) All intangible personal property now or hereafter owned or held by District and used in the planning, development, construction, ownership, operation, use, management, maintenance, repair, operation and/or enjoyment of the Desert Businesses, including, without limitation, any permits and warranties, any and all development rights and entitlements, and the use of any and all goodwill, trade names and intellectual property associated with the Desert Businesses (the “Intangible Property”).

1.1(c) Lessor and Lessee acknowledge that, in the course of operating and maintaining the Hospital through the prior lease term, Lessee has acquired furnishings, fixtures and equipment all of which is owned solely by Lessee and is not part of the Leased Premises. In addition, Lessee is the owner of certain facilities listed on “Schedule 1.1(c)” attached hereto. Such Lessee owned property (the “Lessee Owned Property”) shall not be deemed part of the Leased Premises and, upon any termination of this Agreement, for any reason, Lessee shall have the right, but not the obligation, to retain, and to remove from the Real Property and Improvements, all Lessee Owned Property.

1.1(d) Lessor and Lessee further acknowledge that there are certain real properties, improvements and facilities owned by Lessor that are not subject to this Agreement, all as listed on “Schedule 1.1(d)” attached hereto (the “Retained Real

Properties”). The Retained Real Properties shall not be deemed part of the Leased Premises.

1.2 Term. The term of this Agreement (“Term”) shall be for thirty (30) years commencing on May 31, 2027 (the “Commencement Date”) and ending on May 30, 2057, unless earlier terminated according to the terms set forth in this Agreement.

## ARTICLE II RENT AND OTHER PAYMENTS

2.1 Rent and Purchase Payments. The parties acknowledge and agree that, in consideration of this Agreement, and subject to Closing, Lessee shall make all “Rent and Purchase Payments” as set forth on “Schedule 2.1” attached hereto. Lessee shall make an initial rental payment to District of One Hundred Million Dollars (\$100,000,000) on or before May 31, 2027 (the “Initial Payment”). Beginning May 31, 2028, Lessee shall make the first of nineteen (19) annual rental payments to the District of Nineteen Million Five Hundred Thirty-Six Thousand Eight Hundred Fourteen Dollars (\$19,536,814), which shall increase each year subject to an annual escalator. On or before May 31, 2057, Lessee shall make a final purchase payment of One Hundred Million (\$100,000,000) (the “Final Payment”) to District, at which time all right, title, and interest of District to the Leased Premises shall be transferred by District to Lessee as provided by this Agreement. All Rent and Purchase Payments shall be due and payable to District when due, notwithstanding a default as provided in Section 8.1(a) – (e) or an abandonment by Lessee. Concurrently with the execution of this Agreement, Tenet

Healthcare Corporation, Inc., a Nevada corporation (the “Guarantor”) shall execute and deliver to Lessor a Guaranty of Lease in the form of Schedule “2.1(A)” attached hereto.

2.2 Taxes and Assessments. Lessee shall pay all real and personal property taxes, general and special assessments, and other charges of every description levied on or assessed against the Leased Premises, improvements, or personal property located on or in the Leased Premises, the leasehold estate or any subleasehold estate, to the full extent of installments falling due during the Term, whether belonging to or chargeable against Lessor or Lessee. Lessee shall also pay any municipal, county, state, or federal income or franchise taxes chargeable against Lessee.

2.3 Right to Contest Taxes. Lessee may contest the legal validity or amount of any taxes, assessments, or charges for which Lessee is responsible under this Agreement and, with prior written notice to Lessor, may institute such proceedings as Lessee considers necessary. If Lessee contests any such tax, assessment, or charge, Lessee may withhold or defer payment or pay under protest and such act shall not constitute a default under this Agreement, so long as no forfeiture of any part of the Leased Premises would be caused thereby. Lessor appoints Lessee as Lessor’s attorney-in-fact for the purpose of making all payments to any taxing authorities and for the purpose of contesting any taxes, assessments, or charges (including any appeal of any unfavorable determination), and Lessor shall otherwise cooperate with Lessee in connection therewith.

2.4 Lessor’s Right to Pay Taxes. Notwithstanding the foregoing, Lessor shall have the right to pay any taxes to be paid by Lessee pursuant to Paragraph 2.2 in the event that Lessee defaults in its obligations to pay such taxes and Lessor reasonably

believes that all or any part of the Leased Premises will be taken or sold by a taxing authority. Lessor shall give Lessee not less than thirty (30) days' advance written notice of its exercise of its rights under this Paragraph 2.4, and thereafter if Lessor pays any taxes pursuant to this Paragraph, Lessee shall, on demand, immediately reimburse Lessor for the amount of the taxes so paid and any penalties or costs associated with such payment.

2.5 Utilities. Lessee shall, during the Term, pay for all utilities used upon the Leased Premises, including without limitation water, gas, heat, light, power, telephone service, refuse collection and removal, and all other services supplied to the Leased Premises.

2.6 Triple Net Lease. This Agreement shall be a triple net lease and, except as expressly provided herein, Lessor shall not be responsible for any costs or expenses in any way related to the possession, use, or operation of the Leased Premises.

### ARTICLE III USE, MAINTENANCE, AND IMPROVEMENTS

3.1 Limitations on Use. During the 30-year Term, the Leased Premises are leased to Lessee for the purpose of Lessee operating and maintaining the Leased Premises as a general acute care hospital and for providing any and all ancillary or other inpatient and outpatient health care services (including, without limiting the generality of the foregoing, rehabilitation, skilled nursing, subacute, psychiatric, home health, hospice, substance abuse, chemical dependency, or other specialty services, diagnostic centers, outpatient service centers, clinics, medical office buildings, ambulatory surgery centers



and all management and administrative services associated therewith or with managed care providers of such services). Subject to the other provisions of this Agreement, Lessee shall continuously operate the Leased Premises for the benefit of the communities served by District and shall maintain the Leased Premises as a general acute care hospital and related health care institution. Notwithstanding the foregoing or any other provision of this Agreement, without obtaining any consent from Lessor, (i) Lessee shall have the right to use or sublease to one or more Persons (as defined below), and nothing in this Agreement shall prohibit or restrict Lessee from using or subleasing to one or more Persons, all or any portion of the Leased Premises (other than the Hospital itself where patient care is provided) as medical office buildings or such other purposes as are deemed by Lessee to be necessary or advisable to promote the provision of health care and (ii) Lessee shall have the right to engage, and nothing in this Agreement shall prohibit or restrict Lessee from engaging, one or more Persons as its manager or agent with respect to all or any portion of the Hospital where patient care is provided, so long as Lessee continues to hold the applicable license with respect to such facility. "Persons" as used herein means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

### 3.2 Compliance with Laws, Covenants, Conditions, and Restrictions.

3.2(a) Lessee agrees to use the Leased Premises in material compliance with all laws now in force or which may hereafter be in force relative to the Leased

Premises, its use and the business conducted thereon, including without limitation all building requirements and regulations, as well as all covenants, conditions, and restrictions applicable to the Leased Premises. The final, non-appealable judgment of any court of competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, regardless of whether Lessor is a party to such action or proceeding, that Lessee's use of the Leased Premises has violated any such laws, or such covenants, conditions, and restrictions shall be conclusive of such fact as between Lessor and Lessee. Lessee, at its sole cost and expense, shall have the right to contest the applicability, validity, interpretation, construction, or noncompliance of or with any law, covenant, condition, and restriction now or hereafter in force and relating to Lessee or the Leased Premises, provided that Lessee diligently and expeditiously prosecutes the appropriate proceeding, contest, or appeal. Lessor shall not be required to join in any proceeding, contest, or appeal brought by Lessee unless the provisions of any law requires that the proceeding, contest, or appeal be brought by or in the name of Lessor or any owner of the Leased Premises. In that case, Lessor shall join in the proceeding, contest, or appeal or permit the same to be brought in Lessor's name so long as Lessor is not required to bear any cost. If Lessee, within a reasonable time after final determination of the proceeding, contest, or appeal, complies with the final determination resulting therefrom, the noncompliance of Lessee during the interim period shall not be deemed a default under this Agreement.

3.2(b) Notwithstanding any provision in this Agreement to the contrary, Lessee agrees to be obligated to comply with any law now or hereafter enacted with respect to

the Leased Premises, including but not limited to any law regarding seismic safety upgrades, environmental regulations, and any other matter affecting the physical condition of the Leased Premises.

3.3 Waste; Quiet Enjoyment. Lessee shall not commit or suffer to be committed any waste upon the Leased Premises. Lessor covenants and agrees that Lessee shall peacefully hold and enjoy the Leased Premises during the Term hereof, without interference or hindrance from Lessor or any Person or Persons holding or claiming under Lessor in any manner whatsoever. Lessor shall not exercise its power of eminent domain in any manner that would interfere with Lessee's operation of the Leased Premises.

3.4 Maintenance of Leased Premises. Subject to the other provisions of this Agreement, Lessee shall, at its sole cost and expense, maintain the Leased Premises in the same condition and repair as the Leased Premises were at the commencement of this Agreement (subject to ordinary wear and tear, normal obsolescence, and the effect of the elements) and use the Leased Premises in accordance with all applicable laws, including without limitation such zoning, safety ordinances and laws, and environmental regulations, and such rules and regulations thereunder as may be binding upon Lessee. Lessor shall not have any responsibility to maintain the Leased Premises. Lessee hereby waives all right to make repairs at the expense of Lessor or to deduct the cost thereof from the rent. All rights under California Civil Code Sections 1932(1), 1941, and 1942 or any law in replacement thereof are hereby waived and released.

3.5 Alterations, Additions, and Improvements. Lessee may make any alterations, additions, or improvements to the Leased Premises, (i) provided that they are consistent with the limitations on uses contained in Paragraph 3.1 and (ii) except for any alterations, additions, or improvements that are prohibited under any governmental master development plan or zoning or land use requirements or conditional use permit or related agreements or commitments now or hereafter applicable to the Leased Premises. All major alterations shall be designed with the intent to accommodate the greatest possible permitted and licensed access to care. All major alterations, additions and improvements shall be designed by Lessee to accommodate at least 352 acute care beds, 9 operating suites, and 29 emergency department bays, (acknowledging that short-term reductions in capacity may occur during periods of construction, or as result of outside events), subject to maintaining compliance with state law. In the event that any law or regulation does not permit Lessee to design any major alterations in such a manner as to accommodate the minimum capacity described above, then Lessee shall accommodate as many acute care beds, operating suites and emergency bays as permitted by law. If there are any conflicts between the elements recited in the foregoing sentence and any regulatory provision or state law, such regulatory or state law provision shall govern, and Lessee shall not be in default for any noncompliance with such recited elements. When Lessee submits applicable permits to the Department of Health Care Access and Information or its successor for any major alterations, Lessee will provide Lessor with written notice that includes the design for same. For the avoidance of doubt, any breach of this Section 3.5 by Lessee shall constitute a default under Section 8.1(f) of this

Agreement, and Lessor shall be entitled to exercise all remedies available at law or in equity, including specific performance and injunctive relief, but specifically excluding termination of this Agreement.

3.6 Disposition of Personal Property During Lease Term. During the Term, Lessee shall have the right from time to time to dispose of any portion of any personal property, equipment or fixtures owned by Lessor, if any, in the ordinary course of business, or which is obsolete, worn out, or incapable of further use, all in Lessee's sole and absolute discretion, and Lessor shall execute all documents necessary to release any of Lessor's right, title, and interest in and to such property and enable Lessee to dispose thereof free and clear of all liens and encumbrances.

#### ARTICLE IV INSURANCE

4.1 Compliance with Insurance Requirement. No use shall be made by Lessee or permitted by Lessee to be made on, to, or of the Leased Premises, which will cause the cancellation of any insurance policy covering the Leased Premises, nor shall Lessee sell or permit to be kept, used, or sold in and about the Leased Premises, any article which may be prohibited by any such insurance policy. Lessee shall, at its sole cost and expense, comply with any and all requirements pertaining to the Leased Premises, of any insurance organization or company necessary for the maintenance of the insurance described in this Agreement.

4.2 Insurance to be Procured by Lessee. Lessee shall, at Lessee's sole cost and expense, during the Term, procure and maintain at all times in force and in effect the following insurance:

4.2(a) Insurance against loss or damage by fire, lightning, vandalism, malicious mischief, and all other risks covered by an "all risk" insurance agreement then in use in the State of California, covering the Leased Premises in an amount equal to the "full replacement value" of the Leased Premises and naming Lessor as a named insured. As used in this Agreement, the term "full replacement value" is the cost of replacing all improvements included in the Leased Premises with improvements of substantially identical kind, quality, and capacity without deduction for depreciation, which shall be reviewed by Lessee at least every five (5) years and within a reasonable time following any major capital improvements or additions. Such cost of replacement shall also include demolition and any increased cost of construction occasioned by the enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings or the demolition of any portion of a building which has not suffered damage.

4.2(b) Boiler and machinery insurance providing coverage on pressure vessels, auxiliary piping, pumps and compressors, refrigeration systems, HVAC systems, transformers, and miscellaneous electrical apparatus constituting part of the Leased Premises in reasonable and customary amounts and naming Lessor as loss payee.

4.2(c) Comprehensive general liability insurance, including automobile liability, in reasonable and customary amounts for death, injury, or damage to property.

Such policy shall also insure performance by Lessee of the indemnity provisions of Paragraph 16.3 hereof.

4.2(d) Professional liability and malpractice insurance in reasonable and customary amounts.

4.2(e) All employees' compensation insurance on Lessee's employees required by worker's compensation laws and regulations of the State of California, provided that Lessee shall be permitted to enter into reasonable plans of self-insurance to the extent otherwise permitted by California law.

4.2(f) Such other insurance as is customarily procured and maintained in connection with the lease and operation of hospitals and related facilities of similar size and character located in the State of California, provided Lessee shall only be obligated to carry earthquake insurance coverage in connection with any "all risk" insurance agreement under Paragraph 4.2(a) hereof to the extent that Lessee generally carries such earthquake insurance coverage at comparable acute-care hospitals in Southern California and such coverage is commercially available and feasible at a reasonable premium on the Leased Premises.

4.3 Other Insurance Matters. All insurance required under this Agreement shall:

4.3(a) Be subject to deductibles not exceeding amounts customarily provided for hospitals of similar size, structure, and replacement value located in the State of California.

4.3(b) Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least B+ status as rated by the most recent edition of Best's Insurance Reports.

4.3(c) Name Lessor as additional insured.

4.3(d) Be reviewed by Lessee on a periodic basis and within a reasonable time following any major capital improvements or additions.

4.3(e) Notwithstanding any provision in this Article IV to the contrary, all or any part of the insurance described in Paragraph 4.2 hereof may be effected through a program of self-insurance operated by Lessee or its Affiliates, or through a blanket policy of liability insurance, including in each instance insurance provided by an industry-captive insurance company affiliated with Lessee or its Affiliates, so long as the coverage afforded to Lessor is not materially reduced or diminished or otherwise altered from that which would exist under a separate policy meeting all other requirements of this Agreement. The requirements of Paragraph 4.3(b) shall not apply to such program of self-insurance and blanket policies of liability insurance. As used in this Agreement, the term "Affiliate" shall mean, as to any entity, any other entity that is directly or indirectly in control of such entity, or is controlled directly or indirectly by or is under common direct or indirect control with such entity.

4.4 Disposition of Insurance Proceeds. The proceeds of any insurance maintained under Paragraph 4.2 shall be made available to Lessee for payment of costs and expenses of repair. In the event the insurance proceeds are insufficient to cover the cost of repair, then, except as expressly provided in Article VI, any amounts required



over the amount of the insurance proceeds received that are required to complete such repair shall be paid by Lessee. Any unused portion over the amount required to complete any repair shall be retained by Lessee. Each of the parties hereto agrees to sign any and all documents required by the other party or the insurance company or companies that may be necessary for use in connection with the settlement of any loss under the appropriate insurance policies, provided that such documents are factually accurate and in no manner prejudicial to the interest of such party.

4.5 Proof of Compliance. Lessor may require Lessee to deliver to Lessor, in the manner required for notices, copies or certificates of all insurance policies required by this Agreement. Lessee shall include a provision in each of its insurance policies requiring the insurance carrier to give Lessor at least thirty (30) days' prior written notice before such policy terminates. Lessee shall not substantially modify any of the insurance policies required by this Agreement without giving at least thirty (30) days' prior written notice to Lessor, and Lessor may review such policies on a periodic basis as determined by Lessor.

4.6 Waiver of Subrogation. Lessor and Lessee hereby release and relieve one another, and waive their entire right of recovery against the other, for loss or damage arising out of or incident to the perils insured against under Paragraph 4.2, which perils occur in, on, or about the Leased Premises whether due to the negligence of the Lessor or Lessee or their agents, employees, contractors, and/or invitees. Prior to obtaining any policies of insurance, Lessee and Lessor shall give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Agreement

and each insurer issuing such insurance shall expressly acknowledge and consent to the foregoing waiver and shall expressly waive any right of subrogation on the part of the insurer against Lessor or Lessee.

ARTICLE V  
ACCEPTANCE OF LEASED PREMISES

Lessee accepts the Leased Premises “as is” on the Commencement Date.

ARTICLE VI  
DAMAGE OR DESTRUCTION DURING TERM OF LEASE

6.1 Restoration of Leased Premises. If during the Term the Leased Premises shall be damaged, whether or not from a risk covered by insurance and subject to the other provisions of this Agreement regarding termination, Lessee shall promptly and expeditiously make the repairs necessary to restore the Leased Premises to a condition for occupancy or use comparable to the condition thereof before such damage, if such repairs to the facility are commercially feasible. Such damage shall not terminate this Agreement. If the cost of such repairs exceeds a commercially feasible amount, Lessee may nevertheless repair, restore, and replace the Leased Premises, or by prior written notice to Lessor, elect instead to demolish and reconstruct the improvements that were damaged. All repairs and restorations to the Leased Premises comparable to the condition thereof before such damage shall be deemed a part of the Leased Premises and belong solely to Lessor, and all repairs and restorations to any Lessee Owned Property, and any alterations, additions, or improvements to the Leased Premises made by Lessee, shall belong solely to Lessee.

6.2 No Abatement of Rent and Purchase Payments. In no event shall Lessee be entitled to any compensation or damages on account of any annoyance or inconvenience in making repairs or on account of such destruction. Lessee shall not be entitled to any abatement of Rent and Purchase Payments for the period while such repairs are being made.

## ARTICLE VII CONDEMNATION

In the event that the Leased Premises or any portion thereof is taken by eminent domain, or by inverse condemnation, or for any public or quasi-public use under any statute, the rights of the parties with respect to the term and the award shall be divided as the parties then agree to be just and equitable under all the circumstances, regardless of any technical rule of law, considering the rights of any leasehold, fee, or mortgage, the economics of operating any remaining portion of the Leased Premises and improvements, the cost of restoration, the balance of the Term remaining, and the Rent and Purchase Payments previously paid by Lessee, among other relevant considerations. If Lessor and Lessee do not agree within sixty (60) days after the amount of the award is finally determined, the undecided questions shall be decided by arbitration, in the manner provided in this Agreement.

## ARTICLE VIII DEFAULT

8.1 Events of Default. Subject to the notice and cure provisions of Paragraphs 8.2 and 8.3 below, and the expiration of the cure period set forth therein, each of the following events shall be a default by Lessee and a breach of this Agreement:

8.1(a) Failure or refusal to pay when due any sum required by this Agreement to be paid by Lessee.

8.1(b) The subjection of any material right or interest of Lessee to attachment, execution, or other levy, or to seizure under legal process which would materially interfere with Lessee's ability to operate the Hospital, if not released within ninety (90) days.

8.1(c) The appointment of a receiver to take possession of the Leased Premises or improvements, or of Lessee's interest in the leasehold estate or of Lessee's operations on the Leased Premises for any reason, which appointment is not dismissed, vacated, or otherwise permanently stayed or terminated within ninety (90) days.

8.1(d) An assignment by Lessee for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of (i) adjudicating Lessee a bankrupt, (ii) extending time for payment, adjustment, or satisfaction of Lessee's liability, or (iii) reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervisions are dismissed, vacated, or otherwise permanently stayed or terminated within ninety (90) days after the assignment, filing, or other initial event.

8.1(e) Failure to perform any other covenant or condition in this Agreement which directly causes Lessee to be unable to operate the Leased Premises as a general acute care hospital and related health care institution.

8.1(f) Failure to perform any other material covenant or condition of this Agreement.

8.2 Notice and Right to Cure. As a condition to pursuing any remedy for an alleged default of Lessee, Lessor shall give written notice of default to Lessee. Each notice of default shall specify in detail the alleged event of default and the intended remedy.

8.3 Lessee's Right to Cure. If the alleged default is nonpayment of any sums to be paid by Lessee under this Agreement, Lessee shall have thirty (30) days after notice is given to cure or contest the default. With respect to any other default, Lessee shall promptly and diligently after notice commence curing the default and shall have a reasonable period of time, in light of the circumstances, to complete the cure or, alternatively, contest such default.

8.4 Remedies. If any default by Lessee pursuant to Section 8.1(f) continues uncured following notice of default as required by this Agreement for the period specified in Section 8.3 above, Lessee and Lessor agree and acknowledge that Lessor shall be entitled to exercise all remedies available at law or in equity, including specific performance and injunctive relief, but specifically excluding termination of this Agreement. If any default by Lessee pursuant to Sections 8.1(a) – 8.1(e) continues uncured following notice of default as required by this Agreement for the period applicable to the default under the applicable provision of this Agreement, or, if contested by Lessee, continues uncured following the issuance of the final award of the arbitrator pursuant to Paragraph 15.12, Lessor has the following remedies, in addition to the rights

and remedies provided by law or equity, to which Lessor may report cumulatively or in the alternative:

8.4(a) Lessor may at its election terminate this Agreement by giving Lessee notice of termination. On the giving of notice, all Lessee's rights in the Leased Premises and improvements shall terminate. Promptly after notice of termination, Lessee shall surrender and vacate the Leased Premises and all improvements in clean condition. Termination under this paragraph shall not relieve Lessee from the payment of any sum then due to Lessor including Rent and Purchase Payments or from any claim for damages previously accrued or then accruing against Lessee.

8.4(b) Lessor may, at Lessor's election, enter the Leased Premises without terminating this Agreement, at any time and from time to time and relet the Leased Premises and improvements or any part of them for the account and in the name of Lessee or otherwise. Lessor may, at Lessor's election, eject all Persons or eject some and not others or eject none.

8.5 Default by Lessor. Lessor shall not be in default unless Lessor fails to perform a material obligation required of Lessor within a reasonable time, but in no event later than sixty (60) days after written notice by Lessee to Lessor, specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than sixty (60) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such 60-day period and thereafter diligently prosecutes the same to completion.

In event of Lessor's default hereunder which continues uncured following notice of default as required by this Agreement for the period applicable to the default under the applicable provision of this Agreement, or, if contested by Lessor, continues uncured following a period of thirty (30) days following the issuance of the final award of the arbitrator pursuant to Paragraph 15.12, Lessee shall at Lessee's option, be entitled to enforce any and all rights and remedies available to it at law or in equity including, without limitation, specific performance and injunctive relief.

8.6 Injunctive Relief. As contemplated by Paragraph 15.12(c) and notwithstanding any other provision of this Article XIII, each party hereto shall be entitled to seek preliminary or provisional equitable relief following the giving of any notice of default to the other party, without waiting for the expiration of any cure period relating to such default, and without limiting any other rights or remedies to which such party may be entitled or constituting a waiver of the dispute resolution and arbitration provisions set forth in Paragraph 6.12.

#### ARTICLE IX EFFECT OF SURRENDER

The voluntary or other surrender of this Agreement by Lessee, or a mutual cancellation or rescission thereof, shall not create a merger and shall operate as an assignment to Lessor of all existing and valid subleases, subtenancies, or contracts relating to the use or operation of the Leased Premises.

## ARTICLE X HAZARDOUS MATERIALS

If any hazardous materials are brought upon, generated, used, kept, or stored in, on, about, or under the Leased Premises by Lessee or any of its agents, representatives, employees, contractors, suppliers, permittees, assignees, invitees, or sublessees (collectively "Responsible Parties"), then Lessee and its Responsible Parties shall generate, use, keep, store, treat, remove, transport, and dispose of such hazardous materials in a manner which materially complies with all applicable environmental regulations. Without limiting any of the other obligations of Lessee set forth in this Agreement, Lessee shall, at its own cost and expense, procure, maintain in effect and materially comply with all conditions and requirements of any and all permits, licenses, and other governmental, court-imposed and regulatory approvals, authorizations, orders arising or required under any environmental regulations relating to Lessee's generation, use, keeping, storage, transport, or disposal of such hazardous materials. Lessee shall immediately notify Lessor of its discovery of (i) any material release of any hazardous materials on or about the Leased Premises or adjoining property, or (ii) the presence thereon of any hazardous materials which is in material violation of any material environmental regulations, or (iii) its receipt of any notice of violation or any environmental regulations or environmental claim pertaining to the Leased Premises or Lessee's activities. If Lessee shall generate, use, keep, store, remove, transport, or dispose of hazardous materials in, on, about, or under the Leased Premises or any adjoining property and the same results in any contamination of the Leased Premises or



the surrounding environment during the Term or within a period of five (5) years thereafter, and a written claim with respect thereto is asserted by Lessor or its assignee against Lessee within such Term or within five (5) years thereafter, then Lessee shall promptly at its sole cost and expense take all the actions as are necessary to return the Leased Premises and/or the surrounding environment to the condition existing prior to such contamination in a manner which materially complies with all environmental regulations. In the event of an early termination of this Agreement, Lessee shall cause to be removed from the Leased Premises all hazardous materials existing in, on, about, or under the Leased Premises and/or adjoining property which were brought upon, generated, used, kept or stored by Lessee or any of its Responsible Parties and shall cause such hazardous materials to be stored, treated, transported, and/or disposed of, all in material compliance with all environmental regulations. Lessee shall immediately deliver to Lessor copies of any and all manifests and other documentation relating to the removal, storage, treatment, transportation, and/or disposal of any hazardous materials or receptacles or containers therefor reflecting the legal and proper removal, storage, treatment, transportation, and/or disposal thereof. Lessee shall, at its sole cost and expense, repair any damage to the Leased Premises resulting from Lessee's removal of such hazardous materials and receptacles of containers therefor. Lessee's obligations hereunder shall include, but shall not be limited to, the cost of investigation, removal, remediation, restoration, and/or abatement, and shall survive the expiration or earlier termination of this Agreement.

ARTICLE XI  
LIENS, ESTOPPELS, AND EASEMENTS

11.1 No Liens or Encumbrances by Lessor; Transfer by Lessor. Except for easements, covenants, conditions, and restrictions created in accordance with Paragraph 11.3, Lessor agrees and covenants not to place any encumbrance, including, without limitation, any deed of trust, mortgage, or security lien upon the Leased Premises, during the Term. If Lessor desires to convey the Leased Premises to a third party, it shall provide Lessee with written notice setting forth the name of the proposed transferee and all of the terms of the conveyance (including, without limitation the purchase price) at least 9 months prior to such proposed conveyance (the "Transfer Notice"). In such event, Lessee shall have the right of first refusal to purchase the Leased Premises from Lessor upon the terms and conditions of the Transfer Notice, which right may be exercised by Lessee's delivery to Lessor of a written notice (an "Acceptance Notice") accepting the terms and conditions set forth in the Transfer Notice, to be delivered within sixty days of Lessee's receipt of the Transfer Notice. If Lessee timely delivers an Acceptance Notice to Lessor, Lessee shall purchase the Leased Premises on the terms set forth in the Transfer Notice, and if Lessee does not timely deliver an Acceptance Notice to Lessor, Lessor may convey the Leased Premises (which conveyance shall be subject and subordinate to each and every term of this Agreement, including without limitation, Lessee's purchase of the Leased Premises at the expiration of the Term, notwithstanding any provision in the Transfer Notice to the contrary) to the third party identified in the Transfer Notice, upon the exact terms set forth in the Transfer Notice. Lessee shall again have the right of first

refusal in accordance with the terms of this Section 11.1 if Lessor proposes to transfer the Leased Premises to any different purchaser, or on any terms and conditions different than those stated in the latest Transfer Notice.

11.2 Estoppel Certificate. Each party, within twenty (20) days after notice from the other party, shall execute and deliver to the other party in recordable form, a certificate stating that this Agreement is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the nature and extent of any then-existing default or breach of this Agreement by the party requesting the certificate. Failure to deliver the certificate within such twenty (20) day period shall be conclusive upon the party failure to deliver the certificate for the benefit of the party requesting the certificate and any successor to the party requesting the certificate, that this Agreement is in full force and effect and has not been modified and no default or breach exists, except as may be represented by the party requesting the certificate. Lessor shall also provide similar estoppel certificates upon request by Lessee or any sublessee on the same terms with respect to any subleases which may be entered into by Lessee under and as permitted by this Agreement from time to time with respect to all or any portion of the Leased Premises.

11.3 Easements, Restrictions. At no cost or expense to Lessor, Lessor shall execute whatever documents Lessee reasonably requests to impose upon the Leased Premises such easements, covenants, conditions, and restrictions for parking, ingress, egress, and utilities as are reasonably required by Lessee in connection with the orderly operation and development of the Leased Premises; provided that Lessor shall not be

required to execute any such document which would have a material adverse effect upon the use of the Leased Premises as provided for in Paragraph 3.1.

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 Desert Businesses' goodwill, and in order to promote the objectives set forth in Recital G above, after the Commencement Date and during the Term, the parties hereby agree as follows:

12.1 Grant-Making by the District.

12.1.1 Grant-Making Generally. 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 that supports a competing business specified on Schedule 12.1, or if such financial assistance or funds substantially reduce expenses or substantially increase revenues on the consolidated financial statements of another acute care hospital located within the geographical boundaries of the District. For the avoidance of doubt, if the proposed project supports services not specified on Schedule 12.1, for example, inpatient/outpatient psychiatric services, inpatient/outpatient

pediatric services, skilled nursing facilities, urgent care, or Federally Qualified Health Centers, then District may provide financial assistance or grant funds, but not if such financial assistance or funds substantially reduce expenses or substantially increase revenues on the consolidated financial statements of another acute care hospital located within the geographical boundaries of the District.

(a) Exception related to Property Tax Revenue. The provisions in 12.1.1 shall not apply if the project is wholly owned and operated by Riverside County and such financial assistance or funds are capped at the amount of the annual real property tax revenue less administrative and operating expenses on a fiscal year basis.

12.2 District's Ability to Own, Operate or Manage.

12.2.1 During the Term, the District Entities shall not directly or indirectly own any interest in, manage or operate any competing business specified on Schedule 12.1, within the geographical boundaries of the District, 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.

12.2.2 Notwithstanding the foregoing paragraph, the District Entities shall be permitted to own and lease any real property which, at the time of purchase, is located in a Medically Underserved Area set forth on Schedule 12.2, which areas may be revised from time to time by the U.S. Department of Health and Human Services or the State of California, or other geographic areas specified on Schedule 12.2. The District shall also be permitted to own real property outside the areas specified in Schedule 12.2,

but shall not be permitted to lease this property to tenants whose business is a competing business set forth on Schedule 12.1, or if the revenues associated with the tenant's business would be reflected on the consolidated financial statements of another acute care hospital located within the District.

12.3. Severability, Remedies, and Indemnity regarding Article XII. 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.

### ARTICLE XIII ADDITIONAL COVENANTS OF LESSEE

13.1 Nondiscrimination in Operating Decisions. During the Term and as provided in this Agreement, Lessee agrees to operate the Leased Premises for the benefit of the communities served by District. Major decisions regarding the operation of the Hospital will be made by Lessee without discrimination against the interests of the communities served by the Hospital. Operational decisions relating to any termination or material reduction of any Core Service (as defined below) shall be made through a process as described herein which will include consideration of the needs of the Hospital, community, and physicians. At no time during the terms of this Agreement will any Core Service be instituted at or moved to John F. Kennedy Memorial Hospital in Indio, California ("JFK"), for the purpose of or with the direct effect of terminating or materially reducing such Core Service at the Hospital. Notwithstanding the foregoing, the parties acknowledge and agree that during periods of significant renovation or construction it may be necessary to temporarily relocate some services in order to ensure continuity of core hospital programs as defined in Section 13.3, and nothing in the foregoing sentence shall prohibit same.

13.2 Expansion of Care and JFK Commitments. During the Term, District and Lessee shall continue to work as partners to expand care throughout District's entire geographic area. Lessee and its Affiliates agree to commit to pursue the expansion of the Emergency Department and Admitting care area at JFK. Lessee agrees to report on the status of the expansion as part of the Annual Report in Section 13.12 of this Agreement until completion.

13.3 Review Prior to Termination of Service or Program. During the Term, Lessee shall give Lessor prior written notice of any proposed termination or material reduction of a core Hospital program or service set forth on Schedule 13.3 attached hereto ("Core Services"). Before giving such notice, Lessee shall consult with the Medical Staff and Local Governing Board regarding the proposed termination or material reduction. Within ninety (90) days after receiving such notice, Lessor shall have the right to hold one or more noticed public meetings at which the public and Lessor's Board of Directors shall have an opportunity to comment on such termination or material reduction of Core Services. A representative of Lessee shall attend such public meeting(s). After the public meeting(s), Lessee's board of directors shall then consider and make the final decision regarding the proposed termination or material reduction, and so notify Lessor's board in writing.

If Lessee proposes any termination or material reduction of Core Services due to financial infeasibility or hardship, Lessee shall submit with its written notice to Lessor either an analysis and report regarding the financial aspects of such Core Service or the



continued availability of such Core Service elsewhere in the community served by District (other than at JFK).

13.4 Restrictions on Subletting, Assignments and Transfers. Except as set forth in Section, 13.4(d):

13.4(a) Lessee shall not sublet any space in the Hospital itself where patient care is provided without Lessor's prior written consent. Notwithstanding the foregoing or any other provision of this Agreement, without obtaining any consent from Lessor, (i) Lessee shall have the right to use or sublease to one or more Persons, and nothing in this Agreement shall prohibit or restrict Lessee from using or subleasing to one or more Persons, any portion of the Leased Premises (other than the Hospital itself where patient care is provided) as medical office buildings or such other purposes as are deemed by Lessee to be in the normal course of operating the Hospital or as necessary or advisable to promote the provision of health care, and (ii) Lessee shall have the right to engage, and nothing in this Agreement shall prohibit or restrict Lessee from engaging, one or more Persons as its manager or agent with respect to all or any portion of the Hospital where patient care is provided.

13.4(b) Lessee also may not, except as set forth in Section 13.4(d), sublease the entirety of the Hospital, or assign the entirety of this Agreement, or transfer all of the direct or indirect ownership or equity interest in Lessee (each, a "Full Transfer"), in each case without Lessor's consent, which consent shall not be unreasonably withheld or conditioned, and shall be given or withheld by written notice to Lessee within seventy-five (75) days after Lessee's delivery of any written request to

Lessor; provided, however, Lessee may not consummate a Full Transfer with any Person (w) unless they operate another acute care hospital at the time of the transfer, (x) who has been refused a hospital license in California or (y) who is subject to a non-prosecution agreement with Medicare regarding criminal allegations. As a condition to Lessor's consent to any Full Transfer, Lessor may require that the assignee, transferee or sublessee (the "Full Transferee") (i) furnish evidence of its capacity to meet its financial obligations under this Agreement, and (ii) deliver to Lessor a fully executed assignment and assumption agreement, in form and substance reasonably acceptable to Lessor, wherein the Lessee agrees to assign, and the Full Transferee agrees to assume, all of the rights and obligations of Lessee under this Agreement as of the date of the Full Transfer. Upon any Full Transfer (including, without limitation, a Full Transfer consummated with an Escrow as set forth below), Lessee and the Guarantor shall be fully released from all liability related to this Agreement.

13.4(b)(i) During the entirety of the Term, Lessor and Lessee acknowledge and agree that Lessor may withhold its consent to a Full Transfer if the Full Transferee refuses, based on religious grounds, to agree in writing that the services then offered at the Hospital would not be diminished in any way.

13.4(b)(ii) For the first ten years of the Term, except as set forth in Section 13.4(d):

13.4(b)(ii)(A) Lessor may object or refuse to grant consent to any Full Transfer on the grounds that, in Lessor's commercially reasonable determination, the Full Transferee has not furnished sufficient evidence of its capacity to

pay the Rent and Purchase Payments as they become due under this Agreement. In such event, then despite such Lessor objection and without the further need for any consent from Lessor, Lessee may, at its option, nevertheless consummate the Full Transfer (including the Lessee's assignment and the Full Transferee's assumption of all of the rights and obligations of Lessee under this Agreement as of the date of the Full Transfer) on the condition that the Lessee or Full Transferee fund, through a portfolio of high quality securities rated A or better, an escrow (the "Escrow") with an institutional escrow holder selected by Lessee, structured such that the proceeds of the Escrow will fund all Rent and Purchase Payments obligations for the remainder of the Term. Sufficiency of the Escrow will be subject to confirmation by an independent firm selected by the Lessor.

13.4(b)(ii)(B) Lessor may object or refuse to grant consent to the Full Transfer on any other commercially reasonable grounds, including Lessor's commercially reasonable determination that the Full Transferee does not have the financial ability to fund remaining seismic improvements to the Hospital as required by law.

13.4(b)(iii) After the first ten years of the Term, except as set forth in Section 13.4(d):

13.4(b)(iii)(A) Lessor may object or refuse to grant consent to any Full Transfer on the grounds that, in Lessor's commercially reasonable determination, the Full Transferee has not furnished sufficient evidence of its capacity to pay the Rent and Purchase Payments as they become due under this Agreement. In such event, then despite such Lessor objection and without the further need for any consent

from Lessor, Lessee may, at its option, nevertheless consummate the Full Transfer (including the Lessee's assignment and the Full Transferee's assumption of all of the rights and obligations of Lessee under this Agreement as of the date of the Full Transfer) on the condition that the Lessee or Full Transferee fund the Escrow obligations for the remainder of the Term as set forth in 13.4(b)(ii)(A). If such bonds or securities are not available, then Lessee shall have the option to purchase the Leased Premises (the "Transfer Buyout Option") from Lessor upon the terms of Section 15.17 except that (i) the Buyout Purchase Price (defined below) shall be calculated by adjusting the lease and purchase payment schedule contained on Schedule 2.1 and shall be equal to the amount that would result in a net present value that is 108 percent of the net present value of the lease and purchase payments that are set forth on Schedule 2.1, taking into account all lease payments paid to Lessor prior to the recalculation date and using the same discount rate as provided on Schedule 2.1, and (ii) the parties shall use commercially reasonable efforts to effect the Closing on or before the date which is 60 days after Lessor delivers written notice to Lessee that is denying its consent and Lessee determines that the Escrow is not available. Upon the consummation of any Transfer Buyout Option, Lessee and the Guarantors shall be fully released from all liability related to this Agreement.

13.4(b)(iii)(B) Lessor may object or refuse to grant consent to any Full Transfer on the grounds that, in Lessor's commercially reasonable determination, the Full Transferee has not furnished sufficient evidence of its financial ability to fund remaining seismic improvements to the Hospital as required by law.

13.4(b)(iii)(C) Lessor may object or refuses to grant consent to the Full Transfer on any other commercially reasonable grounds. In such event, then despite such Lessor objection and without the further need for any consent from Lessor, Lessee may exercise the Transfer Buyout Option upon the terms set forth in Section 13.4(b)(iii)(A) above. Upon the consummation of any Transfer Buyout Option, Lessee and the Guarantor shall be fully released from all liability related to this Agreement.

13.4(c) Any Dispute with respect to whether Lessor's objection or refusal to grant consent to any Full Transfer is commercially reasonable shall be resolved in accordance with the Dispute Resolution provisions of Section 15.12 of this Agreement; however, the Parties shall not be required to meet and confer under Section 15.12(a). Instead, the Parties shall select an arbitrator within 15 days under the terms set forth in Section 15.12(b)(3) and the date for the arbitration shall be set within 75 days of the selection of the arbitrators. Further, Lessee shall be entitled to pursue, and Arbitrator shall have the ability to award, reasonable damages, including special damages and any other remedy available at law or in equity. Damages may be recovered through offset against future rent.

13.4(d) Notwithstanding the preceding paragraphs, Lessee shall have the right to make a permitted transfer in the form of an assignment of all or part of this Agreement or a sublease of all or part of the Hospital, if such assignment or sublease (a "Permitted Transfer") is made to an Affiliate of Lessee or the Guarantor (the "Permitted Transferee") subject to the following conditions: Prior to making a Permitted Transfer, Lessee shall provide Lessor sixty (60) days' prior written notice of such proposed

Permitted Transfer, which notice shall include: (i) evidence that such transferee is an Affiliate as such term is defined in Section 4.3 above; and (ii) evidence of the financial capacity of the Permitted Transferee to meet its obligations under this Agreement, and (iii) a fully executed assignment and assumption agreement, in form and substance reasonably acceptable to Lessor, wherein the Lessee agrees to assign, and the Permitted Transferee agrees to assume, all of the rights and obligations of Lessee under this Agreement on a prospective basis.

13.5 Attornment and Non-Disturbance of Subtenants. If Lessee subleases to one or more Persons all or any portion of the Leased Premises as permitted herein, each such sublease shall contain a provision requiring the sublessee of such sublease to attorn to Lessor if Lessee defaults under or otherwise terminates this Agreement. Lessor shall recognize each and every such sublease and shall not disturb any such sublessee's possession thereunder so long as such sublessee is not in default under such sublease, such sublessee attorns to Lessor and pays to Lessor all rent due and payable after the date of such attornment (subject to any rights of Lessee set forth elsewhere in this Agreement and without any liability or obligation by Lessee or such sublessee to refund any amount of prepaid rent previously received by Lessee or such sublessee from the attorning sublessee), and Lessor shall not be responsible to such sublessee for any act, omission, event, or circumstance by Lessee or any sublessee claiming under Lessee occurring on or prior to the date of such attornment. In connection with any sublease that Lessee wishes to enter into, Lessee shall be responsible for undertaking all acts necessary for such sublease to comply with the Subdivision Map Act of California, Government Code

Section 66410 et seq., and/or local ordinances and regulations pertaining to the regulation and control of subdivisions, including preparing and filing any parcel map or obtaining waivers or lot line adjustments as Lessee reasonably determines are necessary for such compliance, if applicable. Lessor shall cooperate fully, at no cost to Lessor, and shall execute such applications and other documentation as may be requested by Lessee that are necessary or customary in the circumstances.

13.6 Use and Inspection of Premises by Lessor. Lessee shall permit Lessor to use its meeting or office facilities on the Leased Premises for regular and special meetings of Lessor and the Foundation's Board of Directors. Lessee shall also provide Lessor with a district office (including space for the Foundation's offices) in the Stergios Building and necessary storage space for their books and records on a sublease basis, without any rent charge. Lessor shall also have the right to conduct quarterly inspections of the Leased Premises during the Term, generally within in the scope of, and in accordance with the pattern and practice used, for such inspections under the 1997 Lease.

13.7 Accreditation. Lessee shall use best efforts to continuously maintain any accreditation which may be necessary for Lessee to continue to operate the Leased Premises as a health care institution, including without limitation, its accreditation with The Joint Commission ("TJC").

13.8 License. Lessee shall use best efforts to continuously maintain a valid license issued by the Department of Health Services of the State of California for the operation of the Leased Premises as a health care institution, and to maintain any

additional licenses, permits, and other governmental approvals necessary for Lessee to continue to operate the Leased Premises as a health care institution.

13.9 Payment Systems. Lessee shall use commercially reasonable efforts to maintain (i) its certification for participation in the Medicare program or any successor thereto, (ii) its qualification for participation in the Medi-Cal program or any successor thereto, and (iii) its qualification for participation in and payment under private insurance programs having broad application and federal, state, and local governmental programs providing for payment or reimbursement for services rendered; provided, however, that nothing herein shall require Lessee to (a) institute or maintain any action or proceeding against the State of California or any other governmental entity or agency, (b) enter into a contract with a Local Initiative or Mainstream Plan under the Department of Health Services' plan for expanding Medi-Cal managed care, or (c) comply with any new laws or regulations which substantially modify existing laws or regulations respecting Disproportionate Share Payments.

13.10 Health and Safety Code Requirements. To the extent applicable to Lessee, Lessee shall conform to and abide by each and all of the provisions of Section 32128 of the Local Health Care District Law, and any rules established by the Lessor thereunder or by the Hospital Local Governing Board described in Paragraph 13.11 below thereunder with Lessee's approval, including without limitation, the provisions regarding the self-governance of the Medical Staff regarding professional work performed in the Hospital and the provisions regarding the preparation and maintenance of accurate and complete medical records of all patients.



13.11 Governance.

13.11(a) Local Governing Board. During the Term, the parties agree to maintain the local governing board (“Local Governing Board”) to provide for community participation, particularly by persons possessing special expertise, regarding the medical aspects of the Hospital’s operations and the delivery of health care to the community served by District. The Local Governing Board shall have thirteen (13) members, a majority of whom shall be physician members from the Hospital’s Medical Staff and, provided that Brown Act compliance is not required as a result thereof, shall include up to two (2) members selected by District under a mutually-agreeable selection process. The Local Governing Board shall have authority over the following medical aspects of the Hospital’s operation: (i) the appointment and reappointment of Medical Staff; (ii) the review of the quality of medical services provided at the Hospital (including Medical Staff bylaws); (iii) the maintenance of the Hospital licensure and TJC accreditation; (iv) the approval of the Chief Executive Officer of the Hospital; (v) the right to review and provide input on proposed operating and capital budgets for the Hospital; (vi) the right to review and provide input on all material hospital-based physician contracts; (vii) the right to review and provide recommendations to Lessee on coordination of services; (viii) the right to review and provide comments to Lessee with respect to any proposed termination or material reduction of Core Services before such proposal is submitted to Lessor’s Board of Directors; and (ix) the ability to act as a forum regarding community input of the delivery of health care to the community. If at any time the laws of the State of California should be amended to require the Local

Governing Board meetings to be subject to the Brown Act, Lessee and Lessor shall meet to reorganize the Local Governing Board in order to maintain the parties' intent regarding the non-public nature of the Local Governing Board meetings. The Local Governing Board shall operate in accordance with the Rules and Regulations of the Local Governing Board of Desert Regional Medical Center (including conflict of interest policies) attached hereto as Schedule 13.11(a), as such may not be amended without mutual written approval of the parties hereto.

13.11(b) Corporate Board of Directors of Lessee. Notwithstanding the above provisions regarding the Local Governing Board, the corporate board of directors of Lessee will nevertheless retain ultimate decision-making power, control, and authority over the operations of the Hospital, including without limiting the generality of the foregoing, reserved power sufficient to oversee the conduct of the day-to-day operations of the Hospital, to maintain ultimate responsibility for the performance of the Hospital's executives, management, and employees, and to maintain ultimate responsibility to determine the capital needs and actual operating and capital budgets of the Hospital.

13.12 Annual Reporting. Lessee shall provide to Lessor an annual report on the operation of the Hospital in the format set forth on Schedule 13.12 attached hereto, which is a Certification of Lease Compliance, or such other format as the parties may mutually agree. Lessee also agrees to provide a report on the status of the expansion of the Emergency Room and admitting area at JFK until completion.

13.13 Donor Support. Lessee shall maintain existing donor identification on various buildings, rooms, and other aspects of the Hospital and generally support

District's and any other party's efforts to generate additional donor support for the Hospital in the future.

13.14 Other Lessor Consent Items. Lessee shall obtain Lessor's consent before taking any of the following actions: (a) disposing or transferring any material part of the Leased Premises other than in the ordinary course of business or as otherwise permitted by this Agreement or (b) changing in any material respect the Hospital's mission statement or policy regarding charity care.

#### ARTICLE XIV TERMINATION

14.1 Termination by Either Lessor or Lessee. This Agreement may be terminated by action of either Lessee or Lessor if the other party has defaulted under this Agreement as provided in Sections 8.4 or 8.5 above and such default has not been cured as provide therein.

14.2 Termination by Mutual Consent. This Agreement may be terminated at any time by the mutual consent of Lessee and Lessor expressed by action of their respective boards of directors.

14.3 Surrender of Leased Premises and Desert Businesses. Upon termination of this Agreement (but subject to Paragraph 3.5 and Articles VI and VIII), Lessee shall surrender unto Lessor the Leased Premises in the same condition as when received (normal wear and tear, normal obsolescence, and the effect of the elements excepted), together with all of Lessee's patient records, including without limitation the items listed in Title 22, Section 70749 of the California Code of Regulations (or any successor

regulation of similar effect), and all records and books relating to the Leased Premises and the assets which are reasonably necessary to the operation thereof by Lessor or a successor lessee. In this regard, Lessee shall maintain throughout the Term appropriate building records. At such time, Lessee shall also cooperate with Lessor in obtaining the transfer and assignment to Lessor or to any lessee succeeding Lessee of all licenses, permits, and contracts, including without limitation contracts with Payors for health care services, related to the operation of the Leased Premises as an acute care hospital. Lessee shall assign to Lessor or its designee, and Lessor or its designee shall assume and agree to indemnify and hold Lessee harmless from, any further liability with respect to future performance or obligations under any of the foregoing contracts relating to the operation of the Leased Premises or the then-current Desert Businesses. Lessor or its successor shall thereafter provide reasonable access to Lessee to such contracts and record for Lessee's own use in billing, collecting, or otherwise concluding its business conducted in connection with the Desert Businesses prior to such expiration or termination. For purposes of the foregoing paragraph, the parties agree that the assets used in connection with any other Desert Business conducted within a ten (10) mile geographical radius of the Hospital at the time of such expiration or termination shall be surrendered with the Leased Premises, whether or not such Desert Businesses are operated by Lessor or the Corporation prior to the commencement of this Agreement.

ARTICLE XV  
MISCELLANEOUS

15.1 Modification or Amendment. This Agreement may not be modified or amended except pursuant to an instrument in writing executed and delivered on behalf of each of the parties to this Agreement.

15.2 Waiver of Conditions. The conditions to each of the party's obligations to consummate this Agreement are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law.

15.3 Indemnification.

15.3(a) Lessee shall defend, indemnify, and hold Lessor harmless from, and reimburse Lessor for, any loss, cost, expense, liability, or damage (including without limitation reasonable attorney's fees and costs with a reasonable estimate of the allocable cost of legal counsel and staff in connection with or in any way related to, any breach or default in the performance of any obligation to be performed by Lessee under the terms of this Agreement, or any intentional misconduct or negligence of Lessee, or any officer, agent, employee, guest, or invitee of Lessee or of any sublessee of Lessee, regardless of whether such intentional misconduct or negligence was active or passive.

15.3(b) Lessor shall defend, indemnify, and hold Lessee harmless from, and reimburse Lessee for, any loss, costs, expense, liability, or damage (including without limitation reasonable attorney's fees and costs with a reasonable estimate of the allocable cost of legal counsel and staff, in connection with or in any way related to any breach or default in the performance of any obligation to be performed by Lessor under

the terms of this Agreement during the term hereof or any intentional misconduct or negligence of Lessor, or any officer, agent, employee, guest, or invitee of Lessor, regardless of whether such intentional misconduct or negligence was active or passive.

15.3(c) In the event of the occurrence of any event which a party asserts is an indemnifiable event pursuant to this paragraph, such party shall notify the other party promptly and, if such event involves the claim of any third person, the notified party shall have sole control over, and shall assume all expense with respect to, the defense, settlement, adjustment, or compromise of any claim as to which this paragraph requires it to indemnify the other, provided that (i) the other may, if it so desires, employ counsel at its own expense to assist in the handling of such claim and (ii) the indemnifying party shall obtain the prior written approval of the other party, which shall not be unreasonably withheld, before entering into any settlement, adjustment, or compromise of such claim or ceasing to defend against such claim, if pursuant thereto or as a result thereof there would be imposed injunctive or other similar relief against the other party. All indemnification obligations hereunder shall survive the expiration or earlier termination of this Agreement.

15.4 Trade Secrets. At all times during this Agreement and following the expiration or earlier termination of this Agreement, except as may be required by law, neither party hereto shall, without the prior consent of the other party, use, disclose, or knowingly permits any other Person or entity to disclose or use any trade secrets or proprietary information belonging or pertaining to the other party.

15.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

15.6 Invalidity. In the event that any one or more of the provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby. To the extent permitted by applicable law, each party to this Agreement waives any provision of law which renders any provision of this Agreement invalid, illegal, or unenforceable in any respect. In the event any provision of this Agreement shall be held invalid, illegal, or unenforceable, the parties shall use all reasonable efforts to substitute a valid, legal, and enforceable provision that implements the purposes and intents of this Agreement.

15.7 Notices. All notices, requests, demands, waivers, consents, and other communications hereunder shall be in writing, shall be delivered either in person, by telegraphic, facsimile, or other electronic means, by overnight air courier or by mail, and shall be deemed to have been duly given and to have become effective (a) upon receipt if delivered in person or by telegraphic, facsimile, or other electronic means calculated to arrive on any business day prior to 6:00 p.m. local time at the address of the addressee, or on the next succeeding business day if delivered on a non-business day or after 6:00 p.m. local time, (b) one business day after having been delivered to an air courier for overnight delivery, or (c) three business days after having been deposited in the mail as certified or registered mail, return receipt requested, all fees prepaid, directed to the parties or their

assignees at the following addresses (or at such other address as shall be given in writing by a party hereto):

If to Lessee, addressed to:

DESERT REGIONAL MEDICAL CENTER, INC.  
c/o Tenet HealthSystem  
Attn: \_\_\_\_\_  
14001 Dallas Parkway, Suite 105  
Dallas, TX 75240  
Facsimile: (214) 789-2318

With a copy to counsel for Lessee:

Tenet HealthSystem  
Attn: General Counsel  
14001 Dallas Parkway, Suite 105  
Dallas, TX 75240  
Facsimile: (214) 789-2370

If to Lessor, addressed to:

DESERT HEALTHCARE DISTRICT  
Attn: President of Board  
1150 North Indian Canyon Drive  
Palm Springs, CA 92262  
Facsimile: \_\_\_\_\_

With a copy to counsel for Lessor:

Jeffrey G. Scott, Esq.  
16935 West Bernardo Drive, Suite 170  
San Diego, CA 92127  
Facsimile: 858-675-9897

15.8 Entire Agreement. This Agreement, including any exhibits and Released Agreements: (i) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, among the parties, or any of them,



with respect to the subject matter of this Agreement; (ii) is not intended to confer upon any Person other than the parties to this Agreement any rights or remedies under this Agreement; and (iii) shall not be assignable by operation of law or otherwise, except as provided in Paragraph 14.3.

15.9 Captions. The article and paragraph captions in this Agreement are for convenient reference only, do not constitute part of this Agreement, and shall not limit or otherwise affect any of the provisions of this Agreement.

15.10 Additional Documents. In addition to the documents and instruments to be delivered as provided in this Agreement, each of the parties shall, from time to time at the request of the other party, execute and deliver to the other party such other documents and shall take such other actions as may be reasonably required to carry out more effectively the terms of this Agreement.

15.11 Time is of the Essence. Time is hereby made of the essence with respect to each and every term of this Agreement, including the delivery of rent and all other time constraints and deadlines imposed under the terms of this Agreement.

15.12 Dispute Resolution. In the event any disagreement, dispute, or claim (collectively, a “Dispute”) arises between Lessor and Lessee with respect to the enforcement or interpretation of any term or provision of this Agreement, or whether an alleged default or breach hereof has or has not occurred, or with respect to any indemnity claim or right, or any other matter related to or arising out of this Agreement or the relationship or transactions contemplated hereby, such Dispute shall be resolved in accordance with the following procedures:

15.12(a) Meet and Confer. In the event of a Dispute between Lessor and Lessee, either party may give written notice to the other party setting forth the nature of such Dispute (“Dispute Notice”). The parties shall meet and confer to discuss the Dispute in good faith within thirty (30) days of the other party’s receipt of the Dispute Notice in an attempt to resolve the Dispute (unless the parties have already engaged in a meet and confer process with respect to such matter under another provision of this Agreement, in which event they may proceed directly to arbitration upon receipt of the Dispute Notice hereunder). All representatives of each party within such 30-day period.

15.12(b) Arbitration of Disputes. Except as set forth below, any Dispute that cannot be resolved by Lessor and Lessee within thirty (30) days after either party’s receipt of a Dispute Notice may be submitted at the option of either party to binding arbitration, which arbitration shall be conducted in accordance with the following provisions:

(1) Venue. The arbitration shall be conducted in Riverside County, California, unless the parties mutually determine that another venue would be more convenient for the parties.

(2) Law. The governing law shall be the law of the State of California.

(3) Selection. A single disinterested third party arbitrator shall be selected by mutual agreement of the parties, or if they are unable to mutually select an arbitrator within fifteen (15) days after either party notifies the other of its desire to arbitrate the Dispute, then an arbitrator shall be selected by

JAMS/Endispute (JAMS) in accordance with its then-current Rules of Practice and Procedure.

(4) Administration. The arbitration shall be administered by JAMS.

(5) Rules. The rules of arbitration shall be the Rules of Practice and Procedure of JAMS as may be modified by the parties to the arbitration by mutual agreement at the time of the arbitration, except that the provisions of California Code of Civil Procedure section 1283.05 are incorporated into and made applicable to the agreement to arbitrate, unless the parties agree otherwise at such time. For good cause shown and on order of the arbitrator, depositions may be taken and discovery may be obtained in accordance with California Code of Civil Procedure section 1283.05.

(6) Award. The decision of the arbitrator shall be final and binding upon the parties hereto, and judgment upon the award may be entered in any court of competent jurisdiction in the United States. The award shall include written findings of fact, a summary of the evidence and reasons underlying the decision, and conclusions of law. The arbitrator shall have the power to award equitable relief, including specific performance of the terms and conditions of this Agreement and/or injunctive relief. However, the arbitrator shall not have the right or power to issue an award that terminates this Agreement, approves any such termination by action of Lessor, or otherwise affects Lessee's right to occupy the Leased Premises without disturbance, unless and until (a) the arbitrator shall

have first issued a final, binding award requiring specific performance of this Agreement or enjoining a violation of this Agreement by Lessee and (b) Lessee shall have failed to comply with such prior award within thirty (30) days thereafter (or if such compliance cannot reasonably be accomplished within such 30-day period, Lessee shall have failed to commence such compliance within such 30-day period and thereafter diligently prosecuted it to completion). Furthermore, the arbitrator shall not have the right or power to award punitive or exemplary damages.

(7) Fees and Costs. As part of the award, the arbitrator may award reasonable and necessary costs actually incurred by the prevailing party, as determined by the arbitrator in his or her award, including that party's share of the arbitrator's fees, costs, and expenses, as well as any administration fees. The arbitrator may also include reasonable attorney's fees in an award of costs if the arbitrator finds that the party against whom the fees are assessed acted frivolously or in bad faith in its demand for, or participation in, the arbitration.

NOTICE: By initialing the space below, Lessor and Lessee are agreeing to have any Dispute arising out of the matters included in this "arbitration of disputes" provision decided by neutral arbitration as provided by California law (provided that such Dispute has not been resolved through the meet and confer discussions described above) and the parties are giving up any rights they might possess to have the Dispute litigated in a court or jury trial. By initialing the space below, Lessor and Lessee hereby agree to give up their judicial rights to discovery

and appeal, unless those rights are specifically included in this “arbitration of disputes” provision. If Lessor or Lessee refused to submit to arbitration after agreeing to this provision, such party may be compelled to arbitrate under the authority of California Code of Civil Procedure.

\_\_\_\_\_  
Lessor’s Initials

\_\_\_\_\_  
Lessee’s Initials

15.12(c) Injunctive Relief. Nothing in this Agreement shall be interpreted to limit either party’s right to pursue preliminary or provisional equitable relief pending the arbitration award, including without limitation specific performance or a temporary restraining order or preliminary injunctive relief, from a court of competent jurisdiction at any time. By way of example, the foregoing provisions of this paragraph shall not be interpreted to require either party to submit to meet and confer or arbitration prior to exercising such party’s right to pursue preliminary equitable relief to protect trade secrets or prevent irreparable harm.

15.12(d) Selection of Alternative Arbitrator. In the event that JAMS is not in existence at the time of commencement of the arbitration proceeding, as applicable, then the Commercial Panel of the American Arbitration Association (“AAA”) shall administer such proceeding. In such case, all references to JAMS in this Agreement shall instead refer to the AAA, and all references to the Rules of Practice and Procedure of JAMS in this Agreement shall instead refer to the then-current commercial arbitration rules of the AAA.

15.13 Relationship of Lessor and Lessee. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent or of partnership or of joint venture by the parties hereto, it being understood and agreed that no provision contained in this Agreement nor any acts of the parties hereto shall be deemed to create any relationship other than the relationship of lessor and lessee.

15.14 Consent Not Unreasonably Withheld. Wherever the consent or approval of any party is required under this Agreement, such consent or approval shall not be unreasonably withheld, delayed, or conditioned, unless such consent or approval is to be given by such party at the sole and absolute discretion of such party or is otherwise similarly qualified.

15.15 No Third Party Beneficiaries. This Agreement is being entered into solely for the benefit of the parties hereto and their respective successors and assigns, is not intended to benefit any third party or other Person, and only the parties hereto and their respective successors and assigns shall have the right to enforce the terms hereof.

15.16 Short Form Agreement. This Agreement shall not be recorded, but the parties agree, concurrently with the execution of this Agreement, to execute and cause to be recorded in the Official Records of the County of Riverside, California, a Memorandum of Lease Purchase Agreement in the form of Schedule 15.16 attached hereto.

15.17 Purchase and Sale. Lessor hereby agrees to sell and convey to Lessee, and Lessee hereby agrees to purchase from Lessor, subject to the terms and conditions set

forth of this Section 15.17, all of Lessor's right, title and interest in and to the Leased Premises, upon the expiration of the Term. The purchase price for the Leased Premises shall be equal to the total amount of Rent and Purchase Payments paid during the Term pursuant to Schedule 2.1 attached hereto (the "Buyout Purchase Price"). The closing of the purchase and sale (the "Closing") shall take place on or before May 31, 2057, through an escrow company to be selected by Lessee ("Escrow"). Prior to the Closing: (i) Lessee shall deliver to Escrow, (A) the Final Payment, (B) a duly executed counterpart of a general assignment and assumption agreement whereby Lessor shall assign to Lessee, and Lessee shall assume from Lessor, any and all Intangible Property, (C) an executed settlement statement in form and content satisfactory to Lessor and Lessee, and (D) any further documentation reasonably required by Escrow to consummate the Closing; (ii) Lessor shall deliver to Escrow, (A) a duly executed and acknowledged grant deed conveying fee simple title to the Real Property and Improvements to Lessee, in form and substance reasonably acceptable to Lessee, (B) a bill of sale conveying to Lessee any personal property that may be part of the Leased Premises, (C) any tax certificates required by Escrow or applicable law, (D) an executed settlement statement in form and content satisfactory to Lessor and Lessee, and (E) any further documentation reasonably required by Escrow to consummate the Closing; (iii) a title company selected by Lessee shall be unconditionally committed to issue to Lessee an American Land Title Association (or any successor association) owner's policy of title insurance, insuring that title to the Real Property and Improvements is vested in Lessee as the fee simple owner of the Real Property and Improvements in the full amount of the Buyout Purchase Price

and subject to only such exceptions as have been caused or permitted by Lessee or appear in the title policy to be obtained by Lessee in connection with the execution of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

DESERT HEALTHCARE DISTRICT

By:\_\_\_\_\_

DESERT REGIONAL MEDICAL CENTER,  
INC.

By:\_\_\_\_\_



SCHEDULE 1.1(a)  
REAL PROPERTY

PARCEL A-1

LOT 1 OF TRACT NO. 27039 AS SHOWN BY MAP ON FILE IN BOOK 261 PAGES 17 AND 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

PARCEL A-2

THAT PORTION OF PARCEL 2 OF PARCEL MAP NO. 23597 ON FILE IN BOOK 163, PAGES 79 AND 80 OF PARCEL MAPS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 1 OF TRACT NO. 27039 AS SHOWN BY MAP ON FILE IN BOOK 261 PAGES 17 AND 18 OF MAPS, RIVERSIDE COUNTY RECORDS;

THENCE NORTH 89° 59' 00" EAST 335.55 FEET;  
THENCE SOUTH 00° 02' 00" EAST, A DISTANCE OF 478.51 FEET;

THENCE SOUTH 89° 56' 26" WEST, A DISTANCE OF 315.54 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 20.00 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 90° 01' 34", AN ARC DISTANCE OF 31.43 FEET;

THENCE TANGENT TO SAID CURVE NORTH 00° 02' 00" WEST, A DISTANCE OF 35.97 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 48.00 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15° 17' 28", AN ARC DISTANCE OF 12.81 FEET;

THENCE TANGENT TO SAID CURVE NORTH 15° 15' 28" EAST, A DISTANCE OF 29.39 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 72.00 FEET;

THENCE NORTHERLY ALONG SAID CRUVE THROUGH A CENTRAL ANGLE OF 15° 17' 28", AN ARC DISTANCE OF 19.22 FEET;

THENCE TANGENT TO SAID CURVE NORTH 00° 02' 00" WEST, A DISTANCE OF 95.71 FEET;

THENCE SOUTH 89° 58' 00" WEST, A DISTANCE OF 12.00 FEET;

THENCE NORTH 00° 02' 00" WEST, A DISTANCE OF 266.98 FEET TO THE POINT OF BEGINNING.

A LOT LINE ADJUSTMENT NO. 96-09 WAS RECORDED SEPTEMBER 9, 1996 AS INSTRUMENT NO. 340036 OFFICIAL RECORDS.

PARCEL B:

IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 11, TOWNSHIP 4 SOUTH, RANGE 4 EAST, S.B.M., DESCRIBED AS PORTIONS OF PARCELS "A" AND "B" OF LOT LINE ADJUSTMENT NO. 90-08, APPROVED BY THE CITY OF PALM SPRINGS AND RECORDED JUNE 24, 1993, AS INSTRUMENT NOS. 242380 AND 242381, RECORDS OF SAID RIVERSIDE COUNTY, AND MORE

PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL "B" OF LLA NO. 90-08;

THENCE ALONG THE BOUNDARY LINES OF SAID PARCEL "B" THE FOLLOWING SIX (6) COURSES:

NORTH 89° 58' 26" EAST, A DISTANCE OF 871.58 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 20.00 FEET;  
THENCE NORTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89° 57' 38", AN ARC DISTANCE OF 31.40 FEET;

THENCE TANGENT TO SAID CURVE NORTH 00° 01' 12" WEST, A DISTANCE OF 760.95 FEET;

THENCE SOUTH 89° 58' 31" WEST, A DISTANCE OF 616.66 FEET;

THENCE SOUTH 89° 59' 46" WEST, A DISTANCE OF 118.00 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 104.50 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 31° 41' 41" EAST;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 16° 53' 58", AN ARC DISTANCE OF 30.82 FEET;

THENCE CONTINUING ALONG THE BOUNDARY LINE OF SAID PARCEL "B" AND THE SOUTHWESTERLY PROLONGATION THEREOF SOUTH 48° 35' 39" WEST, A DISTANCE OF 25.50 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 79.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 48° 35' 39" EAST;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 6° 56' 24", AN ARC DISTANCE OF 9.57 FEET;

THENCE TANGENT TO SAID CURVE SOUTH 34° 27' 57" EAST, A DISTANCE OF 14.48 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 9.00 FEET;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 66° 25' 19", AN ARC DISTANCE OF 10.43 FEET TO A POINT ON A REVERSE CURVE, CONCAVE EASTERLY AND HAVING A RADIUS OF 41.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 58° 02' 38" WEST;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 9° 48' 24" AN ARC DISTANCE OF 7.02 FEET;

THENCE NON-TANGENT TO SAID CURVE NORTH 89° 58' 00" EAST, A DISTANCE OF 27.26 FEET;

THENCE SOUTH 00° 02' 00" EAST, A DISTANCE OF 56.59 FEET TO A POINT ON A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 9.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 54° 31' 24" EAST;

THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 20° 35' 03" AN ARC DISTANCE OF 3.23 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE WESTERLY AND HAVING A RADIUS OF 155.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 75° 06' 27" EAST;

THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 44° 42' 08", AN ARC

DISTANCE OF 120.93 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 65.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 60° 11' 25" EAST;

THENCE SOUTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 38° 22' 01" AN ARC DISTANCE OF 43.53 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE NORTHERLY AND HAVING A RADIUS OF 9.00 FEET, A RADIAL LINE TO SAID POINT BEARS SOUTH 21° 49' 24" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 33° 49' 11", AN ARC DISTANCE OF 5.31 FEET TO THE BEGINNING OF A REVERSE CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 32.00 FEET, A RADIAL LINE TO SAID POINT BEARS NORTH 11° 59' 47" EAST;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 51° 03' 07", AN ARC DISTANCE OF 28.51 FEET TO A POINT ON AFOREMENTIONED BOUNDARY LINES OF PARCEL "B" OF LOT LINE ADJUSTMENT NO. 92-08;

THENCE ALONG SAID BOUNDARY LINES THROUGH THE FOLLOWING THREE (3) COURSES:

SOUTH 00° 02' 00" EAST, A DISTANCE OF 19.15 FEET;  
THENCE SOUTH 89° 58' 00" WEST, A DISTANCE OF 121.45 FEET;  
THENCE SOUTH 00° 02' 00" EAST, A DISTANCE OF 478.51 FEET TO THE POINT OF BEGINNING.

A LOT LINE ADJUSTMENT NO. 96-09 WAS RECORDED SEPTEMBER 9, 1996 AS INSTRUMENT NO. 340036 OFFICIAL RECORDS.

DIVISION II

PARCEL 1:

PARCEL 1 OF PARCEL MAP NO. 26805 AS SHOWN BY MAP ON FILE IN BOOK 188 PAGES 91 AND 92 OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

PARCEL 2:

PARCEL 2 OF PARCEL MAP NO. 26805 AS SHOWN BY MAP ON FILE IN BOOK 188 PAGES 91 AND 92 OF PARCEL MAPS, RIVERSIDE COUNTY RECORDS.

PARCEL 3:

IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, DESCRIBED AS:

LOTS 74, 75, 76 AND 77 OF THE JOHN MEL TRACT AS PER MAP ON FILE IN BOOK 13 PAGE 18 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

PARCEL 4:

IN THE CITY OF PALM SPRINGS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA DESCRIBED AS:

LOTS 17 AND 18 OF THE JOYCE TRACT AS PER MAP RECORDED IN BOOK 13 PAGE 18 OF MAPS, RIVERSIDE COUNTY RECORDS.

SCHEDULE 1.1(c)

LESSEE OWNED PROPERTY

SCHEDULE 1.1(c)	Type	Address
El Mirador Surgery Center	ASC	1180 N. Indian Canyon Dr. Palm Springs, CA 92262
Desert Care Network Primary & Specialty Care-Neurology Palm Springs	Physician Clinic	1180 N. Indian Canyon Dr. Suite W214 Palm Springs, CA 92262
Desert Care Network Primary & Specialty Care, Endocrinology & Surgical	Physician Clinic	1180 N Indian Canyon Dr E421, Palm Springs, California 92262 United States
Desert Care Network Primary & Specialty Care, Family Medicine- Palm Springs	Physician Clinic	555 E Tachevah Dr, Palm Springs, California 92262 United States
Desert Care Network Primary & Specialty Care-Cardiothoracic Surgery	Physician Clinic	1180 N. Indian Canyon Dr. Suite E318 Palm Springs, CA 92262
Desert Care Network Primary & Specialty Care, Multi-Specialty- Palm Springs	Physician Clinic	1180 N. Indian Canyon Dr. Suite E205 Palm Springs, CA 92262
Desert Care Network Primary & Specialty Care, Orthopedics- Palm Springs	Physician Clinic	1180 N. Indian Canyon Dr. Suite W201 Palm Springs, CA 92262
Desert Care Network Primary & Specialty Care, Pain Management	Physician Clinic	1100 N. Palm Canyon Dr. Suite 203 Palm Springs, CA 92262

SCHEDULE 1.1(d)  
RETAINED REAL PROPERTIES AND IMPROVEMENTS

**The Las Palmas Medical Plaza Legal Description**

Real property in the City of Palm Springs, County of Riverside, State of California, described as follows:

The North half of Northeast quarter of Northwest quarter of Southwest quarter of Section 11, Township 4 South, Range 4 East, San Bernardino Base and Meridian, as shown by United States Government Survey, particularly described as follows:

Beginning at the Northeast corner of Northeast quarter of Northwest quarter of the Southwest quarter of said section; thence North 89°59'30" West along the Northerly line thereof, 660 feet to the Northwest corner of the Northeast quarter of Northwest quarter of Southwest quarter of said section; thence South 00°00'30" West, along the Westerly line of said Northeast quarter of Northwest quarter of Southwest quarter of said section 330.10 feet; thence South 89°59'30" East, 660 feet to the Easterly line of the Northeast quarter of Northwest quarter of Southwest quarter of said section; thence North 00°00'30" East, along said Easterly line, 330.10 feet to the point of beginning;

Together with those portions of Avenida Palos Verdes and Via Eytel, as vacated by resolution #12372, recorded September 29, 1977, as Instrument No. 192669 of Official Records of Riverside County, California, that would pass by conveyance of the above described land;

Excepting therefrom the Northerly 30 feet and the Easterly 30 feet thereof;

Also excepting therefrom those portions as described in Parcels 1 and 2 of Deed to the City of Palm Springs, recorded June 11, 1971, as Instrument No. 65382 of Official Records of Riverside County, California.

APN: 507-155-015-7

Improvements include the Las Palmas Medical Plaza Medical Office Building

**The Wellness Park Legal Description**

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 4 SOUTH, RANGE 4 EAST, SAN BERNARDINO MERIDIAN, ACCORDING TO UNITED STATES GOVERNMENT SURVEY THEREOF, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE CENTER LINE OF TACHEVAH DRIVE WITH THE CENTER LINE OF AVENIDA DE LOS CABALLEROS, SAID POINT ALSO BEING THE CENTER OF SAID SECTION 11;

THENCE ALONG THE CENTER LINE OF SAID AVENIDA DE LOS CABALLEROS, SOUTH 0° 00' WEST 608.22 FEET;

THENCE LEAVING SAID CENTER LINE, SOUTH 89° 58' 00" WEST 1,320.42 FEET TO AN INTERSECTION WITH THE CENTER LINE OF VIA MIRALESTE;

THENCE ALONG SAID CENTER LINE, NORTH 0° 03' 30" EAST 608.22 FEET TO AN INTERSECTION WITH THE CENTER LINE OF SAID TACHEVAH DRIVE;

THENCE ALONG SAID CENTER LINE, NORTH 89° 58' 00" EAST, 1,320.86 FEET TO THE POINT OF BEGINNING;

EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THE CITY OF PALM SPRINGS BY DEED RECORDED NOVEMBER 21, 1963, AS INSTRUMENT NO. 123450 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THE CITY OF PALM SPRINGS BY DEED RECORDED AUGUST 19, 1966, AS INSTRUMENT NO. 84534 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM THAT PORTION AS CONVEYED TO THE CITY OF PALM SPRINGS BY DEED RECORDED MARCH 10, 1977, AS INSTRUMENT NO. 40101 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

ALSO EXCEPTING THEREFROM ALL URANIUM, THORIUM AND ALL OTHER MINERALS DETERMINED PURSUANT TO SECTION 5, (B), (1) OF THE ATOMIC ENERGY ACT OF 1946 (60 STAT, 761), TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL AS RESERVED IN QUITCLAIM DEED RECORDED JUNE 15, 1948, IN BOOK 986, PAGE 200 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

APN: 507-17- 000-8

SCHEDULE 2.1

SCHEDULE OF RENT AND PURCHASE PAYMENTS

**DRMC Lease Payment Summary**

Year	Rent Payment Date	Payment Type	Cash Amount	NPV (2024) <sup>(1)</sup>
1	June 1, 2027	Initial Payment	\$100,000,000	\$82,497,466
2	June 1, 2028	Annual Payment	\$19,536,814	\$14,923,497
3	June 1, 2029	Annual Payment	\$19,927,550	\$14,094,414
4	June 1, 2030	Annual Payment	\$20,326,101	\$13,311,391
5	June 1, 2031	Annual Payment	\$20,732,624	\$12,571,869
6	June 1, 2032	Annual Payment	\$21,147,276	\$11,873,432
7	June 1, 2033	Annual Payment	\$21,570,222	\$11,213,797
8	June 1, 2034	Annual Payment	\$22,001,626	\$10,590,808
9	June 1, 2035	Annual Payment	\$22,441,658	\$10,002,430
10	June 1, 2036	Annual Payment	\$22,890,492	\$9,446,739
11	June 1, 2037	Annual Payment	\$23,348,301	\$8,921,920
12	June 1, 2038	Annual Payment	\$23,815,268	\$8,426,258
13	June 1, 2039	Annual Payment	\$24,291,573	\$7,958,133
14	June 1, 2040	Annual Payment	\$24,777,404	\$7,516,014
15	June 1, 2041	Annual Payment	\$25,272,952	\$7,098,458
16	June 1, 2042	Annual Payment	\$25,778,411	\$6,704,099
17	June 1, 2043	Annual Payment	\$26,293,980	\$6,331,649
18	June 1, 2044	Annual Payment	\$26,819,859	\$5,979,891
19	June 1, 2045	Annual Payment	\$27,356,256	\$5,647,675
20	June 1, 2046	Annual Payment	\$27,903,382	\$5,333,915
21	June 1, 2047			
22	June 1, 2048			
23	June 1, 2049			
24	June 1, 2050			
25	June 1, 2051			
26	June 1, 2052			
27	June 1, 2053			
28	June 1, 2054			
29	June 1, 2055			
30	June 1, 2056			
	June 1, 2057	Final Payment	\$100,000,000	\$8,198,378
<b>Total</b>			<b>\$646,231,750</b>	<b>\$268,642,234</b>

Note: (1) NPV assumes discount rate of 8%

## SCHEDULE 2.1(A)

### GUARANTY OF LEASE

This Guaranty of Lease (“**Guaranty**”) is entered into as of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), by Tenet Healthcare Corporation, Inc., a Nevada corporation (“**Guarantor**”), as a material inducement to and in consideration of the execution by Desert Healthcare District, a political subdivision of the State of California (“**Lessor**”) of that certain Hospital Lease Purchase Agreement dated on or about \_\_\_\_\_, 2024, (the “**Lease**”) between Lessor and Desert Regional Medical Center, Inc., a California corporation (“**Lessee**”), which Lease relates to the hospital and related business known as Desert Regional Medical Center, all as more particularly described in the Lease (the “**Premises**”). All capitalized terms used in this Guaranty and not otherwise defined shall have the meanings set forth in the Lease. Guarantor hereby agrees as follows:

1. Guarantor hereby unconditionally guarantees the obligation of Lessee to pay all Rent and Purchase Payment set forth in the Lease.

2. Guarantor expressly agrees that the validity of this Guaranty and the obligation of Guarantor hereunder shall not be terminated, affected or impaired in any manner by reason of (i) the assertion by Lessor against Lessee of any of the rights or remedies reserved to Lessor pursuant to the provisions of the Lease; (ii) the Lease, or any provision thereof, being deemed invalid or unenforceable (except that Guarantor shall not have any obligation with respect to those provisions which are deemed invalid or unenforceable); (iii) the termination or cancellation of the Lease due to a breach or default by Lessee; or (iv) the bankruptcy, insolvency, reorganization, composition, liquidation, dissolution, winding up or other proceeding affecting Lessor or Lessee, or any successor or assign of Lessor.

3. Guarantor hereby waives and agrees not to assert or take advantage of the following:

(a) Any right to require Lessor to proceed against Lessee or any other person or to proceed or exhaust any security held by Lessor at any time or to pursue any other remedy in Lessor’s power before proceeding against Guarantor, and all rights and benefits under California Civil Code Sections 2845 and 2850 (or any successor statutes);

(b) Any defense that may arise by reason of the incapacity, lack of authority, bankruptcy, death or disability of any other person or persons or the failure of Lessor to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons, and all rights and benefits under California Civil Code Section 2810 (or any successor statute);

(c) Any duty on the part of Lessor to disclose to Guarantor any facts Lessor may now or hereafter know about Lessee, regardless of whether Lessor has reason to



believe that such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for being and keeping informed of the financial condition of Lessee and of all circumstances bearing on the risk of nonperformance of any obligation hereby guaranteed; and

(d) Any defense based on the fact that Guarantor's obligation hereunder is larger or more burdensome than that of Lessee's under the Lease, and all rights and benefits under California Civil Code Section 2809 (or any successor statute).

4. Until the obligation hereby guaranteed have been fully performed, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which Lessor now has or may hereafter have against Lessee and any benefit of, and any right to participate in, any security now or hereafter held by Lessor, including (without limitation) all rights and benefits under California Civil Code Section 2847, 2848 and 2849 (or any successor statutes). Guarantor agrees that nothing herein shall prevent Lessor from suing on the Lease or from exercising any rights available to Lessor thereunder and that the exercise of any of the aforesaid rights shall not constitute a legal or equitable discharge of Guarantor.

5. All rights, powers and remedies of Lessor hereunder and under any other agreement now or at any time hereafter in force between Lessor and Guarantor shall be cumulative and not alternative, and such rights, powers and remedies shall be in addition to all rights, powers and remedies given to Lessor at law or in equity.

6. The obligation of Guarantor hereunder is independent of the obligations of Lessee under the Lease, and, in the event of any default hereunder or for nonpayment under the Lease, a separate action or actions may be brought and prosecuted against Guarantor, whether or not Lessee is joined therein or a separate action or actions are brought against Lessee. Lessor may maintain successive actions for other nonpayment defaults. Lessor's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by any such action or by any number of successive actions until and unless the obligation hereby guaranteed have been fully performed.

7. Guarantor shall pay to Lessor, without demand, reasonable attorneys' fees and all costs and other expenses which Lessor shall expend or incur in collecting or compromising any obligation hereby guaranteed or in enforcing this Guaranty against Guarantor, whether or not suit is filed, including (without limitation) attorneys' fees, costs and other expenses incurred by Lessor in connection with any insolvency, bankruptcy, reorganization, arrangement or other similar proceeding involving Guarantor which in any way affects the exercise by Lessor of its rights and remedies hereunder.

8. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions shall nevertheless be effective.

9. This Guaranty shall inure to the benefit of Lessor and its successors and assigns.

10. Upon full performance of the obligation hereby guaranteed, or upon Lessee's earlier assignment, transfer or sublease pursuant to Section 13.4 of the Lease, this Guaranty shall be of no further force or effect.

11. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and the masculine shall include the feminine and neuter and vice versa. The word "**person**" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

12. This Guaranty shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law. In any action brought under or arising out of this Guaranty, Guarantor hereby consents to the jurisdiction of any competent court within the County of San Diego, California and hereby consents to service of process by any means authorized by California law. This Guaranty shall constitute the entire agreement of Guarantor with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon Lessor unless expressed herein.

13. This Guaranty may be executed in one or more counterparts, each of which counterparts shall be an original. If Guarantor is a corporation, partnership, LLC or other entity, each individual executing this Guaranty on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Guaranty on behalf of such entity and that this Guaranty is binding upon such entity in accordance with its terms. The use of electronic signatures for the execution of this Guaranty and/or any amendment hereto shall be binding and effective, and this Guaranty or any such amendment as so signed shall have the same force and effect as if originally signed, and any PDF or other copies of this Guaranty and any amendment hereto and the signatures thereon shall have the same force and effect as an original.

Executed as of the Effective Date first set forth above.

**Guarantor:**

Tenet Healthcare Corporation, Inc., a  
Nevada corporation

By: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE 12.1

### LIST OF COMPETING BUSINESSES

- General Acute Care Hospitals
- Advanced Wound Healing and Amputation Prevention Centers
- Weight Management Centers
- Comprehensive Cancer Centers
- Imaging Centers
- Maternal Fetal Medicine Centers
- Ambulatory Surgery Centers
- Physician Joint Ventures
- Primary Care Foundation Practices
- Specialty Care Foundation Practices
- Medical Office Buildings

## SCHEDULE 12.2

### MEDICALLY UNDERSERVED AND ADDITIONAL AREAS

Pursuant to Section 12.2 of the Agreement, the District Entities shall be permitted to own and lease any real property which, at the time of purchase, is within the geographic areas described below, as shown on the attached map:

Medically Underserved Areas. To the extent contained within the geographical boundaries of the District, the Medically Underserved Areas identified by the U.S. Health Resources & Services Administration (<https://data.hrsa.gov/tools/shortage-area/mua-find>) (also set forth on the California State Geoportal):

- MUA 256
- MUA 380
- MUA 4012

Additional Areas. The following are in addition to the Medically Underserved Areas:

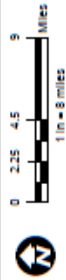
- Desert Hot Springs
- Palm Springs – North of I-10
- Cathedral City – North of I-10
- Indio – North of I-10
- Coachella
- Unincorporated areas of the District, including:
  - Garnet
  - Desert Edge
  - Sky Valley
  - Indio Hills
  - Thousand Palms
  - Desert Palms
  - Bernardo Dunes
  - Thermal
  - Mecca
  - Oasis
  - Vista Santa Rosa
  - North Shore

**DESERT  
HEALTHCARE  
DISTRICT  
SCHEDULE 12.2**  
*Permitted Areas for  
District Property*

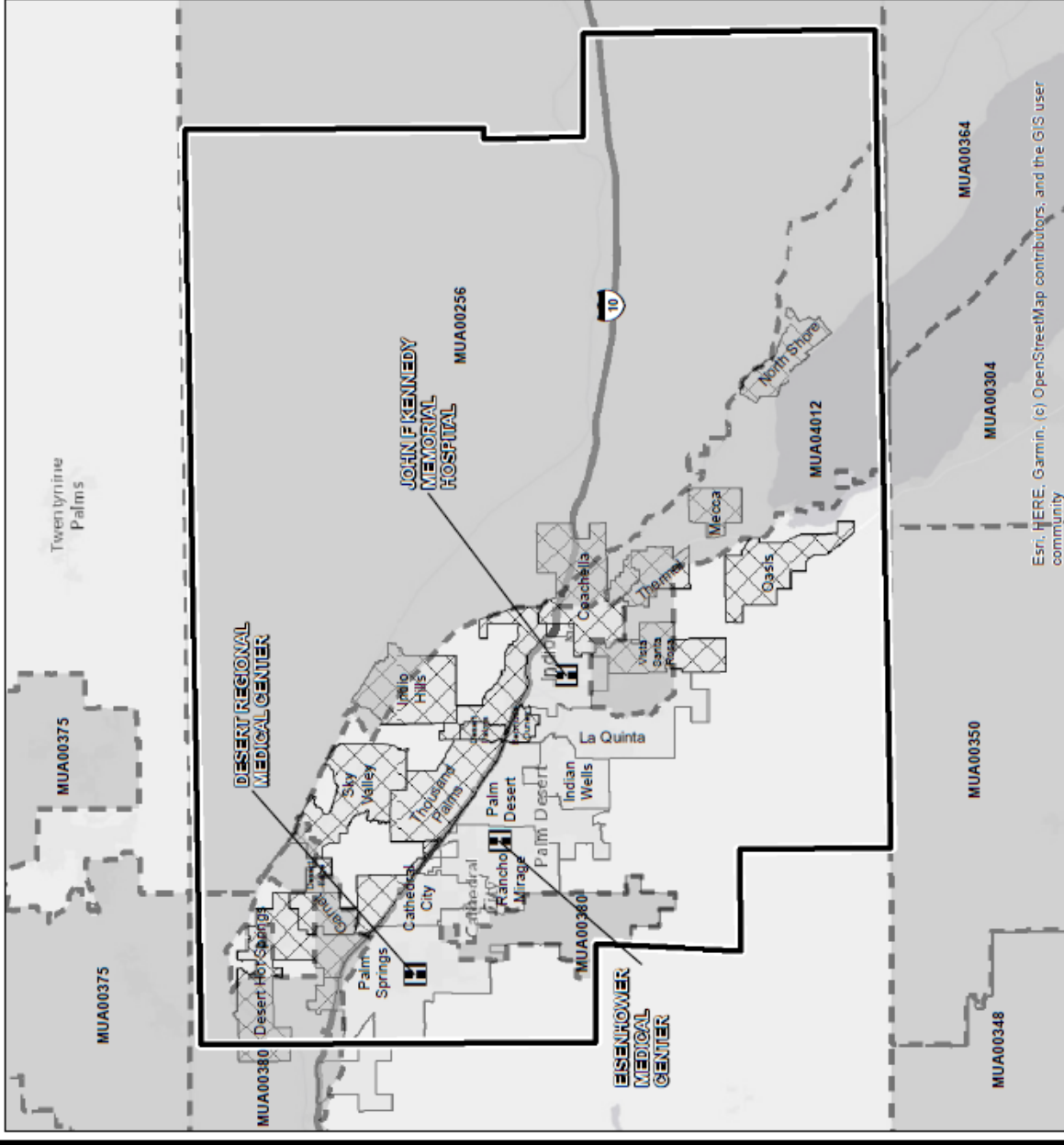
-  Hospitals
-  Desert Healthcare District Boundary
-  Medically Underserved Areas
-  City Boundaries
-  Additional permitted areas for District property

In addition to the Medically Underserved Areas:  
 -Desert Hot Springs  
 -Palm Springs - North of I-10  
 -Cathedral City - North of I-10  
 -Indio - North of I-10  
 -Coachella  
 -Incorporated Areas of the District, including: Garnet, Desert Edge, Sky Valley, Indio Hills, Thousand Palms, Desert Palms, Bermuda Dunes, Thermal, Mecca, Oasis, Vista Santa Rosa, North Shore

\*This list and map is illustrative only. The Language of the Lease Purchase Agreement, Section 12.2.2 governs.



DNM 8/22/2024  
 File Name: DHCD\_Vendor # 1  
 District: 12.2  
 Project: 12.2.2  
 Drawing: 12.2.2.1  
 Date: 8/22/2024



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

## SCHEDULE 13.3

### LIST OF CORE SERVICES

General Medical Services

Acute Care General Surgical Services

Intensive / Critical Care Services

Neonatal Intensive Care Services

Perinatal Services

Pediatric Services

Acute Rehabilitation Services

Cardiac Services (includes Cardiovascular Surgery and  
Cardiac Catheterization Lab)

Comprehensive Emergency Medical Services (including Trauma, Stroke and  
Orthopedics)

Comprehensive Cancer Center Services

## SCHEDULE 13.11(a)

### RULES AND REGULATIONS OF THE LOCAL GOVERNING BOARD OF DESERT REGIONAL MEDICAL CENTER

The Local Governing Board of Desert Hospital (the “Hospital”) hereby adopts the following rules and regulations:

#### STRUCTURE

The Hospital is owned by DESERT HEALTHCARE DISTRICT, a political subdivision of the State of California (“District”) and is leased to and is operated by TENE HEALTHSYSTEM DESERT, INC., a California corporation (the “Lease”), which is an affiliate of Tenet Healthcare Corporation, a Nevada corporation (“Tenet”).

#### ARTICLE I

##### THE GOVERNING BOARD FUNCTION AND DUTIES

The functions and duties of the Local Governing Board shall be as directed from time to time by the Board of Directors of the Lessee (hereinafter “Board of Directors”), consistent with the standards of the Joint Commission on Accreditation of Healthcare Organizations (hereinafter “JCAHO”), and applicable laws and regulations. Such functions shall include, but not limited to, those stated below. The Local Governing Board shall provide for community participation, particularly by persons possessing special expertise, regarding the medical aspects of the Hospital’s operations and the delivery of health care to the local community.

#### ARTICLE II

##### LOCAL GOVERNING BOARD – STRUCTURE AND PROCEDURES

Section 1. Composition. Subject to Section 4(e)(3) below, the Local Governing Board shall be appointed by the Board of Directors and shall be composed of no more than thirteen (13) members. A majority of the Local Governing Board members shall be physician members of the Hospital Medical Staff and shall include the President of the Medical Staff. The remaining members of the Local Governing Board members shall represent the Lessee and members of the community and shall include the Hospital CEO (as defined in Article IX below) and, provided that compliance with the Brown Act is not required as a result thereof, two (2) members shall be appointed by the Board of Directors of the Desert Healthcare District (“District Members”). The initial Local Governing



Board shall not include more than two (2) members who were members of the Desert Hospital Corporation Board of Directors immediately prior to its dissolution, except that this limitation shall not apply to any member of the Desert Hospital Corporation Board of Directors who was also a member of the District Board of Directors. At least one (1) other non-physician member of the Local Governing Board shall be a local community resident who is neither employed by nor does business with Lessee (or any affiliate thereof) nor is related to any officer or director of Lessee (or any affiliate thereof). The Chief Nursing Executive shall serve as an ex officio, non-voting member of the Local Governing Board.

Section 2. Appointment. Subject to Section 4 below, members of the Local Governing Board, except those members whose terms will not then be expiring, shall be appointed annually by the Board of Directors or its designee. Members shall serve until their resignation, removal, or other disqualification from service or until their respective successors are appointed.

Section 3. Conflict of Interest. The Local Governing Board shall implement a written Conflict of Interest Policy (attached hereto as Appendix A) that provides for full disclosure of the ownership and control of the Hospital and of any health care delivery organizations that are corporately and functionally related to the Hospital. The policy includes guidelines for the resolution of any existing or apparent conflict of interest. All Local Governing Board members shall be required to disclose possible conflicts of interest prior to their appointment to the Local Governing Board and periodically throughout their term(s).

Section 4. Terms of Service. Service on the Local Governing Board shall be in accordance with the following provisions:

a. Staggered Terms. Members shall serve staggered terms so that approximately one-third of the members complete their terms as of the end of any given Local Governing Board Year as defined below.

b. Local Governing Board Year. The Local Governing Board Year shall be the same as the calendar year.

c. Service of Local Governing Board Year. For purposes of this Section 4, service during any part of a Local Governing Board Year shall be deemed service for a full Local Governing Board Year, whether such partial service results from being appointed to fill out an unexpired term or from any other cause.

d. Nominations, Recommendations, and Appointment. Prior to the first day of the new Local Governing Board Year, the Local Governing Board shall submit to the Board of Directors, or its designee, the Local Governing Board's recommendations regarding appointment or reappointment. The Board of

Directors, or its designee, shall consider said recommendations and make appointments and reappointments prior to or as of the end of the term of the incumbents whose terms are then expiring.

e. **Maximum Consecutive Service.** The maximum number of Local Governing Board Years which may be served, after which the member shall be ineligible for appointment until at least one (1) year of non-membership has elapsed, it as follows:

(1) For the Hospital CEO and the Chief Nursing Executive serving ex officio. No Limit.

(2) For appointed members who also have served ex officio as President of the Medical Staff: Six (6) plus total number served as ex officio.

(3) For former members of Desert Hospital Corporation Board of Directors (than those who were also on the District Board of Directors): One (1).

(4) For all other members: Six (6) except for District Members.

#### Section 5. Resignation and Removal.

a. **Resignation.** Any member may resign by written notice to the Chairman of the Local Governing Board or the Hospital CEO effective at the time specified in the notice.

b. **Removal.** Any member of the Local Governing Board may be removed, with or without cause, at any time by the Board of Directors. Unless the Board of Directors determines in good faith that providing prior notice of removal to a member of the Local Governing Board would jeopardize the interests of the Lessee, such member shall be given not less than ten (10) days' prior written notice of such removal.

c. **Attendance at Meetings.** Each member of the Local Governing Board shall attend at least nine (9) regular Local Governing Board meetings in each Local Governing Board Year, unless excused by the Chairman for good cause. Except in emergencies, a Local Governing Board member shall notify the Chairman or his designee in advance of any meeting from which said member will be absent, to obtain an excused absence. Failure to attend three (3) or more consecutive meetings, except for excused absences, may result in the removal of the member from the Local Governing Board by the Board of Directors.

Section 6. Vacancies. All vacancies on the Local Governing Board shall be filled by the Board of Directors after considering the recommendation, if any, of the Local Governing Board, except that any vacancy on the Local Governing Board by a

District Member shall be filled in accordance with the procedure described in Article II, Section 1, for appointment of District Members.

Section 7. Regular Meetings. Regular meetings of the Local Governing Board shall be held monthly at the Hospital or at such other place as may be designed by the Board of Directors or the Local Governing Board.

Section 8. Other Representation at Local Governing Board Meetings. The Local Governing Board recognizes that one or more members of the Board of Directors shall be entitled to attend each regular and special meeting of the Local Governing Board, without voting rights.

Section 9. Special Meetings. Special meetings may be called by the Chairman of the Local Governing Board at his/her discretion, or if request for good cause by two (2) other Local Governing board members. Members shall be given written or oral notice of such special meetings, as time permits.

Section 10. Waiver of Notice. The transaction of any meeting of the Local Governing Board, however called and noticed or wherever held, shall be as valid as a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting of the members not present signs a written waiver of notice, a consent to hold such meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Local Governing Board records or made part of the minutes of the meeting.

Section 11. Quorum. A majority of the members of the Local Governing Board shall constitute a quorum for the transaction of business, and the action of a majority of the Local Governing Board members present at any meeting at which there is a quorum, when duly assembled, is valid.

Section 12. Adjournment. If a quorum is not present at any Local Governing Board meeting, the members present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present. Notice of the time and place of an adjourned meeting need not be given to absent members if the time and place is fixed at the adjourned meeting, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the members who were not present at the time of the adjournment.

Section 13. Action Without Meeting. Any action required or permitted to be taken by the Local Governing Board may be taken without a meeting if all members of the Governing Board individually or collectively consent in writing to such action. Such written consent or consents shall have the same force and effect as a unanimous vote of

the Local Governing Board and shall be filed with the minutes of the proceedings of the Local Governing Board.

Section 14. Compensation. Each member of the Local Governing Board may receive a monthly stipend as fixed from time to time by the Board of Directors in its sole discretion, except that no such stipend, gift, or compensation of any other kind shall be paid to any District Member of the Local Governing Board.

Section 15. Meetings by Telephone. Any regular or special meeting of the Local Governing Board may be held by means of telephone conference call or similar communication equipment, provided that all persons participating in the meeting can hear and communicate with each other.

### ARTICLE III OFFICERS OF THE LOCAL GOVERNING BOARD

Section 1. Officers. The officers of the Local Governing Board shall be nominated by the Nominating Committee at the last meeting of each Local Governing Board Year and shall include a Chairman, a Vice-Chairman, and a Secretary, each of whom shall be a member of the Local Governing Board. These officers shall be elected at the first meeting of each Local Governing Board Year. The term of elected officers shall be for one (1) year or until a successor is elected by the Local Governing Board. No more than three (3) consecutive terms in the same office may be served by the same member. The officers shall perform the duties customarily associated with their offices or as specifically assigned by the Local Governing Board.

Section 2. Resignation and Removal.

a. Resignation. Any officer may resign by written notice to the Chairman of the Local Governing Board or the Hospital CEO at the time specified in the notice.

b. Removal. The Local Governing Board or the Board of Directors may, at any time, with or without cause, remove any officer.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled by the Local Governing Board.

Section 4. Chairman. The Chairman shall preside at all meetings of the Local Governing Board and shall perform such other duties as may be assigned by the Local Governing Board.

Section 5. Vice Chairman. The Vice Chairman shall assist the Chairman in the conduct of the business of the Local Governing Board, shall preside at Local Governing Board meetings in the Chairman's absence, and shall perform such other duties as may be assigned by the Local Governing Board.

Section 6. Secretary. The Secretary shall keep, or cause to be kept, a book of minutes for the purpose of recording the proceedings of the Local Governing Board. The Secretary shall give, or cause to be given, notice of all special meetings of the Local Governing Board, and shall perform such other duties as may be assigned by the Local Governing Board.

#### ARTICLE IV ORGANIZATION OF THE MEDICAL STAFF

The Local Governing Board shall organize the physicians and other practitioners granted clinical privileges at the Hospital into a Medical Staff under Medical Staff Bylaws approved by the Local Governing Board in accordance with Article VI hereof. Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his or her patients, subject to such limitations as are contained in these Rules and Regulations and in the Medical Staff Bylaws, and subject to any further limitations attached to his or her appointment.

#### ARTICLE V MEDICAL STAFF APPOINTMENTS

Section 1. Local Governing Board Authority. The Local Governing Board shall have authority and responsibility for all appointments and reappointments of Medical Staff members and assignment of clinical privileges in accordance with the Medical Staff Bylaws.

Section 2. Standards and Procedures for Consideration of Applications. The standards and procedures adopted by the Local Governing Board shall be applied by the Hospital and its Medical Staff in considering and acting upon applications for staff membership and clinical privileges.

Section 3. General Policy. The Local Governing Board shall consider the Medical Staff recommendation in the exercise of the Local Governing Board's authority to appoint members of the Medical Staff. Whenever a Local Governing Board decision is not in accordance with the last recommendation or action of the Medical Staff, the matter shall be resolved as follows:

a. In matters involving membership and/or clinical privileges of Medical Staff members, or clinical privileges of other health care professionals, the Local Governing Board shall submit the matter to a joint committee for review and recommendation. Such committee, unless otherwise required by law or the Medical Staff Bylaws, shall consist of two (2) Medical Staff members (who are not Local Governing Board members) chosen by the Chief of the Medical Staff and three (3) Local Governing Board members chosen by the Chairman of the Local Governing Board. The committee shall make its review and recommendation to the Local Governing Board within forty-five (45) days of submission of the matter to the committee from the Local Governing Board. Thereafter, the Local Governing Board shall render its final decision in the matter and shall communicate this final decision to the Medical Staff Executive Committee and any directly affected practitioner, consistent with the Medical Staff Bylaws (including, if applicable, providing the directly affected practitioner written notice of a tentative adverse decision and the procedural rights set forth in Article 8 thereof prior to a final decision by the Local Governing Board).

b. In all other matters, the Local Governing Board may, in its sole discretion, either (i) refer the matter, on terms as it may direct, to a joint committee such as described above or to the Local Governing Board Planning Committee, if any, as specified under Article VIII Section 4 hereinbelow or (ii) decide the matter otherwise as it deems best. If the matter is referred to a committee, such committee shall report back within such time specified by the Local Governing Board, after which time the Local Governing Board may render its final decision.

Section 4. Hearing Procedures; Health Practice Matters; Final Decision. The Local Governing Board shall be the official body to render final decisions in Medical Staff hearing and appeal procedures at the Hospital, and in all other decisions affecting staff membership, privileges, categories of other health professionals allowed to practice in the Hospital, enforcement of these Rules and Regulations, the Medical Staff Bylaws, and the policies of the Local Governing Board, and establishment of overall policies in operating the Hospital.

Section 5. Medico-Administrative Officials. From time to time, the Hospital may engage one or more physicians as medico-administrative officials under such terms and conditions as are specified in an engagement agreement. The engagement agreement shall require that any such medico-administrative official be a member of the Medical Staff.

## ARTICLE VI MEDICAL STAFF BYLAWS

There shall be bylaws for the Medical Staff which set forth its organization and governance. Any proposals for new bylaws or any amendment, revisions, or repeal of existing bylaws, shall be considered and, if approved, adopted by the Medical Staff (or its Medical Executive Committee) in accordance with any provisions in the bylaws regarding such adoption procedures, and subject to the approval of the Local Governing Board (which approval shall not unreasonably withheld). The Local Governing Board may, at any time, initiate proposals for bylaws or amendments thereto and the Local Governing Board shall present these proposals to the Medical Staff (or its Medical Executive Committee) for its consideration.

## ARTICLE VII QUALITY OF PROFESSIONAL SERVICES AND PATIENT CARE EVALUATION

Section 1. General Policy. The Local Governing Board shall, in the exercise of its overall responsibility, assign to the Medical Staff reasonable authority to ensure appropriate professional care to Hospital patients. Subject to limitations of these Rules and Regulations and the Medical Staff Bylaws, and subject further to any limitations attached to an individual's appointment or engagement, only an individual permitted by law to provide patient care services independently and without direction or supervision, or a member of the house staff or other allied health professionals acting under the supervision of a licensed practitioner with clinical privileges, may provide direct medical care to patients. Local Governing Board ratification is required prior to the delegation to allied health professionals of the responsibility for performance of certain practices related to medicine.

Section 2. Medical Care Evaluation Reports. The Local Governing Board shall require, consider, and, if necessary, act upon Medical Staff reports of medical care eval, utilization, review, and other matters relating to the quality of care rendered in the Hospital. The Medical Executive Committee of the Medical Staff shall, through its chairman or his/her designee, cause the preparation and presentation of such required reports to the Local Governing Board at each Local Governing Board meeting or otherwise. The Hospital CEO shall provide the Medical Staff with the necessary administrative assistance to facility such reporting regular analysis of the clinical practice, and utilization review activities within the Hospital.

Section 3. JCAHO and Legal Requirements. The Local Governing Board shall direct that all reasonable and necessary steps be taken by the Medical Staff and Hospital administration for meeting JCAHO accreditation standards and complying with

applicable laws and regulations. If requested by the Hospital CEO, Local Governing Board members shall participate in JCAHO summation conferences unless excused for good cause. The Local Governing Board shall take all reasonable steps to comply with all applicable federal, state, and local laws and regulations.

## ARTICLE VIII LOCAL GOVERNING BOARD OPERATION

Section 1. General Functions. The Local Governing Board shall have responsibility for the business and affairs of the Hospital to the extent delegated by the Board of Directors. The Local Governing Board shall delegate responsibility and authority for the day-to-day management of the Hospital to the Hospital CEO.

Section 2. Committees.

a. Designation. The Local Governing Board, at its discretion, may designate one (1) or more committees, each of which shall be composed of two (2) or more members, to serve at the pleasure of the Local Governing Board. The Local Governing Board may designate one (1) or more members as alternate members of any committee. With respect to any committees that reviews issues affecting the discharge of Medical Staff responsibilities, those committees must include Medical Staff members.

b. Delegation. The Local Governing Board may delegate to any such committee any of the Local Governing Board's powers and authority except for amendment these Rules and Regulations.

c. Proceedings. The Local Governing Board may prescribe appropriate rules, not inconsistent with these Rules and Regulations, by which proceedings of any such committee shall be conducted. The provisions of these Rules and Regulations relating to notice of meetings of the Local Governing Board and waiver of such notice, adjournment of meetings of the Local Governing Board, written consent to Local Governing Board meetings and approval of minutes, action by the Local Governing Board by consent in writing without a meeting, the place of holding meetings, the quorum for meetings, the vote required at such meetings, and the withdrawal of members after commencement of a meeting shall apply to committees of the Local Governing Board and action by such committees. In addition, any member of the Local Governing Board acting as the Chairman or as Secretary of the committee or any two (2) members of the committee may call meetings of the committee. Regular meetings of any committee may be held without notice if the time and place of such meetings are fixed by the Local Governing Board or the committee.



Section 3. Medico-Administrative Liaison. The Hospital CEO shall function as a liaison between the Local Governing Board and the Medical Staff.

Section 4. Planning Function. The Local Governing Board shall participate in and support an institutional planning process to periodically evaluate the Hospital's goals, policies, and programs. At the Local Governing Board's discretion, this planning function may be performed by a committee (the "Local Governing Board Planning Committee") which includes representatives of the Local Governing Board, administration, nursing, other appropriate advisors, and the Medical Staff.

Section 5. Performance Improvement (PI). The Local Governing Board shall require the Medical Staff and staffs of the Hospital departments/services to implement and report on the activities and mechanisms for monitoring and evaluating the quality of patient care, for identifying opportunities to improve patient care, and for identifying and resolving problems. The Local Governing Board, through the Hospital CEO, shall support these activities and mechanisms. The Local Governing Board shall provide for resources and support systems for the quality assessment and improvement and risk management functions related to patient care and safety. The Local Governing Board shall consider and, if necessary, act upon the results reported from PI activities, which activities shall strive to satisfy the following objectives: (i) quality patient care provided by members of the medical and allied professional staffs, employees of the Hospital, and all others who provide patient care services at this Hospital, (ii) use of planned and systematic procedures to objectively assess the quality of care provided, (iii) implementation of corrective action when problems or opportunities for improvement are identified, and (iv) the provision of one level of patient care throughout the Hospital.

Section 6. Patient Care. The Local Governing Board shall participate in and support an institutional process to periodically review, evaluate, and revise key hospital policies and procedures to address integrated patient care.

Section 7. Orientation and Continuing Education. All members of the Local Governing Board shall participate in an initial orientation and in continuing education programs as part of membership responsibilities. These programs will be provided through the Hospital CEO as needed, but no less than annually. Initial orientation shall include an explanation of the functions and responsibilities of the Local Governing Board. Relevant topics for continuing education include the Local Governing Board's responsibility for the PI program and its effectiveness, and appointment, reappointment, and granting privileges to medical and allied professional staff members. If requested by the Chairman of the Local Governing Board, all or any members of the Local Governing Board from the prior year may be called upon to attend the first Local Governing Board meeting of the new Local Governing Board Year as non-voting members for the sole purpose of orienting the new Local Governing Board members to their responsibilities.

Section 8. Facility Plans and Budgets. The Local Governing Board, together with the Hospital CEO, shall develop and adopt short-term and long-term plans including annual capital and operating budgets, and a long-range master plan, to the end that the Hospital may effectively serve its community. Such plans shall be submitted to the Board of Directors or its designee for review and approval.

## ARTICLE IX CHIEF EXECUTIVE OFFICER

Section 1. Appointment. The Board of Directors or its designee, with the approval of the Local Governing Board, shall appoint a chief executive officer of the Hospital (“Hospital CEO”) in accordance with such criteria as may be adopted by the Board of Directors with approval of the Local Governing Board.

Section 2. Qualifications. The appointed Hospital CEO shall have the knowledge and skills necessary to perform the duties required of the Hospital’s senior leader. Among other criteria, education and relevant experience are important qualifications.

Section 3. Responsibilities. The Hospital CEO shall represent the Hospital in all aspects of its operations. He/she shall make periodic reports to the Local Governing Board, if any, but his/her line of authority shall derive from the Board of Directors. The duties of the Hospital CEO shall include but not be limited to the following:

a. Policies. Implementation of policies of the Board of Directors and the Local Governing Board as approved by the Board of Directors or its designee, especially those relating to the physical and financial resources of the Hospital.

b. Liaison. Liaison among the Board of Directors, Local Governing Board, administrative staff, and Medical Staff, and between the Hospital and the local community.

c. Management. Organization and management of the Hospital and its services, departments, and subdivisions, delegation of duties, and establishment of formal means of accountability of subordinates.

d. Compliance with Law and Regulations. The Hospital CEO shall review and act promptly upon the reports of authorized planning, regulatory, and inspection agencies and shall report to the Local Governing Board on the overall activities of, and developments and inspections affecting, the Hospital. The Hospital CEO shall undertake corrective action for any deficiencies reported by such agencies, and documentation of such corrective action shall be made available to the HCAHO for the Hospital’s accreditation survey.

## ARTICLE X PERSONNEL

Section 1. Policies. The personnel policies of the Hospital shall be reviewed periodically by the Hospital CEO and Local Governing Board, but no less often than once a year, and the date of the most recent review shall be indicated on the written policies. A procedure shall be established for notifying employees of personnel policies and changes thereto.

Section 2. Conflict Resolution Process. The Local Governing Board shall participate in and support a conflict resolution process for resolving conflicts between the Local Governing Board and the individuals under the Local Governing Board's leadership. The Local Governing Board shall periodically meet to review the effectiveness of this process and recommend any revisions to the Board of Directors.

## ARTICLE XI VOLUNTEER ORGANIZATIONS

Section 1. Hospital Auxiliary. The Local Governing Board may authorize the formation and continuing operation of a volunteer auxiliary. The auxiliary shall develop and adopt an organizational structure and bylaws, rules, and regulations. The auxiliary's bylaws, rules, and regulations shall become effective when approved by the Local Governing Board. The Local Governing Board shall, within a reasonable time after the submission of the auxiliary's bylaws, rules, and regulations to the Local Governing Board for approval, review such documents and either approve the same or notify the appropriate auxiliary personnel of deficiencies in such documents. The Local Governing Board or its representative shall submit to the auxiliary any required changes in such documents and may appoint a representative to assist the organization in the preparation of acceptable documents. Upon receipt of acceptable documents, the Local Governing Board shall, within a reasonable time, grant approval of the auxiliary's bylaws, rules, and regulations.

Section 2. Other Volunteer Services. The Hospital CEO or his designee shall be responsible for the establishment of a mechanism for controlling the activities of individuals or organized groups who perform volunteer services in the Hospital, but who are not in the status of Hospital auxiliary personnel.

ARTICLE XII  
REVIEW OF DOCUMENTS

Section 1. General. At least every two (2) years, the Local Governing Board shall review these Rules and Regulations and the Medical Staff Bylaws of the Hospital. Necessary changes shall be made in such documents in accordance with the amendment procedures set forth therein. Such documents shall be dated to indicate the time of the last review.

Section 2. Professional Service Contracts. The Local Governing Board shall have the right to review and approve all material hospital-based physician contracts and periodically review the quality of service rendered by hospital-based physicians and other professional service contractors. The Local Governing Board shall also review and make recommendations on any contractual matter referred to it by the Board of Directors. The Board of Directors, through the Hospital CEO or other designee, shall have the final authority with respect to all contracts affecting the Hospital.

Section 3. Other Documents and Services. The Local Governing Board shall have the right to review and approve all proposed operating and capital budgets for the Hospital. The Local Governing Board also shall have the right to review and provide recommendations to Lessee on coordination of services and shall act as a forum regarding community input of the delivery of health care to the community.

ARTICLE XIII  
CORE SERVICES

Section 1. Termination or Reduction of Core Services. The Local Governing Board shall have the right to review and provide comments to lessee with respect to any proposed termination or material reduction of Core Services of the Hospital set forth on Schedule 14.2 of the Agreement, before Lessee makes such proposal to the Board of Directors.

ARTICLE XIV  
PATIENTS' BILL OF RIGHTS

The Local Governing Board hereby adopts the Statement on Patients' Rights of the JCAHO as its own statement on the rights of patients.

ARTICLE XV  
EVALUATION OF PERFORMANCE

The Local Governing Board shall evaluate its own performance by comparing its performance to the JCAHO standards on an annual basis.

ARTICLE XVI  
INSURANCE

The Board shall include members of the Local Governing Board as insured persons under the appropriate general and professional and/or directors and officers liability insurance coverage.

ARTICLE XVII  
AMENDMENTS AND ADOPTION

Section 1. Amendments. The Local Governing Board may adopt amendments to these Rules and Regulations, subject to the approval of the Board of Directors and the District’s Board of Directors.

Section 2. Adoption. The foregoing rules and regulations were adopted by the Local Governing Board on \_\_\_\_\_, 2024.

Section 3. Supremacy of Hospital Lease Agreement. The District and Lessee entered into a Hospital Lease Agreement on or about \_\_\_\_\_, 2024 (the “Agreement”). In the event of any conflict between the Agreement and these Rules and Regulations, the Agreement shall prevail.

\_\_\_\_\_  
Chairman  
Local Governing Board  
Desert Hospital

APPROVALS

The foregoing rules and regulations were approved by the Board of Directors of Tenet HealthSystem Desert, Inc., on \_\_\_\_\_, 2024.

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Chairman  
Board of Directors  
Tenet HealthSystem Desert, Inc.

The foregoing rules and regulations were approved by the Board of Directors of Desert Healthcare District on August 6, 2024.

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Chairman  
Board of Directors  
Desert Healthcare District

## Appendix A

### DESERT HOSPITAL

#### CONFLICT OF INTEREST POLICY AND PROCEDURES

Each member of a Governing Board of a facility owned, operated, or managed, directly or indirectly, by Tenet Healthcare Corporation, or one of its subsidiary companies (such owner or operator being referred to herein as the “Company”), has a responsibility to the Company to be free and to appear to be free from the influence of any interest that conflicts with that of the Company or the facility and to deal with third parties including, without limitation, suppliers, customers, contractors, and all others solely on a basis that is in the best interest of the Company and the facility without favor or preference to any third party based on personal or other considerations. To avoid actual and possible conflicts of interest, the Governing Board requires each Member of the Governing Board to promptly disclose to the full Governing Board and Board of Directors of the above-described facility (hereinafter referred to as “Board of Directors”) each interest or influence of which he or she is aware that poses an actual or possible conflict of interest between the Governing Board Member (or any relative of that Member) and the Company or the facility.

#### 1. DEFINITIONS.

- a. **Conflict of Interest.** Any direct or indirect ownership, control, interest, employment, relationship, business relationship, and/or participation in any facility, business entity, or activity that directly or indirectly competes or does business with, or reasonably could be adverse to the facility or the Company constitutes a conflict of interest. The fact that a Member also serves as a member of the District’s Board of Directors or as an officer, employee, or representative of the Company or of the Medical Staff shall not constitute a conflict of interest.
- b. **Member.** Any member of a Governing Board of a facility owned, operated or managed, directly or indirectly, by the Company.
- c. **Relative.** A relative of a Member shall include any spouse, parent, child, legal guardian or ward, sibling, grandparent, grandchild, nephew, niece, uncle, aunt, and any of the above relatives who are in-laws or step relatives, as well as any other persons living in the same household.
- d. **Substantial Interest.** Ownership shall not include an investment representing less than one (1%) percent of a class of outstanding securities of a publicly held corporation.

2. DISCLOSURE. Each Governing Board Member shall be required to disclose any possible or actual conflict of interest between such Member (or any relative of such Member) and the Company or the facility prior to his or her appointment to the Governing Board and throughout his or her term(s) immediately upon becoming aware of such possible or actual conflict of interest.

3. POLICY.

a. No Member or any relative of such Member shall own any Substantial Interest in or have any personal contract or arrangement with any firm or individual doing or seeking to do business with the Company or the facility, unless the Governing Board determines after full disclosure that such interest, contract, or arrangement will not tend to influence the action of such Member with respect to the business of the Company or the facility, or the provision of care by the facility.

b. No Member or any relative of such Member shall own any Substantial Interest in or have any personal contract or arrangement with any firm or individual which competes directly or indirectly with the business of the Company or the facility, unless the Governing Board determines after full disclosure that such interest, contract, or arrangement will not tend to influence the action of such Member with respect to the business of the Company or the facility, or the provision of care by the facility.

c. No Member or any relative of such Member shall seek, accept, or offer any payment, service, or gift from or to any firm or individual doing or seeking to do business with the Company or the facility, unless the Governing Board determines after full disclosure that such payment, service, or gift will not tend to influence the action of such Member with respect to the business of the Company or the facility, or the provision of care by the facility. This paragraph shall not prohibit acceptance or provision of ordinary social amenities.

d. No Member shall do business on behalf of the Company or the facility with any relative unless the Governing Board determines after full disclosure that such relationship will not tend to influence the action of such Member with respect to the business of the Company or the facility, or the provision of care by the facility.

e. Member or any relative of such Member shall divert, for personal benefit, any business opportunity which the Member has good reason to know may be useful to the Company or the facility in its ongoing businesses, unless the Governing Board determines after full disclosure that such opportunity is not of any interest to the Company or the facility, or the provision of care by the facility.

f. No Member or any relative of such Member shall do business with or enter into any transaction with the Company or the facility unless the



Governing Board determines after full disclosure that such relationship will not tend to influence the action of such Member with respect to the business of the Company or the facility, or the provision of care by the facility.

g. No Member or spouse of such Member shall be an employee of a non-Tenet facility or entity that competes with the Tenet facility for which the Member serves as a Member.

4. RESOLUTION OF EXISTING OR APPARENT CONFLICT OF INTEREST.

Upon being advised of a possible conflict of interest, the Governing Board and/or the Board of Directors shall fully discuss same and determine whether the matter disclosed represents a conflict of interest. Should the Board of Directors or the Governing Board determine that a conflict of interest exists, the Board of Directors or the Governing Board (subject to approval of the Board of Directors) shall require the Member (a) to abstain from all discussions and votes on any matter to which the conflict is relevant, (b) immediately divest himself/herself of the actual or potential conflicting ownership control, interest, employment relationship, business relationship, or participation, and/or (c) to resign his/her membership on the Governing Board.

EACH GOVERNING BOARD MEMBER SHALL RECEIVE A COPY OF THIS POLICY UPON ACCEPTANCE OF GOVERNING BOARD MEMBERSHIP, SIGN AN ACKNOWLEDGMENT OF RECEIPT, AND AGREE TO ABIDE BY THIS POLICY.

SCHEDULE 13.12

CERTIFICATION OF LEASE COMPLIANCE

(Paragraph 13.12)

All capitalized terms used below have the same defined meaning as such terms are defined in the Hospital Lease. The term “Leased Premises” shall include both the Hospital and the Desert Businesses as of the date of the certification.

The certification of lease compliance set forth below shall be executed by the Hospital CEO to the best of his/her knowledge and shall certify compliance by Lessee for the annual period covered by the certificate. Any exceptions or clarifications to the certifications shall be stated in the certificate of lease compliance.

<u>Paragraph</u>	<u>Certification/Documentation</u>
2.2	Certification that Lessee, during the certification period, has paid all real and personal property taxes, general and special assessments, and other charges levied on or assessed to the Leased Premises, the improvements, or personal property located on or in the Leased Premises or the leasehold estate or any sublease estate, as well as any and all municipal, county, state, or federal income or franchise taxes chargeable against Lessee.
2.5	Certification that Lessee, during the certification period, has paid for all utilities (as listed in Paragraph 2.5 of the Agreement) used upon the Leased Premises.
3.1	Certification that the Leased Premises were used during the certification period for the purpose of Lessee operating and maintaining the Leased Premises as a general acute care hospital on a continuous basis, and for providing ancillary and other health care services (as described in Paragraph 3.1 of the Agreement).
3.2	Certification that the Leased Premises were used during the certification period in material compliance with all laws, including, without limitation, seismic laws, in force at the time of the certification in the manner described in Paragraph 3.2 of the Agreement.
3.4	Certification that Lessee, at its cost and expense, has maintained the Leased Premises during the certification period in good condition and

repair (subject to ordinary wear and tear and obsolescence) and used the Leased Premises in accordance with all applicable laws.

3.5 Certification that all alterations, additions, or improvements made to the Leased Premises by Lessee during the certification period are consistent with the limitations on use described in Paragraph 3.1 of the Agreement.

3.6 Certification that Lessee, without prior District consent, has not during the certification period disposed of any portion of the Personal Property outside of the ordinary course of business or which was not obsolete, worn out, or incapable of further use.

Art. IV Certification that Lessee has, at its sole cost and expense, maintained at all time during the certification period in force and in effect the insurance coverages described in Paragraph 4.2 of the Agreement and in accordance with all of the conditions set forth in Paragraphs 4.3 and 4.5 of the Agreement.

Certification as to whether Lessee maintained earthquake insurance coverage during the certification period and intends to maintain earthquake insurance coverage during the forthcoming annual period.

Certification that Lessee has complied with each of the conditions set forth in Paragraph 4.2 of the Agreement during the certification period.

Documentation:

Submit copies, certificates of coverage, or a summary (in a mutually agreed upon format) of all policies in force during the certification period required by the Agreement.

In the event that Lessee did and/or will not maintain earthquake insurance coverage, Lessee shall identify seismic prevention programs funded by Lessee for the Hospital.

6.1 If there have been any losses or damage to the Leased Premises in excess of a value of \$500,000, submit a brief description of the loss or damage, the cost of any repairs, and a summary of the action taken by Lessee with respect to the loss or damage.

8.1 Certification that none of the events of default described in Paragraph 8.1 have occurred during the certification period.

Art. XI Certification that Lessee, during the certification period, has (i) generated, used, kept, or stored any hazardous materials on the Leased Premises in a manner which materially complies with all applicable environmental regulations, (ii) procured, maintained in effect, and materially complied with all conditions and requirements of any and all permits, licenses, and other governmental and regulatory approvals or authorizations required under any environmental regulations, (iii) not discovered any material release of hazardous materials which is on or about the Leased Premises or adjoining property or which is in material violation of any environmental regulations, and (iv) not received any notices of violations of environmental regulations or environmental claims other than such notices previously reported to the District.

13.1 Certification that Lessee, during the certification period, has made all major decisions regarding the operation of the Hospital without discrimination against the interests of the communities served by the Hospital and that no Core Service has been permanently relocated to John F. Kennedy Memorial Hospital for the purpose of or with the direct effect of terminating or materially reducing such Core Service at the Hospital without District consent.

13.2 Certification that Lessee, during the certification period, has not terminated or materially reduced any Core Service, except in compliance with the process described in Paragraph 14.2 of the Agreement

Documentation:

Submission of utilization report of Core Services during the certification period.

13.3 Certification that Lessee, during the certification period, has not assigned all or any part of the Agreement, or sublet any space in the Hospital except as otherwise permitted under Paragraph 13.4 of the Agreement

Documentation:

Submit a list of all subtenants and manager with respect to any portion of the Hospital.

13.6 Certification that Lessee has, during the certification period, used best efforts to maintain continuously any accreditation which may be necessary for Lessee to operate the Leased Premises as a health care facility.

Documentation:

Provide access by the District to review a copy of the executive summary of accreditation reports issued by TJC and other accrediting bodies which have surveyed the Hospital and/or services provided on the Leased Premises.

- 13.7 Certification that Lessee has, during the certification period, used by efforts to maintain valid licenses, permits, and other governmental approvals for the Leased Premises as a health care facility.

Documentation:

Submit a copy of the most recently issued general acute care license and any other health facility licenses (such as a surgical center or home health agency, if separately issued).

- 13.8 Certification that Lessee has, during the certification period, used commercially reasonable efforts to maintain (i) certification for participation in the Medicare Program (or any successor thereto), (ii) qualification for participation in the Medi-Cal Program (or any successor thereto), and (iii) qualification for participation in and payment under third-party payor and other governmental payment program in the manner described in Paragraph 13.9 of the Agreement.

- 13.9 Intentionally Omitted

- 13.10 Certification that Lessee, during the certification period, has maintained compliance with section 32128 of California Health & Safety Code, including the self-governance of the Hospital medical staff and the preparation and maintenance of accurate and complete medical records.

- 13.11 Certification that Lessee, during the certification period, has maintained the Local Governing Board in accordance with Paragraph 13.11 of the Agreement, and that the Operating Guidelines have not been amended without the mutual agreement of the parties to the Agreement.

- 13.13 Certification that Lessee, during the certification period, has maintained existing donor identification within the Hospital and generally supported the efforts of the District and others to generate additional donor support for the Hospital.

13.14 Certification that Lessee, during the certification period, has not (i) disposed or transferred the Leased Premises other than in the ordinary course of business or as otherwise permitted by the Agreement, (ii) made any material change in the Hospital mission statement, or (iii) made any material change in the Hospital policy regarding charity care, except (as to each of the above items) as provided in compliance with the process described in Paragraph 13.14 of the Agreement.

SCHEDULE 15.16

FORM OF MEMORANDUM OF LEASE PURCHASE AGREEMENT

[COVER PAGE FOR RECORDATION TO BE ATTACHED]

MEMORANDUM OF LEASE PURCHASE AGREEMENT

[SUBJECT TO REVIEW AND APPROVAL OF TITLE COMPANY]

This MEMORANDUM OF LEASE PURCHASE AGREEMENT (this "**Memorandum**"), dated as of December \_\_, 2024, is by and between Desert Healthcare District, a political subdivision of the State of California ("**Lessor**" or "**District**"), and Desert Regional Medical Center, Inc., a California corporation, having an office at 14001 Dallas Parkway, Suite 105, Dallas, TX 75240 ("**Lessee**").

Lessor and Lessee hereby acknowledge the following:

1. Name and Principal Place of Business of Lessor. The name and address of Lessor is Desert Healthcare District, a political subdivision of the State of California, with its principal place of business at 1150 North Indian Canyon Drive, Palm Springs, CA 92262.
2. Name and Principal Place of Business of Lessee. The name and address of Tenant is Desert Regional Medical Center, Inc., a California corporation, with its principal place of business at 14001 Dallas Parkway, Suite 105, Dallas, TX 75240.
3. 1997 Lease. Lessor and Lessee previously entered into that certain Lease Agreement dated May 30, 1997 (the "**1997 Lease**"), whereby Lessor leased certain real property located at 150 North Indian Canyon Drive, Palm Springs, California and associated with that certain hospital known as Desert Hospital or Desert Regional Medical Center and more particularly described on Exhibit A attached hereto and incorporated herein (the "**Property**"). The 1997 Lease expires on May 30, 2027, and is evidenced by that certain [Reference current recorded Memo] (the "**1997 Memorandum**").
4. Lease and Purchase Agreement. Concurrently with the execution of this Memorandum, Lessor and Lessee have executed that certain Lease Purchase Agreement dated as of the date hereof, wherein (i) Lessee will continue to lease the Property from Lessor, and wherein Lessor has agreed to sell the Property to Lessee, and (ii) Lessee has agreed to purchase the Property from Lessor, all upon the terms and conditions set forth therein (the "**Lease Purchase Agreement**").
5. Term. The term of the Lease Purchase Agreement commences on May 31, 2027, immediately upon the expiration of the 1997 Lease, and expires on May 30, 2057 (the "**Term**"). Upon the commencement of the Term, the 1997 Memorandum shall be automatically terminated.

6. Conflicts. In the event of any conflict between this Memorandum and the Lease Purchase Agreement, the provisions of the Lease shall control.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

DESERT HEALTHCARE DISTRICT

By: \_\_\_\_\_

DESERT REGIONAL MEDICAL CENTER,  
INC.

By: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_, \_\_\_\_\_, before me, \_\_\_\_\_,  
a Notary Public, personally appeared \_\_\_\_\_ who proved  
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of \_\_\_\_\_  
that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_

EXHIBIT A  
PROPERTY DESCRIPTION