

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 the District may provide financial assistance or grant funds, but not if such

financial assistance or funds substantially reduce expenses or substantially increase revenues of the consolidated financial statement 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(a), 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.