

ARTICLE XIII

ADDITIONAL COVENANT OF LESSOR

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11
12 After the Closing Date and during the entire term of this Agreement, neither the Lessor
13 nor any Affiliate (including the Desert Hospital Foundation (the "Foundation")) will directly or
14 indirectly own any interest in, manage or operate (i) any hospital or other health care facility,
15 provider or business within the geographical boundaries of the District or which may otherwise
16 at any time be competitive with any present or future Desert Businesses or newly created
17 healthcare system affiliated with the Desert Businesses; or (ii) any other healthcare-related business
18 conducted with or supporting the Leased Premises, including, without limitation, ownership or
19 management of physician practices, without Lessee's prior written consent (which Lessee may
20 withhold in its sole and absolute discretion). Lessor and its Affiliates will not be prevented from
21 participating in activities which promote health care services for residents of the District's
22 community, so long as they do not provide financial support to another acute-care hospital within
23 the District's boundaries or act as a provider of health care services themselves. In the event that

7 RECITALS:

8 A. Lessor owns Desert Hospital (the "**Hospital**"), an acute care hospital located at
9 1150 North Indian Canyon Drive, Palm Springs, California, licensed to operate 388 beds, which
10 facility includes all related real and personal property and assets more particularly defined herein.

11 The Hospital and all associated outpatient centers, clinics, home health agencies, physician
12 practices, management and collection services provided to physicians, group practices and
13 managed care organizations, medical office buildings and any other activity or business related
14 thereto, as the same may change from time to time, are hereinafter referred to as the "**Desert**
15 **Businesses**".

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18 conducted with or supporting the Leased Premises, including, without limitation, ownership or
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21 participating in activities which promote health care services for residents of the District's
22 community, so long as they do not provide financial support to another acute-care hospital within
23 the District's boundaries or act as a provider of health care services themselves. In the event that

1 the provisions contained in this Article XIII shall ever be deemed to exceed the time or
2 geographic limits or any other limitations permitted by applicable law in any jurisdiction, then
3 such provisions shall be deemed reformed in such jurisdiction to the maximum extent permitted
4 by applicable law. Lessor acknowledges and agrees that (i) its covenants herein set forth form part
5 of the consideration hereunder and are a material inducement for Lessee entering into and
6 consummating this Agreement, (ii) the provisions of this Paragraph are necessary to protect the
7 interests of Lessee and the continued goodwill of the business and operations of the Desert
8 Businesses, an interest in which the Lessee is hereby acquiring, (iii) the restrictive covenants set
9 forth herein are reasonable in scope and duration, (iv) a breach of the covenants contained in this
10 Paragraph will result in irreparable harm and damages to Lessee which cannot be adequately
11 compensated for by a monetary award, and (v) in addition to all other remedies available in law
12 or in equity, Lessee shall be entitled to the remedy of a temporary restraining order, preliminary
13 injunction or such other form of injunctive or equitable relief as may be issued by a court of
14 competent jurisdiction to restrain or enjoin Lessor and its Affiliates from breaching the provisions
15 of this Paragraph or otherwise to specifically enforce the provisions of this Paragraph. Lessor
16 covenants to cause its Affiliates (including the Foundation) to comply with the restrictions set forth
17 herein and to confirm the same to Lessee upon request.