

WRAP AROUND AGREEMENT

This Wrap Around Agreement ("Agreement") is by and among Eden Township Healthcare District, a California local health care district (the "District" or "Buyer"), Triad Hospitals, Inc., a Delaware corporation ("Triad"), its wholly owned subsidiary, San Leandro Hospital, L.P., a Delaware limited partnership ("SLH" or "Seller"), Sutter Health, a California nonprofit public benefit corporation ("Sutter Health"), and its affiliate, Eden Medical Center, a California nonprofit public benefit corporation ("EMC"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them under the Sale Agreement (defined below).

RECITALS

A. SLH owns and operates the general acute care hospital commonly known as San Leandro Hospital in San Leandro, California ("Hospital");

B. District is acquiring the Hospital from SLH pursuant to the terms of the Asset Sale Agreement between the District and SLH dated May 25, 2004 ("Sale Agreement"), concurrently executed herewith;

C. District will lease the Hospital to EMC pursuant to the terms of the Lease and Hospital Operations Agreement between District and EMC dated May 25, 2004 ("Lease"), concurrently executed herewith;

D. The parties acknowledge that District is acquiring Hospital for EMC to lease and operate the Hospital;

E. The parties acknowledge that SLH and District would not have entered into the Sale Agreement, without receiving the promises and obligations of the parties hereto and execution of this Agreement by the parties. District, EMC and Sutter Health acknowledge that District and EMC would not have entered into the Lease without receiving the promises and obligations of the parties hereto and execution of this Agreement by the parties;

F. The parties wish to set forth their respective rights and obligations with regard to the Sale Agreement;

G. The parties also wish to obligate Sutter Health to defend specified legal actions brought against SLH, EMC, Sutter Health or District.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1. RIGHTS AND RESPONSIBILITIES OF THE PARTIES WITH REGARD TO THE SALE AGREEMENT

1.01. Certain of Sale Agreement Extends to EMC. The parties acknowledge and agree that SLH is selling and District is acquiring the Hospital for EMC to lease and operate the Hospital pursuant to the Lease. The parties also acknowledge and agree that District shall pay the Purchase Price under the Sale Agreement, and that EMC, as lessee of the Hospital under the terms of the Lease, shall have no obligation to pay such Purchase Price.

A. Benefits, Obligations, Rights and Remedies. Except for the obligation to pay the Purchase Price or as otherwise specifically stated in this Agreement, the parties agree that EMC, as lessee of the Hospital under the terms of the Lease, shall enjoy the benefits and those burdens set forth in Section 1.02 and defined as "Obligations" in this Agreement and all rights and remedies afforded to District under the Sale Agreement shall also be afforded to EMC as if EMC were a party to the Sale Agreement.

B. No Relief of Liability and Rights of Action. This Agreement is not intended to and does not relieve the District of any liability or obligation it has to Seller under the Sale Agreement. Seller or Triad may bring or defend legal or other actions concerning the enforcement of its rights and remedies under this Agreement in its own name and need not name the other as a party to enforce such rights and remedies.

C. Performance of Obligations of Seller to District. The satisfaction of any obligation or liability owed by Seller to the District by Seller shall discharge such obligation or liability with respect to EMC and Sutter Health under this Agreement or the Sale Agreement.

D. All Defenses and Counterclaims. Any defense to any action or claim or any counterclaim that the Seller or Triad may have with respect to the District may be asserted in full against EMC or Sutter Health in any action brought by EMC or Sutter Health against either Seller or Triad, or against both, and shall to the extent such claim, defense or counterclaim is valid, discharge or offset any action or claim brought by EMC or Sutter Health under this Agreement. Without limiting the foregoing, the Disclosures, Supplemental Disclosures and warranty exceptions under the Sales Agreement shall be deemed to have been made to each of the District, Sutter Health and EMC and each shall be deemed to have knowledge of such matters and the documents delivered at Closing.

1.02. Sutter Health's Guaranty of Certain Provisions of Sale Agreement and Provider Transfer Agreement. SLH and Triad seek assurances that, during the term of the Lease or ownership of the Hospital by EMC, EMC will perform the following obligations of District under the Sale Agreement and EMC will perform its obligations under the Provider Transfer Agreement (defined below) (individually, and "Obligation," and collectively, "Obligations"):

A. District's obligation to assume specified obligations as set forth in Paragraph 2.1 of the Sale Agreement and the last paragraph of Paragraph 2.2 of the Sale Agreement.

B. District's obligation with respect to the Final Closing Statement under Paragraphs 3.6 and 3.7 of the Sale Agreement;

C. District's obligation with respect to the Paragraphs captioned Buyer's Efforts to Close, Further Documentation or Action, Preservation of and Access to Records, Litigation Cooperation, Confidentiality, Excluded Assets and Patient Receivables, Cost Report Notices and Buyer Assistance, Retained Rights and Obligations, Other Benefits, Medical Staff Applications as set forth in Paragraphs 8.2, 14.1, 14.2, 14.3, 14.4, 14.6, 14.7, 14.8, 14.9(b), 14.10(b), 14.12, respectively, of the Sale Agreement, and as set forth in Paragraph 14.3 to cooperate in litigation;

D. District's obligations regarding SLH's employees and Hired Employees as set forth in Paragraph 13 of the Sale Agreement;

E. District's obligation to maintain the general acute care license, basic emergency and medical surgical services at the Hospital or through consolidation or relocation of certain services with EMC as set forth in Paragraph 14.14, and the indemnification obligation of Buyer to operate under certain permits of Seller under Paragraph 14.15 of the Sale Agreement;

F. District's indemnity under Paragraph 7.4(c) of the Sales Agreement whether such arising from Buyer, EMC or Sutter Health's acts and the relief afforded Seller under Paragraph 8.1 of the Sale Agreement should EMC or Sutter Health enter into the agreement, understandings or assumptions contemplated thereunder on behalf of Buyer;

G. District's obligation to indemnify SLH as set forth in Paragraph 16.2 in compliance with Paragraphs 16.3 and 16.4 of the Sale Agreement and subject to the limitation set forth in Paragraph 16.5; and

H. EMC's obligations under the Agreement Regarding Use of Medicare and Medi-Cal Provider Numbers, Medicare and Other Payors Provider Agreements and Pharmacy License entered into contemporaneously herewith by EMC and SLH (the "Provider Transfer Agreement")

Sutter Health hereby absolutely, irrevocably and unconditionally guarantees to each of SLH and Triad the full and faithful performance of all of the terms, covenants, conditions and agreements of the Obligations to be performed by District (or EMC pursuant to the terms of this Agreement) during the term of the Lease or by EMC, as owner of the Hospital. SLH and Triad hereby agree to accept delegation of performance by the District to EMC as performance by District, and performance by District as performance by EMC. If the District (or EMC) fails to perform any such delegation or Obligation due to SLH within the time required therefore under the Sale

Agreement, EMC or Sutter Health shall perform such obligation upon SLH's demand. This guaranty is an absolute guarantee of performance. The liability of Sutter Health hereunder is and shall be direct and unconditional. The obligations of Sutter Health hereunder are independent of and separate from the obligations of District.

1.03. Sale Agreement Extends to Triad. It is anticipated that SLH shall cease doing business in California effective the Closing Date, and by virtue of the Closing, shall dispose of all or substantially all of its assets. The parties acknowledge that Triad would be the successor to SLH should SLH wind up and dissolve.

A. Benefits, Burdens, Rights and Remedies. Consequently, the parties agree that Triad shall enjoy the benefits and burdens of the Sale Agreement to the extent such Sale Agreement applies to SLH, and all rights and remedies afforded to SLH under the Sale Agreement shall also be afforded to Triad as if Triad were a party to the Sale Agreement.

B. No Relief of Liability and Rights of Action. This Agreement is not intended to and does not relieve Seller of any liability or obligation it has to Buyer under the Sale Agreement. District, EMC or Sutter Health may bring or defend legal or other actions concerning the enforcement of its rights and remedies under this Agreement in its own name and need not name the other as a party to enforce such rights and remedies.

C. Performance of Obligations of District or EMC to Seller or Triad. The satisfaction of any obligation or liability owned by District or EMC to Seller or Triad shall discharge such obligation or liability with respect to Seller and Triad under this Agreement or the Sale Agreement.

D. All Defenses and Counterclaims. Any defense to any action or claim or any counterclaim that the District or EMC may have with respect to the Seller may be asserted in full against the Seller or Triad in any action brought by the Seller or Triad against any of the District, EMC, Sutter Health, or all of them, and shall to the extent such claim, defense or counterclaim is valid, discharge or offset any action or claim brought by the Seller or Triad under this Agreement. Without limiting the foregoing, the Disclosures, Supplemental Disclosures and warranty exceptions under the Sales Agreement shall be deemed to have been made to each of the Seller and Triad and each shall be deemed to have knowledge of such matters and the documents delivered at Closing.

1.04. Triad's Guaranty of Sale Agreement and Provider Transfer Agreement. District, EMC and Sutter Health seek Triad's guaranty of SLH's performance under the terms of the Sale Agreement pursuant to the terms of this Agreement and SLH's performance under the terms of the Provider Transfer Agreement pursuant to the terms of this Agreement. Triad hereby absolutely, irrevocably and unconditionally guarantees to each of District, EMC and Sutter Health the full and faithful performance of all of the terms, covenants, conditions and agreements

contained in the Sale Agreement and the Provider Transfer Agreement to be performed by SLH, the truthfulness of all representations and warranties made by SLH in the Sale Agreement during the term of the Lease or ownership of the Hospital by EMC. District and EMC hereby agree to accept delegation of performance by SLH to Triad as performance by SLH. If SLH fails to perform any such delegation or obligation due to District (or EMC pursuant to the terms of the Sale Agreement or this Agreement) within the time required therefore under the Sale Agreement, Triad shall perform such obligation upon District's or EMC's demand. This guaranty is an absolute guarantee of performance. The liability of Triad hereunder is and shall be direct and unconditional. The obligations of Triad hereunder are independent of and separate from the obligations of SLH.

1.05. Termination or Amendment of Triad's and EMC's Guarantees. EMC's and Triad's guarantees pursuant to the terms of Sections 1.02 and 1.04 respectively (individually, a "Guaranty," and collectively, "Guarantees") shall be discharged and satisfied, and EMC and Triad (individually, a "Guarantor," and collectively, "Guarantors") shall be relieved of any and all further obligations under Sections 1.02 and 1.04 respectively, upon full performance of the terms guaranteed. It is specifically agreed and understood that the terms of the Sale Agreement may be altered, affected, modified or changed by agreement between SLH and District, or by a course of conduct, and the Sale Agreement may be assigned by SLH in accordance with the terms of the Sale Agreement, and that these Guarantees shall thereupon and thereafter guarantee the performance and other obligations arising under the Sale Agreement as so changed, modified, altered or assigned.

1.06. Waivers by Guarantors. These Guarantees shall not be released, modified or affected by failure or delay on the part of a party to the Sale Agreement to enforce any of the rights or remedies of the Sale Agreement pursuant to the Sale Agreement. Without limiting the generality of the foregoing, each Guarantor hereby waives any defenses or benefits that may be derived or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms of the Guaranty applicable to each Guarantor, including without limitation, the provisions of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2846, 2847, 2848, 2849, 2850, 2855, 2899 and 3433. In addition, each Guarantor hereby waives (a) notice of acceptance of this Guarantee, (b) demand of payment, presentation and protest, (c) any right to require a party hereto to proceed against other party hereto or any other person or entity liable to a party, and (d) any right to require a party to proceed under any other remedy a party may have before proceeding against a Guarantor. No notice of default need be given to a Guarantor except as may be required under the Sale Agreement, it being specifically agreed and understood that the Guaranty of each Guarantor is a continuing guarantee under which the party to whom the Guaranty is made may proceed forthwith and immediately against

the party obligated under the Sale Agreement or against the appropriate Guarantor following any breach or default by such party or for the enforcement of any rights which a party under the Sale Agreement may have against the other party pursuant to or under the terms of the Sale Agreement or at law or in equity.

1.07. Further Assurances. So long as any obligations guaranteed hereby shall remain unsatisfied, Guarantors will execute, acknowledge, deliver, file, notarize and register at their own expense all such further agreements, instruments, certificates, documents and assurances and perform such acts as the other parties shall deem reasonably necessary or appropriate to effectuate the purposes of each of these Guarantees, and promptly provide such party with evidence of the foregoing satisfactory in form and substance to it.

1.08. Actions. The obligations of each individual Guarantor hereunder are independent obligations of such Guarantors and, in the event of any default under the Sale Agreement, a separate action or actions may be brought and prosecuted against the applicable Guarantor, whether or any other party is joined therein or a separate action or actions are brought against Guarantor. These Guarantees may be enforced by an action against the applicable Guarantor, without the necessity of joining in such action any other guarantor of the obligations of Guarantor guaranteed hereby. A party's rights hereunder shall not be exhausted by exercise of any of the rights or remedies of any party or by any such action or by any number of successive actions until and unless all obligations, the performance of which are hereby guaranteed, have been fully performed.

1.09. Representation by Legal Counsel. The parties acknowledge that they have each been represented by legal counsel and have had the opportunity to review and comment upon the Guarantees. Accordingly, any rule of law, including but not limited to Section 1654 of the California Civil Code, or any legal decision that would require interpretation of any claimed ambiguities in these Guarantees against the party that drafted it has no application and is expressly waived.

ARTICLE 2. DUTY TO DEFEND

2.01. Sutter Health's Duty to Defend. If any claim or cause of action is brought challenging District's ability to purchase the Assets (exclusive of the payment of the Purchase Price) or consummate the Lease with EMC (an "Action"):

A. Sutter Health shall defend itself, EMC and District, if any are named as parties in such Action, at Sutter Health's sole cost and expense;

B. Sutter Health shall defend SLH if it is a named party in any such Action; provided, however, that Sutter Health's obligations under this Section 2.01 shall cease upon the date that a court with competent jurisdiction enters a denial or issuance of a preliminary injunction; and

C. Sutter Health shall reimburse SLH or Triad for expenses incurred by SLH or Triad for the actual and reasonable costs of outside legal counsel not-of-record in such Action, which legal counsel has been retained by SLH or Triad to advise SLH or Triad with respect to such Action; provided, however, that such reimbursement shall not exceed Thirty Thousand Dollars (\$30,000) in total.

In providing the defenses under this Section 2.01, Sutter Health shall hire and control lead counsel regarding the Action.

2.02. Duty to Contest Legal Challenge. Sutter Health, EMC and District shall be obligated to vigorously contest any Action that would otherwise preclude consummation of the purchase of the Assets or the Lease with EMC; provided; however, that Sutter Health's, EMC's and District's duties under this Section 2.02 shall cease upon the date a court with competent jurisdiction enters a denial or issuance of a preliminary injunction. Nothing herein shall obligate Sutter Health, EMC or District to appeal to the Court of Appeals any adverse trial court decision enjoining the proposed purchase and/or Lease.

2.03. Cooperation by the Parties. Upon a party's reasonable request, the parties shall execute and deliver all documents, make all truthful oaths, testify in any legal or administrative proceedings and do all other acts that may be reasonably necessary or desirable in the opinion of the parties to consummate the transactions contemplated in the Sale Agreement and this Agreement, all without further consideration, except as set forth in Section 2.01.

ARTICLE 3. EFFECTIVE DATE AND TERMINATION

3.01. Effective Date. This Agreement shall be effective as of the date of execution by all the parties.

3.02. Termination. This Agreement shall automatically terminate upon the termination of the Sale Agreement. Notwithstanding the foregoing, the provisions of Article 11 regarding the duty to defend shall be effective the later of the termination of the Sale Agreement or upon the date that a court with competent jurisdiction enters a denial or issuance of a preliminary injunction with regard to an Action.

ARTICLE 4. GENERAL PROVISIONS

4.01. Dispute Resolution.

A. Procedures. The parties shall use their best good faith efforts to resolve disputes under this Agreement quickly and in an informal, professional and business-like manner. If the parties are unable to resolve such dispute, the parties shall comply with the following procedures:

1. Meet and Confer. The parties agree to meet and confer on any issue that is the subject of a dispute under a specific term of this Agreement ("Meet and

Confer"), as a condition precedent to the mediation and arbitration provisions of subsections 2 and 3 of this Section 4.01. Any ambiguity or uncertainty as to whether a dispute is subject to the procedures set forth in this Section 4.01 shall be resolved in favor of the application of these provisions. The party seeking to initiate the Meet and Confer procedures ("**Initiating Party**") shall give written notice to the other party, describing in general terms the nature of the dispute, the Initiating Party's position and a summary of the evidence and arguments supporting its position and identifying one or more individuals with authority to settle the dispute on such party's behalf. (The individuals so designated by a party shall be known as the "**Authorized Individuals**.")

The party receiving such notice (the "**Responding Party**") shall have ten (10) business days within which to respond. The response shall be in writing, shall include the Responding Party's position, a summary of the evidence and arguments supporting its position and shall also identify one or more Authorized Individuals with authority to settle the dispute on such party's behalf. The Authorized Individuals for the parties shall meet at a mutually acceptable time and place within thirty (30) days of the Initiating Party's notice and thereafter as often as they deem reasonably necessary to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within sixty (60) days of the Initiating Party's notice, or if the Responding Party fails to timely provide its written response or will not meet within thirty (30) days, the parties shall submit the dispute to mediation in accordance with Section 4.01.A(2) and shall give the other party written notice that the matter is being submitted to mediation. All deadlines specified in this Meet and Confer provision may be extended by mutual agreement.

2. **Mediation.** Within ten (10) business days of the notice of submission to mediation, the parties shall agree upon a mediator. If the parties are unable to agree, a mediator shall be appointed by the American Arbitration Association, San Francisco office. In consultation with the mediator selected, the parties shall promptly designate a mutually convenient time and place for the mediation, such time to be no later than thirty (30) days after selection of the mediator. At the mediation, each party shall be represented by persons with authority to negotiate a resolution of the dispute and may be represented by counsel. The mediator shall determine the format for the meetings. The mediation session shall be private. The fees and expenses of the mediator shall be borne equally by the parties. The entire mediation process shall be confidential and the privileges and protection of Evidence Code Sections 1115 through 1128 shall apply. Prior to commencement of mediation, if requested by either party or mediator, the parties and the mediator shall execute a written confidentiality agreement. If, as the result of mediation, a voluntary settlement is reached and the parties agree that such settlement shall be reduced to writing, the mediator shall be deemed appointed and

constituted an arbitrator for the sole purpose of signing the mediated settlement agreement. Such agreement shall be, and have the same force and effect as, an arbitration award and judgment may be entered upon it in accordance with applicable law in any court in Alameda County, California.

3. Arbitration. If the parties cannot resolve a dispute after exhaustion of the Meet and Confer and the mediation procedures as set forth above, they shall submit it to binding arbitration in accordance with the then prevailing rules of the American Arbitration Association and judgment upon the award rendered may be entered and enforced in any court of competent jurisdiction in Alameda County, California. The arbitrator shall be knowledgeable in and familiar with health care delivery systems and managed care, shall have jurisdiction to resolve disputes only in accordance with the provisions and limitations of this Agreement, shall follow California and federal substantive rules of law to the extent applicable and not inconsistent with this Agreement, shall require the testimony be transcribed at the request of any party, and shall render a decision in writing accompanied by finding of facts and a statement of reasons for the decision. The decision of the arbitrator shall be final and non-appeasable. The place of arbitration shall be Alameda County, California.

B. Provisional Remedies; Survival. Notwithstanding the provisions of Section 4.01.A(3), each party shall have the right to seek provisional remedies from a court of competent jurisdiction in Sacramento, California, in accordance with Code of Civil Procedure Section 1281.8. The provisions of this Section 4.01.B shall survive the termination of this Agreement.

4.02. Notices. All notices and other communications hereunder shall be in writing, delivered either in person, by facsimile, by overnight air courier or by mail, and deemed given and effective (a) upon receipt if delivered in person or by facsimile calculated to arrive on any business day prior to 5:00 p.m. local time of the addressee, or on the next business day if delivered on a non-business day or after such time, (b) one business day after delivery for overnight delivery, or (c) three business days after deposit in the mails as certified or registered mail, 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 SLH or Triad, addressed to:

Triad Hospitals, Inc.
5800 Tennyson Parkway
Plano, TX 75024
EVP Acquisition and Development
Facsimile: (214) 473-9431

with a simultaneous copies to counsel for SLH:

Triad Hospitals, Inc.
5800 Tennyson Parkway
Plano, TX 75024
General Counsel
Facsimile: (214) 473-9431

and

Ervin, Cohen & Jessup, LLP
Attn: John A. Meyers, Esq.
9401 Wilshire Blvd., 9th Floor
Beverly Hills, CA 90212-2974
Facsimile: (310) 859-2325

If to EMC or Sutter Health, addressed to:

Eden Medical Center
20103 Lake Chabot Road
Castro Valley, CA 94546
Attn: George Bischalany, CEO
Facsimile: (510) 889-6506

with a simultaneous copy to counsel for EMC and Sutter Health:

Laurence W. Dempsey, Esq.
Assistant General Counsel
Sutter Health
1316 Celeste Drive, Suite 120
Modesto, CA 95355
Facsimile: (209) 569-7639

If to District, addressed to:

Eden Medical Center
20103 Lake Chabot Road
Castro Valley, CA 94546
Attn: Chief Executive Officer
Facsimile: (510) 889-6506

with a simultaneous copy to counsel for District:

Hooper, Lundy & Bookman, Inc.
180 Montgomery Street, suite 1000
San Francisco, CA 94104
Attn: Craig J. Cannizzo, Esq.
Facsimile: (415) 875-8519

4.03. Successors and Assigns. This Agreement shall not be assignable nor the duties delegable in whole or in part by any party without the written consent of the other; provided,

however, that either of Sutter Health or EMC may assign its duties, rights, remedies and benefits under this Agreement to an Affiliate.

4.04. Attorneys' Fees. Except as provided in Sections 1.09 and 2.01 of this Agreement, in any litigation or arbitration of disputes relating to this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorneys' fees.

4.05. Remedies Not Exclusive. Except as limited in this Agreement, no remedy under this Agreement excludes any other remedy, and each remedy shall be cumulative. Election of any remedy by a party shall not waive other permitted remedies.

4.06. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

4.07. Captions and Paragraph Headings. Captions and paragraph headings are used for convenience only and are not a part of this Agreement and shall not be used in construing it.

4.08. Entirety of Agreement; Amendments. This Agreement, and other documents and other instruments specifically referred to or provided for in this Agreement contain the entire understanding between the parties concerning the subject matter of this Agreement and all prior understandings and agreements. There are no representations, warranties, or agreements, not referred to herein or therein. This Agreement may be amended or modified only by an agreement in writing signed by all of the parties hereto.

4.09. Construction. This Agreement, and any other documents or instruments delivered pursuant hereto, shall be construed without regard to the identity of the person who drafted the various provisions of the same. This Agreement shall be construed as though the parties participated equally in the drafting of the same. Any rule of construction that a document is to be construed against the drafting party shall not be applicable.

4.10. Waiver. The failure of any party to insist, in any one or more instances, on performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights or of the future performance of any such term, covenant or condition. No waiver shall be valid unless in writing and signed by the waiving party or operational by the terms of this Agreement. A waiver by any party of the time for performing any act shall not constitute a waiver of the time for performing any other act or the time for performing an identical act required to be performed at a later time.

4.11. Severability. The provisions of this Agreement are severable, and if any one or more provisions is determined to be judicially unenforceable, in whole or in part, the remaining provisions and any partially unenforceable provisions, to the extent enforceable, shall nevertheless be binding upon and enforceable against the parties hereto.

4.12. Time is of the Essence. Time is of the essence with respect to this Agreement. Any action or performance due on a Saturday, Sunday or any legal holiday for banks in the jurisdiction in which such action or performance is due or where the party required to provide the same is located, shall automatically be extended until the end of the next business day.

4.13. Interest on Amounts Due. Any amount due from either party to the other which is not paid when due shall bear interest at a rate equal to the Bank of America prime rate as published by the Wall Street Journal or such other publication as the parties agree from time to time plus one percentage point.

4.14. Governing Law. This Agreement and each agreement, document or instrument related to this Agreement shall be construed and enforced in accordance with the laws of the State of California as applied between residents of that state entering into contracts to be performed wholly within such state.

4.15. Interpretation of Agreement. This Agreement has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein. In addition, each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purposes of the parties and this Agreement. If the terms of the Sale Agreement and this Agreement conflict with respect to the rights and duties of District or EMC, this Agreement shall control.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first written above.

SLH:

SAN LEANDRO HOSPITAL, L.P.
a Delaware limited partnership

By: *Daniel Moen*
Daniel Moen
Authorized Signatory

TRIAD:

TRIAD HOSPITALS, INC.
a Delaware corporation

By: *Daniel Moen*
Daniel Moen
Executive Vice President

DISTRICT:

EDEN TOWNSHIP HEALTHCARE DISTRICT
a California local health care district

By: _____
Name: _____
Title: _____

EMC:

EDEN MEDICAL CENTER
a California nonprofit public benefit corporation

By: _____
George Bischmaney
Chief Executive Officer

SUTTER HEALTH:

SUTTER HEALTH
a California nonprofit public benefit corporation

By: *Pat Fry*
Pat Fry
Chief Operating Officer and
Executive Vice President