GROUND LEASE

BETWEEN

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A
CENTRAL HEALTH

AND

THE 2033 LP

GROUND LEASE

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[To be inserted]

GROUND LEASE

THIS GROUND LEASE (this "**Lease**") is executed to be effective as of July ____, 2018 (the "**Commencement Date**"), between the **Travis County Healthcare District**, d/b/a/ Central Health ("**Landlord**"), and **The 2033 LP**, a Texas limited partnership ("**Tenant**").

RECITALS

A. Landlord is a political subdivision of the State of Texas, created in 2004 by a vote of the citizens of Travis County, Texas, and operating under the authority of Chapter 281 of the Texas Health and Safety Code. Landlord endeavors to provide medical aid and hospital care and to coordinate the delivery of health care services to eligible residents of the City of Austin and Travis County.

B. To finance said medical aid, hospital care, and other health care services, Landlord, as landlord, desires to lease to Tenant, as tenant, those two (2) parcels of real property located in Austin, Travis County, Texas and further described in **Exhibit A** attached hereto and incorporated herein (the "**Land**"), as the same may be amended and adjusted in accordance with and pursuant to the terms of this Lease.

C. Tenant desires to lease the Land from Landlord.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby confirmed, the parties enter into this Lease upon the terms and conditions herein set forth.

ARTICLE I
DEFINITIONS

1.1. Defined Terms. In addition to the terms set forth above and elsewhere in this Lease, the following terms will have the following meanings in this Lease and any subsequent amendments to it:

"**Affiliate**" means any Person controlling, controlled by or under common control with any other Person. For the purposes of this definition, the term "control" when used with respect to any Person means the power to direct the management or policies of such Person, directly or indirectly, whether through the ownership of voting securities, by law, regulation, contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of this Lease, U.T. is deemed not to be an affiliate of Tenant.

"**As Is**" means (i), with respect to a tract or parcel of land, its current "as is", "where is" condition, with any and all faults and latent and patent defects, as of the Commencement Date; and (ii) with respect to any of the buildings or other improvements on the Land, their current "as is", "where is" condition, with any and all faults and latent and patent defects, as of the Commencement Date.

"**Bankruptcy Code**" means Title 11 U.S.C. § 101 *et seq.*, and the rules and regulations adopted and promulgated pursuant thereto (as the same may be amended from time to time).

"**Bankruptcy Event**" means (a) a petition for relief under applicable bankruptcy law is filed by Tenant, (b) an involuntary petition for relief is filed against Tenant under any applicable bankruptcy law and such petition is not dismissed within sixty (60) days after the filing thereof, or (c) an order for relief naming Tenant is entered under any applicable bankruptcy law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or hereafter existing is requested or consented to

by Tenant. A Bankruptcy Event may exist even if an Event of Default cannot be declared because of a Bankruptcy Event.

"**Base Rent**" is defined in Section 3.3.

"**Block 164**" means Block 164 of the Original City of Austin according to the map or plat thereof dated 1839, and titled "Plan of the City of Austin" on file in the General Land Office of the State of Texas.

"**Block 165**" means Block 165 of the Original City of Austin according to the map or plat thereof dated 1839, and titled "Plan of the City of Austin" on file in the General Land Office of the State of Texas.

"**Block 164 Premises**" means that portion of the Property consisting of Block 164 of the Central Health Downtown Campus and additional land that may be added to Block 164 as shown and described on **Exhibit A-1** attached hereto.

"**Block 164 Improvements**" means the existing Professional Office Building (being the existing building commonly referred to by Landlord as the Professional Office Building and containing approximately 43,000 square feet) and other existing physical building and site structures on Block 164 or Block 164 Premises as applicable.

"**Block 167**" means Block 167 of the Original City of Austin according to the map or plat thereof dated 1839, and titled "Plan of the City of Austin" on file in the General Land Office of the State of Texas.

"**Block 167 Premises**" means that portion of the Property consisting of Block 167, save and except approximately the south thirty feet (30') shown in **Exhibit A-2**, and additional land that may be added to Block 167 as the same may be adjusted and amended as provided in Section 3.5 below and any other provision of this Lease.

"**Block 165/167 Improvements**" means the existing north wing of the former University Medical Center Brackenridge Hospital ("**UMCB**") and the former UMCB hospital tower (containing approximately 224,373 square feet, as shown in Schedule 1 attached hereto) and other existing physical building and site structures on Block 167, Block 165, and the land lying between Block 167 and Block 165 (being the former right-of-way of East 14th Street).

"**Block 168 Parking Garage**" means the parking garage located on Block 168 in the Central Health Downtown Campus and subject to the Garage Lease.

"**Business Day**" means any day other than a Saturday, Sunday, federally-observed bank holiday, State of Texas holiday, or the Friday after Thanksgiving Day.

"**Casualty**" as defined in Section 13.1.

"**Central Health Downtown Campus**" means that certain real property owned by Landlord and consisting of all or parts of Blocks 164, 165, 166, 167, 168, and the Original Hospital Block of the Original City of Austin according to the map or plat thereof dated 1839, and titled "Plan of the City of Austin" on file in the General Land Office of the State of Texas, such real property being more particularly depicted in **Exhibit B** attached hereto. Each of the blocks (*e.g.*, Block 164, Block 168, the Original Hospital Block) may be referred to in this Lease by their number or name.

"**CHDC Common Areas**" means open space, sidewalks, landscape areas, and other public open spaces and common areas that may be accessed by and used by all owners and ground tenants of land in the Central Health Downtown Campus, including without limitation Tenant, UT System, and U.T., the Tenant Parties, and the Subtenants, employees, students, licensees, and invitees of all such owners, ground tenants, and Subtenants, and except as otherwise restricted, the general public.

"**City**" means the City of Austin, Texas.

"**Claims**" as defined in Section 10.6.

"**Commencement Date**" as defined in the introductory paragraph hereof.

"**Completion of Construction**" means the day on which all of the following have been satisfied: (a) New Improvements have been substantially completed in accordance with the final project documents approved by the City (excluding interior buildout for Rentable Space); and (b) all Governmental Authorities having jurisdiction have issued temporary or final certificates of occupancy for the Shell Improvements. Completion of Construction shall be applicable to each separate Project Component to be constructed on either the Block 164 Premises or the Block 167 Premises.

"**Construction Financing**" as defined in Section 16.2.

"**Default**" as defined in Section 17.1.

"**Delinquency Interest Rate**" means a per annum rate of interest equal to the lesser of (a) twelve percent (12%) or (b) the then highest lawful contract rate that Tenant is authorized to pay, and Landlord is authorized to charge, under the laws of the State of Texas with respect to the relevant obligation.

"**End User**" means a Person (not an Affiliate of Tenant) that occupies Rentable Space primarily to conduct its business with the general public (as opposed to a Person that holds Rentable Space to lease to other Persons).

"**Entitlements**" mean plats, zoning, site development permits, contributions and fees, building permits and any other permits and approvals (or any modifications of the foregoing) from the City and any other Governmental Authorities or other Persons under Legal Requirements that are required in connection with the development of a Project as reflected in the final project documents approved by the City.

"**Environmental Assessments**" means that certain Phase I Environmental Site Assessment dated June 17, 2017, performed by Intera Geoscience & Engineering Solutions (Intera Incorporated) under City of Austin Contract No. MA 6100 SA150000006; that certain Limited Phase II Environmental Site Assessment, dated April 17, 2018, performed by Baer Engineering & Environmental Consulting, Inc., Baer Document No. 172039-8i.060; and the Hazardous Materials Survey Report dated June 15, 2018, performed by Enercon Services, Inc.

"**Environmental Claim**" means, but is not limited to, any claim, demand, action, cause of action, suit, proceeding, fine, penalty, or judgment, which is threatened, sought, brought, or imposed by a person with proper standing, that seeks to impose costs or liabilities for: (a) pollution or contamination of the air, surface water, groundwater or soil with Hazardous Materials; (b) solid, gaseous, or liquid waste generation, handling, treatment, storage, disposal, or transportation of Hazardous Materials; (c) exposure to Hazardous Materials; (d) the generation, handling, treatment, transportation, manufacture, processing, distribution in commerce, use, storage or disposal of Hazardous Materials; (e) injury to or death of any Persons directly

or indirectly connected with Hazardous Materials and directly or indirectly related to the Property; (f) destruction or contamination of any property directly or indirectly in connection with Hazardous Materials; (g) any and all penalties directly or indirectly connected with Hazardous Materials; (h) the costs of removal of any and all Hazardous Materials from all or any portion of the Property; (i) costs required to take necessary precautions to protect against the release of Hazardous Materials at, on, in, about, under, within, near or in connection with the Property in or into the air, soil, surface water, groundwater, or soil vapor, any public domain, or any surrounding areas; (j) costs incurred to comply, in connection with all or any portion of the Property, with all Legal Requirements with respect to Hazardous Materials; (k) the costs of site investigation, response, and remediation of any and all Hazardous Materials at, on, about, under, within, or in all or any portion of the Property; or (l) any asserted or actual breach or violation of any Legal Requirements with respect to Hazardous Materials.

"**Environmental Costs**" mean all liabilities (including strict liabilities), losses, costs, damages, expenses, attorneys' fees, experts' fees, consultants' fees and disbursements of any kind or of any nature whatsoever arising from or related to a valid Environmental Claim. For the purposes of this definition, such losses, costs and damages will include, without limitation, remedial, removal, response, abatement, cleanup, legal, investigative and monitoring costs and related costs, expenses, actual losses, damages, penalties, fines, obligations, defenses, judgments, suits, forfeitures, proceedings and disbursements.

"**Escrow Agent**" as defined in Section 13.4.

"**Event of Default**" as defined in Section 17.1.

"**Existing Hazardous Materials**" means the Hazardous Materials currently existing, as of the Commencement Date, at, in, on, under or about the Property as identified by the Environmental Assessments.

"**Existing Improvements**" means both the Block 164 Improvements and the Block 165/167 Improvements.

"**Fee Estate**" means Landlord's interest in the Property and this Lease.

"**Fee Estate Percentage**" as defined in Section 14.9(b).

"**Fee Mortgage**" means a deed of trust or mortgage executed by Landlord covering the fee title to the tract or parcel of land comprising the Property.

"**Fee Mortgagee**" means holder of a Fee Mortgage.

"**Financing**" as defined in Section 16.2.

"**Force Majeure**" as defined in Section 22.20.

"**Garage Lease**" means that certain Parking Garage Lease Agreement dated December 15, 2017, by and between Landlord and Seton Family of Hospitals, a Texas nonprofit corporation, as amended from time to time.

"**Governmental Authority**" means any and all courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for any governmental unit (federal, state, county, district, municipal, city, quasi-governmental or otherwise) whether now or hereafter in existence.

"**Hazardous Materials**" mean any substance that is now or hereafter defined or listed in, or otherwise classified pursuant to, any Legal Requirements or common law, as "hazardous substance", "hazardous material", "hazardous waste", "acutely hazardous", "extremely hazardous waste", "infectious waste", "toxic substance", "toxic pollutant", or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity, including any petroleum, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) or derivatives thereof. "**Hazardous Materials**" also include, without limitation, those substances listed in the United States Department of Transportation Table (49 CFR § 172.101, as amended).

"**Improvements**" mean any structures or building improvements now existing (*e.g.*, Existing Improvements) or hereafter erected or situated on the Land (*e.g.*, New Improvements), including, without limitation, the foundations and footings thereof and any and all permanent fixtures, equipment and machinery of every kind and nature whatsoever owned by Tenant and now or hereafter wholly incorporated into, affixed or attached thereto (but excluding Tenant Removables).

"**Indemnitee**" as defined in Section 10.6.

"**Indemnity Proceedings**" as defined in Section 10.7.

"**Initial New Projects**" means new vertical building improvements intended for long-term and permanent use constructed by Tenant on the Land in replacement of any Existing Improvements, but excludes any future redevelopment on the Land after completion of the Initial New Projects or Project Components.

"**Initial Prohibited Uses**" means the Prohibited Uses which are listed in **Exhibit C**.

"**Inspection Period**" as defined in Section 3.14.

"**Landlord's Permitted Discretion**" as defined in Section 22.15.

"**Landlord Representative**" as defined in Section 11.1.

"**Lease Year**" means (a) the period that commences with the first Rent Commencement Date and ends on December 31, 2019, and (b) thereafter, each successive twelve (12) full calendar month period commencing on January 1 and ending on December 31 of the applicable calendar year (but if this Lease is terminated early pursuant to the terms hereof, then the last Lease Year will end on the date of termination of this Lease).

"**Leasehold Estate**" means Tenant's interest in the Property, this Lease, and Subleases.

"**Leasehold Estate Percentage**" as defined in Section 14.9(b).

"**Leasehold Financing Documents**" as defined in Section 16.3.

"**Leasehold Mortgage**" means any mortgage, deed of trust, financing lease, indenture, trust agreement, reimbursement agreement, certificate of participation, collateral assignment or other agreement or instrument creating or evidencing a security interest in, encumbrance upon, or lien against Leasehold Estate, whether as security for the repayment of a loan or the performance of an obligation in order to

finance or refinance, directly or indirectly, any costs of Tenant incurred in connection with Tenant's obligations under this Lease.

"**Leasehold Mortgagee**" means the mortgagee or beneficiary of any Leasehold Mortgage.

"**Legal Requirements**" means the Entitlements and all other applicable title encumbrances, any requirements imposed under service extension requests, zoning ordinances, and building codes, as well as health, safety, environmental, and natural resource protection laws, and all other applicable federal, state, and local laws, statutes, ordinances, rules, design criteria, regulations, orders, determinations, and court decisions applicable to either Landlord or Tenant.

"**Memorandum of Lease**" as defined in Section 22.17.

"**Modifications**" as defined in Section 5.1.

"**New Improvements**" means new vertical building improvements constructed by Tenant on the Land in replacement of any Existing Improvements (the Initial New Projects), but shall exclude (i) interior buildout or storefront improvements constructed by or on behalf of any Subtenant or End User in any Existing Improvements and (ii) any subsequent improvements or remodels of New Improvements.

"**New Lease**" as defined in Section 16.3(l).

"**Notice of Lien**" as defined in Section 17.6.

"**Pedestrian Bridge**" means the existing walkway extending from the Block 168 Parking Garage and connecting to the Block 165/167 Improvements.

"**Permanent Financing**" as defined in Section 16.2.

"**Permitted Uses**" means any approved use of the Land pursuant to City zoning regulations applicable to a "P" (Public) District or that may be obtained by means of any subsequent rezoning and/or zoning overlay of the Central Health Downtown Campus, but shall not include any Initial Prohibited Uses. Permitted Uses shall expressly include traditional office, medical office, clinical, research, education (including administrative offices), multi-family, hotel, retail, restaurant, neighborhood services, and other uses compatible with mixed-use development, as permitted and/or required under City zoning regulations and other ordinances.

"**Person**" means an individual, corporation, partnership, limited liability company, unincorporated organization, association, joint stock company, joint venture, trust, estate, real estate investment trust, Governmental Authority or other entity, whether acting in an individual, fiduciary or other capacity.

"**Personal Property**" means any and all furniture, equipment, apparatus, removable fixtures and other similar personal property and any and all renewals, replacements or additions to and substitutions therefor owned by Tenant or a Tenant Party and located in, attached or affixed to and used in connection with the Improvements or the operation thereof.

"**Prohibited Transferee**" means a Person that (a) has or any of its Affiliates have been indicted or convicted of, or pled guilty or no contest to, a felony; (b) has or any of its Affiliates have been indicted or convicted of, or pled guilty or no contest to, any matters under The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Orders or regulations promulgated thereunder (including regulations

administered by the Office of Foreign Assets Control ["**OFAC**"] of the U.S. Department of the Treasury and the Specially Designated Nationals List maintained by OFAC), the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) (the "**Patriot Act**"), and all other statutes and all orders, rules and regulations of the United States government and its various executive departments, agencies, and offices related to the subject matter of the Patriot Act or administered by OFAC (or their respective successors); (c) is prohibited from entering into a contract with Landlord under Section 2270.002 of the Texas Government Code; and (d) has been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy or debarment proceeding under 41 C.F.R. Part 105-68.

"**Prohibited Uses**" means those uses that, in Landlord's reasonable judgment, detract from or conflict with Landlord's healthcare and wellness mission as defined by statute. Other than the Initial Prohibited Uses, in no event will any expressly stated Permitted Use ever be deemed to be a Prohibited Use.

"**Project**" means renovation or repurposing of any Existing Improvements or obtaining Entitlements for and the construction of New Improvements on any portion of the Land. A "Project" may include more than one renovation of existing Improvements or construction of New Improvements, and may be phased.

"**Project Component**" means each separate and distinct component of any Project constituting New Improvements. If New Improvements are comprised of two (2) or more different buildings or interconnected buildings constructed in two or more different phases, then those buildings or sections of buildings would each constitute a Project Component.

"**Project Design Documents**" means all of the drawings, plans, specifications, contracts and related items that define and describe the design and construction of the New Improvements, or the renovation of Existing Improvements, including, without limitation, construction documents, related design contracts, all construction and fit-out contracts, and similar documents and information.

"**Project Standards**" means the design, construction, operation, maintenance and other standards applicable to a Project as generally defined in **Exhibit D**. Project Standards may be revised as agreed between Landlord and Tenant.

"**Property**" means the Land and the Improvements.

"**Public Improvements**" mean improvements to be funded, facilitated, and/or constructed by Tenant as part of or in support of a Project that are not located on the Land but that are necessary for or benefit a Project or a future project performed by Landlord or its successor or assign on the Central Health Downtown Campus.

"**Real Property Records**" means the Official Public Records of Travis County, Texas.

"**Registered Leasehold Mortgagee**" as defined in Section 16.3(a).

"**Rent**" as defined in Section 3.2.

"**Rent Commencement Date**" means the date defined in Section 3.4, as applicable to the Block 164 Premises and/or the Block 167 Premises.

"**Rentable Space**" means all space in the Improvements intended to be leased to Subtenants or End Users.

"**Retainage**" as defined in Section 13.4(b).

"**Shell Improvements**" means the commercial standard of "core and shell" including, without limitation, building structure and common use elements and exterior enclosure of the building allowing environmentally protected advancement of tenant finish-out construction.

"**Subleases**" mean all written leases, subleases, rental agreements, licenses, concessions, occupancies and other agreements or arrangements granted to Subtenants for the use or occupancy of all or any portion of the Property.

"**Subtenant**" means any subtenant, licensee, concessionaire, occupant or user (other than Tenant) of the Property, claiming by, through, or under Tenant (or another Subtenant, *e.g.*, UT System).

"**Taxes**" mean all taxes including, without limitation, gross receipts or similar taxes and any taxes payable pursuant to V.T.C.A., Tax Code, Section 171.001, *et seq.*, as such statute may be amended or recodified from time to time, assessments, levies, imposts, excises, fees, fines, penalties and all other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, which are during the Term imposed or levied upon, assessed against or measured by (a) the Land, (b) the Improvements, (c) any Rent or other sums payable by Tenant hereunder, (d) this Lease, (e) the Leasehold Estate or (f) which arises in respect of the development, operation, occupancy, possession, or use of the Property. Notwithstanding the foregoing, Taxes shall not include estate, inheritance, gross receipts, margins, franchise, transfer, or income tax of Landlord, if any; provided, however, (i) if at any time during the Term of this Lease the method of taxation shall be changed such that there shall be levied, assessed, or imposed on Landlord a capital levy or other tax directly on the Rents or other sums received hereunder, or upon the value of the Property or any present or future Improvements on the Land, then all such taxes, levies, or charges or the part thereof so measured or based shall be considered to be Taxes, and (ii) for the avoidance of doubt, Taxes shall include gross receipts or similar taxes and any taxes payable pursuant to V.T.C.A., Tax Code, Section 171.001, *et seq.*, as such statute may be amended or recodified from time to time.

"**Tenant Party**" and "**Tenant Parties**" mean, individually and collectively, Tenant, Subtenants, and their respective directors, managers, officers, employees, agents, attorneys, consultants, customers, visitors, invitees, licensees, contractors, concessionaires, successors and assignees.

"**Tenant Removables**" means any equipment or machinery installed by Tenant or any Subtenant in any Improvement that may be legally classified as a fixture but which Tenant or such Subtenant desires to remove at any time.

"**Tenant Representative**" as defined in Section 11.2.

"**Term**" as defined in Section 3.1.

"**Transfer**" means to sell, assign, convey, lease, sublease, mortgage, hypothecate, or otherwise alienate or encumber.

"**Transferee**" means any Person to whom a Transfer is made.

"**U.T.**" means The University of Texas at Austin, or, where applicable, the Board of Regents of the University of Texas System, for the use and benefit of The University of Texas at Austin.

"**UT 167 Sublease**" means a Sublease Agreement which may be executed by Tenant, as landlord, and the Board of Regents of The University of Texas System, for the use and benefit of The University of Texas at Austin, as tenant, pursuant to which the Block 167 Premises will be leased to U.T., subject to this Lease and its terms and conditions (as the same may be modified, amended, and/or restated from time to time).

"**UT Building Lease**" means one or more building lease agreements to be executed by and between Tenant, as landlord, and the Board of Regents of The University of Texas System, for the use and benefit of The University of Texas at Austin, as tenant, pursuant to which some or all of the Existing Improvements and/or New Improvements shall be leased to U.T., subject to this Lease and its terms and conditions (as the same may be modified, amended, and/or restated from time to time).

"**UT Sublease**" means the UT 167 Sublease and/or the UT Building Lease, as the context may require.

"**UT System**" means the Board of Regents of The University of Texas System or any Affiliate thereof, including without limitation The University of Texas at Austin.

"**Work**" as defined in Section 5.2.

1.2. Modification of Defined Terms. Unless the context clearly otherwise requires or unless otherwise expressly provided herein, the terms defined in this Lease which refer to a particular agreement, instrument or document also refer to and include all renewals, extensions, supplements, modifications, amendments and restatements of such agreement, instrument or document; provided that nothing contained in this Section 1.2 will be construed to authorize any such renewal, extension, supplement, modification, amendment or restatement.

1.3. References and Titles. All references in this Lease to exhibits, articles, paragraphs, subparagraphs, sections, subsections and other subdivisions refer to the exhibits, articles, paragraphs, subparagraphs, sections, subsections and other subdivisions of this Lease unless expressly provided otherwise. Titles appearing at the beginning of any articles, paragraphs, or other subdivisions are for convenience only and will be disregarded in construing the language contained in such articles, paragraphs, or other subdivisions. The words "this Lease", "herein", "hereof", "hereby", "hereunder", and words of similar import refer to this Lease as a whole and not to any particular subdivision unless expressly so limited. The phrases "this paragraph" and "this subparagraph" and similar phrases refer only to the paragraphs or subparagraphs hereof in which such phrases occur. The word "or" is not exclusive, and the word "including" (in its various forms) means "including without limitation". Pronouns in masculine, feminine and neuter genders will be construed to include any other gender, and words in the singular form will be construed to include the plural and vice versa, unless the context clearly otherwise requires. References to any constitutional, statutory, or regulatory provision means such provision as it exists on the Commencement Date and any future amendments thereto or successor provisions thereof.

1.4. Nature of Lease. As the Term of this Lease will span many generations, specific references herein (such as the names of streets, laws, and regulations) may cease to exist prior to the expiration or earlier termination hereof. It is the intent of Landlord and Tenant that, notwithstanding the fact that such references may no longer be correct, the spirit and intent of this Lease be given effect as close as possible with respect to the relevant affected term or provision hereof.

ARTICLE II
GROUND LEASE

2.1. Lease. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Property, together with all rights, privileges, easements and appurtenances belonging to or in any way appertaining to the Property.

2.2. Utilities Infrastructure. Landlord and Tenant acknowledge and agree that the easements and other rights and appurtenances may include utility tunnels, electric vaults, and other similar utilities infrastructure on and adjacent to the Central Health Downtown Campus (collectively, "**Utilities Infrastructure**"). To the extent such Utilities Infrastructure is shared and benefits both the Property and other land in the Central Health Downtown Campus, then the lease and rights granted herein are non-exclusive as to such Utilities Infrastructure. Notwithstanding the foregoing, (i) Landlord may decommission and remove its central plant facilities, and (ii) Landlord may remove or replace any Utilities Infrastructure which exists as of the Commencement Date on other parts of the Central Health Downtown Campus (that is, not on the Land) and which Tenant has notified Landlord is not being utilized or is unnecessary for the use and operation of the Block 164 Premises and/or the Block 167 Premises and the Projects to be constructed and operated thereon. If Landlord desires to remove or replace any Utilities Infrastructure under clause (ii) of the immediately preceding sentence, Landlord shall give written notice to Tenant thereof, and Tenant shall have thirty (30) days from its receipt thereof to notify Landlord of the use or intended use of such Utilities Infrastructure. If Tenant notifies Landlord of Tenant's use or intended use of such Utilities Infrastructure, then Landlord shall not remove or replace the same except to the extent reasonably agreed upon by Landlord and Tenant; if Tenant indicates that such Utilities Infrastructure are not used or intended to be used, or fails to respond in such 30-day period, then Landlord may proceed with such removal or replacement. Other Utilities Infrastructure and any Utilities Infrastructure which is installed or constructed after the Commencement Date and which is utilized or necessary for the use and operation of the Block 164 Premises and/or the Block 167 Premises and the Projects constructed and operated thereon will not be decommissioned or removed unless Landlord and Tenant agree on the timing and replacement of such Utilities Infrastructure so as to avoid any interruption of utility services to the Block 164 Premises and/or the Block 167 Premises and the Projects constructed and operated thereon

2.3. Reservations. Notwithstanding anything in this Lease to the contrary, upon reasonable prior notice (except in case of an emergency in which event notice will be provided to the extent the circumstances permit Landlord the ability to do so and in all cases promptly after such entry occurs if no prior notice is provided), and in all events subject to the rights of Subtenants under their respective Subleases and in a manner that minimizes interference with operations at the Property and risk of damage to the Improvements or personal injury, Landlord may enter the Property for the purpose of (i) examinations or inspections of the same (but with no obligation to undertake the same); (ii) making such repairs, or alterations therein as permitted by Landlord pursuant to the terms of this Lease (but with no obligation to undertake the same); and Tenant shall not be entitled to any abatement of Rent by reason thereof, nor shall such entry be deemed to be an actual or constructive eviction. If an Event of Default has occurred and is continuing, any inspection prompted by, or relating to, such Event of Default will be at the sole cost and expense of Tenant.

2.4. Ownership of Improvements and Public Improvements.

(a) The Improvements will be owned by Tenant or Subtenants during the Term. Upon termination of this Lease for any reason, the Improvements will become the property of Landlord without necessity of further action by Landlord, Tenant, Subtenant, any other Tenant Parties or any other Persons claiming by, through or under Tenant or any other Tenant Parties, subject to Section 12.1 below.

(b) All Improvements that are added to the Property, including, without limitation, New Improvements, will immediately become the property of (and title thereto will vest in) Landlord upon the expiration or earlier termination of this Lease, but will be deemed incorporated in the Property and subject to the terms of this Lease as if originally leased hereunder.

(c) All Personal Property and Tenant Removables shall be and remain the property of Tenant or a Subtenant, and the owner thereof shall be solely liable for and shall pay when due all costs, charges, payments, penalties, or other sums due with regard to such Personal Property and Tenant Removables, including, without limitation, any Taxes on the Personal Property or Tenant Removables.

(d) Public Improvements may be conveyed to the City or to another entity approved by Landlord, which approval will not be unreasonably withheld, conditioned, or delayed.

(e) Tenant and Landlord agree to cooperate in connection with the dedication of the New Red River to preserve rights such as underground parking, air rights, development rights, encroachment rights, and other entitlements.

2.5. Quiet Enjoyment. So long as no Event of Default exists, Landlord covenants to Tenant that Tenant shall lawfully and quietly hold, occupy, and enjoy the Block 164 Premises and the Block 167 Premises on and after the applicable Rent Commencement Date during the Term without hindrance or molestation by Landlord or any Person claiming by, through or under Landlord, except such portion of the Property, if any, as shall be taken under the power of eminent domain, and subject to all Legal Requirements (including, without limitation, all matters of record and any matters that would be revealed by a current survey, including visible and apparent easements, encroachments, and boundary line conflicts, if any). Tenant will not be deemed to be in possession of the Block 164 Premises or the Block 167 Premises prior to the applicable Rent Commencement Date.

ARTICLE III
GROUND LEASE TERM AND RENT

3.1. Term. The term of this Lease shall be ninety-nine (99) years commencing on the Commencement Date and ending on July ____, 2117 (the "**Term**"), unless sooner terminated pursuant to the terms of this Lease.

3.2. Rent. "**Rent**" or "**rent**" shall include all amounts payable by Tenant to Landlord pursuant to this Lease, including but not limited to the "Base Rent", "Additional Rent", and "Late Charges" (all as hereinafter defined), and Landlord shall have the same rights and remedies to collect such monies, howsoever designated in this Lease, as "Rent" or "rent". Landlord agrees that, in the event Tenant enters into a UT Sublease with UT System, Landlord shall, upon the written request of U.T. or Tenant, accept payment of Rent by U.T. or UT System. Tenant shall give prompt written notice to Landlord of any such UT Sublease entered into by Tenant and UT System.

3.3. Base Rent.

(a) On the applicable Rent Commencement Date, Tenant shall pay Landlord annual base rent ("**Base Rent**") of $815,436.00 with respect to the Block 167 Premises and $610,000.00 with respect to the Block 164 Premises, subject to adjustments expressly provided in this Lease. Tenant shall pay the Base Rent to Landlord on an annual basis commencing on the applicable Rent Commencement Date without discount, such payment to be prorated for partial Lease Years.

(b) Notwithstanding anything herein to the contrary, Tenant agrees that, on the applicable Rent Commencement Date, it shall prepay the first three (3) years of Base Rent applicable to the Block 164 Premises.

3.4. Rent Commencement Date. The "**Rent Commencement Date**" shall mean: (i) with respect to the Block 167 Premises, thirty (30) days after the later of (A) the date on which Landlord provides notice to Tenant of Landlord's Original Block Election or (B) the end of the Inspection Period; (ii) with respect to the Block 164 Premises, the later to occur of (Y) the date on which all tenants and occupants have vacated the Block 164 Improvements or (Z) January 1, 2019. The applicable Base Rent shall be due and paid on the applicable Rent Commencement Date. In no event shall any Rent be due and payable until the earlier of Landlord's written notification to Tenant that it waives its termination option or Landlord's termination option under Section 3.16 expires.

3.5. Demolition of Block 165/167 Improvements and Block 167 Premises Adjustment. Landlord is financially responsible for the demolition of all Block 165/167 Improvements. The Block 165/167 Improvements will be demolished, and the costs thereof funded, as provided in this Section 3.5.

(a) Landlord shall have the option, at its sole discretion, to elect to include as part of the Block 167 Premises that portion of Block 167 that is situated under the former UMCB hospital tower, such portion being reflected on **Exhibit A-2** attached hereto (the "**Original Block Election**"), in which event demolition of the Block 165/167 Improvements will be accomplished as more fully set forth in this Section 3.5. Landlord's election under this Section 3.5(a) shall be made in writing and delivered to Tenant not later than January 31, 2019. If Landlord fails to deliver timely notice of its election under this Section 3.5(a), then (i) Landlord will be deemed to have elected not to exercise the Original Block Election and (ii) the demolition of the existing north wing of the former UMCB hospital building will be determined and accomplished as set forth in Section 3.5(h) and 3.5(i) below.

(b) If Landlord makes the Original Block Election (as described in Section 3.5(a) above), then (1) this Lease shall be deemed to have been amended to include that portion of Block 167 on which the former UMCB hospital tower is situated, and all references herein to the Block 167 Premises shall be construed to refer to and shall mean all of Block 167, being approximately 76,669 square feet; and (2) Base Rent for the Block 167 Premises (as amended pursuant to this provision) shall be $920,028.00, subject to adjustment as provided in Section 3.5 below.

(c) If Landlord makes the Original Block Election pursuant to this Section 3.5, then Landlord will solicit bids from reputable, licensed contractors through its required procurement process for the demolition of the former UMCB hospital tower and determine therefrom the anticipated costs of such work (the "**Total Tower Demolition Costs**") within 120 days after giving notice of the Original Block Election. Within thirty (30) days after the determination of the Total Tower Demolition Costs, Landlord and Tenant will agree on how to fund the payment of the Total Tower Demolition Costs. If Landlord elects to request that Tenant prepay Base Rent for the Block 167 Premises in order to fund the Total Tower Demolition Costs, then Section 3.5(d) below shall apply.

(d) If Landlord makes the Original Block Election, then Landlord may request that Tenant pre-pay Base Rent as to the Block 167 Premises in order to cover the Total Tower Demolition Costs. In such event, Tenant will prepay the Base Rent for the Block 167 Premises in an amount equal to (i) the first twelve (12) months' of Base Rent applicable to the Block 167 Premises, plus (ii) the estimated amount of the Total Tower Demolition Costs, which latter amount will be placed into an escrow account established with a mutually acceptable escrow agent (the "**Demolition Escrow**"). Tenant will make such prepayment of Base Rent and fund the Demolition Escrow within ten (10) Business Days after Landlord's receipt of all

necessary permits from the City and other Governmental Authorities for the demolition of the former UMCB hospital tower. All interest earnings from the Demolition Escrow shall be part of the Demolition Escrow. The funds in the Demolition Escrow shall be used by Landlord to pay the Total Tower Demolition Costs. To the extent there are any funds remaining in the Demolition Escrow after the completion of such demolition, Landlord may elect to return such excess funds to Tenant or disburse such excess funds to Landlord as Tenant's prepayment of Base Rent on the Block 167 Premises. If Landlord requests that Tenant prepay Base Rent and, therefore, fund the Demolition Escrow under this Section 3.5(d), then the Base Rent for the Block 167 Premises will not adjust under Section 3.6 until the month following the month in which Tenant has received full credit for all prepaid Base Rent with respect to the Block 167 Premises.

(e) If Landlord makes the Original Block Election under this Section 3.5, then after completing its procurement process to competitively bid and award a demolition contract, Landlord shall, at its sole cost and expense, commence the demolition and removal of the former UMCB hospital tower. After commencement of such demolition work, Landlord will thereafter diligently perform all such demolition work and, upon completion thereof, deliver the Block 167 Premises to Tenant free of all debris and rubble, graded to the level of the adjoining properties, and otherwise ready for Tenant's preparation thereof for construction of New Improvements (including Landlord's receipt of any necessary closure or inspection certificates related to such demolition from the City or other applicable Governmental Authority, and with any remaining Block 165/167 Improvements secure, if applicable). Landlord agrees to use commercially reasonable efforts to deliver the Block 167 Premises to Tenant in the condition required hereunder by December 31, 2019. If Landlord fails to commence demolition of the applicable Block 165/167 Improvements within sixty (60) days after completion of Landlord's required procurement process or fails to deliver the Block 167 Premises to Tenant in the condition required hereunder by December 31, 2019, subject to Force Majeure, then Tenant may elect to takeover such demolition. In such event, Landlord will grant to Tenant such licenses and rights of entry as may be necessary for Tenant and its contractors to enter on Block 165 and other land owned by Landlord in order to pursue such demolition. Tenant will have the right to withdraw funds from the Demolition Escrow during the course of such demolition in order to pay all costs and expenses incurred by Tenant in such demolition (including any associated abatement and remediation costs). If the funds in the Demolition Escrow are insufficient to pay for the costs and expenses incurred by Tenant in performing such demolition, then Landlord will reimburse Tenant for such additional costs and expenses within thirty (30) days after completion of such demolition and Tenant's submittal to Landlord of a written request for reimbursement and a detailed accounting of the costs and expenses incurred by Tenant. Tenant shall not be deemed in possession of the Block 167 Premises until Landlord's delivery thereof in accordance herewith or when Tenant takes over the demolition process as provided in this Section.

(f) If Landlord makes the Original Block Election, then within sixty (60) days after receipt of Landlord's Original Block Election, Tenant may submit a request to Landlord that this Lease be amended to add land south of Block 167 to the Block 167 Premises, up to the north boundary of Block 165 (that is, the land that was the old Fourteenth Street), as shown on **Exhibit A-3**. Landlord, in Landlord's sole and absolute discretion, may agree to the increase of the Block 167 Premises to include all or a portion of the land area requested by Tenant, and Landlord will give Tenant written notice of Landlord's decision within sixty (60) days after Tenant's request. If approved by Landlord, then (i) the Block 167 Premises will be amended and increased to include the approved additional land area, (ii) the Base Rent for the Block 167 Premises will be increased pro rata on a per square foot basis, (iii) an amendment to this Lease will be executed by Landlord and Tenant, confirming the additional land and new Base Rent for the Block 167 Premises, and (iv) the Memorandum of Lease will be amended and restated to include the additional land.

(g) Tenant will be solely responsible for preparing and recording surveys, title surveys and related documents and fees to define the Block 167 Premises extent (metes and bounds), and any adjustments thereof as allowed herein.

(h) If Landlord does not make the Original Block Election, then Landlord and Tenant will cooperate and coordinate the demolition of the applicable Block 165/167 Improvements. In this event, Tenant will be responsible for the demolition of only the Block 165/167 Improvements which are located on the Block 167 Premises (that is, the north wing of the former UMCB hospital building only, and not the demolition costs related to the UMCB hospital tower). The costs of such demolition incurred by Tenant shall constitute prepaid Base Rent for the Block 167 Premises, upon completion of the demolition of the applicable Block 165/167 Improvements and Landlord's receipt of an invoice therefor together with such back-up information as Landlord may reasonably require. Such back-up information will include a certification from the contractor performing the demolition as to the allocation of the costs of demolition with respect to the north wing of the former UMCB hospital building only.

(i) If Landlord does not make the Original Block Election, then (i) Landlord will grant to Tenant such licenses and rights of entry as may be necessary for Tenant and its contractors to enter into the former UMCB hospital tower to demolish the UMCB hospital building located on the Block 167 Premises, and (ii) Tenant and its contractors will provide to Landlord proof of insurance coverages in the forms and limits set forth in Sections 10.1(b), 10.1(e), and 10.1(f) which are required of Tenant under this Lease, and all such insurance shall name Landlord as an additional insured. Tenant will additionally grant to Landlord such licenses and rights of entry and rights of way to reasonably support Landlord's use of, and access to and egress from, the UMCB hospital tower without reduction or offset of Rent until such time as Tenant commences development of New Improvements on Block 167. Tenant shall provide a minimum of six (6) months' notice to Landlord of its intent to commence development of New Improvements on the Block 167 Premises.

(j) Tenant will be solely responsible for the demolition of the Block 164 Improvements.

3.6. Adjustment of Annual Base Rent Prior to Reset Year(s). Beginning on the first day of the second (2^{nd}) Lease Year with respect to the Block 167 Premises (subject to Tenant receiving full credit for all prepaid rent as provided in Section 3.5 above and any other provision of this Lease) and on the first day of the fourth (4^{th}) Lease Year with respect to the Block 164 Premises, and continuing every anniversary thereafter, the Base Rent shall increase by an amount equal to two percent (2%) per annum. Landlord shall determine the adjusted Base Rent within thirty (30) days after the commencement of each Lease Year and give written notice thereof to Tenant and, within thirty (30) days after Tenant's receipt thereof, Tenant shall pay to Landlord the amount necessary to account for any underpayment made during the Lease Year prior to such notification. If an adjustment of Base Rent is delayed in order to account for all prepaid Base Rent, then the annual adjustment of Base Rent for the Block 164 Premises or the Block 167 Premises, as applicable, will commence on the first day of the calendar month following the month in which Tenant has received full credit for all prepaid Base Rent

3.7. Reset Rent. Beginning on the first day of the fourteenth (14^{th}) Lease Year, and on every fifteenth (15^{th}) year anniversary thereafter (the "**Reset Years**" and each a "**Reset Year**"), either Landlord or Tenant may elect to determine the Market Rental Rate (as defined below) for the next Lease Year as set forth herein. Such Market Rental Rate is referred to as the "**Reset Rent**", which shall be the Base Rent for the first Lease Year subsequent to the Reset Year for which the Reset Rent was determined until the next applicable Reset Year. In no event shall the Reset Rent to be paid for the Block 164 Premises or the Block 167 Premises following a Reset Year be less than the applicable Base Rent paid by Tenant to Landlord as

of the Rent Commencement Date for the Block 164 Premises or the Block 167 Premises, as adjusted, respectively. Such Base Rent, after being reset hereunder, shall continue to be adjusted annually thereafter in accordance with Section 3.6 above.

(a) Not less than sixty (60) days and not more than one hundred eighty (180) days prior to the end of each Lease Year preceding a Reset Year, Landlord and Tenant shall each select a Qualified Appraiser (as defined below) who is mutually acceptable to Landlord and Tenant, respectively (and, so long as a UT Sublease is in effect, the Qualified Appraiser selected by Tenant shall also be acceptable to U.T.), to appraise the Land and Improvements thereon and provide an opinion of the Fair Market Value of the fee simple interest in the Land. The fee and expenses of the Qualified Appraiser selected by Landlord shall be paid by Landlord, and the fee and expenses of the Qualified Appraiser selected by Tenant shall be paid by Tenant.

(b) The Qualified Appraisers will be given identical information regarding the Land and the Improvements thereon, including any use restrictions contained in this Lease. Each Qualified Appraiser will then gather information necessary to formulate an opinion of the Fair Market Value of the Land. The Qualified Appraisers shall share information (*e.g.*, comparable sales and comparable rents) throughout the process, but they shall not share their respective opinions of Fair Market Value of the Land. The two final opinions of Fair Market Value shall be compared to each other, and if the opinions of Fair Market Values are within ten percent (10%) of each other based on the higher value, then the two opinions of Fair Market Values will be averaged and that amount will be used as the Fair Market Value of the Land for the purpose of determining the Market Rental Rate. If one of the two opinions of Fair Market Value is more than ten percent (10%) greater than the other, then the two selected Qualified Appraisers shall select a third Qualified Appraiser mutually acceptable to Landlord and Tenant and U.T., so long as a UT Sublease is in effect, to formulate an additional opinion of the Fair Market Value of the Land. Landlord and Tenant will each pay one-half (1/2) of the fees and expenses of such third Qualified Appraiser. Upon completion of the appraisal of the Land by the third Qualified Appraiser, the third opinion of Fair Market Value shall be compared to the other two opinions of Fair Market Value, and the two opinions of Fair Market Value that are closest to each other will be averaged and that amount will be used as the Fair Market Value of the Land for purposes of determining the Market Rental Rate; provided, however, in no event will the Fair Market Value of the Land for purposes of determining the Market Rental Rate be less than the lower of the first two submitted valuations or more than the higher of the first two submitted valuations.

(c) The "**Fair Market Value**" means the price for the land component of the then existing improvements that a willing purchaser would pay and a willing seller would accept for a comparable transaction involving similar land, improvements and use restrictions on the Land, where neither purchaser nor seller is under any compulsion to purchase or sell and both have reasonable knowledge of the relevant facts, if offered for sale in the open market with a reasonable period of time in which to consummate a transaction, and in any event shall be determined consistent with the Appraisal Guidelines set forth in **Exhibit E**.

(d) The "**Market Rental Rate**" is the Fair Market Value of the Land, as determined in accordance with this Section 3.7, multiplied by the commercial market rate of return on the Fair Market Value of Land during the applicable Reset Year (as such market rate of return is determined by the Qualified Appraisers), which Market Rental Rate is an annual rental rate, and in any event shall be determined consistent with the Appraisal Guidelines set forth in **Exhibit E**.

(e) "**Qualified Appraiser**" means an independent appraiser with (i) at least ten (10) years' experience appraising commercial real estate in the greater Austin metropolitan area; (ii) who is licensed by the State of Texas; and (iii) who is a member of and shall have an "MAI" designation (or the

then equivalent designation) by the American Institute of Real Estate Appraisers or any comparable successor certifying organization if such institute is not then in existence.

(f) If the Reset Rent for an applicable Reset Year has not been determined by the commencement date of the first Lease Year following such Reset Year, then until such Reset Rent is determined, Tenant will pay Base Rent to Landlord at the rate in effect during the prior Lease Year. Once the applicable Reset Rent is determined, if the actual Reset Rent is determined to be higher or lower than the Base Rent in effect during the prior Lease Year, then within thirty (30) days after the determination of the Reset Rent, the parties will make any necessary reconciliation payments to account for any overpayments or underpayments made by Tenant with respect to each month for which Base Rent has already become due following such Reset Year.

3.8. Place of Payment of Rent. All Rent payments shall be made in lawful money of the United States of America and shall be paid to Landlord at (i) Landlord's address (see Section 22.4) or to such other parties and/or to such other address as Landlord may from time to time designate in writing to Tenant or (ii) by electronic funds transfer to an account designated by Landlord.

3.9. Additional Rent. All amounts and sums that Tenant is obligated to pay or reimburse to Landlord pursuant to this Lease (other than Base Rent) shall be collectively referred to herein as "**Additional Rent**". All Additional Rent shall be due and payable within ten (10) days after Landlord's written demand therefor. Additional Rent for any partial month at the beginning and the end of the Term shall be prorated on a daily basis. All amounts of Base Rent and Additional Rent payable in a given month shall be deemed to comprise a single rental obligation of Tenant to Landlord.

3.10. Common Area Assessment. The term "**Common Area Assessment**" means a monetary assessment established and agreed to by Landlord and Tenant for the ongoing maintenance and repair of the CHDC Common Areas if and when constructed and installed. Each developed or utilized tract or parcel of land in the Central Health Downtown Campus will share equitably in the costs of such Common Area Assessment, which means that costs will be based on the ratio of land area of each tract to the total land area of the redeveloped areas of the Central Health Downtown Campus, or such other similar equitable formula and method of assessment agreed to and approved by Tenant and UT System, such agreement and approval not unreasonably withheld. The Common Area Assessment shall be Additional Rent and will be payable either monthly or annually, at Tenant's election.

3.11. Net Lease. This Lease will constitute a net lease, and the obligations of Tenant hereunder are absolute and unconditional. As between Landlord and Tenant, Tenant shall pay (or cause to be paid) all expenses (including, without limitation, Taxes) arising out of the development, use, operation, maintenance, and/or occupancy of any Project and the Property, except as otherwise expressly set forth elsewhere in this Lease. Accordingly, as between Landlord and Tenant, all costs, expenses (including, without limitation, Taxes), and obligations of every kind or nature whatsoever, relating to the Property and Project, which may arise or become due during the Term, shall be paid (or caused to be paid) by Tenant, and to the extent permitted by applicable law, Landlord shall be indemnified and held harmless by Tenant from and against Tenant's failure to pay (or cause to be paid) the same. Tenant shall be responsible for (or cause the Subtenants to be responsible for) all costs and expenses (including, without limitation, Taxes) of the development, use, ownership, maintenance, repair, operation, and occupancy of the Property and Project incurred or relating to the period of time during the Term. Any present or future law to the contrary notwithstanding, except as otherwise specifically provided in this Lease, this Lease shall not terminate nor shall Tenant be entitled to any abatement, deferment, suspension, reduction, set-off, counterclaim, defense, or deduction with respect to any Rent, nor shall the obligations of Tenant hereunder be affected by reason of (a) any damage to or destruction of the Property, any Project or any part thereof, or by any taking of the

Property, any Project or any part thereof by condemnation, (b) the prohibition, limitation, or restriction of or interference with Tenant's use of all or any portion of the Property or any Project, except to the extent negligently caused by Landlord other than in connection with Landlord's compliance with its governmental responsibilities, (c) the failure on the part of Landlord to perform or comply with any term, provision, or covenant of this Lease or any other agreement to which Landlord and Tenant may be parties, but without limiting Landlord's obligations therefor except as otherwise expressly provided herein, (d) the occurrence of a Bankruptcy Event, (e) any claim that Tenant has or might have against Landlord, but without limiting Tenant's right to pursue such claims or Landlord's obligations therefor, or (f) for any other cause whether similar or dissimilar to the foregoing. Except as otherwise expressly provided in this Lease, Tenant waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, or surrender this Lease or the Leasehold Estate in the Property or any part thereof, or to any abatement, suspension, deferment, diminution, reduction, or set-off of Rent.

3.12. Late Fee; Delinquent Interest Rate.

(a) Any amount due from any Tenant Party to Landlord that is not paid within five (5) Business Days after the due date shall bear interest at the Delinquency Interest Rate, from the date such payment is due until paid, but the payment of such interest shall not excuse or cure any default by Tenant under this Lease.

(b) In the event Tenant is late in paying any amount of Base Rent or Additional Rent under this Lease within five (5) Business Days after the due date, then Tenant shall pay Landlord a late charge equal to two and one-half percent (2.5%) of such delinquent amount of Rent. The parties agree that the payment of late charges and the payment of interest provided for in the preceding paragraph are distinct and separate from one another.

3.13. Calculation of Charges. Tenant is knowledgeable and experienced in commercial transactions and does hereby acknowledge and agree that the provisions of this Lease for determining charges and amounts payable by Tenant are commercially reasonable and valid and constitute satisfactory methods for determining such charges and amounts as required by Section 93.012 (assessment of charges) of the Texas Property Code. TENANT FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY LEGAL REQUIREMENTS) ALL RIGHTS AND BENEFITS OF TENANT UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEEDED.

3.14. Inspection Period.

(a) Tenant and Tenant's representatives shall have a period of time beginning on the Commencement Date and ending on the ninetieth (90th) day after the Commencement Date, (the "**Inspection Period**") during which to visit and inspect the Property (including having engineering tests, soil tests, and other tests and studies made) and to conduct any feasibility, environmental, engineering and such other studies and assessments as Tenant may require within its sole discretion and at its sole cost. Tenant shall fully disclose and otherwise share the results of all investigations performed during and as part of the Tenant's investigation of the Property, and include Landlord as additional recipient and/or user of all such materials. During the Inspection Period, Tenant may, at Tenant's sole cost and expense, obtain a commitment to issue title insurance and a survey of the Property.

(b) If Tenant is dissatisfied with the condition of the Property, or with the results of any tests, studies or assessments, or with matters disclosed on the title commitment or survey, then Tenant may terminate this Lease by giving Landlord written notice not later than 5:00 p.m., Austin, Texas time, on

the last day of the Inspection Period. In the event that Tenant terminates the Lease as provided herein, then Tenant and Landlord shall have no other or further obligation or liability to each other, except for Tenant's confidentiality, restoration and indemnity obligations set forth below, and the delivery to Landlord of the items described below. In the event that no notice of termination is given within the Inspection Period, then Tenant shall have no further termination rights under this Section 3.14(b), and this Lease shall continue to be binding and in full force and effect against Tenant and Landlord.

(c) Tenant agrees that, until the expiration of the Inspection Period and Tenant's right to terminate this Lease as provided above in this Section 3.14 (and, if this Lease has been terminated in accordance with this Section 3.14, at all times thereafter), Tenant and Tenant's agents and representatives shall hold all information obtained with respect to the Property in confidence and agree that they shall not disclose its content to others unless required otherwise by applicable law or court order; provided, however, Tenant may disclose any such information to UT System and any other intended Subtenant or End User. Within ninety (90) days after the end of the Inspection Period, Tenant will provide to Landlord, at no cost to Landlord, copies of any records and other information, documents, reports, and materials obtained by Tenant (both electronic and hardcopy formats, to the extent existing), other than items that Tenant reasonably believes contain confidential or proprietary information regarding Tenant's operations or which is otherwise protected under any recognized legal privilege, including without limitation attorney-client privilege (communications and work product). The provisions of this Section 3.14 shall survive any termination of this Lease.

(d) All visits and inspections of the Property shall be at the sole risk of Tenant and, except where caused by the gross negligence or willful misconduct of Landlord, its agents, employees, or contractors, Tenant shall indemnify and hold Landlord harmless from and against any and all claims, demands, injuries, damages, costs, expenses (including reasonable attorneys' fees) or liability incurred by or asserted against Landlord as a result of, or in any way arising out of, any of those visits or inspections. Tenant will require consultants who enter the Land to carry commercial general liability insurance, and Tenant will use commercially reasonable efforts to include in Tenant's contracts with consultants indemnity provisions which include Landlord. If this Lease is terminated for any reason under this Section 3.14, at Landlord's option, Tenant shall either (i) repair any damage caused by any of those visits or inspections so as to restore the Property to its same condition before the damage, or (ii) pay Landlord an amount equal to the cost of such required restoration. The provisions of this Section 3.14 shall survive any termination of this Lease.

(e) This Lease shall be subject to and conditioned upon (i) Landlord's receipt of the approval of Landlord's Board of Managers and the Travis County Commissioners Court and (ii) Tenant's receipt of the approval of Tenant's general partner's board of directors and the Board of Regents of The University of Texas System. Tenant and Landlord agree to seek such approvals within the Inspection Period.

3.15. Title Insurance. Tenant is and shall be solely responsible for obtaining any title insurance desired by Tenant. Landlord agrees to execute an affidavit as to debts and liens in order to assist Tenant with obtaining title insurance and, if requested, in order to assist UT System with obtaining any title insurance with respect to a UT Building Lease, the UT 167 Sublease, or any other UT Sublease.

3.16. Lease Contingency. Notwithstanding anything to the contrary herein, Landlord shall have the right, in its sole and absolute discretion, to terminate this Lease with respect to all or part of the Land in accordance with the terms and conditions herein described:

(a) Landlord may terminate the Lease with respect to the Block 167 Premises only, upon written notice to Tenant, if, by the expiration of the Inspection Period, Tenant has not entered into the UT 167 Sublease or a UT Building Lease with UT System for the Block 167 Improvements; provided, however, such termination right shall not be applicable if Tenant has assigned its rights and obligations under this Lease to UT System with regard to the Block 167 Premises or with regard to all of the Land. Tenant will provide Landlord with formal notice of any assignment and confirmation of U.T's acceptance of such assignment or execution of the UT Building Lease and the UT 167 Sublease, whichever is applicable, and a copy of any documents evidencing the assignment or executed UT Sublease before the expiration of Inspection Period.

(b) Landlord may terminate the Lease with respect to the Block 164 Premises only, upon written notice to Tenant, if, by the expiration of the Inspection Period, Tenant has not entered into a UT Building Lease for such New Improvements; provided, however, such termination right shall not be applicable if Tenant has assigned its rights and obligations under this Lease to UT System with regard to the Block 164 Premises or with regard to all of the Land. Formal notice of such assignment and acceptance thereof by UT System will be provided to Landlord before the Inspection Period ends. Tenant will provide Landlord with confirmation of execution of the UT Building Lease for the Block 164 Premises and a copy of such executed UT Building Lease before the expiration of Inspection Period.

To be valid, Landlord's termination right must be exercised, if at all, with respect to the Block 164 Premises or the Block 167 Premises, as applicable, not later than thirty (30) days after the expiration of the Inspection Period by written notice to Tenant.

3.17. Offset Payments. Any offset payments made by Tenant and accepted by Landlord for either or both demolition costs and/or New Red River are specific to such demolition and New Red River, and neither establish precedent for, nor create any option for, the future offset of Base Rent and Additional Rent otherwise due from Tenant to Landlord under this Agreement.

ARTICLE IV
NEW IMPROVEMENTS

4.1. Construction Requirements. Any Project performed by Tenant will be performed in compliance with the terms set forth in this Section 4.1 and the Project Standards attached hereto.

(a) Such Project shall be performed in compliance with the following requirements consistent with the Better Builder Program promulgated by the City:

(i) Payment of the prevailing wage as defined by the Davis-Bacon Act as applicable to Travis County, Texas, in effect at the time of the commencement of the Project, or the Travis County living wage to construction workers;

(ii) Ensure all construction workers receive a 10-hour OSHA approved construction worker safety class and ensure all safety supervisors for any prime contractor or subcontractor receive a 30-hour OSHA approved construction worker safety class prior to commencing construction work;

(iii) All construction workers shall be covered by workers' compensation insurance; and

(iv) Provide independent monitoring by an on-site, unaffiliated third party selected by Tenant ("**Monitor**") and approved by Landlord in Landlord's Permitted Discretion.

(b) Tenant will cause its prime contractors and subcontractors to provide Monitor and Tenant with such documents, reports, records, or information that the two mutually agree upon as evidence of compliance with the foregoing requirements. Tenant will cooperate and collaborate with Monitor to ensure that the prime contractors and subcontractors fully and faithfully comply with the foregoing requirements.

(c) Tenant will require Monitor to provide monthly reports to Tenant and Landlord assessing compliance with the foregoing requirements and describing any violations of the same.

(d) Any breach of this Section 4.1 shall be governed by the terms of this Section 4.1(d), it being agreed and acknowledged that Article XVIII shall not apply to any such breach hereunder. In the event Tenant fails to comply with the terms and conditions of this Section 4.1, Landlord shall give Tenant notice of such breach and Tenant shall cure such breach within sixty (60) days following the date of such notice. In the event Tenant fails to timely cure such breach under this Section 4.1, Landlord's sole and exclusive remedies for such breach shall be to (i) institute an action for specific performance, and/or (ii) assess liquidated damages in the amount of $1,500.00 per day that Tenant's breach has occurred and continues to occur. Landlord acknowledges and agrees that Landlord shall have no right to terminate this Lease or exercise any other remedies except those specifically set forth in this Section 4.1(d) for a breach of this Section 4.1.

(e) For purposes of this Section 4.1, "construction workers" shall mean any individuals completing construction work for an hourly wage, whether on a contract basis or as employees, for any prime contractor (i.e., an individual or entity that entered into an agreement with Tenant) or for any subcontractor of any tier (i.e., any individual or entity that entered into an agreement with the prime contractor) engaged to perform any construction work for a Project.

(f) This Section 4.1 and the obligations set forth herein shall expire and terminate and be of no further force or effect upon Tenant's receipt of the Shell Certificate of Occupancy for New Improvements and permanent Certificates of Occupancy for all initial tenant improvements situated therein that are completed in connection with the initial construction of the New Improvements.

(g) Tenant will provide to Landlord concept plans and general designs and elevations of the New Improvements (the "**Concept Plans and Designs**"). So long as the general design of New Improvements and the proposed buildings are generally typical of Class "A" development in Austin, then Landlord will approve such Concept Plans and Designs. If Landlord does not approve any such Concept Plans and Designs, then Landlord and Tenant will work together in good faith to address Landlord's concerns. Upon Landlord's request, Tenant will provide to Landlord additional Project Design Documents for review purposes only.

(h) If this Lease is assigned in whole or in part to UT System, then applicable State of Texas or U.T. regulations and requirements for construction may apply provided they do not conflict with Project Standards and Landlord's review rights.

(i) Landlord and Tenant agree to cooperate and collaborate on the design standards and guidelines for future improvements on the Central Health Downtown Campus in order to insure the redevelopment of the Central Health Downtown Campus as a pedestrian-oriented, landscaped (to include hardscape), high density urban project.

4.2. User Premium Fees. In consideration of Landlord's execution of this Lease, the covenants of Landlord herein with respect to the development and redevelopment of the Leasehold Estates, and the Tenant's First Rights set forth in Article XXI below, Tenant agrees as follows:

(a) Within sixty (60) days after the commencement of the Initial New Project on the Block 164 Premises, Tenant shall pay to Landlord the cash sum of $1,350,000.00.

(b) Within sixty (60) days after the commencement of an Initial New Project or Project Component on the Block 167 Premises, Tenant shall pay to Landlord an amount determined by the following: (i) if commencement of an Initial New Project or Project Component occurs during calendar years 2019-2024, Tenant shall pay Landlord an amount equal to $4.89 per square foot of air-conditioned and useable square footage of the applicable building improvements (including, for example, interior lobbies, hallways, and other common areas, but excluding parking) (herein, "**Building Square Footage**"), provided that such amount shall be increased by two percent (2%) for each year after 2020 in which such commencement occurs; (ii) if commencement of an Initial New Project or Project Component occurs during calendar years 2025-2029, Tenant shall pay Landlord an amount equal to $6.52 per square foot of Building Square Footage, provided that such amount shall be increased by two percent (2%) for each year after 2025 in which such commencement occurs; (iii) if commencement of an Initial New Project or Project Component occurs during calendar years 2030-2034, Tenant shall pay to Landlord an amount equal to $8.15 per square foot of Building Square Footage, provided that such amount shall be increased by two percent (2%) for each year after 2030 in which such commencement occurs; and (iv) if commencement of an Initial New Project or Project Component occurs during calendar year 2035 or thereafter, the amount to be paid by Tenant to Landlord shall be equal to the amount that would have been payable if such commencement had occurred in 2034, increased by two percent (2%) for each successive year thereafter. In no event shall the Building Square Footage on the Block 167 Premises be less than 8:1 FAR when fully developed and, to the extent that Block 167 Premises, once fully developed, is less than 8:1 FAR, Tenant shall pay Landlord an amount equal to the difference between (A) what the Building Square Footage would have been if constructed at an 8:1 FAR and (B) the actual Building Square Footage as completed, multiplied by the user premium factor in effect at the time of the commencement of the most recent Project Component.

(c) The fees described in Sections 4.2(a) and 4.2(b) shall be applicable to Initial New Projects and Project Components, but not future redevelopment and New Improvements other than the Initial New Projects, provided the Initial New Projects or Project Components are of a permanent nature, scope, size, and purpose reasonably acceptable to Landlord.

(d) For purposes of this Section 4.2, "commencement of an Initial New Project or Project Component" shall mean actual physical development and construction activities on the applicable Land.

4.3. Existing Hazardous Materials. Prior to the Commencement Date, Landlord caused to be performed the Environmental Assessments which identified certain environmental conditions and the Existing Hazardous Materials affecting portions of the Central Health Downtown Campus, including the Property. Landlord agrees that it shall be responsible, at its sole cost and expense, to remove and remediate or encapsulate, to the extent reasonably possible, all actionable Existing Hazardous Materials prior to, or in cooperation with, any construction performed by Tenant or any Subtenants hereunder. Tenant shall reasonably cooperate with Landlord in any building demolition if an economy of scale exists in combined remediation/abatement/encapsulation and demolition activity. Landlord shall be responsible only for abatement, remediation, and/or encapsulation of actionable environmental hazards which exist as of the Commencement Date. Hazards posed to construction workers, whether during demolition or new construction, shall be Tenant's obligation as to personnel protective equipment and construction safety, and

compliance with all applicable laws and regulations; provided, however, Landlord shall also be responsible for hazards posed to construction workers during the demolition of the Block 165/167 Improvements and compliance with all applicable laws and regulations relative thereto. Landlord shall not be responsible for any potential delay in any Project caused by exposure of actionable Hazardous Materials exposed by any renovation or construction activity.

4.4. Red River Street. The City desires to reconfigure and relocate "Hospital Drive", as generally shown on **Exhibit F**, to straighten the southern end of such street. Landlord, Tenant, and UT System desire to work with the City to have that portion of Hospital Drive redesignated as Red River Street (completing its reconfiguration south of Fifteenth Street and generally aligning it north-south with the relocated Red River Street north of Fifteenth Street). The new Red River Street south of Fifteenth Street which replaces Hospital Drive is referred to as "**New Red River**".

(a) Landlord acknowledges that, as part of the creation of New Red River, Tenant intends to develop underground parking facilities that will be located under the right of way of New Red River and adjacent to the Block 164 Premises, subject to the approval of the City, and Landlord agrees that it will reasonably cooperate, at no cost to Landlord, with Tenant's securing all applicable approvals and permits therefor. Tenant agrees to cooperate with Landlord to assure that any underground parking located within the New Red River right-of-way may be connected to future, additional underground parking or underground driveways and access on adjacent portions of the Central Health Downtown Campus as and when developed by Landlord or any other entity. However, parking located under the right of way of New Red River will not extend into or beneath Block 165 or other Landlord Property.

(b) Tenant shall be responsible for the design, construction, and completion of the New Red River.

(c) Tenant's architect has issued and received responses to a request for proposals to prepare and submit plans to the City. Landlord shall have the right to approve Tenant's selection of the civil engineer and general contractor. Landlord's approval will not be unreasonably withheld or delayed, and Landlord will provide Landlord's approval or denial within thirty (30) days after receipt of Tenant's recommendation. If Landlord fails to respond within such 30-day period, then Tenant's selection will be deemed approved. Tenant will be responsible for architect's oversight fees, if any. To the extent that these costs are not reimbursed by the City, Landlord shall reimburse Tenant for Landlord's pro rata share of the civil engineering fees associated with the New Red River project, or, with Landlord's concurrence, Tenant shall have the right to offset such fees against Base Rent for the Block 164 Premises.

(d) Landlord and Tenant will work together and cooperate in obtaining any agreements with the City for the New Red River, without delaying the design and construction of the New Red River. Landlord and Tenant acknowledge that time is of the essence. Landlord acknowledges and agrees that if the City agrees to fund the construction of New Red River in consideration of other value and consideration from UT System, Landlord will still be obligated for its pro-rata share of direct project costs.

(e) The New Red River project work shall evaluate, plan, include, and provide the utilities and infrastructure needed to support future development and use of the Central Health Downtown Campus, including, without limitation, sizing and structuring utility capacities for future demand and connections, and coordinating any subsurface parking or encroachments to the extent possible with subsequent development and construction phasing. If utilities are upsized to serve other parts of the Central Health Downtown Campus (that is, for portions of the Central Health Downtown Campus other than the Block 164 Premises or the Block 167 Premises) at Landlord's request, then Landlord will pay the costs of such upsizing of utilities, to the extent that any such upsizing is not reimbursed by the City or other utility

provider. Such payment will be made within thirty (30) days after written request therefor by Tenant to Landlord, supported by reasonable supporting documentation evidencing such costs.

(f) Landlord and Tenant agree that to the extent that the City has not agreed to reimburse Tenant or any of the Tenant Parties for the New Red River work, Landlord shall be responsible for, and agrees to reimburse such party performing such work for, Landlord's proportionate share of the costs thereof, such share to be calculated on the basis of Landlord's land frontage along the New Red River as a portion of the total land frontage along the New Red River, as determined by a survey of the affected land. Such amount shall be paid by Landlord at Landlord's election (i) on a monthly basis during the progression of the work, on a percentage completion basis, or (ii) upon completion of the work within thirty (30) days of Tenant's submission of a final invoice for Landlord's share of the cost of the work. If Landlord does not elect either option (i) or (ii) of the preceding sentence (which election shall be made prior to Tenant's commencement of the New Red River construction work), then Tenant shall be allowed to reduce the Base Rent payments by $114,500.00 and $242,500.00 for the Block 164 Premises and the Block 167 Premises respectively until such time as Tenant's proportionate share of Red River costs have been recouped, including all reasonable administrative and carrying costs. Tenant shall competitively bid all New Red River construction and generally follow Landlord's procurement standards and requirements, except when they conflict with the City of Austin's requirements under any cost reimbursement agreements or for construction of public streets. All New Red River project costs, to include design, inspection, testing and construction costs, all changes thereto and all financing costs, if any, shall be "open book" and shared without reservation with Landlord.

(g) Upon completion of the New Red River, any additional land lying between the existing Red River Street and the New Red River (including vacated existing Red River Street right-of-way) and which is conveyed to Landlord will be added to the Block 164 Premises. In such event, that land (the "**Added RR Land**") will become part of the Land subject to this Lease and part of the Block 164 Premises, and there will be no adjustment in Base Rent for the Block 164 Premises. Tenant will plan for, design, and construct its use of the Added RR Land to provide connection to the City's park system, including Waterloo Park.

(h) Unless Landlord undertakes demolition of all Existing Improvements on the Central Health Downtown Campus, Tenant will be responsible for demolition of all improvements and clearing of all debris on the land which will be part of New Red River in order for Tenant to commence construction of New Red River by January 1, 2019. Landlord will have the right to review and approve the budget and contracts for such work in advance, which approval will not be unreasonably withheld, conditioned, or delayed. In the event Landlord undertakes demolition of the entireCentral Health Downtown Campus' Existing Improvements, Tenant will reimburse Landlord its proportionate share of the cost of Existing Improvements' demolition that will be part of the New Red River right of way.

(i) New Red River design and construction shall provide for the continued use, access to, and egress from the Block 168 Parking Garage and conditions and requirements of the Garage Lease. Project scope shall include adjustment in both pedestrian and vehicular garage access and shall accommodate the continued operation of the City's EMS Medic 3 crew. Access and use shall be provided at all times through construction of New Red River. Tenant will cooperate and coordinate with Landlord in the design and construction of improvements and renovations necessary for continued use of the Block 168 Parking Garage during construction of and after completion of the New Red River; provided that Tenant is not responsible for the costs of any construction and improvements made to the interior of the Block 168 Parking Garage.

4.5. Landlord Redevelopment and Operations Coordination. Tenant recognizes that Landlord plans to develop and cause the construction of new improvements on the balance of the Central Health Downtown Campus. Tenant agrees to reasonably cooperate and coordinate with Landlord to allow such work to proceed unimpeded. Such work may require temporary rights of entry or rights of way on the Block 167 Premises, and Tenant agrees to provide Landlord and its contractors with reasonably alternative means of vehicular and pedestrian ingress, egress, and access to the work site. Any and all such inconveniences and impositions shall not entitle Tenant to any abatement, reduction, set-off, counterclaim, defense, or deduction with respect to any Rent, nor shall the obligations of Tenant hereunder be affected by such work by Landlord.

ARTICLE V
MODIFICATIONS; WORK

5.1. Modifications. Tenant, at its sole cost and expense, at any time and from time to time without the consent of Landlord may make modifications, alterations, renovations, improvements and additions to the Existing Improvements or the completed New Improvements or any part thereof and substitutions and replacements therefor (collectively, "**Modifications**"), provided that the Modifications are performed in accordance with Legal Requirements and in compliance with Project Standards. Notwithstanding the foregoing, after the Completion of Construction, Tenant shall not, without obtaining Landlord's prior written approval, in Landlord's Permitted Discretion make any Modifications to the exterior of any New Improvements that adversely affect the appearance of the overall Project, including, without limitation, the elevations of such New Improvements, but excluding retail storefronts and related signage.

5.2. Work. Any Project and any and all other New Improvements constructed on the Land at any time during the Term and any and all rebuilding, restoration, repairs, refurbishments, or other work with regard to a Project, or any other New Improvements (collectively, "**Work**") will be performed in accordance with Legal Requirements and in compliance with Project Standards. Tenant shall require that all contracts for Work provide that the contractor does not have, and will not assert or claim, any lien against the Fee Estate, and any lien with respect to the Work shall be subordinate and inferior to the right, title and interest of Landlord in and to the Leasehold Estate (including, without limitation, the reversion of ownership of the Improvements to Landlord upon expiration or earlier termination of this Lease).

5.3. Connectivity and Related Issues.

(a) Landlord and Tenant agree to cooperate in the preservation of any and all rights that relate to the Pedestrian Bridge in connection with the demolition of the Block 167 Improvements and the New Red River. Any UT Sublease will require U.T. System and U.T. to support and cooperate with Landlord and Tenant in creating or preserving such rights in order to provide for future aerial connections between the Block 168 Parking Garage and future improvements on Block 167 and/or between Block 164 and Block 165.

(b) In planning for the future redevelopment of the Block 167 Premises, Tenant will cooperate in planning such redevelopment to ensure pedestrian connectivity with the future development on the Central Health Downtown Campus. Landlord will cooperate with Tenant and, so long as a UT Sublease is in effect, with U.T. to ensure pedestrian connectivity between and among the rest of the Central Health Downtown Campus, New Improvements on the Block 164 Premises and the Block 167 Premises, and the campus of the U.T. Dell Medical School north of the Central Health Downtown Campus.

(c) Landlord and Tenant agree to cooperate with respect to Landlord's obligations under the Garage Lease. Upon any termination of the Garage Lease, Landlord will cooperate with Tenant and, so long as a UT Sublease is in effect, with U.T. to preserve the aerial bridge across Fifteenth Street that connects the Block 168 Garage to the Dell Seton Medical Center at The University of Texas. Landlord's cooperation will not require Landlord to incur any related cost.

(d) During the Inspection Period, Landlord, Tenant, and U.T. will use commercially reasonable efforts to address and resolve any issues regarding design standards, Project Standards, shared or related development (for example, utilities) and connectivity within the Central Health Downtown Campus.

ARTICLE VI
AS-IS CONDITION OF PROPERTY

EXCEPT FOR LANDLORD'S EXPRESS AGREEMENT TO REMEDIATE THE EXISTING HAZARDOUS MATERIALS AS SET FORTH IN SECTION 4.3 ABOVE, IT IS UNDERSTOOD AND AGREED THAT THE PROPERTY IS BEING LEASED HEREUNDER "AS IS", "WHERE-IS" WITH ANY AND ALL FAULTS AND LATENT AND PATENT DEFECTS AND WITHOUT ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY BY LANDLORD. LANDLORD HAS NOT MADE AND DOES NOT HEREBY MAKE, AND LANDLORD SPECIFICALLY DISCLAIMS, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, ITS CONDITION (INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY REGARDING SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE), COMPLIANCE WITH ENVIRONMENTAL LAWS OR OTHER LAWS, OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY OR ANY PROJECT, AND LANDLORD HEREBY DISCLAIMS AND RENOUNCES ANY OTHER REPRESENTATION OR WARRANTY. TENANT ACKNOWLEDGES AND AGREES THAT IT IS ENTERING INTO THIS LEASE WITHOUT RELYING UPON ANY SUCH REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY LANDLORD OR ANY REPRESENTATIVE OF LANDLORD OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF LANDLORD ("OTHER INDEMNITEES") WITH RESPECT TO THE PROPERTY OR ANY PROJECT, BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY AND OF THE ENVIRONMENTAL ASSESSMENTS. TENANT REPRESENTS THAT IT IS A KNOWLEDGEABLE DEVELOPER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN ENTERING INTO THIS LEASE, DEVELOPING ANY PROJECT AND LEASING THE PROPERTY.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TENANT FOR ITSELF AND, TO THE MAXIMUM EXTENT PERMITTED BY LEGAL REQUIREMENTS, ON BEHALF OF THE TENANT PARTIES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, HEREBY EXPRESSLY WAIVES, RELEASES AND RELINQUISHES ANY AND ALL CLAIMS, CAUSES OF ACTION, RIGHTS AND REMEDIES TENANT, THE TENANT PARTIES OR THEIR SUCCESSORS AND ASSIGNS MAY NOW OR HEREAFTER HAVE AGAINST LANDLORD AND THE OTHER INDEMNITEES, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO ANY PAST, PRESENT OR FUTURE PRESENCE OR EXISTENCE OF HAZARDOUS MATERIALS (EXCEPT TO THE EXTENT CAUSED BY LANDLORD OR ITS CONTRACTORS, OFFICERS, OR EMPLOYEES, AND EXCEPT TO THE EXTENT THE

REMEDIATION THEREOF IS THE EXPRESS OBLIGATION OF LANDLORD HEREUNDER) AT, ON, IN, UNDER OR ABOUT THE PROPERTY, OR WITH RESPECT TO ANY PAST, PRESENT OR FUTURE VIOLATIONS OF ANY LEGAL REQUIREMENTS, NOW OR HEREAFTER ENACTED, REGULATING OR GOVERNING THE USE, HANDLING, STORAGE, PRESENCE, RELEASE, MANAGEMENT OR DISPOSAL OF HAZARDOUS MATERIALS, INCLUDING, WITHOUT LIMITATION (I) ANY AND ALL RIGHTS TENANT, THE OTHER TENANT PARTIES, OR THEIR SUCCESSORS AND ASSIGNS MAY NOW OR HEREAFTER HAVE TO SEEK CONTRIBUTION FROM LANDLORD UNDER SECTION 113(F) OF OR OTHERWISE UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, INCLUDING BY THE SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1986 (42 U.S.C. §9613), AS THE SAME MAY BE FURTHER AMENDED OR REPLACED BY ANY SIMILAR LAW, RULE OR REGULATION, (II) ANY AND ALL CLAIMS, WHETHER KNOWN OR UNKNOWN, NOW OR HEREAFTER EXISTING, WITH RESPECT TO THE PROPERTY UNDER SECTION 107 OF THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED (42 U.S.C. §9607), AND (III) ANY AND ALL CLAIMS, WHETHER KNOWN OR UNKNOWN, AND WHETHER BASED ON STRICT LIABILITY OR OTHERWISE, UNDER OTHER APPLICABLE ENVIRONMENTAL LAWS OR BASED ON NUISANCE, TRESPASS OR ANY OTHER COMMON LAW OR STATUTORY PROVISIONS.

TENANT ACKNOWLEDGES AND AGREES THAT IT IS ENTERING INTO THIS LEASE WITHOUT RELYING UPON ANY REPRESENTATION, WARRANTY, STATEMENT OR OTHER ASSERTION, ORAL OR WRITTEN, MADE BY LANDLORD OR ANY REPRESENTATIVE OF LANDLORD OR ANY OTHER PERSON ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF LANDLORD WITH RESPECT TO THE PROPERTY BUT RATHER IS RELYING UPON ITS OWN EXAMINATION AND INSPECTION OF THE PROPERTY AND OF THE ENVIRONMENTAL ASSESSMENTS. TENANT HEREBY EXPRESSLY ACKNOWLEDGES THAT IT HAS BEEN AFFORDED EVERY OPPORTUNITY TO EXAMINE AND INSPECT, AND HAS THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY AND ENVIRONMENTAL ASSESSMENTS TO THE EXTENT DEEMED NECESSARY BY TENANT IN ORDER TO ENABLE TENANT TO EVALUATE THE PROPERTY. TENANT REPRESENTS THAT IT IS A KNOWLEDGEABLE DEVELOPER OF REAL ESTATE SUCH AS THE PROPERTY AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF TENANT'S CONSULTANTS. TENANT WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AS TENANT DEEMS NECESSARY OR APPROPRIATE, INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL AND ENVIRONMENTAL CONDITIONS THEREOF, THE SQUARE FOOTAGE OF THE PROPERTY, IMPROVEMENTS AND INFRASTRUCTURE, IF ANY, DEVELOPMENT RIGHTS AND EXACTIONS, EXPENSES ASSOCIATED WITH THE PROPERTY, TAXES, ASSESSMENTS, BONDS, PERMISSIBLE USES, TITLE EXCEPTIONS, WATER OR WATER RIGHTS, TOPOGRAPHY, UTILITIES, SUBDIVISION AND ZONING OF THE PROPERTY, SOIL CONDITIONS AND THE ADEQUACY OF THE SOIL FOR ANY PARTICULAR FOUNDATION SYSTEM, SUBSOIL, THE PURPOSES FOR WHICH THE PROPERTY TO BE USED, DRAINAGE, BUILDING LAWS, RULES OR REGULATIONS, HAZARDOUS MATERIALS OR ANY OTHER MATTERS AFFECTING OR RELATING TO THE PROPERTY, AND WILL RELY UPON SAME AND, SUBJECT TO LANDLORD'S OBLIGATION HEREUNDER TO REMEDIATE THE EXISTING HAZARDOUS MATERIALS, WILL ASSUME THE RISK OF ANY ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS THAT MAY NOT HAVE BEEN

REVEALED BY TENANT'S INSPECTIONS AND INVESTIGATIONS. TENANT HEREBY WAIVES AND RELINQUISHES ALL RIGHTS AND PRIVILEGES ARISING OUT OF, OR WITH RESPECT OR IN RELATION TO, ANY REPRESENTATIONS, WARRANTIES OR COVENANTS, WHETHER EXPRESS OR IMPLIED (UNLESS EXPRESSLY PROVIDED IN THIS LEASE), THAT MAY HAVE BEEN MADE OR GIVEN, OR THAT MAY HAVE BEEN DEEMED TO HAVE BEEN MADE OR GIVEN, BY LANDLORD. SUBJECT TO LANDLORD'S OBLIGATION HEREUNDER TO REMEDIATE THE EXISTING HAZARDOUS MATERIALS, TENANT HEREBY ASSUMES ALL RISK AND LIABILITY, INCLUDING, WITHOUT LIMITATION, UNDER APPLICABLE ENVIRONMENTAL LAWS (AND AGREES THAT LANDLORD WILL NOT BE LIABLE, INCLUDING, WITHOUT LIMITATION, NOT STRICTLY LIABLE, FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATING TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF THE PROPERTY.

THE TERMS AND CONDITIONS OF THIS ARTICLE VI WILL EXPRESSLY SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE. TENANT FURTHER ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS ARTICLE VI WERE A MATERIAL FACTOR IN LANDLORD'S DETERMINATION OF THE CONSIDERATION FOR ENTERING INTO THIS LEASE.

ARTICLE VII
OPERATION, USE, REPAIR, AND MAINTENANCE

7.1. Operations and Use.

(a) Tenant shall obey, perform and comply in all respects with any and all applicable Legal Requirements that exist at any time during the Term and in any way affect the Property, or the use or condition thereof. Tenant shall not knowingly (with knowledge to be deemed upon the earlier of obtaining actual knowledge, or earlier if knowledge could have been obtained using reasonable diligence) permit or suffer the Property to be used or improved in any manner that violates applicable Legal Requirements. Tenant shall at its own expense, or the expense of a Subtenant, obtain any and all licenses, easements, permits, and other agreements necessary for its use of the Property (including, without limitation, Entitlements for any Project). Landlord will join in the applications for any such licenses, easements, permits, agreements, or otherwise if, and only if, the application is necessary to comply with the Legal Requirements where the signature of Landlord as owner of the Land is required, provided Tenant or a Subtenant pays all costs and expenses of Landlord associated therewith and Landlord incurs no liability or obligations with respect thereto (or if any liability or obligation is so imposed upon Landlord, then provided Tenant indemnifies Landlord for same).

(b) Tenant shall use and lease the Property only for the Permitted Uses and shall not occupy or use the Property in any manner that will constitute waste or nuisance, or permit any portion of the Property to be occupied or used for any purpose which is unlawful or extra hazardous on account of fire, contamination, biohazard, or similar exposure, nor permit anything to be done that will in any way invalidate insurance on the Property. If U.T. is the Tenant under this Lease or under a UT Sublease or is otherwise occupying space in the Improvements, U.T. may use such space for any Permitted Use, notwithstanding any then applicable City zoning ordinance or regulation.

(c) Without limiting the generality of the foregoing but except as set forth in the final project documents approved by the City, if applicable, Tenant shall not, and shall not knowingly (with

knowledge to be deemed upon the earlier of obtaining actual knowledge, or if knowledge could have been obtained using reasonable diligence) permit others to: (i) use or occupy the Property or any part thereof for any Prohibited Uses or any unlawful purpose or in such a manner as to: (A) violate any certificate of occupancy, certificate of compliance, certificate or policy of insurance, permit, license or franchise affecting the Property; or (B) constitute a public nuisance or waste; (ii) impair Landlord's title to the Property or any portion thereof or create a claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Property or any portion thereof; or (iii) violate any Project Standard.

(d) Tenant shall not erect any barricade, wall, access restrictions, or similar site and passage impediment without Landlord approval; provided, however, access between the Property and other portions of the Central Health Downtown Campus may be temporarily interrupted (i) during construction and maintenance and repair of the Property, or (ii) in order to avoid the possibility of dedicating the same for public use or creating prescriptive rights therein. Furthermore, curb stops and other reasonable traffic controls, as may be reasonably necessary to guide and control the orderly flow of traffic, may be installed.

7.2. Maintenance and Repair.

(a) Following demolition of the Block 165/167 Improvements, Tenant shall secure the Block 167 Premises. Tenant shall maintain the Block 167 Premises in a clean and secure condition until such time as Tenant commences development of the Block 167 Premises, including providing reasonable lighting, regular cleaning, and otherwise maintaining the Block 167 Premises in reasonably presentable condition.

(b) Tenant, at its sole cost and expense, shall maintain, repair, and replace, or cause to be maintained, repaired, and replaced, the Property in good condition, repair, and working order and in compliance with Project Standards, and make all necessary repairs thereto and replacements thereof, of every kind and nature whatsoever, whether interior or exterior, ordinary or extraordinary, structural or nonstructural or foreseen or unforeseen.

(c) Except as expressly contemplated under this Lease, Landlord shall not be required to build any improvements or install any equipment on the Property, make any repairs, replacements, alterations or renewals of any nature to the Property, nor may Tenant require Landlord to make any expenditure whatsoever in connection with this Lease or to maintain the Property in any way. Landlord shall not be required to maintain, repair, replace, or rebuild all or any part of the Property, and Tenant waives any right which might arise by virtue of this Lease or pursuant to Legal Requirements to (i) require Landlord to maintain, repair, replace, or rebuild all or any part of the Property or (ii) make repairs to the Property at the expense of Landlord pursuant to the terms of any Legal Requirement, contract, agreement, covenant, condition, or restriction.

7.3. Utilities and Services. Tenant shall, at its sole cost and expense, contract and pay (prior to delinquency) all charges for, or cause the Tenant Parties or Subtenants to contract and pay (prior to delinquency) all charges for, all utilities and services furnished to, or used by, the Property, including, as applicable, without limitation, gas, electricity, water, sewer, heat and air conditioning, telephone, communications services, landscaping, exterior and interior maintenance and cleaning, and garbage collection and all charges and deposits for any of the foregoing. Landlord will not be obligated to furnish any utilities or services to the Property and will not be liable for the failure of any such utilities or services to be provided or for any loss of or injury to property, however occurring. Landlord shall, at Tenant's or Subtenant's sole cost and expense, reasonably assist Tenant in obtaining easements for utilities and services necessary to develop any Project. In furtherance of the foregoing, Landlord shall, at Tenant's or Subtenant's

sole cost and expense, execute easements in form and substance acceptable to Landlord in Landlord's Permitted Discretion that are required to be executed by the owner of the Property to aid in obtaining utilities for any Project. Landlord hereby agrees and acknowledges that the standard form easements promulgated by the City, as revised to address issues particular to a Project, are acceptable to Landlord and Landlord hereby consents to same.

7.4. Development Cooperation. Landlord and Tenant, and as long as a UT Sublease is in effect, U.T. and UT System, will cooperate with each other in the development of the Land by Tenant and U.T. and the development by Landlord of the remainder of the Central Health Downtown Campus. Tenant and U.T. specifically acknowledge that Landlord's development of the remainder of the Central Health Downtown Campus is subject to City zoning and other applicable regulations, and Tenant and U.T. will not develop the Land by means or methods that conflict with Landlord's obligations to or agreements with the City of Austin as of the Commencement Date. In no event will Landlord seek the City of Austin's approval to rezone Block 164 or Block 167 without Tenant's prior written consent and approval.

(a) Landlord, Tenant and UT System will cooperate with one another in granting any easements, licenses, encroachments, or other rights reasonably required in connection with the development, construction, operation, and use of any Project, including, without limitation, utility easements, access easements, aerial easements, signage easements, temporary construction easements, and drainage easements. Any additional easements requested by Tenant (and/or U.T., if a UT Sublease is in effect) shall be granted in Landlord's reasonable discretion and subject to compliance with Legal Requirements, the terms of the Garage Lease, any approvals required under the rules and policies of Landlord, appropriate compensation for such easements (other than access and utility easements from Red River Street, Hospital Drive, or 15th Street or the New Red River Street across land adjacent to such rights-of-way and which are reasonably necessary for the construction and operation of any Project), and Landlord's determination that such easement will not materially interfere with Landlord's intended use and development of the other portions of the Central Health Downtown Campus and that such easement will not cause a breach of or default under any other agreements between Landlord and other existing tenants (under any type of lease) of land or buildings in the Central Health Downtown Campus.

(b) If in the future Landlord constructs new utility infrastructure and if such new utility infrastructure is expanded or is upsized at Tenant's request to serve the Block 164 Premises or the Block 167 Premises, then Tenant will pay the costs of such upsizing of utilities, to the extent that any such upsizing is not reimbursed by the City or other utility provider. Such payment will be made within thirty (30) days after written request therefor by Landlord to Tenant, supported by reasonable supporting documentation evidencing such costs.

7.5. Parking. Tenant (and, if a UT Sublease is in effect, U.T.) shall, with respect to New Improvements on the Block 167 Premises, reasonably cooperate with Landlord and participate in a uniform parking development agreement between Landlord and Tenant for parking at the Central Health Downtown Campus. The purpose and intent of a uniform parking development agreement shall be to reduce construction cost and quantity of parking by sharing access to and use of garage and/or surface parking across the whole of the Central Health Downtown Campus, it being agreed, however, that each parcel within the Central Health Downtown Campus shall be developed with parking to be the greater of (i) the number of parking spaces necessary to comply with applicable Legal Requirements without variance and (ii) the number of parking spaces required for the intended use without reliance on parking spaces situated on any other parcel unless otherwise agreed in advance. If and to the extent Landlord and Tenant agree on shared parking arrangements, then (i) the owner of the applicable parking facility shall have priority and control over parking on its tract and in its parking facilities during peak parking periods, and unless otherwise

agreed in advance for a specific use and Project, (ii) third party users of shared parking will pay market rates for shared parking.

7.6. Mechanic's Liens. Tenant shall use commercially reasonable efforts to not suffer or permit any mechanic's or other liens to be filed against the Property (or any portion thereof), nor against Tenant's Leasehold Estate, by reason of work, labor, services or materials supplied or claimed to have been supplied to or for the benefit of Tenant, any other Tenant Parties or anyone holding any interest in the Property or any part thereof by, through or under Tenant or any other Tenant Parties. Upon completion of any such work, Tenant shall, if requested by Landlord, deliver to Landlord final lien waivers from all contractors, subcontractors and materialmen who performed such work, if the same are in Tenant's possession or control as to subcontractors and materialmen. If any such lien is at any time filed, Tenant shall within thirty (30) days after the earlier of Tenant obtaining knowledge of such lien or the filing thereof (or such earlier time period as may be necessary to prevent the forfeiture of the Property or any portion thereof or the imposition of a civil or criminal fine with respect thereto), cause the same to be discharged by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. If Tenant fails to cause such lien to be discharged within the period aforesaid, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord on demand together with interest at the Delinquency Interest Rate. All work performed, materials furnished, or obligations incurred by or at the request of any Tenant Party shall be deemed authorized and ordered by the applicable Tenant Party only and nothing contained in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvements, alteration to or repair of the Property or any part thereof, nor as giving any Tenant Party a right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any liens against Landlord's Fee Estate or any interest in Improvements. To the extent permitted by applicable law, **Tenant shall defend, indemnify, reimburse and hold Landlord, and the Indemnitees harmless from and against all Claims in any way arising from or relating to the failure by any Tenant Party to pay for any work performed, materials furnished, or obligations incurred by or at the request of a Tenant Party. This indemnity provision shall survive the expiration or earlier termination of this Lease.**

ARTICLE VIII
HAZARDOUS MATERIALS

8.1. Prohibition. Neither Tenant nor any Tenant Parties may cause or permit the use, treatment, generation, storage, transportation to, disposal, spill, leakage, release, or production on, under, or about the Property of any Hazardous Materials, except in minor quantities required for Tenant's or the Tenant Parties' uses of the Property and operation thereon but in such event only to the extent that the Hazardous Materials are acquired, kept, stored, maintained, transported and disposed of in strict accordance with all Legal Requirements. At the expiration or earlier termination of this Lease, Tenant shall perform and provide to Landlord an environmental assessment of the Property. If any such assessment reflects the existence of any Hazardous Materials other than Existing Hazardous Materials, Tenant shall be liable for the removal, encapsulation and/or remediation thereof in accordance with, and to the extent required by, applicable Legal Requirements, at its sole cost.

8.2. Other Rights. Nothing contained in this Lease will prevent or in any way diminish or interfere with any other rights or remedies, including, without limitation, the right to contribution, which

Landlord or Tenant may have against the other party under any Legal Requirements, all such rights being hereby expressly reserved.

8.3. Notice of Actions. Tenant shall give Landlord immediate written notice of any information discovered or obtained by Tenant about any actual, alleged or potential Environmental Claim relating to the Property, and shall deliver to Landlord copies of any and all orders, notices, permits, reports, and other communications, documents and instruments which Tenant receives pertaining to such Environmental Claim.

8.4. Assumption of Liability. Tenant shall be solely and completely responsible for responding to, defending against and complying with any administrative order, request or demand relating to potential or actual contamination on the Property or the release of any Hazardous Material from the Property into any adjoining property or the air, soil, surface water or ground water, whether such order, request, demand or claim names Landlord, Tenant or both, or refers to the Property in any way; provided, however, Landlord agrees that it shall retain, and hereby agrees to be responsible for, all such obligations and liabilities with respect to the Existing Hazardous Materials. The responsibility conferred under this Section 8.4 includes, but is not limited to, responding to such orders, requests, demands and claims on behalf of Landlord and defending against any assertion of Landlord's financial responsibility or individual duty to perform thereunder, except with regard to the Existing Hazardous Materials.

8.5. Tenant's Indemnification. To the extent permitted by applicable law, Tenant shall indemnify, save harmless and defend Landlord and the Indemnitees from and against any and all Claims (including, without limitation, third party claims for personal injury or real or personal property damages, diminution in value of the Property, and sums paid in settlement of claims, attorneys' fees, consultant fees, expert fees and any fees and expenses incurred in enforcing this indemnity) of any kind or of any nature whatsoever incurred by, sought from or asserted directly or indirectly against Landlord or the Indemnitees during or after the Term as a result of (a) the presence of any Hazardous Material on, in or under the Property or any release of any Hazardous Material into the air, soil, surface water or ground water, which Hazardous Material was brought, kept or used in or about the Property at any time during the Term, regardless of whether brought, kept or used by Tenant or any Tenant Parties, or (b) as a result of any breach by Tenant of its obligations under this Article VIII. The foregoing indemnity shall include, without limitation, (i) the costs of removal of any and all Hazardous Materials from the Property; (ii) all additional costs required to take necessary precautions to protect against the release of Hazardous Materials on, in, under or affecting the Property, into the air, any body of water, any other public domain or any surrounding areas; and (iii) any costs incurred to comply with all Legal Requirements. Notwithstanding anything to the contrary herein, in no event shall the foregoing indemnification be applicable to any Claim arising from or that is the result of any Existing Hazardous Materials.

8.6. Landlord's Indemnification. To the extent permitted by applicable law, Landlord shall indemnify, save harmless and defend Tenant and the Tenant Parties from and against any and all Environmental Claims and Environmental Costs of any kind or of any nature whatsoever incurred by, sought from or asserted directly or indirectly against Tenant or the Tenant Parties during or after the Term as a result of (a) the presence of any Existing Hazardous Materials on, in or under the Property or any release of any Existing Hazardous Material into the air, soil, surface water or ground water, or (b) any breach by Landlord of its obligations under Section 4.3. The foregoing indemnity shall include, without limitation, (i) the costs of the removal, remediation, or encapsulation, if possible of any and all Existing Hazardous Materials from the Property; (ii) all additional costs required to take necessary precautions to protect against the release of Existing Hazardous Materials on, in, or under the Property, into the air, any body of water, any other public domain, or any surrounding areas, but excludes the migration of environmental hazards identified in the Environmental Assessments that do not require abatement,

remediation, or encapsulation at Commencement but become actionable hazards after Commencement; and (iii) any costs incurred to comply with all Legal Requirements in connection with the Existing Hazardous Materials.

ARTICLE IX
TAXES

9.1. Taxes.

(a) At all times during the Term when Taxes are assessed, Tenant shall pay or cause to be paid, not later than ten (10) days prior to delinquency, all Taxes directly to the appropriate Person.

(b) Tenant shall not be responsible for payment of taxes, if any, on Landlord's fee simple estate.

(c) Tenant shall prepare and file all reports and returns required by Legal Requirements and shall furnish copies thereof to Landlord upon written request. Tenant shall promptly forward to Landlord, upon written request, copies of any bill or assessment respecting any Tax. Tenant shall also furnish and deliver to Landlord receipts evidencing the payment of any Tax as required by this Lease. Tenant acknowledges that Landlord is, and may continue to be throughout the Term, exempt from Taxes and therefore any Tax for the Lease Year in which this Lease commences or terminates shall not be prorated and Tenant shall be solely responsible for the same. If Tenant fails to pay any Tax when due, Landlord, without declaring an Event of Default hereunder, may, but shall not be obligated to, pay any such Tax and any amount so paid by Landlord, together with all costs and expenses incurred by Landlord in connection therewith, shall constitute Rent hereunder and shall be paid by Tenant to Landlord on demand with interest at the Delinquency Interest Rate from the date of Landlord's payment thereof to the date of Tenant's reimbursement of same. Tenant's obligation to pay Taxes that accrue during the Term shall survive the expiration or earlier termination of this Lease.

(d) To the extent permitted by applicable law, Tenant shall protect, indemnify, defend and hold harmless Landlord and the Indemnitees from and against all Claims for Tenant's failure to timely and fully pay any and all such Taxes, together with any interest, penalties or other sums thereby imposed, and from any sale or other proceeding to enforce payment thereof.

9.2. Tenant's Right to Contest Taxes. Tenant shall have the right to contest in good faith the amount or validity of any Tax by appropriate proceedings which operate to prevent or stay the collection of the Tax so contested. Upon the termination of such proceeding, Tenant shall deliver to Landlord proof of the amount of the Tax as finally determined and thereupon Tenant shall pay such Tax. **Landlord shall not be subjected to any liability for the payment of any costs or expenses in connection with any proceedings and to the extent permitted by applicable law, Tenant will indemnify, defend, and hold Landlord and the Indemnitees harmless from any such costs and expenses.** If any lien is filed against the Land due to Tenant's failure to pay any Tax during the pendency of any contest, Tenant will provide a bond or other fiscal security against such lien. When any contest proceeding is terminated, Tenant will, in addition to paying any Tax owed, promptly cause the discharge and release of any liens filed because of Taxes unpaid by Tenant.

9.3. Cooperation on Exemptions. Landlord and Tenant agree to cooperate with each other (and, so long as a UT Sublease is in effect, with U.T.) to obtain and maintain any available exemptions or special valuations for ad valorem tax purposes that may be available with respect to the Land, all Improvements or any portion thereof, any New Improvements or any portion thereof, and/or for the Leasehold Estate.

ARTICLE X
INSURANCE AND INDEMNITY

10.1. Insurance. Tenant or the Tenant Parties shall, throughout the Term and at their sole cost and expense, provide and keep in force, with responsible insurance companies licensed to do business in the State of Texas, the following insurance:

(a) property insurance on the Improvements and Personal Property on a cause of loss-special form (formerly known as "all risk" insurance) insuring against loss by fire and all of the risks and perils usually covered by a so called "all risk" of physical loss endorsement to a policy of fire insurance, including but, not limited to, boiler and machinery, vandalism and malicious mischief, in an amount equal to not less than 100% of the full replacement value thereof without co-insurance. The policy will include coverage against terrorism and shall contain an agreed value endorsement and a laws and ordinances endorsement. Such insurance will name Landlord as an additional insured or as loss payee, as its interests may appear.

(b) Workers' Compensation and Employers' Liability Insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Art. 401) (if applicable) and minimum employer liability policy limits of $1,000,000.00 bodily injury for each accident, $1,000,000 bodily injury by disease policy limit and $1,000,000.00 bodily injury by disease each employee.

(c) All Risk Builders Risk on 100% Completed Value, covering damage to any construction and improvements (including materials and equipment to be incorporated into the improvements, in transit, or stored on site or offsite) to be made by Tenant hereunder with 100% coinsurance protection.

(d) Professional liability insurance providing errors and omissions coverage for all professional duties or services provided by design consultants and contractors in connection with a Project ("**Professional Services**") with limits of Two Million Dollars ($2,000,000) per occurrence and Two Million Dollars ($2,000,000) annual aggregate. Such insurance shall cover financial loss resulting from acts, errors and omissions committed or alleged to have been committed in rendering of or failing to render Professional Services.

(e) Automobile Liability Insurance for all owned, non-owned, and hired motor vehicles, that will be utilized with respect to the Property in a minimum amount of $1,000,000.00, combined single limit.

(f) Commercial General Liability policy with a minimum limit of $1,000,000.00 per occurrence for bodily injury and/or property damage, products and completed operations with a minimum annual aggregate of $2,000,000.00 and blanket contractual coverage, independent contractors' coverage and explosion, collapse and underground (X, C & U) coverage, and umbrella coverage of not less than Five Million Dollars ($5,000,000).

10.2. Policy Requirements.

(a) Insurance coverage is to be written by companies duly authorized to do business in the State of Texas at the time the policies are issued and will be written by companies with an A.M. Best rating of A/VIII or better or otherwise acceptable to Landlord in Landlord's Permitted Discretion. Additionally, all policies will contain a provision in favor of Landlord waiving subrogation or other rights of recovery against Landlord, to the extent available under Legal Requirements, and will be endorsed to

provide Landlord with a thirty (30) day notice of cancellation except for non-payment for which only ten (10) days' notice will be required. Landlord and its Fee Mortgagees (and its Affiliates and property managers as to liability insurance only) will be an additional insured or loss payee as their interests may appear on the policies required by this Lease, as applicable, to the extent the applicable policy will allow such status. All policies will provide primary coverage as applicable, with any insurance maintained by Landlord being excess and non-contributing. Tenant will submit, or cause to be submitted a certificate of insurance and all endorsements to Landlord providing evidence of insurance coverage required by this Lease for the Block 164 Premises and the Block 167 Premises, as applicable, at least fifteen (15) days before the applicable Rent Commencement Date and, thereafter, annually. Tenant will be responsible for (i) monitoring its contactors' and consultants' purchase and maintenance of the insurance required hereunder; (ii) obtaining and keeping copies of such contractors' and consultants' insurance certificates; and (iii) providing copies thereof to Landlord upon receipt of written request.

(b) The certificate of insurance and all endorsements (*e.g.*, additional insured), waivers (*e.g.*, waiver of subrogation), and notices of cancellation shall indicate Landlord's notice address, or such other address as Landlord may specify to Tenant in writing.

(c) Tenant or the Tenant Parties, as applicable, shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in the insurance policies to be carried hereunder by the Tenant or the Tenant Parties. All deductibles or self-insured retentions shall be disclosed on the certificate of insurance if commercially reasonable. No policy will have a deductible in excess of a commercially reasonable deductible amount. Subject to Section 10.9, self-insurance is only allowed with the written approval of Landlord in Landlord's Permitted Discretion.

(d) Tenant shall provide, or cause to be provided, to Landlord certificates of insurance evidencing all insurance required to be carried hereunder, (i) prior to the performance of any Modifications or the commencement of construction of a Project, whichever first occurs, and (ii) at least ten (10) days prior to the expiration or renewal of any such insurance policy. All such certificates of insurance will be on an ACORD Form 27 (or any equivalent successor form); provided, however, upon receiving the prior review and approval of Landlord, an ACORD Form 25-S (or any equivalent successor form) may be used for commercial general liability insurance if (1) Landlord has been provided with a certified copy of all insurance policies, including all required endorsements and (2) there is attached to the Certificate of Insurance a valid and binding Revised Cancellation Endorsement specifying the requirement of the carriers to give thirty (30) days' advanced notice of cancellation or material change in the policies and the words "endeavor to" and "but failure to mail such notice will impose no obligation or liability of any kind upon the company, its agents or representatives" will be deleted from the cancellation provision of the certificate; provided, further however, that the foregoing shall not be required to the extent prohibited by Legal Requirements. Landlord is authorized to contact the issuing insurance agency and the insurance carriers to confirm the existence of the coverages.

10.3. Failure to Carry Insurance. If Tenant does not keep or cause to be kept insurance required by this Lease in full force and effect, and such failure continues for ten (10) days after written notice from Landlord, Landlord may, at its option (but with no obligation to do so), take out and/or pay the premiums on the insurance needed to fulfill the obligations under the provisions of this Article X. Upon demand from Landlord, Tenant shall reimburse Landlord the full amount of any amounts (including insurance premiums) paid by Landlord pursuant to this Section 10.3, with interest at the Delinquency Interest Rate from the date of Landlord's payment thereof through the date of Tenant's reimbursement thereof.

10.4. Waiver of Subrogation. To the fullest extent permitted by Legal Requirements, Landlord and Tenant each waive all rights of recovery against the other (and any officers, directors, partners,

employees, agents and representatives of the other), and agree to release the other from liability, for loss or damage to the extent such loss or damage is covered by valid and collectible property insurance in effect covering the party seeking recovery at the time of such loss or damage (or would have been covered by the insurance required to be maintained under this Lease by the party seeking recovery if such party had obtained such insurance), WHETHER OR NOT SUCH DAMAGE OR LOSS MAY BE ATTRIBUTABLE TO THE NEGLIGENCE OF EITHER PARTY OR THEIR OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS AND REPRESENTATIVES. If the release of either party, as set forth above, contravenes any law with respect to exculpatory agreements, the liability of the party in question shall be deemed not released but shall be secondary to the liability of the other's insurer. FOR THE PURPOSE OF THE FOREGOING WAIVER, THE AMOUNT OF ANY DEDUCTIBLE OR SELF-INSURED RETENTION APPLICABLE TO ANY LOSS OR DAMAGE SHALL BE DEEMED COVERED BY, AND RECOVERABLE BY THE INSURED UNDER THE INSURANCE POLICY OR SELF-INSURANCE PROGRAM TO WHICH SUCH DEDUCTIBLE RELATES. IT IS THE EXPRESS INTENT OF LANDLORD AND TENANT THAT THE WAIVER OF SUBROGATION CONTAINED IN THIS SECTION 10.4 APPLY TO ALL MATTERS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY EVENT OF LOSS OR DAMAGE THAT IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF LANDLORD OR TENANT (OR THEIR RESPECTIVE OFFICERS, DIRECTORS, PARTNERS, EMPLOYEES, AGENTS AND REPRESENTATIVES).

10.5. No Limitation of Tenant Liability. The insurance coverages required under this Lease are required minimums and are not intended to limit the responsibility of Tenant. If Tenant fails to maintain, or fails to cause to be maintained, any insurance required hereunder, Tenant will be liable for all Claims suffered or incurred by any Indemnitees that would have been covered by such insurance.

10.6. Indemnity. To the extent permitted by applicable law including without limitation the Texas Constitution, Tenant assumes liability for, and shall indemnify, protect, save and hold harmless Landlord, Landlord's Affiliates and their respective officers, directors, shareholders, members, managers, partners, contractors, employees and agents (each an "**Indemnitee**"), from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses, including, without limitation, reasonable legal expenses (collectively, "**Claims**"), of whatsoever kind and nature, imposed on, incurred by or asserted against any Indemnitee, in any way arising out of (a) Tenant's performance of its obligations under this Lease, (b) any injury to or the death of any person or damage to any property occurring on the Property, (c) Tenant's acts or omissions, (d) the development, construction, use, management, ownership, possession, delivery, lease, sublease, operation or condition of the Property (including, without limitation, latent or other defects, whether or not discoverable by Tenant or any other Person) and (e) the violation by Tenant of any term, condition or covenant of this Lease or of any contract, agreement, restriction, or Legal Requirement affecting the Property, EVEN IF CAUSED BY THE NEGLIGENCE OR ALLEGED NEGLIGENCE OF AN INDEMNITEE OR IF AN INDEMNITEE WOULD OTHERWISE BE STRICTLY LIABLE UNDER LEGAL REQUIREMENTS. TENANT ACKNOWLEDGES AND AGREES THAT PURSUANT TO THE PROVISIONS OF THIS SECTION 10.6, TENANT AGREES TO INDEMNIFY THE INDEMNITEES EVEN IF THE INDEMNITEES ARE NEGLIGENT, BUT NOT TO THE EXTENT THE CLAIMS ARISE OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE APPLICABLE INDEMNITEE. The provisions of this Section 10.6 will survive the expiration or earlier termination of this Lease. For the avoidance of doubt, with respect to any Default by Tenant, the intention of the parties is that, as between Landlord and Tenant, Landlord's remedies against Tenant as a result of such Event of Default shall be the remedies set forth in Section 18.2 below and not a claim for indemnity under this Section 10.6 (except to the extent that there are third-party Claims arising out of such Default by Tenant, in which case Landlord is entitled to a claim for indemnity under this Section 10.6).

10.7. Indemnity Procedures. With respect to all the indemnity obligations in this Lease for which Tenant is obligated to indemnify an Indemnitee under this Lease, if an Indemnitee notifies Tenant of any claim, demand, action, administrative or legal proceeding, investigation or allegation (collectively, "**Indemnity Proceedings**"), Tenant shall assume on behalf of the Indemnitee and conduct with due diligence and in good faith the investigation and defense thereof and the response thereto with counsel reasonably satisfactory to the Indemnitee; provided, however, that the Indemnitee shall have the right to be represented by advisory counsel of its own selection and at its own expense; and provided further, however, that if any Indemnity Proceeding involves both Tenant and the Indemnitee and the Indemnitee shall have been advised in writing by reputable counsel that there may be legal defenses available to it which are inconsistent with those available to Tenant, then the Indemnitee shall have the right to select separate counsel to participate in the investigation and defense of and response to such Indemnity Proceeding on its own behalf, and Tenant shall pay or reimburse the Indemnitee for all reasonable attorneys' fees incurred by the Indemnitee because of the selection of such separate counsel. If any Indemnity Proceeding arises, and Tenant fails to assume promptly (and in any event within twenty (20) days after being notified of the Indemnity Proceeding) the defense of the Indemnitee, then the Indemnitee may contest (or settle, with the prior consent of Tenant, which consent will not be unreasonably withheld, conditioned, or delayed) the Indemnity Proceeding at Tenant's expense using counsel selected by the Indemnitee and, if any such failure by Tenant continues for ninety (90) days or more, may settle or make full payment of any Indemnity Proceeding may be made by the Indemnitee without Tenant's consent and without releasing Tenant from any obligations to the Indemnitee under this Lease if, in the advice of counsel to the Indemnitee, the settlement or payment is advisable. If the applicable Claim is covered by insurance maintained by Tenant pursuant to this Lease, then (i) Landlord agrees to reasonably cooperate with the requirements of the applicable insurance company whose insurance relates to the Claim, and (ii) if Landlord retains its own counsel pursuant to the first, "provided, however" clause above, then Tenant's obligation to reimburse Landlord for reasonable legal fees and costs incurred by Landlord because of the selection of such separate counsel shall only be to the extent covered by such insurance. The provisions of this Section 10.7 will survive the expiration or earlier termination of this Lease.

10.8. Limitation of Liability. Tenant's liability for failure to perform any of its obligations hereunder or for any other obligation to Landlord under this Lease is hereby expressly limited to Tenant's interest in and to the Leasehold Estates and Improvements on the Land. In no event whatsoever shall Tenant or any affiliate or partner of Tenant be responsible for any special, indirect, treble, consequential, punitive, or exemplary damages suffered or incurred by Landlord. Nothing herein, however, shall be deemed to restrict or prohibit Landlord from seeking injunctive or any other equitable relief or judgment in connection with Tenant's breach of this Lease.

10.9. UT System's Rights. Landlord acknowledges and agrees that Tenant intends to lease certain Existing Improvements and/or New Improvements to UT System pursuant to the UT Building Lease and/or the UT 167 Sublease. UT System will provide insurance of the same types and amounts as are required of Tenant under this Lease. Landlord agrees that UT System shall have the right, at its option, to (i) obtain liability insurance protecting UT System and its employees and property insurance protecting Tenant's interests in real property and the contents located therein, to the extent authorized by the laws of the State of Texas or other law; or (ii) self–insure against any risk that may be incurred by UT System as a result of its operations under this Lease. However, nothing in this Section 10.9 is intended to relieve Tenant of its obligation to obtain and maintain insurance in the amounts required under this Article X.

ARTICLE XI
REPRESENTATIVES

11.1. Landlord Representative. Landlord shall designate in writing to Tenant the name of the individual (the "**Landlord Representative**") who will have full authority to execute any and all instruments requiring Landlord's signature and to act on behalf of Landlord with respect to all matters arising out of this Lease. As of the Commencement Date, the Landlord Representative is:

Mike Geeslin
President and CEO (or applicable successor)
Central Health
1111 E. Cesar Chavez Street
Austin, Texas 78702

Landlord shall have the right, from time to time, to change the Person who is the Landlord Representative by giving Tenant written notice thereof. The Landlord Representative shall represent the interests of Landlord, be responsible for overseeing all aspects of a Project, and work closely with the Tenant Representative, on behalf of Landlord. Any consent, approval, decision or determination hereunder by the Landlord Representative shall be binding on Landlord; provided, however, that the Landlord Representative shall not have any right to modify, amend or terminate this Lease.

11.2. Tenant Representative. Tenant shall designate in writing to Landlord the name of the individual (the "**Tenant Representative**") who will have full authority to execute any and all instruments requiring Tenant's signature and to act on behalf of Tenant with respect to all matters arising out of this Lease. As of the Commencement Date, the Tenant Representative is:

Sanford L. Gottesman
2500 Bee Cave Road
Building Two, Suite 150
Austin, Texas 78746

Tenant shall have the right, from time to time, to change the Person who is the Tenant Representative by giving Landlord written notice thereof. The Tenant Representative shall represent the interests of Tenant, be responsible for overseeing all aspects of a Project, and work closely with the Landlord Representative, on behalf of Tenant. Any consent, approval, decision or determination hereunder by the Tenant Representative shall be binding on Tenant; provided, however, that the Tenant Representative shall not have any right to modify, amend or terminate this Lease.

ARTICLE XII
SURRENDER; HOLDOVER

12.1. Surrender. No act by Landlord will be an acceptance of a surrender of the Property, and no agreement to accept a surrender of the Property will be valid unless it is in writing and signed by Landlord. At the end of the Term or the termination of Tenant's right to possess the Property (subject to the Wind-Down Period, as provided below), Tenant shall: (a) deliver to Landlord the Property with all Improvements located thereon in good repair and condition, reasonable wear and tear excepted (subject however to Tenant's maintenance obligations), and (b) deliver to Landlord all keys, security codes and similar access controls to the Property. Tenant, at its sole cost and expense, shall promptly remove all Personal Property owned by Tenant and Tenant Removables from the Property. Additionally, Tenant, without notice from Landlord, shall remove all Hazardous Materials if required under Legal Requirements

and all additions, alterations, improvements, machinery and movable and nonmovable fixtures relating to the use, testing or storage of Hazardous Materials in compliance with all Legal Requirements prior to the expiration of the Term. All items required to be removed hereunder and not so removed will, at the option of Landlord, be deemed abandoned by Tenant and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without notice to Tenant and without any obligation to account for such items, and Tenant shall pay for the expenses and costs incurred by Landlord in connection therewith, whether for such removal or the restoration of damages resulting from such removal. On or before the expiration or earlier termination of this Lease, Tenant shall cause any Leasehold Mortgages to be fully released and discharged.

12.2. Holding Over. If Tenant fails to vacate the Property and deliver the same to Landlord at expiration or earlier termination of the Term in accordance with this Lease (subject to the Wind-Down Period), then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies to which Landlord may be entitled for such holding over, Tenant shall otherwise continue to be subject to all of Tenant's obligations under this Lease, except that Tenant's liability for Base Rent for each month (or fractional month) of such holdover shall be equal to one hundred twenty-five percent (125%) of the Base Rent due for the last month of the Term. The provisions of this Section 12.2 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law; nor shall the provisions of this Section 12.2 be deemed a consent by Landlord to any holding over by Tenant; as Landlord expressly reserves the right to require Tenant to surrender possession of the Property upon the expiration of the Term or upon the earlier termination hereof and to assert any remedy at law or equity to evict Tenant and/or collect damages in connection with such holding over. If Tenant fails to surrender the Property upon the termination or expiration of this Lease in accordance with this Lease, in addition to any other liabilities to Landlord accruing therefrom, to the extent permitted by applicable law, Tenant shall protect, defend, indemnify and hold the Indemnitees harmless from all Claims resulting from such failure, including any claims made by any succeeding lessees founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom, provided that Landlord has given Tenant at least thirty (30) days advance written notice of any potential Claims and Tenant fails to surrender the Property within such thirty (30) day period.

ARTICLE XIII
CASUALTY

13.1. Damage or Destruction. Tenant shall give Landlord immediate (from the time that Tenant becomes, or should have with reasonable diligence become, aware of same) written notice if any portion of the Property is damaged or destroyed by fire, casualty, or other cause ("**Casualty**"). Tenant shall appear in any proceeding or action to defend, negotiate, prosecute, or adjust any claim for any insurance payment on account of any Casualty and shall take all appropriate action in connection with any such Casualty. No settlement of any such proceeding or action made by Tenant without Landlord's prior written consent will be binding on Landlord's interest as named insured or loss payee (as the case may be) under the applicable policy. In the event of a Casualty, whether partial or total, and whether or not such Casualty is covered by insurance, Tenant shall repair, restore, and rebuild the Property to substantially the same or better condition as existed immediately prior to such Casualty, all in accordance with Legal Requirements. Tenant shall be solely responsible for and shall pay the balance, if any, of the costs to so restore the Property. As between Tenant and a Leasehold Mortgagee, all insurance proceeds payable to Tenant pursuant to this Article XIII shall be disbursed by Tenant in accordance with and pursuant to the terms of any applicable Leasehold Mortgage. However, if a Casualty occurs prior to the Completion of Construction and there is still outstanding Construction Financing, then with respect to such Casualty, insurance proceeds, in an amount satisfactory to Tenant and Landlord, shall be set aside in an amount sufficient to (i) raze the Improvements on the Property (including the removal of all foundations, if elected by Landlord, and shoring to support

any excavated subgrade development), level, clear, clean, and otherwise put the Land in good order and in a safe condition, landscape the Property in a manner reasonably required by Landlord (to include at a minimum sod or such other basic ground cover as Landlord may require), and leave all such landscaped areas in a neat and safe condition or (ii) pay for rebuilding. For the avoidance of doubt, the immediately preceding sentence shall no longer be applicable after Completion of Construction of applicable New Improvements and after the Construction Financing has been fully paid.

(a) Tenant shall have no obligation to repair or restore the Block 164 Improvements or the Block 167 Improvements in the event of a Casualty. Tenant will secure the applicable property and if appropriate demolish and remove from the site any remaining improvements after such Casualty.

13.2. Casualty - Last 10 Years of Term. Notwithstanding the foregoing, if a Casualty occurs during the last ten (10) Lease Years of the Term, Tenant shall have the following options:

(a) Tenant may elect not to repair and restore the Property, but instead terminate this Lease by giving written notice of termination to Landlord within one hundred twenty (120) days after the date of the Casualty. If Tenant elects to so terminate this Lease, Tenant shall, at Tenant's expense, raze the Improvements and level, clear, clean, and otherwise put the Land in good order and in a safe condition (including the removal of all foundations if elected by Landlord, and shoring to support any excavated subgrade development), in which event Landlord shall first deduct therefrom all expenses actually incurred by Landlord in settling or adjusting the claim, including attorneys' fees, and then make the remaining insurance proceeds available to reimburse Tenant for the cost of such work, with the balance of the remaining insurance proceeds being distributed to the Leasehold Mortgagees for application on the Leasehold Mortgages, if any, and then the balance of the proceeds are to be distributed to Landlord.

(b) If Tenant does not elect to terminate this Lease as provided herein and repairs and restores the Property, the Term shall be extended for a period equal to the time reasonably required for Tenant to so repair and restore the Property, so long as Tenant pursues such repair and restoration with commercially reasonable diligence.

Notwithstanding the foregoing, Tenant may not terminate this Lease pursuant to this Section 13.2 without first obtaining the consent of any Leasehold Mortgagee.

13.3. Tenant's Repair and Restoration. If Tenant is required or elects to repair or restore the Property after a Casualty, the insurance proceeds, after deduction therefrom of all reasonable expenses actually incurred in settling or adjusting the claim, including attorneys' fees, will be made available to Tenant for the repair and restoration of the Property on and subject to the following terms and conditions:

(a) Landlord shall not be deemed to waive any claims to proceeds arising out of an Event of Default.

(b) Tenant furnishes to Landlord an estimate of the cost to fully restore the Property, and the insurance proceeds available to Tenant hereunder, plus any additional amount supplied by Tenant from other sources (which additional amount will be escrowed with the funds described in Section 13.4 below and used prior to the insurance proceeds) are sufficient to pay all of the costs of such restoration.

(c) Prior to commencement of construction of the restoration work, Tenant obtains all necessary Entitlements from all Governmental Authorities with respect to the restoration work.

(d) Tenant has furnished Landlord a copy of the construction contracts for such restoration complying with the applicable provisions of this Lease.

13.4. Use of Proceeds. If the conditions set forth in Section 13.3 are satisfied, then (i) if the insurance proceeds are less than $1,000,000.00, they shall be paid to Tenant to be used in accordance with this Article XIII and (ii) if the insurance proceeds are $1,000,000.00 or greater, then Landlord and Tenant shall execute an escrow agreement with a third party approved by Landlord and Tenant (the "**Escrow Agent**") (Landlord and Tenant hereby agreeing that a Leasehold Mortgagee may be the Escrow Agent), which shall contain the following provisions:

(a) Landlord and Tenant shall cause the insurance company to deposit with the Escrow Agent the available insurance proceeds and Tenant shall deposit with the Escrow Agent the amount of the estimated costs in excess of the available insurance proceeds (unless Tenant has made arrangements acceptable to Landlord for the financing and funding of such amount as provided above).

(b) The Escrow Agent shall disburse the funds or a portion thereof, within twenty (20) days after written request of Tenant and delivery by Tenant of draw requests for the amount of the restoration costs then incurred by Tenant (together with bills paid affidavits, waivers and releases of liens) if (i) the draw requests are accompanied by a certificate from Tenant's architect certifying that the work for which such reimbursement is requested has been completed in accordance with the plans approved by Landlord and (ii) Landlord does not object, in writing, to the requested disbursement during the twenty (20) day period described above. Notwithstanding the foregoing, the Escrow Agent shall retain an amount equal to 10% of restoration costs (the "**Retainage**") from each reimbursement payment. The Retainage shall be paid to Tenant thirty-five (35) days after the date of the completion of the restoration, as evidenced by an affidavit of final completion executed by Tenant, Tenant's architect and the general contractor, subject to Tenant's architect's certificate that all such work has been completed (including all punch list work), Tenant's delivery to Landlord and the Escrow Agent of a final certificate of occupancy issued by the applicable Governmental Authority and all bills paid affidavits and waivers and releases of liens from the general contractor and, if in Tenant's possession or control, all subcontractors furnishing labor or materials.

(c) Any and all insurance proceeds remaining after deduction of all reasonable expenses incurred by Landlord and Tenant in settling or adjusting the claim (including attorneys' fees) in excess of the cost of such repairs and restoration of the Property or clearance shall be paid to Tenant.

ARTICLE XIV
CONDEMNATION

14.1. Definitions. The following definitions apply in construing provisions of this Lease relating to a taking of all or any part of the Land or the Improvements or any interest in them by eminent domain or inverse condemnation:

(a) "**Taking**" means any taking by eminent domain or by inverse condemnation or for any public or quasi-public use under any the applicable constitution, law, or statute. The transfer of title may be either a transfer resulting from the recording of a final order in condemnation or a voluntary transfer or conveyance to the condemning authority or entity under threat of condemnation in avoidance of an exercise of eminent domain. The Taking shall be considered to take place as of the earlier of (x) the date that Landlord and Tenant jointly agree that the condemnor may take actual possession, or (y) the date on which the right to compensation and damages accrues under the law applicable to the Property.

(b) "**Total Taking**" means the Taking of the fee title to all the Land and the Improvements or the Taking of the easements necessary for the use and operation of a Project, unless such easements are replaced with other suitable easements for the required uses.

(c) "**Substantial Taking**" means the Taking of so much of the Land, Improvements, or the easements benefiting the Land necessary for the use and operation of a Project (unless such easements are replaced with other suitable easements for the required uses), such that the remaining Property (or, as to either the Block 164 Premises or the Block 167 Premises, any New Improvements on such block) would not be economically and feasibly usable by Tenant, in Tenant's reasonable opinion.

(d) "**Award**" means the total compensation awarded in the condemnation case after exhaustion of all appeals.

14.2. Notice to Other Party. The party receiving any notice of the kinds specified below shall promptly give the other party notice of the receipt, contents, and date of the notice received.

(a) Notice of intended Taking.

(b) Service of any legal process relating to condemnation of the Land or Improvements.

(c) Notice in connection with any proceedings or negotiations with respect to such condemnation.

(d) Notice of intent or willingness to make or negotiate a private purchase, sale, or transfer in lieu of condemnation.

Each UT Building Lease and UT Sublease will include a similar covenant, pursuant to which U.T. will give Landlord and Tenant notice of its receipt of any such notices.

14.3. Representative of Each Party; Effectuation. Landlord and Tenant shall each have the right to represent its respective interests in each proceeding or negotiation with respect to a Taking or intended Taking and to make full proof of its claims. Landlord and Tenant each agrees to execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to condemnation. So long as a UT Sublease is in effect, UT System will have the right to represent its interest and participate in any proceeding relating to a Taking. Landlord and Tenant agree that their claims shall be complementary and not derogatory to the other's interest, and shall cooperate in representation and interest.

14.4. Total or Substantial Taking. If Tenant determines that the Taking is substantial under the definition appearing in Section 14.1(c) above, Tenant may, by notice to Landlord given within one hundred twenty (120) days after Tenant receives notice of intended Taking, elect to treat the Taking as a Substantial Taking. If Tenant fails to so notify Landlord, and provided that the Taking is not a Total Taking, the Taking shall be deemed a "**Partial Taking**". A Substantial Taking shall be treated as a Total Taking if (1) the taking meets the definition of Substantial Taking; (2) Tenant delivers notice to Landlord within one hundred twenty (120) days after Tenant receives notice of intended Taking, as provided above; (3) no Event of Default exists under this Lease; and (4) Tenant has complied with all Lease provisions concerning apportionment of the Award. If these conditions are not met, the Taking shall be treated as a Partial Taking.

14.5. Delivery of Possession. Tenant may continue to occupy the Land and Improvements until the date possession of all or such part of the Property is taken by, or conveyed to, the condemning authority.

14.6. Total Taking or Substantial Taking. In the event of a Total Taking or Substantial Taking:

(a) Tenant's obligation to pay Rent terminates, and the full amount of all prepaid Rent under this Lease, if any, prorated to the date of termination, will be refunded and returned by Landlord to Tenant, unless such Rent has been addressed in the Award or U.T. is the condemning authority who has taken the Property;

(b) This Lease terminates on the date possession of all or such part of the Property is taken by, or conveyed to, the condemning authority, and Tenant shall surrender possession of the Property to Landlord; and

(c) Landlord and Tenant will each retain their respective right to seek damages from the condemning authority for loss of their respective interests in the Property, and will cooperate in any legal proceeding required to recover such damages.

14.7. Partial Taking. In the event of a Partial Taking:

(a) Tenant's obligation to pay Rent continues unabated; provided, however, that if Landlord and Tenant agree that, as a result of the Partial Taking any portion of the Improvements are rendered unusable, then Tenant's obligation to pay Rent may be partially abated, proportionately to the extent of such loss of use;

(b) This Lease remains in full force;

(c) Landlord and Tenant will each retain their respective right to seek damages from the condemning authority for loss of their respective interests in the Property, and will cooperate in any legal proceeding required to recover such damages; and

(d) Tenant shall promptly commence and diligently complete reconstruction of all New Improvements that were damaged by such Partial Taking. For purposes of this section, reconstruction is complete when the New Improvements are in or as near the same condition as existed prior to such Taking as is reasonably practicable. Tenant shall have no obligation to reconstruct the Block 164 Improvements or the Block 167 Improvements.

14.8. Taking of Less than Fee Title. On any Taking of the temporary use of all or any part or parts of the Land, Improvements or the easements benefiting the Land necessary for the use and operation of a Project (unless such easements are replaced with other suitable easements for the required uses), or of any estate less than the fee, ending on or before the expiration date of the Term, neither the Term nor the Rent shall be reduced or affected in any way, and Tenant shall be entitled to any and all awards for the use or estate taken. If any such Taking is for a period extending beyond the expiration date of the Term, the Taking shall be treated under the foregoing provisions for Total, Substantial and Partial Takings.

14.9. Distribution of Proceeds. In any condemnation proceeding, the parties will request that the condemning authority grant separate awards for value of the Fee Estate taken and the Leasehold Estate taken.

(a) If the condemning authority grants separate awards, then Landlord shall be entitled to the award for the value of the then current Fee Estate and Tenant shall, unless U.T. is the condemning authority, be entitled to the award for the value of the Leasehold Estate (but without duplication). If U.T. is the condemning authority, Landlord shall be entitled to the entire Award.

(b) If the condemning authority refuses to grant separate awards, then the parties shall have the Property that is being taken appraised (by a Qualified Appraiser) and valued as if the condemnation had not occurred. Such appraisal process will determine the percentage of any award that should be attributed to the Fee Estate (the "**Fee Estate Percentage**") and the percentage of any award that should be attributed to the Leasehold Estate (the "**Leasehold Estate Percentage**") (and the aggregate of such percentages must equal one hundred percent [100%]). Landlord shall be entitled to the Fee Estate Percentage of any award and, so long as U.T. is not the condemning authority, Tenant shall be entitled to the Leasehold Estate Percentage of the award which shall be disbursed by Tenant in accordance with and pursuant to the terms of any applicable Leasehold Mortgage. If U.T. is the condemning authority, Landlord shall be entitled to the entire Award.

(c) If this Lease is not terminated as a result of the condemnation as expressly permitted above, any condemnation proceeds received by either Landlord or Tenant, shall first be used to restore the Improvements to an architecturally whole unit (while retaining such Improvement's prior and intended purpose, function and quality to the extent reasonably possible), and, to the extent possible given the nature of the condemnation, to substantially the same or better condition as existed immediately prior to such taking, and, if any proceeds remain thereafter, be divided between Landlord and Tenant in the proportions as provided in clauses (a) and (b) of Section 13.3. With respect to such restoration, Landlord shall have no approval or consent rights on development that is partially subject to such condemnation, which shall be subject only to Legal Requirements. Any condemnation proceeds shall be held and disbursed in the same manner as proceeds from a Casualty as set forth in Sections 13.2(c) and 13.2(d) above, if applicable. As between Tenant and its Leasehold Mortgagees or Subtenants, all condemnation proceeds that belong to Tenant pursuant to this Article XIV shall be disbursed in accordance with the terms of the Leasehold Mortgage.

(d) If Landlord or Tenant receives notice of any proposed or pending condemnation proceeding affecting the Property, the party receiving such notice shall promptly notify the other party, the Fee Mortgagee (if it shall have given to such party notice of the address of such Fee Mortgagee), and any Registered Leasehold Mortgagee.

14.10. Partial Taking - Last 10 Years of Term. Notwithstanding the foregoing, if a Partial Taking occurs during the last ten (10) Lease Years of the Term, Tenant shall have the following options:

(a) Tenant may elect not to repair and restore the Property, but instead terminate this Lease by giving written notice of termination to Landlord within one hundred twenty (120) days after the date of the Partial Taking. If Tenant elects to so terminate this Lease, Tenant shall, at Tenant's expense, raze the Improvements and level, clear, clean, and otherwise put the Land in good order and in a safe condition (including the removal of all foundations if elected by Landlord, and shoring to provide any excavated subgrade development), in which event Landlord shall first deduct therefrom all expenses actually incurred by Landlord in settling or adjusting the claim, including attorneys' fees, and then make the remaining insurance proceeds available to reimburse Tenant for the cost of such work, with the balance of the remaining insurance proceeds being distributed to the Leasehold Mortgagees for application on the Leasehold Mortgages, if any, and then the balance of the proceeds are to be distributed to Landlord.

(b) If Tenant does not elect to terminate this Lease as provided herein and repairs and restores the Property, the Term shall be extended for a period equal to the time reasonably required for Tenant to so repair and restore the Property, so long as Tenant pursues such repair and restoration with commercially reasonable diligence.

14.11. Severability of Blocks and Lease. Landlord and Tenant acknowledge and agree that the Block 164 Premises and the Block 167 Premises are and will be separate legal lots and can be owned, operated, leased, subleased, maintained, and used independently. Therefore, in the interpretation and application of any of the covenants, terms, conditions, and provisions in Article XIII and this Article XIV, Landlord and Tenant agree to cooperate to maintain this Lease in place with respect to either block not impacted by a Casualty or Condemnation.

ARTICLE XV
TRANSFERS

15.1. Tenant Transfers. Except as otherwise expressly provided in this Lease, Tenant or Subtenant may not Transfer its rights and/or obligations under this Lease and/or with respect to the Property, without the written consent of Landlord, in Landlord's Permitted Discretion. Except with regard to Permitted Transfers and Subleases expressly permitted under this Article XV, Landlord shall have the option, upon receipt of a written request from Tenant for Landlord's consent to Transfer this Lease with respect to any portion of the Property, to cancel this Lease with respect to the portion of the Property described in Tenant's notice, as of the effective date of the proposed Transfer, and all obligations under this Lease as to such property shall expire except as to any obligations that expressly survive any termination of this Lease. The option of Landlord to cancel this Lease, as provided for above, shall be exercised, if at all, within thirty (30) days following Landlord's receipt of written notice from Tenant of Transfer, by delivering written notice of Landlord's intention to exercise the option to so cancel this Lease with respect to such property. In the event of a recapture by Landlord, if this Lease shall be terminated with respect to less than the entire Property, (i) the rent to be paid on the remainder of the Property shall be prorated on the basis of the fair market value of the property retained by Tenant in proportion to the fair market value of the entirety of the Property, and (ii) this Lease will be amended and continue thereafter in full force and effect. Upon request of either party, the parties shall execute written confirmation of the same. Notwithstanding the foregoing, in the event Landlord elects to terminate this Lease or portion thereof, Tenant shall have the option, within fifteen (15) Business Days after receipt of Landlord's termination notice, to rescind Tenant's Transfer request, whereupon this Lease shall remain in full force and effect.

15.2. Permitted Transfers. Notwithstanding the foregoing, upon thirty (30) days' prior written notice to Landlord, Tenant or Subtenant shall be permitted to Transfer its rights and/or obligations under this Lease to (each, a "**Permitted Transfer**" and each such Transferee, a "**Permitted Transferee**") (i) an Affiliate or (ii) UT System, The University of Texas at Austin, or any higher education foundation or 501(c)(3) Support Organization (Type I or II) acting on behalf or for the benefit of UT System or U.T. The occurrence of a Permitted Transfer shall not waive Landlord's rights as to any subsequent Transfers. Landlord acknowledges and agrees that, in the event Tenant should assign its rights and obligations under this Lease to a Permitted Transferee, the Permitted Transferee will assume all duties and obligations of Tenant under the Lease; provided, however, the assumption of (i) any indemnity obligation is only to the extent authorized by the Constitution and laws of the State of Texas; and (ii) certain other obligations and covenants will be limited to comply with the Texas Constitution and other applicable statutes, codes, and regulations. In addition, the provisions of the State Law Addendum attached hereto shall be deemed incorporated herein upon any assignment or transfer of all or any rights under this Lease to UT System or U.T. Tenant may assign its rights under this Lease to a Permitted Transferee as to the Block 164 Premises and as to the Block 167 Premises separately and at different times.

15.3. Subletting.

(a) Tenant may at any time and from time to time enter into Subleases of Rentable Space without Landlord's consent; provided that the use of leased space is not a Prohibited Use.

(b) Tenant agrees for the benefit of Landlord that each Sublease shall stipulate that: (i) it is subject and subordinate to the terms and provisions of this Lease; (ii) in the event of termination of this Lease for any reason, including, without limitation, a voluntary surrender by Tenant, or in the event of any reentry or repossession of the Property by Landlord, Landlord may, at its option but with no obligation, take over all the right, title, and interest of Tenant, as sublessor, under such Sublease; (iii) when the Landlord opts to take over the Sublease as sublessor, the Subtenant shall attorn to Landlord; and (iv) Landlord shall not (1) be liable for any previous act or omission of Tenant under such Sublease, (2) be subject to any counterclaim, defense, or offset previously accrued in favor of the Subtenant against Tenant, (3) be bound by any security or advance rental deposit made by such Subtenant that is not delivered or paid over to Landlord and with respect to which such Subtenant shall look solely to Tenant for refund or reimbursement, or (4) be obligated to perform any work in the subleased space or to prepare it for occupancy, and in connection with such attornment, the Subtenant shall execute and deliver to Landlord any instruments Landlord may request to evidence and confirm such attornment.

(c) Tenant agrees that each UT Sublease shall stipulate that: (i) it is subject and subordinate to the terms and provisions of this Lease; (ii) when the Landlord opts to take over a UT Sublease as sublessor, U.T. shall attorn to Landlord; and (iii) Landlord shall not (1) be liable for any previous act or omission of Tenant under such UT Sublease, (2) be subject to any counterclaim, defense, or offset previously accrued in favor of U.T. against Tenant, (3) be bound by any security or advance rental deposit made by U.T. that is not delivered or paid over to Landlord and with respect to which U.T. shall look solely to Tenant for refund or reimbursement, or (4) be obligated to perform any work in the subleased space or to prepare it for occupancy, and in connection with such attornment, U.T. shall execute and deliver to Landlord any instruments Landlord may request to evidence and confirm such attornment, subject to the requirements and limitations of applicable laws and regulations.

(d) Tenant shall provide a copy to Landlord of any direct Sublease from Tenant to a Subtenant (but expressly excluding any Subleases, whether direct or indirect, to End Users who are not the named Subtenant) to Landlord.

(e) If Tenant is not in default of this Lease beyond any applicable notice and cure period, Landlord shall, within thirty (30) days of receipt of written request, provide a non-disturbance and attornment agreement (a "**Recognition Agreement**") to Subtenants and End Users in the form attached hereto as **Exhibit G** or such other mutually agreeable form.

15.4. Collateral Assignment. Landlord acknowledges and agrees that Tenant may collaterally assign this Lease to UT System to secure Tenant's obligations to UT System under each UT Sublease and/or any related agreement between Tenant and UT System or U.T.

15.5. Assignments after Bankruptcy. If, pursuant to the federal Bankruptcy Code or any other present or future federal or state insolvency, bankruptcy or similar law, Tenant (or its successor in interest hereunder) is permitted to assign this Lease in disregard of the restrictions contained in this Article XV (or if this Lease shall be assumed by a trustee for such person), the trustee or assignee shall cure any Event of Default under this Lease and shall provide adequate assurance of future performance by the trustee or assignee as required pursuant to Section 365 of the Bankruptcy Code. If all Events of Defaults are not cured and such adequate assurance is not provided within the later of (i) the applicable deadlines provided for in Section 365(d)(4) of the Bankruptcy Code or (ii) sixty (60) days after there has been an order for relief under the federal Bankruptcy Code or any other present or future federal or state insolvency, bankruptcy or similar law, then this Lease shall be deemed rejected, Tenant or any other Person in possession (except Subtenants and End Users having a Recognition Agreement from Landlord, provided such Subtenant or End User is not the Person in bankruptcy) shall immediately vacate the Property, and Landlord shall be

entitled to retain any Rent, and shall have no further liability to Tenant or any person claiming through Tenant or any trustee.

15.6. Landlord Transfers. Subject to Article XXI below, Landlord shall have the right, at any time and from time to time, to Transfer its rights and/or obligations under this Lease and/or with respect to the Property without the consent of Tenant, as Landlord, if, in its sole judgment, Landlord deems it appropriate to do so, Landlord may transfer the Property without any liability to Tenant, and Tenant shall attorn to any party to which Landlord Transfers its rights and obligations hereunder. If Landlord desires to assign this Lease and to the extent such assignment requires a bidding process, Tenant shall not be prohibited from participating in such bidding process (unless such participation is prohibited by Legal Requirements).

ARTICLE XVI
FINANCING

16.1. General. Tenant and its Subtenants shall be permitted to encumber, with a Leasehold Mortgage, its Leasehold Estate (or a subleasehold estate) in the Property and/or its interest in this Lease, in accordance with, subject to and governed by the provisions of this Article XVI below.

16.2. Financings. Tenant and its Subtenants shall have the right and power, but not the obligation, to enter into financings secured by its interest in the Leasehold Estate, its interest in this Lease, and the right, title and interest of Tenant in and to the Improvements to do all of the following: (a) finance development of a Project or any portion thereof ("**Construction Financing**"), and (b) obtain (i) interim, take-out or permanent, or other financing for the purposes of repaying such Construction Financing, and/or (ii) any other legal financing (including refinancing) for acquiring an interest in, holding, or operating all or any portion of the Leasehold Estate ("**Permanent Financing**"). Such Construction Financing and Permanent Financing are sometimes hereinafter individually or collectively referred to as "**Financing**". Any such Financing may be evidenced by one or more promissory notes and/or loan agreements and may be (but shall not be required to be) secured by one or more Leasehold Mortgages. If any Financing is secured by a Leasehold Mortgage, then the Leasehold Mortgage shall be subject to all of the terms and conditions set forth in this Section 16.2 and Section 16.3 below. Landlord and Tenant specifically agree that Landlord is not and shall not be obligated to, and does not hereby, subordinate its Fee Estate (including, without limitation, its rights or ownership interests and any reversionary rights of Landlord after the expiration or earlier termination of this Lease) in the Property or in this Lease to any Financing; and none of the Rent provided for in this Lease is or shall be subordinate to any Financing, Landlord and Tenant agree that any Rent owed hereunder shall be due and payable by Tenant throughout the Term regardless of any Financing. Further, in no event will any Financing or any Leasehold Mortgage extend beyond the stated expiration of the Term.

16.3. Leasehold Mortgages. Tenant and its Subtenants may, with notice to Landlord, encumber the Leasehold Estate by a Leasehold Mortgage to secure any Financing permitted pursuant to Section 16.2 above, but each such Leasehold Mortgage and all other related loan documents entered into as part of such Leasehold Mortgage, as well as any renewals, extensions, amendments, modifications, and supplements thereof (collectively, "**Leasehold Financing Documents**") shall be subject to each and all of the covenants, conditions, obligations, and restrictions set forth in this Lease. None of the covenants, conditions, obligations and restrictions are or shall be waived by Landlord by reason of the rights given to Tenant under this Section 16.3. The execution and delivery of any Leasehold Mortgage, in and of itself, shall not be deemed to constitute a Transfer of this Lease nor shall the holder of any Leasehold Mortgage, as such, be deemed a Transferee of this Lease so as to require such Leasehold Mortgagee, as such, to assume the

performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder. Landlord and Tenant further agree to the following:

(a) Tenant shall register each Leasehold Mortgagee by providing Landlord with written notice that includes a copy of the Leasehold Mortgage and stating the name and address of the Leasehold Mortgagee (each Leasehold Mortgagee for which such notice has been sent is herein referred to as a "**Registered Leasehold Mortgagee**"); provided further, that any such Registered Leasehold Mortgagee may be acting as an agent for a syndicate of multiple lenders that are providing the Financing secured by the applicable Leasehold Mortgage.

(b) Landlord shall send to any Registered Leasehold Mortgagee a copy of any notice or other communication from Landlord to Tenant of an Event of Default or a potential termination of this Lease as to all or the applicable portion of the Leasehold Estate at the time of giving such notice or communication to Tenant, and no termination of this Lease as to all or the applicable portion of the Leasehold Estate predicated on the giving of any notice shall be effective unless Landlord gives to such Registered Leasehold Mortgagee written notice or a copy of its written notice to Tenant of such Event of Default or termination, as the case may be. In no event will Landlord be obligated to furnish copies of any such notices to more than one individual as to any one Registered Leasehold Mortgage regardless of the number of owners of interests in such Registered Leasehold Mortgage.

(c) Tenant shall promptly provide to Landlord a copy of any notice delivered by any Leasehold Mortgagee regarding (i) Tenant's or Subtenant's default under the Leasehold Financing Documents or (ii) the Leasehold Mortgagee's intent to exercise a remedy in connection with any Tenant default under a Leasehold Mortgage or any documents executed in connection therewith. Any separate agreement between Tenant and a Leasehold Mortgage shall contain a provision requiring the Leasehold Mortgagee to provide copies of any such notices directly to Landlord.

(d) In the event of any Default by Tenant under the provisions of this Lease, each Registered Leasehold Mortgagee shall have, after the giving of written notice by Landlord, the same periods of time as are given Tenant for remedying such default or causing it to be remedied. In such event, each Leasehold Mortgagee, without prejudice to its rights against Tenant, shall have the right (but not the obligation) to cure such default within the applicable grace periods (if any) provided for herein, together with an additional sixty (60) days beyond the later to occur of (i) the period of cure granted to Tenant hereunder or, (ii) the date notice of such default is received by the applicable Registered Leasehold Mortgagee; provided, however, if such Default by Tenant is not susceptible of cure by the applicable Leasehold Mortgagee within such 60-day period and the Registered Leasehold Mortgagee commences the cure within such 60-day period and thereafter diligently pursues such cure, then the Registered Leasehold Mortgagee shall be granted an additional period of time to cure such Default by Tenant, but in no event longer than a total of one hundred eighty (180) days. In the event a Registered Leasehold Mortgagee performs on behalf of Tenant in accordance with the foregoing provisions, Landlord shall accept such performance on the part of such Registered Leasehold Mortgagee as though the same had been done or performed by Tenant, and for such purpose Landlord and Tenant hereby authorize such Registered Leasehold Mortgagee to enter upon the Property and to exercise any of such Registered Leasehold Mortgagee's (and Tenant's) rights and powers under this Lease and, subject to the provisions of this Lease, under the applicable Leasehold Mortgage (provided in the case of any entry upon the Property, the Registered Leasehold Mortgagee will be liable for any Claims made against Landlord or the other Indemnitees caused by such Leasehold Mortgagee's acts or omissions in connection therewith). In addition, in those instances that require any Leasehold Mortgagee to be in possession of the Property to cure any default by Tenant, the time allowed any Registered Leasehold Mortgagee to cure any default by Tenant shall be deemed extended to include the reasonable period of time required by any Registered Leasehold

Mortgagee to obtain such possession with the exercise of due diligence (including, without limitation, foreclosure or deed-in-lieu of foreclosure under a Leasehold Mortgage), and in those instances in which any Leasehold Mortgagee is prohibited from commencing or prosecuting foreclosure or other appropriate proceedings by court process or injunction or by reason of any action of any court having jurisdiction over any bankruptcy or insolvency proceeding involving Tenant, the time herein allowed any Registered Leasehold Mortgagee to prosecute such foreclosure or other proceeding shall be extended for the period of such prohibition. In either of the instances described in the preceding sentence, such Registered Leasehold Mortgagee shall have fully cured any default in the payment of Rent or any other monetary obligation of Tenant under this Lease and shall continue to make payments of Rent and any other monetary payments to Landlord in accordance with the terms and within the time frames set forth in this Lease. Nothing in this section shall be construed to require any Fee Mortgagee to cure or commence to cure any default that is personal to Tenant (*e.g.*, bankruptcy). Similarly, nothing contained in this Section 16.3(d), shall be construed to extend this Lease beyond the Term.

(e) In the event of a default under a Leasehold Mortgage, such Leasehold Mortgagee may exercise any right, power or remedy under the Leasehold Mortgage that is not in conflict with the provisions of this Lease. Landlord acknowledges that an Affiliate of a Leasehold Mortgagee may take title to all or any relevant portion of the Leasehold Estate in a foreclosure action in lieu of the named Leasehold Mortgagee so long as the same is done in accordance with this Article XVI.

(f) This Lease may be assigned, without the consent of, but with concurrent written notice to Landlord, to any Leasehold Mortgagee (or its designee that does not constitute a Prohibited Transferee), pursuant to foreclosure or similar proceedings, or an assignment or other transfer of this Lease to such Leasehold Mortgagee (or its designee that does not constitute a Prohibited Transferee) in lieu thereof; thereafter, Transfers shall be subject to the provisions of Article XV hereof.

(g) No amendment or modification of this Lease will be binding against a Registered Leasehold Mortgagee that existed and was registered at the time of such amendment or modification if the Registered Leasehold Mortgagee takes title to the Leasehold Estate pursuant to Section 16.3(f) above unless such Registered Leasehold Mortgagee consented in writing to such amendment or modification.

(h) If at any time there shall be more than one Registered Leasehold Mortgagee covering the same portion of a Project, the holder of the Leasehold Mortgage prior in time shall be vested with the rights under Section 16.3 hereof (other than the provisions for receipt of notices as provided herein) to the exclusion of the other Registered Leasehold Mortgagees or any other Leasehold Mortgages, the holders of which would not qualify as Registered Leasehold Mortgagees with respect to that portion of a Project; provided, however, as between Registered Leasehold Mortgagees (but not to be binding on Landlord), the terms of an intercreditor agreement between such Registered Leasehold Mortgagees may establish a different priority. The rights of any Leasehold Mortgagee regarding insurance and condemnation proceeds are and will remain subject to the rights of Landlord under this Lease.

(i) Notices from Landlord to a Registered Leasehold Mortgagee shall be mailed to the address provided to Landlord pursuant to Section 16.3(a) hereof, and those from Leasehold Mortgagee to Landlord shall be mailed to the address designated under this Lease. Such notices shall be given in the manner prescribed in Section 22.4 hereof and shall in all respects be governed by the provisions of that Section.

(j) Landlord will not subordinate its Fee Estate to the lien of any Leasehold Mortgage. Leasehold Mortgagees shall have no lien, security interest or other interest in the Fee Estate. Leasehold Mortgagees shall not acquire any lien, security interest or other interest in the Fee Estate in connection with

any foreclosure action or acceptance of a deed in lieu thereof from Tenant. Landlord shall not be liable for the payment of the sum secured by any Leasehold Mortgage, nor for any expenses in connection with the same, and neither the Leasehold Mortgage nor any Leasehold Financing Document shall contain any covenant or other obligation on Landlord's part to pay such debt, or any part thereof, or to take any action or be responsible for any obligation of any kind whatsoever with respect to such debt. Furthermore, no Leasehold Mortgagee shall seek a judgment against Landlord for the payment of such debt or to take any action or be responsible for any obligation of any kind whatsoever based upon such Leasehold Mortgage or any Leasehold Financing Document.

(k) If Tenant's interest hereunder is terminated because of a rejection of this Lease by a trustee or debtor-in-possession in bankruptcy (and there is one or more unsatisfied Registered Leasehold Mortgages in favor of one or more Leasehold Mortgagees then of record), upon written request of any such Leasehold Mortgagee delivered to Landlord within sixty (60) days following such rejection, Landlord will execute and deliver a new agreement with such Leasehold Mortgagee or its designee that does not constitute a Prohibited Transferee for the remainder of the Term with the same agreements, covenants, representations, warranties and conditions (except for any requirements that have been fulfilled by Tenant prior to termination and any requirements that are personal to Tenant) as were contained herein and covering the portion of a Project covered by the Leasehold Mortgage of such Registered Leasehold Mortgagee; provided, however, that such Leasehold Mortgagee or its designee must immediately cure any monetary default of Tenant hereunder and shall diligently pursue the cure to completion of any Non-Monetary Default which is reasonably curable by Leasehold Mortgagee and not personal to Tenant.

(l) If this Lease is terminated for any reason, including, but not limited to any termination following a failure to cure a Default or in the event of the rejection or disaffirmance of this Lease pursuant to bankruptcy laws or other laws affecting creditors' rights, then upon the most senior (as to the applicable portion of a Project) Registered Leasehold Mortgagee's written request to Landlord within sixty (60) days after such termination, Landlord and such Registered Leasehold Mortgagee shall mutually execute and deliver a new lease (a "**New Lease**") for the remainder of the Lease Term covering the portion of a Project covered by the Leasehold Mortgage of such Registered Leasehold Mortgagee, at the then-current Rent and upon the terms, covenants, agreements, provisions, conditions and limitations herein contained reasonably allocated and applicable to such portion of a Project, provided, that:

(i) the notice from such Registered Leasehold Mortgagee must be accompanied by a copy of the New Lease, duly executed and acknowledged by such Registered Leasehold Mortgagee;

(ii) such Registered Leasehold Mortgagee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Lease and are reasonably allocated and applicable to such portion of a Project but for such termination (plus Late Fees and interest thereon at the Delinquency Interest Rate). In addition thereto, upon presentation by the Landlord of documentation thereof, such Registered Leasehold Mortgagee shall pay or cause to be paid all actual expenses, including reasonable attorneys' fees, that Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease which have not otherwise been received by Landlord;

(iii) such Registered Leasehold Mortgagee shall have remedied at or before the execution of such New Lease any Default by Tenant to the extent that the Leasehold Mortgage can reasonably remedy such Default and such Default is reasonably allocated and applicable to such portion of a Project. Landlord agrees that the tenant under such New Lease shall have the same

right, title and interest in and to such portion of a Project thereon as the Tenant has under this Lease. The applicable Registered Leasehold Mortgagee shall be liable to perform all obligations imposed on the Tenant by such New Lease during, or which arise on account of, the period such Leasehold Mortgagee has title to the leasehold estate and said Leasehold Mortgagee shall remain liable for such obligations which arose during, or on account of, such period even after such period expires. Notwithstanding anything to the contrary contained herein, in no event shall any Leasehold Mortgagee be liable for any act or omission occurring during any period prior or, provided that Tenant's leasehold estate is thereafter assigned in compliance with the terms and conditions of such New Lease, subsequent to the time during which such Leasehold Mortgagee has title to the leasehold estate, except those outstanding defaults which the Leasehold Mortgagee is required to cure under this subsection which can be reasonably remedied by such Registered Leasehold Mortgagee;

(iv) upon the execution and delivery of such New Lease in accordance with the provisions of this Section 16.3(l), all Subleases which theretofore have been assigned and transferred to Landlord with respect to such portion of a Project covered by such New Lease shall thereupon be assigned and transferred without recourse by Landlord to the tenant under such New Lease, subject to the terms of any subordination and nondisturbance agreement previously executed between the Leasehold Mortgagee and the Subtenant under such Sublease;

(v) should any applicable Registered Leasehold Mortgagee fail to make the written request for a New Lease within the foregoing sixty (60) day period, such Registered Leasehold Mortgagee's right to request a New Lease shall terminate and be of no further force and effect; and

(vi) no Registered Leasehold Mortgagee that is subordinate to the applicable lien priority of another Registered Leasehold Mortgagee shall have the right to request a New Lease pursuant to this Section 16.3(l).

(m) No Leasehold Mortgagee shall become personally liable for the performance or observance of any covenants or conditions to be performed or observed by Tenant under this Lease unless and until such Leasehold Mortgagee expressly elects to become the owner of the Tenant's interest hereunder upon the exercise of any remedy provided for in any Leasehold Mortgage or enters into a New Lease with Landlord pursuant to Section 16.3(l). Thereafter, such Leasehold Mortgagee shall be liable for the performance and observance of such covenants and conditions applicable to the period during which such Leasehold Mortgagee owns such interest or is the Tenant under this Lease.

16.4. Blocks and Projects. Landlord acknowledges that Tenant may use different financing for a Project on the Block 164 Premises and for a Project on the Block 167 Premises. This Article XVI will be liberally construed, interpreted, and applied to accommodate Financings which may be secured by different Leasehold Mortgages on the Block 164 Premises and the Block 167 Premises, and Landlord expressly consents to such arrangement.

16.5. Landlord Financing. Landlord shall have the absolute right at any time to encumber Landlord's interest in the Property (or any part thereof) in any way, including, but not limited to, by any mortgage or deed of trust, in Landlord's sole discretion. If Landlord encumbers its interest in the Property with a mortgage or deed of trust as provided in this Section 16.5, Tenant shall, provided Landlord or the holder of such mortgage or deed of trust shall have delivered to Tenant and each Registered Leasehold Mortgagee prior written notice of the address of any such holder, provide concurrent copies of any written notices of default sent to Landlord hereunder to the holder of such mortgage or deed of trust. Any Fee

Mortgage hereafter covering Landlord's interest in the Fee Estate shall be subject to this Lease. Landlord shall obtain from each Fee Mortgagee a Subordination, Non-Disturbance, and Attornment Agreement in favor of Tenant on a form and in substance reasonably acceptable to Tenant. No holder of such a mortgage or deed of trust shall be or become liable to Tenant as an assignee of this Lease until such time as such holder, by foreclosure or other procedures, shall acquire the rights and interests of Landlord under this Lease, and upon such holder's assigning such rights and interests to another Person, such holder shall have no further liability thereafter arising under this Lease.

ARTICLE XVII
TENANT DEFAULT AND LANDLORD'S REMEDIES

17.1. Default. Each of the following events is an "**Event of Default**" (herein so called, and also sometimes referred to as "**Default**") by Tenant under this Lease:

(a) Failure by Tenant to pay any Rent and such failure continues for forty-five (45) days after Landlord gives written notice to Tenant of such failure.

(b) Failure or refusal to pay when due any other sum required by this Lease (that is, other than Base Rent or any installment thereof, Additional Rent, and Taxes) to be paid by Tenant (a "**Secondary Monetary Default**") if such failure to pay is not cured within thirty (30) days after written notice thereof is provided to Tenant and Tenant does not dispute such liability, in the event that Tenant disputes its liability for any Secondary Monetary Default obligation, and if the amount in dispute is less than $250,000.00, then Tenant (or U.T., if a UT Sublease is in effect) may elect to provide fiscal security to Landlord in form reasonably acceptable to Landlord (for example a letter of credit or cash escrowed with an acceptable third-party escrow agent pursuant to a mutually acceptable escrow agreement), in an amount equal to 125% of the amount claimed. If such acceptable fiscal security is properly and timely provided to Landlord or deposited in escrow, then the Secondary Monetary Default shall remain pending until the later of (i) such time as Landlord and Tenant (and U.T., if a UT Sublease is in effect) mutually agree on the settlement of the claimed amount, or (ii) one hundred eighty (180) days after the date the fiscal security is provided or deposited, or (iii) such dispute is resolved through litigation and a final unappealable judgment rendered by a court of competent jurisdiction (provided that this provision does not constitute and shall not be interpreted or construed as a waiver by Landlord or UT System of its immunity from suit, immunity from liability for damages, or any other immunity to which Landlord or UT System may now or hereafter be entitled under the Constitution and laws of the State of Texas, all of which are expressly reserved).

(c) Tenant fails to obtain Landlord's consent for a Transfer requiring Landlord's consent, or makes a Transfer to a Prohibited Transferee that is not cured within thirty (30) days after written notice of such default is provided by Landlord to Tenant.

(d) Failure by Tenant to perform or observe any of the terms, covenants, conditions, agreements and provisions of this Lease (other than as set forth in this Section 17.1) and such failure continues for a period of thirty (30) days after notice has been delivered to Tenant; provided however, that if any such failure (other than a failure involving payment of liquidated sums of money) cannot reasonably be cured within the thirty (30) day period, and Tenant has commenced curing such failure and within the thirty (30) day period and proceeds in good faith, continuously, and with due diligence to remedy and correct any such failure, then such thirty (30) day period will be extended by a period of no more than an additional one hundred fifty (150) days.

(e) The initiation of any proceeding whereupon the Leasehold Estate, or any portion thereof, or this Lease is levied upon or attached and is not vacated, discharged or bonded within ninety (90) days after the date of such levy or attachment.

(f) The entry of any decree or order for relief by a court having jurisdiction over Tenant in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Tenant or for any substantial part of the assets of Tenant, or the entry of any decree or order with respect to winding-up or liquidation of the affairs of Tenant, if any such decree or order continues unstayed and in effect for a period of sixty (60) consecutive days.

(g) The commencement by Tenant of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by Tenant to the appointment of or possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of Tenant or for any substantial part of the assets of Tenant, or any assignment made by Tenant for the benefit of creditors , which case is not dismissed within ninety (90) days after the original filing date of such case. If such case is still pending after ninety (90) days, then Landlord may give written notice to Tenant that Landlord intends to terminate this Lease in accordance with Section 17.2 below if such case is not dismissed within sixty (60) days after the date of such notice.

17.2. Remedies. Subject to the provisions of Section 17.1, upon the occurrence of an Event of Default, Landlord will have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law, in equity, or by this Lease:

(a) Landlord may terminate this Lease by giving written notice thereof to Tenant, in which event Tenant shall surrender the Property to Landlord within sixty (60) days after such termination notice (the "**Wind-Down Period**") and if Tenant fails to surrender the Property, then, Landlord may, without prejudice to any other remedy that it may have for possession or arrearages in rent, enter upon and take possession of the Property and (subject to Section 15.3(e)) expel or remove Tenant and any other Person who may be occupying the Property, or any part thereof, by force, if necessary, without having any civil or criminal liability therefor, and Tenant hereby agrees to pay to Landlord on demand the amount of all loss and damage that Landlord may suffer by reason of such termination, specifically including, but not limited to, any increase in insurance premiums caused by the vacancy of the Property, but expressly excluding any lost rents or lost profits. During the Wind-Down Period, Tenant will remove all Personal Property and Tenant Removables, and Tenant will continue to comply with all terms and conditions of this Lease and pay Rent and Additional Rent.

(b) Enter upon the Property, without having any civil or criminal liability therefor, and, with or without such entry upon the Property, do whatever Tenant is obligated to do under the terms of this Lease; Tenant agrees to reimburse Landlord on demand for any actual expenses that Landlord may incur in effecting compliance with Tenant's obligations under this Lease, which expenses shall bear interest from the date incurred until payment at the Delinquency Interest Rate and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by the negligence of Landlord or otherwise.

(c) Landlord will accept from U.T. or UT System cure of any Default or Event of Default, provided such cure is completed within the same time frames permitted Tenant, as the same may be modified by any separate agreement between Landlord and UT System. Nothing herein obligates U.T.

or UT System to cure any Default or Event of Default, unless and to the extent this Lease has been assigned to and assumed by UT System.

(d) If Tenant defaults and it is not capable of cure by U.T. (for example, Tenant files bankruptcy), and a UT Sublease is in effect, then UT System will have the right to assume this Lease, provided UT System cures any Default or Event of Default that is capable of cure (for example, the payment of money owed to Landlord). Provided, further, if a UT Sublease is in effect and a Default or Event of Default occurs or is caused by Tenant and not by U.T., then any termination of this Lease will not terminate a UT Sublease, and Landlord agrees to allow UT System to assume this Lease.

17.3. Payment by Tenant. Tenant shall pay to Landlord, with interest from the date incurred until payment at the Delinquency Interest Rate, all costs and expenses incurred by Landlord as a result of an Event of Default, including court costs and attorneys' fees in (a) retaking or otherwise obtaining possession of the Property under this Lease, (b) removing and storing Personal Property, (c) repairing or restoring the Improvements to the condition in which Tenant is required to deliver the Improvements at the end of the Term, (d) paying or performing the underlying obligation that gave rise to the subject default and that Tenant failed to pay or perform and (e) enforcing any of Landlord's rights and remedies under this Lease, at law or in equity arising as a consequence of the Event of Default.

17.4. No Waiver. No delay or omission by either party in exercising any right or power accruing upon non-compliance or failure to perform by the other party under any of the provisions of this Lease will impair any such right or power or be construed to be a waiver thereof. A waiver by either party of any of the covenants or conditions to be performed by the other party will be in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought, and any such waiver will not be construed as a waiver of any preceding or succeeding breach or non-performance of the same or other covenants and conditions hereof.

17.5. Attorneys' Fees and Interest. If any legal action is brought by Landlord because of a breach of this Lease or to enforce any provision of this Lease, Landlord will be entitled to attorneys' fees and such other costs as may be found by the court. If Tenant fails to pay any amount under this Lease when it is due, that amount will bear interest from the date it is due until the date it is paid at the Delinquency Interest Rate

17.6. Lien. Landlord hereby reserves and Tenant hereby grants to Landlord a continuing lien in the nature of a mortgage lien on the Leasehold Estate to secure payment of all of Tenant's obligations under this Lease. If there shall occur an Event of Default, Landlord shall be entitled to record a notice of lien ("**Notice of Lien**") in the Real Property Records, setting forth the amount due and payable and Landlord shall thereafter be entitled to foreclose the lien with respect to such amount as set forth in the recorded Notice of Lien, together with interest thereon in the same manner as the foreclosure of mortgage liens under the laws of the State of Texas, and shall further be entitled to recover all such amounts, together with attorneys' fees and expenses and court costs incurred in connection with the enforcement of such lien and the collection of such unpaid amount. The lien hereinabove provided shall have priority from the date and time that a Notice of Lien as aforesaid is filed for record in the Real Property Records. Notwithstanding the foregoing, the above described lien shall not have priority over any Leasehold Mortgage lien on the Property recorded in the Real Property Records prior to the recording of the Notice of Lien. The landlord's lien granted to Landlord in this Section 17.6 and pursuant to the Texas Property Code will be subject and subordinate to any such Leasehold Mortgages. At Tenant's prior written request and at Tenant's sole cost and expense, Landlord will execute additional documentation acceptable to Landlord and a Leasehold Mortgagee evidencing such subordination.

ARTICLE XVIII
LANDLORD DEFAULTS AND TENANT REMEDIES

18.1. Landlord's Default. Each of the following events shall be a breach of this Lease and shall constitute a "**Landlord's Default**":

(a) Failure or refusal to pay when due any sum required by this Lease to be paid by Landlord to Tenant if such failure to pay is not cured within sixty (60) days after written notice thereof is provided to Landlord; provided, however, because Landlord's funding is subject to an annual budgetary process, if funds to make payment are unavailable to Landlord in a given fiscal year and Landlord advises Tenant in writing of its intent to make payment upon availability of funds, the time for cure shall be extended accordingly.

(b) Failure by Landlord to perform as required any other covenant, agreement or obligation (other than the payment of a liquidated sum of money) of Landlord under this Lease and the same is not cured within ninety (90) days after notice of such failure is sent by Tenant to Landlord; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said ninety (90) days; and Landlord commences the cure within this timeframe and thereafter diligently prosecutes the same to completion, then for such period of time as may be reasonably necessary to cure the failure completely. The foregoing shall not apply, however, to Landlord's obligations in this Lease to respond to submittals of the Project Design Documents.

18.2. Tenant Remedies. Upon the occurrence of a Landlord's Default, Tenant has the following remedies which are in addition to all other rights and remedies provided by law or equity, to which Tenant may resort cumulatively or in the alternative, subject to the terms and provisions of Article XIX below:

(a) Judicial Resolution. Tenant has the option to pursue Judicial Resolution. Tenant shall give written notice to Landlord of its intent to pursue Judicial Resolution ("**Tenant Notice of Suit**"). Upon receipt of such a Tenant Notice of Suit, Landlord shall have the following options:

(i) Landlord may raise the defense of sovereign immunity;

(ii) To the extent authorized by and allowed under the Constitution and laws of the State of Texas, Landlord may waive the defense of sovereign immunity and proceed to participate in the Judicial Resolution; or

(iii) To the extent authorized by and allowed under the Constitution and laws of the State of Texas, Landlord may bring suit against Tenant seeking a declaratory judgment on Tenant's assertion(s) regarding Landlord's Default or issues which are the basis of Tenant's assertion of Landlord's Default. In such event, Landlord may proceed to participate in the Judicial Resolution.

(b) Withholding of Base Rent. If any one of the following occurs: (i) Landlord refuses to participate in the Judicial Resolution, (ii) Landlord fails to respond to the Tenant Notice of Suit within sixty (60) days of such notice, (iii) Landlord responds in writing to the Tenant Notice of Suit that it will not file a declaratory judgment as described in Section 18.2(a)(iii) above, (iv) Landlord responds in writing to the Tenant Notice of Suit that it is unable or unwilling to effectively waive sovereign immunity as a defense to a lawsuit filed by Tenant seeking Judicial Resolution, or (v) either Landlord or Tenant files a suit seeking a Judicial Resolution and such suit is dismissed or otherwise terminated by final judicial decision because such suit is precluded by sovereign immunity applicable to Landlord, then Tenant may withhold Base Rent

by giving written notice to Landlord, provided that all funds withheld by Tenant shall be held in trust by Tenant subject to the terms of this Lease unless a Judicial Resolution is achieved (and in no event shall any such withholding of Base Rent by Tenant give rise to any right by Landlord that Tenant is in default hereunder). If the Landlord's Default is for a liquidated sum, then at such time as Tenant has withheld Base Rent in an amount equal to Tenant's claim, then Tenant's right to withhold Base Rent shall cease. If Landlord cures the Landlord's Default by paying the liquidated sum of damages to Tenant, then all of the withheld Base Rent shall be promptly remitted to Landlord.

(c) Withheld Funds and Offset. In the event a Judicial Resolution is achieved and Tenant is awarded damages for Landlord's breach of this Lease, Tenant will offset any amounts awarded to Tenant in the Judicial Resolution against any amounts previously withheld and promptly remit the excess amount withheld to Landlord; if the amounts previously withheld by Tenant are inadequate to liquidate the amount awarded to Tenant in the Judicial Resolution, then Tenant may offset any remaining amounts awarded in the Judicial Resolution against any prospective amounts owed by Tenant to Landlord under this Lease, including but not limited to Rent.

(d) Termination. If a Judicial Resolution is not pursued because of Landlord's failure or inability to participate and the Landlord's Default is not otherwise resolved by (i) Landlord's good faith effort to diligently pursue a cure of said Landlord's Default or (ii) the good faith negotiations between and among the parties (Landlord, Tenant, and, if applicable or necessary given the nature of the Landlord's Default, U.T.) during the three (3) year period following the date of the Tenant Notice of Suit, then Tenant may retain the amount withheld (or the applicable portion thereof) in accordance with the terms of this Section 18.2 and/or either (Y) if a UT Sublease is in effect, assign its interest in and under this Lease to U.T., or (Z) if a UT Sublease is not in effect, terminate this Lease by giving a Termination Notice to Landlord and U.T. If Tenant assigns its interest in and under this Lease to U.T. (or does not terminate this Lease, as applicable) at the end of such 3-year period, then Rent will resume the next month following the end of such 3-year period (and U.T. will receive the benefit of any abatement).

ARTICLE XIX
DISPUTE RESOLUTION

19.1. Cooperation. The parties agree to cooperate in good faith to resolve any disputes or disagreements between the parties and/or with U.T. For purposes of this Article XIX, the terms "**Parties**" shall mean Landlord, Tenant, and U.T., so long as a UT Sublease is in effect, unless the dispute is solely between Landlord and Tenant, in which case Parties shall mean Landlord and Tenant. "**Dispute Resolution**" means the process of good faith negotiation and then mediation of a Dispute as provided in Sections 19.3 and 19.4.

19.2. Dispute Notice. A "**Non-Monetary Default**" is any Default or Event of Default that does not involve the payment or Rent, Additional Rent, or some other liquidated sum required to be paid by Tenant under this Lease. Notwithstanding any provision in this Lease to the contrary, if (i) Landlord delivers to Tenant notice of a Non-Monetary Default (a "**Non-Monetary Default Notice**"), and if Tenant disputes any matters set out in such Non-Monetary Default Notice, or (ii) if a UT Sublease is in effect and U.T. receives a copy of any a Non-Monetary Default Notice and U.T. disputes any matters set out in such Non-Monetary Default Notice, then Tenant, U.T., or Landlord, as the case may be, may deliver to the other Parties a written notice ("**Dispute Notice**") stating the matter or matters that are disputed (collectively, the "**Dispute**"). Upon delivery of a Dispute Notice and during the pendency of the Dispute Resolution, (i) the events described in the Non-Monetary Default Notice shall not constitute an Event of Default or a Landlord Default, as the case may be, and (ii) the applicable cure periods for the default which is the subject to the Dispute shall be tolled until the conclusion of the Dispute Resolution as provided in this Article XIX, at

which time the applicable cure period will resume, provided, in no event shall such cure period be less than ten (10) days. If the Dispute is based on any matters set forth in a Non-Monetary Default Notice, then the Dispute Notice must be sent within ten (10) Business Days after the date of Tenant's receipt of the Non-Monetary Default Notice. If the Dispute is based on any alleged default by Landlord, then the Dispute Notice must be sent within ten (10) Business Days after the date of Landlord's receipt of written notice of the alleged default.

19.3. Negotiation. In the event of any Dispute between or among the Parties, the Parties will promptly and in good faith attempt to resolve such Dispute through negotiations. Landlord and Tenant (and if a UT Sublease is in effect and the Dispute is applicable to or affects U.T.) will designate representatives with the authority to negotiate on behalf of each party involved in the Dispute, and such designated representatives will meet as soon as reasonably possible to attempt in mutual good faith to resolve the Dispute. If the Parties are unable to resolve the Dispute within forty-five (45) days after a Dispute Notice, then the Parties will submit the Dispute to mediation as set forth below.

19.4. Mediation. If negotiation is unsuccessful the Dispute will be subject to mediation conducted as follows:

(a) Commencement of Mediation. Any Party wishing to commence mediation will send a written notice of intent to mediate to the other Parties, specifying in detail the nature of the Dispute and proposing a resolution of the Dispute ("**Mediation Notice**"). Within thirty (30) days after such Mediation Notice is received by the other Parties, if the Parties cannot agree on a proposed mediator, one will be appointed by the executive director or other functional equivalent of the American Arbitration Association or any similar entity. Each Party will designate no more than three (3) representatives who will meet with the mediator to mediate the dispute. Mediation will be commenced as soon as reasonably possible. The mediator will be a person having no conflict of interest relationship with any of the Parties.

(b) Conduct of Mediation. The mediation will be conducted in the City of Austin and will be non-binding. Any non-binding mediation conducted under the terms of this Section 19.4 will be confidential within the meaning of and subject to applicable laws. The cost of the mediation will be borne equally among the Parties. The mediation must be conducted and completed within ninety (90) days after the date of the Mediation Notice.

19.5. Judicial Resolution. If there is a failure to resolve a Dispute through mediation as set forth above, any Party may initiate appropriate proceedings to obtain a judicial resolution of the Dispute ("**Judicial Resolution**"). This provision is not and does not constitute a waiver by Landlord, UT System, or U.T. of any rights of sovereign immunity any may have under the Constitution and laws of the State of Texas, all of which are expressly reserved.

ARTICLE XX
LIMITATION OF LANDLORD'S LIABILITY

20.1. Landlord. The term "**Landlord**" is limited to mean and include only the owner at the time in question of the Fee Estate. In the event of any Transfer of the title to the Fee Estate, the Landlord herein named (and in case of any subsequent Transfers, the then transferor) shall be automatically freed and relieved from and after the date of such Transfer from all obligations on the part of Landlord contained in this Lease to be performed with respect to the period after the date of such Transfer, provided that the then holder of the Fee Estate shall assume all of the terms, covenants and conditions in this Lease contained on the part of Landlord thereafter to be performed, it being intended hereby that the covenants and obligations contained in this Lease on the part of Landlord shall be binding on Landlord, its successors and assigns,

only during and in respect of their respective successive periods of ownership of the Fee Estate in the Property.

20.2. Landlord's Liability. Notwithstanding anything to the contrary provided in this Lease, neither Landlord nor Landlord's Affiliates shall have any personal liability with respect to any provisions of this Lease and, if Landlord is in breach or default with respect to its obligations or otherwise, Tenant shall look solely to Landlord's Fee Estate for the satisfaction of Tenant's remedies; it being expressly acknowledged and understood that Landlord's total exposure ever exceed the then unencumbered fair market value of Landlord's Fee Estate and the proceeds therefrom. In no event whatsoever shall Landlord or Landlord's Affiliates be responsible for any special, indirect, treble, consequential, punitive, or exemplary damages suffered or incurred by Tenant, including, without limitation, on account of lost profits or the interruption of Tenant's business. Nothing herein, however, shall be deemed to restrict or prohibit Tenant from seeking injunctive or any other equitable relief or judgment in connection with Landlord's breach of this Lease. Further, nothing in this Section 20.2 provides Tenant with the right to offset against Rent becoming due under this Lease.

ARTICLE XXI
RIGHTS OF FIRST OFFER AND REFUSAL

21.1. Tenant's First Right (Purchase). Tenant will have a continuing right of first offer and right of first refusal ("**Tenant's Purchase First Right**"), to purchase the Fee Estate with respect to the Block 164 Premises, and the Fee Estate with respect to the Block 167 Premises (each, as applicable, the "**First Right Land**"), such right to be exercised in accordance with Section 21.1(a) below. Tenant's Purchase First Right hereunder shall be conditioned upon Tenant, at the time of Tenant's receipt of Landlord's FR Purchase Notice (defined below), (i) not being in default under this Lease beyond applicable notice and cure period and (ii) not having previously assigned the Lease to any party other than UT System or U.T.

(a) In the event Landlord desires to sell any tract of the First Right Land for any reason, or if Landlord receives a bona fide offer or proposal from a third party to purchase any First Right Land that is acceptable to Landlord, or if Landlord makes a legitimate bona fide offer or proposal to a third party with respect to First Right Land and such proposal is acceptable to third party, Landlord shall so notify Tenant in writing ("**Landlord's FR Purchase Notice**"), which shall set forth the terms of such offer or proposal or request a proposal from Tenant. Tenant shall notify Landlord within thirty (30) days of its receipt of Landlord's FR Purchase Notice whether it desires to purchase the applicable First Right Land on the terms set forth in Landlord's FR Purchase Notice or provide Landlord with Tenant's proposed purchase terms. If Tenant fails to elect to purchase, or elects not to purchase, the applicable First Right Land, or if Landlord and Tenant cannot agree on the terms of sale and purchase, and Landlord thereafter fails to enter into an agreement to sell the applicable First Right Land within six (6) months following Landlord's FR Purchase Notice, then the applicable First Right Land shall again be subject to Tenant's Purchase First Right.

(b) If Tenant exercises Tenant's Purchase First Right with respect to the applicable First Right Land, then Landlord and Tenant will negotiate in good faith to execute a purchase and sale agreement.

21.2. Landlord's First Right. Landlord will have a continuing right of first offer and right of first refusal to purchase ("**Landlord's First Right**") Tenant's Leasehold Estate with respect to each of the Block 164 Premises and the Block 167 Premises, such right to be exercised in accordance with Section 21.2(a) below. Landlord's First Right hereunder shall be conditioned upon Landlord, at the time of Landlord's receipt of Tenant's First Right Notice (defined below), (i) not being in default under this Lease beyond

applicable notice and cure period and (ii) not having previously assigned the Lease to any party other than a successor agency providing healthcare services in Travis County.

(a) Landlord's First Right applies only to a proposed conveyance and transfer of Tenant's Leasehold Estate as to the Block 164 Premises and/or Block 167 Premises to a third party in an arm's length transaction. Landlord's First Right does not apply to any sale, conveyance, transfer, or assignment of any rights under this Lease to a Permitted Transferee, including without limitation any such sale, conveyance, transfer, or assignment to a Permitted Transferee of the Leasehold Estate as to the Block 164 Premises or the Block 165 Premises separately. Landlord's First Right does not apply to any Subleases to End Users.

(b) In the event Tenant desires to sell or dispose of its Leasehold Estate as to either the Block 164 Premises or the Block 167 Premises (and the applicable improvements thereon), or if Tenant receives a bona fide offer or proposal from a third party to purchase such estate and rights that is acceptable to Tenant, or if Tenant makes a legitimate bona fide offer or proposal to a third party with respect to either the Block 164 Premises or the Block 167 Premises and such proposal is acceptable to third party, Tenant shall so notify Landlord in writing ("**Tenant's First Offer Notice**"), which shall set forth the terms of such offer or proposal or request a proposal from Landlord. Landlord shall notify Tenant within thirty (30) days of its receipt of Tenant's First Offer Notice whether it desires to acquire the Leasehold Estate and applicable Improvements on the terms set forth in Tenant's First Offer Notice or provide Tenant with Landlord's proposed acquisition terms. If Landlord fails to elect to acquire, or elects not to acquire, either the Leasehold Estate in and to the Block 164 Premises or the Block 167 Premises, or if Landlord and Tenant cannot agree on the terms, and if Tenant thereafter fails to enter into an agreement for the disposition and sale of its Leasehold Estate and the applicable improvements within six (6) months following Tenant's First Right Notice, then the applicable Leasehold Estate shall again be subject to Landlord's First Right.

(c) If Landlord exercises Landlord's First Right with respect to either Leasehold Estate, then Landlord and Tenant will negotiate in good faith to execute a purchase and sale agreement pursuant to which Landlord can purchase such Leasehold Estate and the improvements thereon.

21.3. UT System; Extension of Time Periods. The rights and obligations under this Article XXI are not assignable or transferable, except that Tenant may assign its rights and obligations hereunder to UT System or U.T. Landlord, Tenant, and UT System agree that all time periods under this Article XXI will be extended as reasonably necessary to obtain any required approvals by the Board of Regents of UT System, by Landlord's Board of Managers, and/or by the Travis County Commissioners Court.

ARTICLE XXII
MISCELLANEOUS

22.1. No Partnership or Joint Venture. The relationship between Landlord and Tenant under this Lease will remain, at all times, solely that of landlord and tenant and will not be deemed a partnership or a joint venture.

22.2. Estoppel Certificates. Upon thirty (30) days' prior written notice given not more than two (2) times in any Lease Year, Landlord and Tenant each agree to sign and deliver to the other party a certificate in the form mutually acceptable to both parties. The certificate (i) may only be relied upon by the party requesting the certificate and any parties that are specifically identified by name in the request and that are either acquiring an interest in the Leasehold Estate or providing Financing in accordance with the terms of this Lease, (ii) may only be used to estop the responding party from claiming that the facts are other than as set forth in the certificate, and (iii) may not be relied upon by any Person, even if named in

such estoppel certificate, who knows or should know that the facts are other than as set forth in such certificate. The party providing such estoppel may limit it to actual knowledge of a designated officer or other representative of the providing party.

22.3. Time Is of the Essence. Time is of the essence for each provision of this Lease for which time is an element.

22.4. Delivery of Notices. Formal notices, demands and communications between the parties must be in writing and will be sufficiently given if, and will not be deemed given unless, delivered personally, dispatched by certified mail, sent postage prepaid, return receipt requested through the U.S. Postal Service, or sent by a nationally recognized express delivery or overnight courier service, to the office of the parties shown as follows, or such other address as the parties may designate in writing from time to time:

Tenant:	The 2033 LP Attn: Sanford L. Gottesman 2500 Bee Cave Road Building Two, Suite 150 Austin, Texas 78746
Landlord:	Travis County Healthcare District Attn: Mike Geeslin, CEO and President 1111 E. Cesar Chavez Austin, Texas 78702
With copy to:	Travis County Attorney's Office Attn: File No. 341.88 314 W. 11th St. Austin, Texas 78701

If and so long as a UT Sublease is in effect, copies of any notices sent by Landlord or Tenant will also be sent to U.T. at the following addresses:

The University of Texas at Austin
Campus Real Estate Office
1616 Guadalupe, Suite 2.508
Austin, Texas 78701
Attention: Director of Real Estate

The University of Texas at Austin
Office of Financial Affairs
P.O. Box 8179
Austin, Texas 78713
Attention: Vice President and Chief Financial Officer

Such written notices, demands, and communications will be effective on the date shown on the delivery record as the date delivered (or the date on which delivery was refused) or in the case of certified mail two (2) Business Days following deposit of such instrument in the United States Mail.

22.5. Parties Bound. This Lease will be binding upon and inure to the benefit of the parties to this Lease and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns.

22.6. Severability. If any terms or provisions of this Lease or the application of any terms or provisions of this Lease to a particular situation, are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Lease or the application of such terms or provisions of this Lease to other situations, will remain in full force and effect unless amended or modified by mutual consent of the parties; provided that, if the invalidation, voiding or unenforceability would deprive either Landlord or Tenant of the material benefits to be derived from this Lease, or make performance under this Lease unreasonably difficult, then Landlord and Tenant will meet and confer and will make good faith efforts to amend or modify this Lease in a manner that is mutually acceptable to Landlord and Tenant.

22.7. Entire Agreement; Prior Agreements Superseded. This Lease (including the Recitals hereto and the Exhibits attached hereto), together with any written modifications or amendments to this Lease hereafter entered into, embodies the complete and entire agreement between the parties relative to the subject matter hereof and constitutes the sole and only agreement of the parties to this Lease and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease.

22.8. Amendment. No amendment, modification, or alteration of the terms of this Lease will be binding unless it is in writing, dated subsequent to the date of this Lease, and duly executed by the parties to this Lease.

22.9. Merger. There will be no merger of this Lease or of the Leasehold Estate by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, in whole or in part, (a) this Lease or the Leasehold Estate or any interest in this Lease or such Leasehold Estate, or (b) any right, title or interest in the Property.

22.10. Construction of Agreement. This Lease has been reviewed and revised by legal counsel for both Tenant and Landlord, and no presumption or rule that ambiguities will be construed against the drafting party will apply to the interpretation or enforcement of this Lease.

22.11. No Third Party Beneficiaries. Landlord and Tenant hereby renounce the existence of any third party beneficiary to this Lease and agree that nothing contained herein will be construed as giving any other Person third party beneficiary status; provided, however, that Landlord's lenders and Leasehold Mortgagees are deemed third-party beneficiaries of Article XVI hereof.

22.12. Counterparts. This Lease may be executed by each party on a separate signature page, and when the executed signature pages are combined, will constitute one (1) single instrument.

22.13. Time of Performance. All performance dates (including cure dates) expire at 5:00 p.m. Central Standard or Daylight Time, as then applicable, on the performance or cure date. A performance or cure date that falls on a day other than a Business Day is deemed extended to the next Business Day.

22.14. Manner of Payment. All Rent and other sums payable to Landlord and/or to Tenant must be paid in the lawful money of the United States of America at the time of payment to Landlord or Tenant at Landlord's or Tenant's address, respectively, for notices as set forth herein, or at such other address as may be designated by Landlord or Tenant, including any address or account for electronic payment.

22.15. Landlord Consents and Approvals. Unless expressly stated otherwise herein (*e.g.*, in instances where Landlord is authorized to exercise Landlord's Permitted Discretion, which shall be governed by the following provisions of this Section 22.15), Landlord's consent or approval (or similar action) shall be in Landlord's sole and absolute discretion. As used herein, "**Landlord's Permitted Discretion**" means in the reasonable discretion of Landlord.

22.16. Correction of Technical Errors. If, by reason of inadvertence, and contrary to the intention of Landlord and Tenant, errors are made in this Lease in the legal descriptions or the references thereto or within any exhibit with respect to the legal descriptions, in the boundaries of any parcel in any map or drawing that is an exhibit hereto, or in the typing of this Lease or any of its exhibits or any other similar matters, the parties by mutual agreement may correct such error by memorandum executed by them without the necessity of amendment of this Lease.

22.17. Memorandum. Landlord and Tenant shall execute a "**Memorandum of Lease**" (herein so called) within ten (10) Business Days after the expiration of the Inspection Period. The Memorandum of Lease will be recorded in the Real Property Records. Landlord and Tenant will cooperate in the execution of any amendments and/or restatements of the Memorandum of Lease that either party may request upon any adjustment of the Block 164 Premises and/or Block 167 Premises, as contemplated and provided for in this Lease. This Lease, and not the Memorandum of Lease, is what creates the Leasehold Estate and governs whether the Lease is terminated or expires. Upon the expiration or earlier termination of this Lease, Tenant agrees to execute, acknowledge and deliver to Landlord an appropriate written instrument that releases and reconveys to Landlord all of Tenant's right, title, and interest in and to the Property. Landlord is hereby irrevocably vested with full power and authority as attorney in fact for Tenant and in Tenant's name, place and stead (which shall be deemed to be coupled with an interest and irrevocable), to execute such instrument releasing Tenant's interest under this Lease following the expiration or earlier termination of this Lease; provided, however, that Landlord shall not exercise such power and authority until Tenant fails to execute such a release within thirty (30) days after Landlord's request for the same. In no event shall this Lease be recorded in the Real Property Records without Landlord's and Tenant's consent, in their sole discretion.

22.18. GOVERNING LAWS. THIS LEASE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

22.19. Venue. The obligations of the parties hereto are and will be performable in Travis County, Texas, and the exclusive venue for any action brought with respect hereto shall lie in Travis County, Texas. By executing this Lease, each party hereto expressly (a) consents and submits to personal jurisdiction consistent with the previous sentence, (b) waives, to the fullest extent permitted by applicable laws, any claim or defense that such venue is not proper or convenient, and (c) consents to the service of process in any manner authorized by Texas law.

22.20. Force Majeure. Landlord and Tenant shall be excused from performing their obligations under this Lease for the period of time they are prevented from doing so by civil disturbance, war, war like operations, invasions, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, delays in permitting, or acts of God ("**Force Majeure**"). Notwithstanding the foregoing, nothing contained in this Section 22.20 shall excuse either party from paying in a timely fashion any payments due under the terms of this Lease nor shall this Section be applied so as to limit either party's rights to-cure-the other's failure of performance or default, if any such rights exist. It shall be a condition to either party's claim of the benefit of this Section that such party ("**Claiming Party**") notify the other in writing within five (5) Business Days after the occurrence of the force majeure event, which notice shall provide a good faith estimate of the time which will elapse until the delay is ended and any actions being

taken to cure the delay. The Claiming Party shall have no liability to the other if the good faith estimate of time required to cure the delay is not met, but the Claiming Party shall advise the other in writing whenever the Claiming Party learns that any additional time shall be required (and promptly, upon request, shall advise the other party of any updated estimate of time required to cure the delay).

22.21. Broker. Tenant represents to Landlord that Tenant has not acted by or through a broker regarding this Lease.

22.22. Tenant Certification. Pursuant to Chapter 2270, Texas Government Code, Tenant certifies to Landlord that Tenant (1) does not currently boycott Israel; and (2) will not boycott Israel during the Term of this Lease. Tenant further certifies to Landlord that (1) its name is not included on the list maintained by the Texas State Comptroller of companies known to have contracts with or to provide supplies or services to a foreign terrorist organization, and (2) Tenant will not, during the term of this Lease, enter into contracts with or provides supplies or services to any such organization unless the United States government has excluded Tenant from its federal sanctions regime relating to Sudan, its federal sanctions regime relating to Iran, or any deferral sanction relating to a foreign terrorist organization.

22.23. Compliance with Healthcare Laws and Regulations. The parties intend to comply with and to ensure that this Lease complies with applicable Healthcare Laws, as defined below.

(a) The term "**Healthcare Laws**" means the Patient Protection and Affordable Care Act (Public Law No. 111-152), the Federal Health Care Programs Anti-Kickback statute (42 USC §1320a-7b(b)), the Ethics in Patient Referrals Act of 1989 (42 USC §1395nn *et seq.*), commonly referred to as the Stark Act, and any equivalent state statutes, as each of the these laws may be amended, modified, or supplemented from time to time, and the regulations and rules promulgated thereunder from time to time.

(b) If there is a change in circumstance that materially alters the fundamental legal relationship or that materially affects the financial arrangement between the parties under this Lease, or if there is an assignment of this Lease, and if such change in circumstance or assignment results in a breach or violation of any applicable Healthcare Laws, as such Healthcare Laws apply to this Lease, then the parties will cooperate and negotiate in good faith to amend this Lease to conform with the applicable Healthcare Laws and any safe harbors available thereunder and will take such other commercially reasonable actions as may be necessary to ensure the continued protection of such safe harbor(s) and the parties' compliance with applicable Healthcare Laws, including, but not limited to, re-evaluating and adjusting the Market Rental Rate and time between Reset Years. If the parties are unable within a twelve (12) month period to reach agreement on any necessary amendments to this Lease, then either party may send a Dispute Notice and trigger the dispute resolution process in Article XIX.

IN WITNESS WHEREOF, the parties have executed this Lease to be effective as of the Commencement Date.

LANDLORD:

TRAVIS COUNTY HEALTHCARE DISTRICT
DOING BUSINESS AS CENTRAL HEALTH
(a political subdivision of the State of Texas)

By: _____
Name: _____
Title: _____

[TENANT'S SIGNATURE ON FOLLOWING PAGE]

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

TENANT:

THE 2033 LP, a Texas limited partnership

By: The 2033 Fund, a Texas non-profit corporation, its general partner

By:_____
Sanford L. Gottesman, Director

EXHIBIT A

Legal Description of Land

Blocks 164 and 167 of the ORIGINAL CITY OF AUSTIN according to the map or plat thereof dated 1839, and titled "Plan of the City of Austin" on file in the General Land Office of the State of Texas as provided by Chapter 60, Acts 41st Legislature approved March 20, 1930, save and except the south thirty feet (30') of Block 167, as generally shown on **Exhibit A-2**.

EXHIBIT A-1

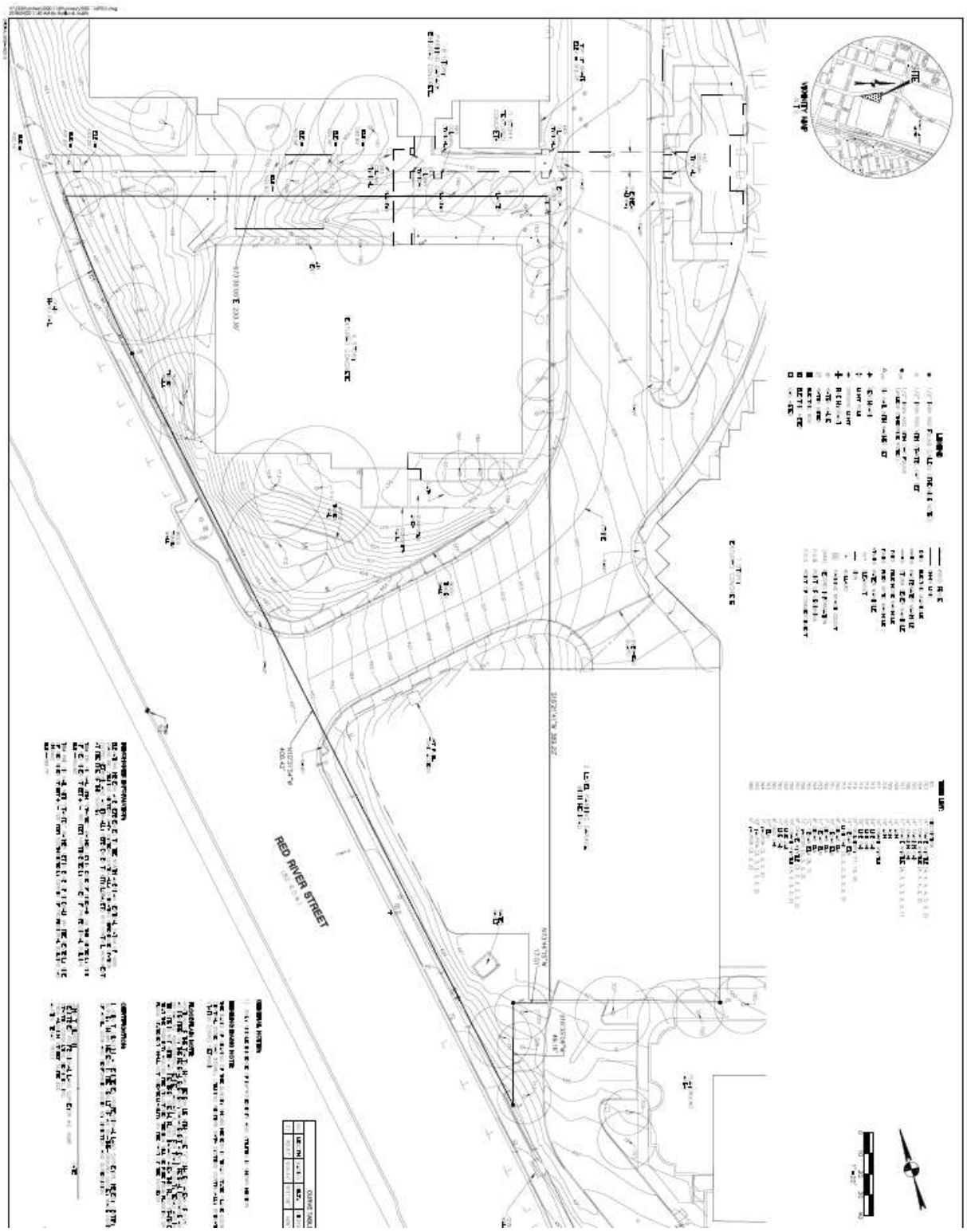


Exhibit A-1

EXHIBIT A-2

EXHIBIT A-3

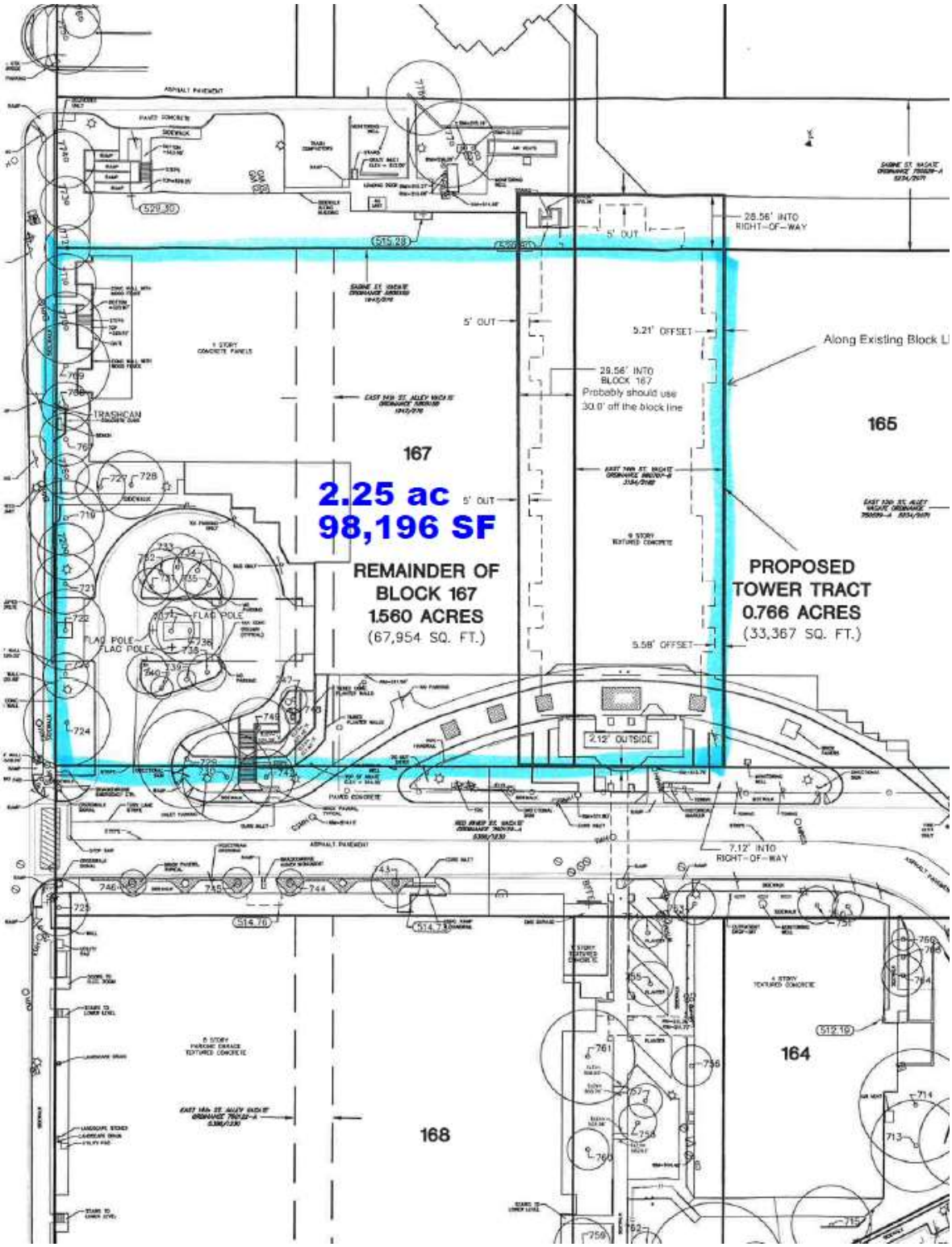


Exhibit A-3

EXHIBIT A-4

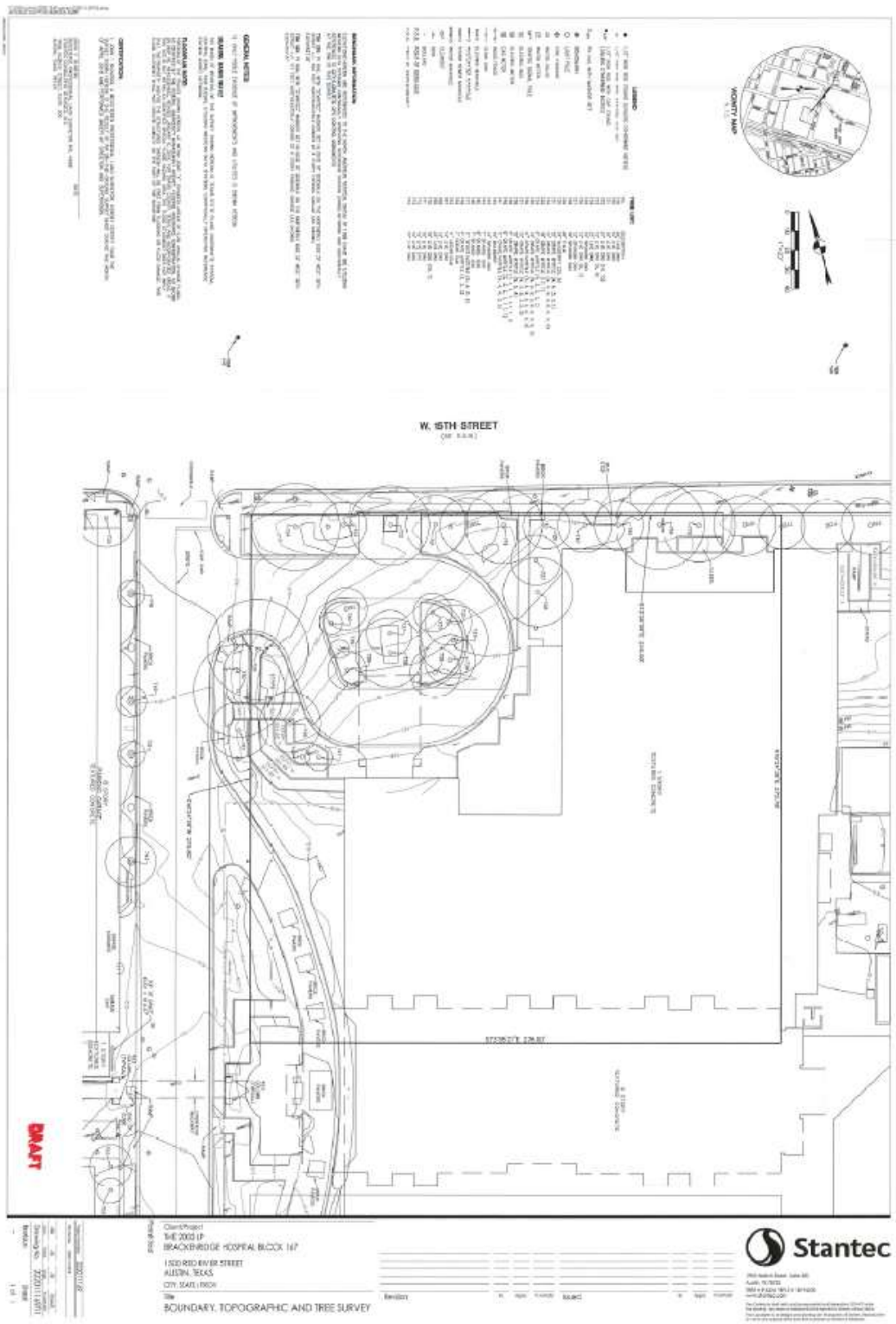
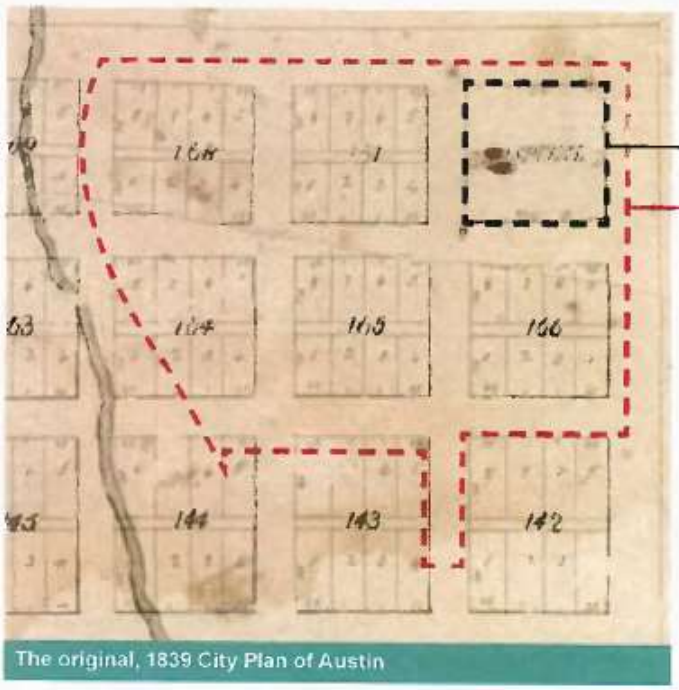
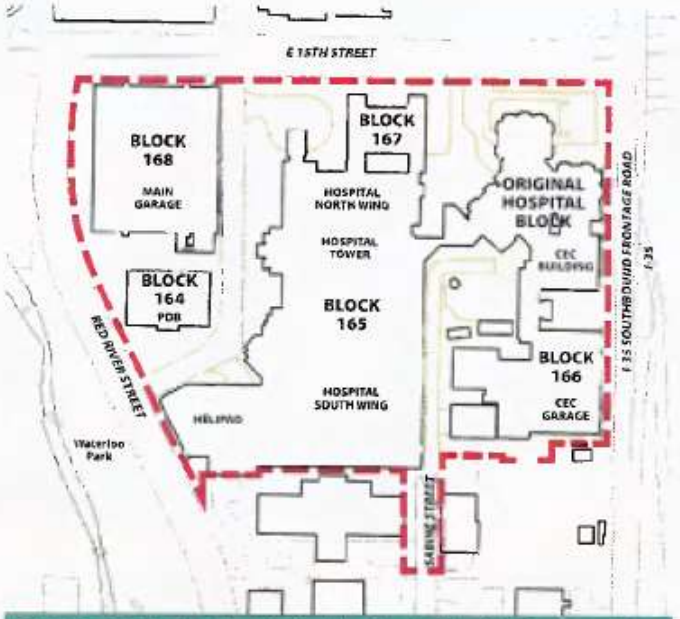


Exhibit A-4

EXHIBIT B



The original, 1839 City Plan of Austin



Existing aerial view identifying the Central Health Brackenridge Campus and block numbers

EXHIBIT C

Initial Prohibited Uses

The term Initial Prohibited Uses are:

1. The sale of tobacco products or tobacco substitute products such as e-cigarettes.
2. Political uses, such as campaign headquarters.
3. Any sexually-oriented or adult-oriented business or any sexually explicit business.
4. The sale, distribution, manufacture or servicing of weapons, arms or armaments.
5. The storage, manufacture, or sale of any explosives, flammables, or any other inherently dangerous items, except for items properly stored and used for medical purposes.
6. Uses that would render void or voidable the insurance required under this Lease.

EXHIBIT D

Project Standards

Generally, all New Improvements will be deemed to meet the Project Standards (including those enumerated below) if (i) they are consistent with the general design plans and elevations for the New Improvements on the Block 164 Premises, which Landlord confirms it has received, reviewed, and approved, and/or (ii) they are generally typical of Class "A" development in Austin.

Additional, general Project Standards are listed below:

1. Except where specific setbacks are required, buildings should generally be built to the property line of the street or adjacent open space to provide spatial definition and an active pedestrian environment. Setbacks for plazas, courts, or other, small open spaces along a street frontage are encouraged.

2. Provide active ground level pedestrian-oriented uses.

3. Public Spaces – Provide public spaces throughout the development to attract people and activities.

4. Service and loading areas shall be designed to have minimal impact on pedestrian areas and to be screened from predominant public view.

5. Vehicular drop-offs that interrupt sidewalks along street frontages are discouraged.

6. Parking at the Site must meet the needs of employees, residents and visitors. Parking for on-site uses should be provided in a manner that meets demand and the City's minimum parking requirements. Surface parking is not allowed except possibly as a short-term, interim condition.

7. The design of any parking garage shall be architecturally-integrated within the overall design and form of the building that it serves, utilizing the same cladding and materials as the remainder of the building. Views to cars or to garage lighting shall be screened.

8. Mechanical equipment shall be architecturally-screened from view from all public spaces, including Waterloo Park.

9. Upper-level, green roofs and roof terraces, or gardens that are oriented to the Waterloo Park and to the terraced open spaces are encouraged.

10. Sustainability / Environmental Stewardship

    a. Development will participate in or meet the equivalent of Austin Energy's Green Building Program that would attain a minimum of two (2) Stars for the development Program as a whole and for each individual building. Formal participation in sustainability based rating system/s at development option (*e.g.*, LEED, Green Globes, etc.).

    b. Development will support participation in the City of Austin's' Great Streets Development Program, and adherence to Austin's Complete Streets Policy, in each case where possible.

    c. Investigate and provide where possible, capture and reuse of rainwater.

d. Provide permeable paving or (better) groundwater runoff collection and recirculation.

e. Provide metal / other material arbors for shade and space with pedestrian walkways and exterior seating areas.

f. Utilize natural stone paving materials as opposed to concrete for pedestrian sidewalks and exterior seating areas.

g. Whether performed directly by Central Health or Tenant, buildings and site demolition shall be coordinated with an overall sustainability, salvage, deconstruction, and reuse program to limit construction waste generation and ideally, reuse or repurpose significant material.

11. Tenant will use reasonable efforts, if possible, for the preservation of certain species of mature trees in accordance with Austin's Heritage Tree Ordinance. Some trees on the north, east, and west edges of the Land may qualify for protection, and these trees may limit the footprint of new buildings.

12. Tenant will collaborate and cooperate with Landlord, and work with the City of Austin, regional authorities, and Texas DOT to enhance public transportation access.

13. All Property and CHDC shall be smoke free environments.

14. Living Wage and Non-Discrimination Requirements

Central Health requires that all personnel providing services or otherwise employed in connection with the Site and Program development and construction shall be paid at least the living wage rate established by the City of Austin at the time of respective contract award. All consulting, construction, purchasing, service, and similar agreements between the Developer and any Program related entity shall include appropriate language and controls, to include required correction and/or termination for cause to enforce this provision. Central Health also mandates that the Developer and all their consultants, contractors, vendors, etc., comply with all applicable Federal, State, and local employment, wage and non-discrimination laws. To emphasize this import, salient applicable authorities, their focus and provisions include without limit:

The Texas Workforce Commission, Civil Rights Division has the authority to investigate and resolve complaints of employment discrimination and sexual harassment by private and public employers with at least 15 employees, as well as by state agencies, colleges and universities, employment agencies, and labor organizations.

Texas Workforce Commission
Civil Rights Division
101 East 15th Street, Room 144T
Austin, TX 78778-0001
(512) 463-2642
(888) 452-4778
www.twc.state.tx.us

The United States Department of Labor (DOL), Wage and Hour Division, enforces the minimum wage, overtime pay and recordkeeping provisions of the federal Fair Labor Standards Act. The

division also administers and enforces the Family and Medical Leave Act for all private, state and local government employees, and some federal employees.

United States Department of Labor
Wage and Hour Division
A. Maceo Smith Federal Building
525 South Griffin Street, Room 507
Dallas, TX 75202
(972) 850-2600
www.dol.gov

The National Labor Relations Board (NLRB) is an independent federal agency that enforces the National Labor Relations Act and investigates and remedies unfair labor practices by employers and unions.

National Labor Relations Board
19 Taylor Drive, Room 8A24
Ft. Worth, TX 76102-6178
(817) 978-2921
www.nlrb.gov

The U.S. Equal Employment Opportunity Commission (EEOC) enforces Federal laws prohibiting job discrimination such as Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex, or national origin. The EEOC also enforces the Equal Pay Act of 1963, the Age Discrimination in Employment Act of 1967, Title I and Title V of the Americans with Disabilities Act of 1990, the Civil Rights Act of 1991, and Sections 501 and 505 of the Rehabilitation Act of 1973, which prohibit discrimination against qualified individuals with disabilities who work in the federal government. They also accept complaints involving sexual harassment.

U.S. Equal Employment Opportunity Commission
1919 Smith Street, 7th Floor
Houston, TX 77002
(800) 669-4000
www.eeoc.gov

The United States Department of Labor (DOL) Employee Benefits Security Administration (EBSA) protects the integrity of pensions, health plans, and other employee benefits.

Department of Labor
Employee Benefits Security Administration
Federal Building, Room 707
525 South Griffin Street
Dallas, TX 75202-5025
(214) 767-6831
(866) 444-3272
www.dol.gov/ebsa/

15. Safe Work Environment

Central Health supports and promotes a healthy environment for all. This extends to the workplace environment. Central Health expects and requires that any entity with whom we engage comply with all governing regulations, inclusive of Federal, State and local provisions. While developers (Owners) typically defer, if not avoid, construction "means and methods", operations and on-site safety involvement and leave such efforts to contractors, Central Health anticipates that a robust and comprehensive on-Site safety program which incorporates general compliance with the *Better Builder Program* Standards or more stringent standards for the Site and Program. Developer - Contractor agreements shall include appropriate terms to uphold these duties. The Site Safety plan must be credible, real, and at minimum, ensure enforcement and compliance with Federal Safety and Health Regulations for Construction (29 CFR 1926 - OSHA).

16. Historically Underutilized Business (HUB) Program

Central Health requires that Historically Underutilized Businesses (HUBs) shall have the opportunity to participate in the performance of development contracts and subcontracts. Developer shall at minimum, make a "good faith effort" to take all necessary and reasonable steps to ensure that HUBs have a real and valid opportunity to participate in the development and its resulting construction.

To be eligible under this program, HUB contractors and subcontractors must be certified as a HUB, Minority / Women-Owned Business Enterprises, or Disadvantaged Business Enterprises source by a recognized governmental program, such as:

City of Austin Municipal Government;
Texas Unified Certification Program;
South Central Texas Regional Certification Agency; or
State of Texas.

EXHIBIT E

Appraisal Guidelines

FAR Assumption

For purpose of appraising the land, the Appraiser will assume with respect to Block 167, that such land may be developed at a Floor-To-Area ratio of 8:1. Provided, however, at such time as New Improvements are constructed on either the Block 164 Premises or the Block 167 Premises, then future appraisals and Reset Rent determinations will be based on the actual FAR, calculated using the then applicable method for calculating FAR under the City of Austin's land development code. If for any reason there is not a method for determining FAR under City codes and ordinances, then the Floor-to-Area ratio will be the air-conditioned and useable square footage of the applicable building improvements (including, for example, interior lobbies, hallways, and other common areas, but excluding parking) to the square footage of the applicable ground leased premises.

EXHIBIT F

RED RIVER

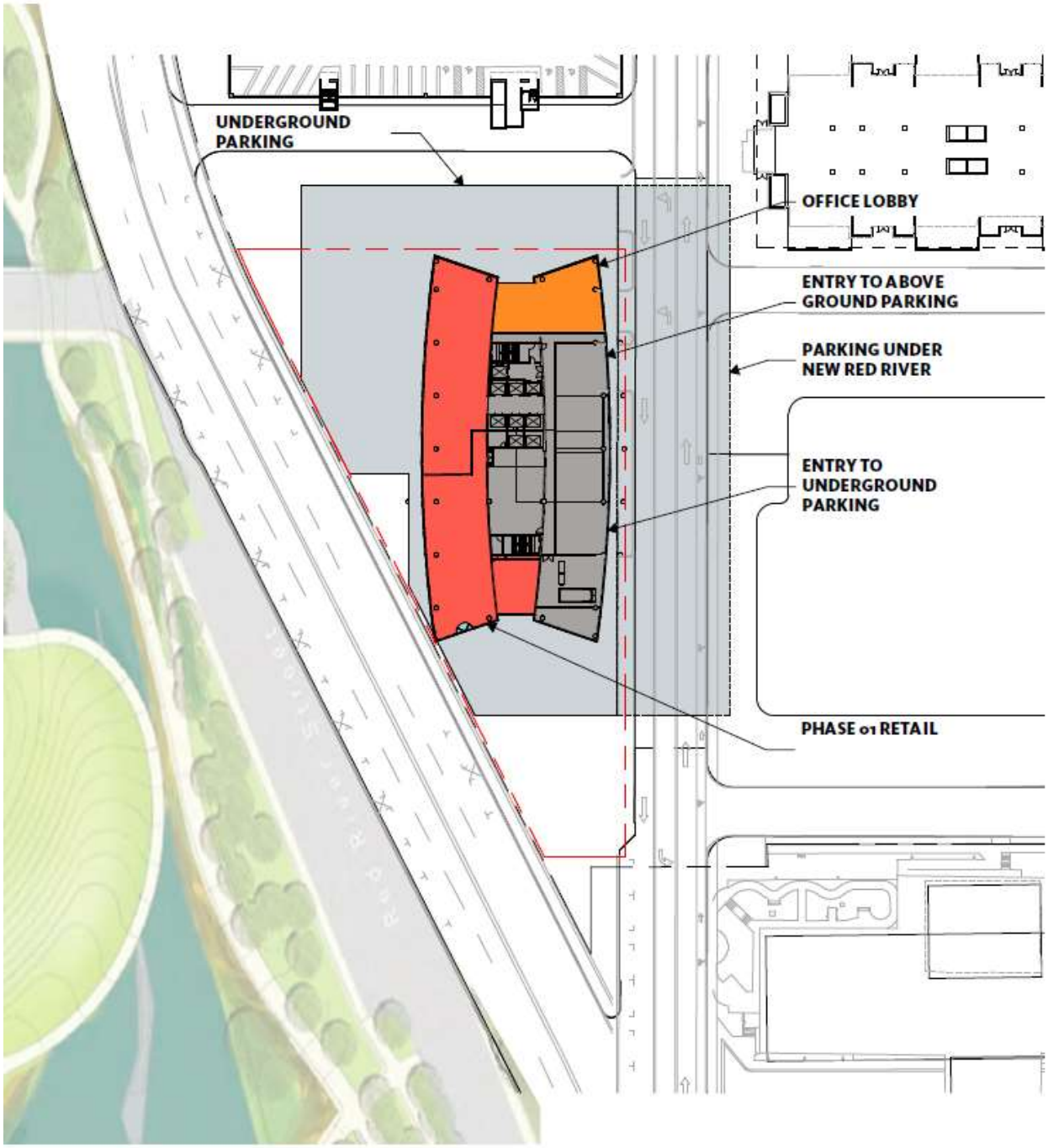

UNDERGROUND
PARKING
OFFICE LOBBY
ENTRY TO ABOVE
GROUND PARKING
PARKING UNDER
NEW RED RIVER
ENTRY TO
UNDERGROUND
PARKING
PHASE 01 RETAIL

Exhibit F

EXHIBIT G

Form of Recognition Agreement

RECOGNITION AGREEMENT

THIS RECOGNITION AGREEMENT (the "Agreement") is executed as of the ____ day of _____, 20__, by and between **TRAVIS COUNTY HEALTHCARE DISTRICT** D/B/A **Central Health** ("Master Landlord"), having an address of 1111 East Cesar Chavez Street, Austin, Texas, 78702, **THE 2033 LP**, a Texas limited partnership ("Sublandlord"), having an address of 2500 Bee Cave Road, Building Two, Suite 150, Austin, Texas, 78746, and _____, a _____ _____ ("Subtenant"), having an address of _____, to be effective as of the last date of execution set forth below.

Introductory Provisions

The following provisions constitute the basis for and are a part of this Agreement:

A. Master Landlord and Sublandlord are parties to that certain Ground Lease dated _____, 2018 (the "Master Lease"), concerning the land and all improvements located at _____, Austin, Texas, as described with further particularity in the Master Lease (the "Master Lease Premises"). The term of the Master Lease extends through _____, ____, (the "Master Lease Term").

B. Sublandlord and Subtenant have entered into a Lease Agreement in the form attached hereto as Exhibit A (the "Sublease") pursuant to which Subtenant is to sublet from Sublandlord a portion of the Master Lease Premises described in the Sublease (the "Sublease Premises").

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

Agreements

1. Consent to Sublease Not Required. The parties to this Agreement acknowledge that Master Landlord's consent is not required for the Sublease. Except for the express undertakings of Master Landlord set forth herein, Master Landlord has no responsibility for the terms, conditions, or enforceability of the Sublease.

2. Recognition; Nondisturbance. Master Landlord hereby recognizes the Sublease and the rights of Subtenant thereunder, and agrees that so long as Subtenant fully and timely performs its obligations in accordance with the terms and conditions of the Sublease, Subtenant's right to remain in possession of the Sublease Premises and to enjoy the Sublease Premises in accordance with the terms and conditions of the Sublease throughout the Sublease Term shall remain undisturbed by, and shall be without interference from, Master Landlord. Master Landlord shall have no obligation to recognize any amendment to the Sublease unless Master Landlord is provided a copy of such Sublease and agrees, in writing, to recognize the terms thereof.

3. Substitution of Master Landlord/Direct Lease/Attornment by Subtenant. In the event of termination of the Master Lease as a result of Sublandlord defaulting thereunder, the Sublease shall

become a direct lease between Master Landlord and Subtenant in accordance with its terms (except as hereinafter provided to the contrary, and without Master Landlord releasing Sublandlord from any liabilities arising under the Master Lease) and in such event, Subtenant shall attorn to Master Landlord, and Master Landlord shall be substituted in the place of Sublandlord in the Sublease. In such event, Subtenant shall be bound to the Master Landlord and Master Landlord shall be bound to Subtenant under all of the terms, covenants and conditions of the Sublease (except as provided in this Agreement to the contrary) for the balance of the Sublease Term then remaining. Notwithstanding anything contained in the Sublease or herein to the contrary, Master Landlord shall not be: (a) liable for any default, act or omission of Sublandlord; (b) subject to any offsets or defenses that Subtenant may have against Sublandlord; (c) bound by any rent or additional rent that Subtenant may have paid for more than the current month to Sublandlord, (d) liable for any security deposit or other security given by Subtenant to Sublandlord unless the security deposit or other security was actually delivered to and specifically acknowledged by Master Landlord, or (e) obligated to perform any construction that is the obligation of the Sublandlord under the Sublease. Subtenant agrees that in the event that a failure in performance of Sublandlord under the Sublease exists as of the date of such termination that is continuing in nature, Master Landlord shall be afforded a reasonable period of time after such termination to cure such failure in performance under the Sublease.

4. Notice. Any notices, consents or other communications required or permitted to be given pursuant to this Agreement must be in writing and may be given by registered or certified mail, return receipt requested, personal delivery or nationally recognized overnight delivery service addressed to the parties hereto at the respective addresses set out above, or at such other addresses as they may hereafter specify by written notice delivered in accordance herewith, and any such notice, consent or other communication shall be deemed to have been given and received on the third business day after a registered or certified letter containing such notice, consent or other communication, properly addressed with postage prepaid, return receipt requested, is deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the continental United States of America, addressed to the parties hereto at the respective addresses set forth above, or to such other substitute address and/or addressee as any party herein shall designate by written notice to the other party in accordance with the terms of this Section. Notice, consents or other communications given by personal delivery or nationally recognized overnight delivery service shall be deemed to be delivered at the time personally delivered to an employee or agent of the party to whom such notice is sent at the notice address of such party. No notice of any change of address shall be effective unless and until actually received by the party to whom such notice is sent.

5. Miscellaneous.

(a) Except as expressly provided herein, the terms and provisions of the Master Lease shall remain in full force and effect for the Master Lease Premises.

(b) Except as otherwise expressly provided herein, the Sublease shall be subject to the provisions of the Master Lease.

(c) This Agreement constitutes the entire agreement between Master Landlord and Subtenant.

(d) This Agreement shall be construed, interpreted, and enforced under the laws of the State of Texas.

(e) This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

(f) This Agreement may be executed in several counterparts, each of which may be deemed an original, and all of such counterparts together shall constitute one and the same Agreement. An executed copy of this Agreement transmitted by facsimile or as an attachment to an email shall have the same force and effect as delivery of an original executed counterpart.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement has been executed to be effective as of the last date of execution set forth.

MASTER LANDLORD:

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A CENTRAL HEALTH

Date: _____

SUBLANDLORD:

_____,
a _____ _____

By:_____
Name: _____
Its:_____

Date: _____

SUBTENANT:

_____,
a _____ _____

By:_____
Name: _____
Its:_____

Date: _____

Exhibit A

(Copy of the Sublease Attached Behind this Page)

STATE LAW ADDENDUM

If and only if this Lease is assigned in whole or in part to UT System or U.T. or another component institution of UT System or state agency, then the following provisions shall apply and be deemed incorporated in this Lease, subject to any modifications required or appropriate under then-applicable state law.

This STATE LAW ADDENDUM ("*State Law Addendum*") is attached to and made a part for all purposes of that certain Ground Lease (as amended from time to time, the "*Lease*") and dated effective _____, 2018, between **Travis County Healthcare District**, d/b/a/ Central Health ("*Landlord*"), and **The 2033 LP**, a Texas limited partnership ("*Tenant*").

If the Lease or any rights under the Lease are assigned to UT System, The University of Texas at Austin, or any other Permitted Transferee which is an agency of the State of Texas ("*UT System*"), then this State Law Addendum will amend and modify the Lease and be deemed incorporated therein at the time of such assignment.

1. **PROHIBITION ON VIOLATION OF STATE LAW AND CONSTITUTION**. LANDLORD AND UT SYSTEM AGREE THAT UT SYSTEM SHALL NOT BE REQUIRED TO PERFORM ANY ACT OR REFRAIN FROM PERFORMING ANY ACT UNDER THIS LEASE IF THAT PERFORMANCE OR NON-PERFORMANCE WOULD CONSTITUTE A VIOLATION OF THE CONSTITUTION OR LAWS OF THE STATE OF TEXAS.

2. **Waivers and Releases**. Pursuant to Article III, Sections 49, 50, 51, 55, and the other applicable provisions of the Texas Constitution, no provision of this Lease providing for (i) UT System's waiver, release, or exculpation of Landlord and/or Landlord's officers, employees, principals, and agents for claims, liabilities, and damages of any kind or nature arising from the negligent or willful acts or omissions of said persons, whether jointly or severally; or (ii) limitations on the remedies or recourse of UT System against Landlord and/or Landlord's officers, employees, principals, and agents, whether jointly or severally, for claims, liabilities, and damages of any kind or nature, shall be of force and effect, except as otherwise expressly provided by statute. Without limitation of the foregoing, any waiver of subrogation rights by UT System under the Lease, or under any policy of insurance provided by or on behalf of Landlord with respect to the Lease shall be effective only to the extent authorized by applicable law.

3. **Indemnities**. Pursuant to Article III, Sections 49, 50, 51, 55, and the other applicable provisions of the Texas Constitution, no provision of this Lease providing that UT System will reimburse, indemnify, or hold harmless Landlord or any other person for any liabilities, claims, or damages that are not caused by the negligent or willful acts or omissions of UT System shall be of force and effect.

4. **Courts, Jury Trial and Waiver**. Except as otherwise expressly provided by statute, no provision of this Lease shall constitute, nor is it intended to constitute, a waiver of UT System's or the State of Texas' exemptions, privileges, and immunities provided by or allowed under the Constitution of the State of Texas or any other applicable laws, including without limitation (i) sovereign immunity to suit; (ii) sovereign immunity against the recovery of money damages; or (iii) right to a jury trial for any issue arising under the Lease. Except as otherwise expressly provided by statute, no provision of this Lease providing that UT System consents to the jurisdiction of any court shall be binding against UT System.

5. **Attorney Fees**. No provision of this Lease requiring UT System to pay court costs, costs of suit, or attorney fees incurred by Landlord or any other person in enforcing or interpreting the terms of this Lease shall be of force and effect, except as otherwise expressly provided by statute.

6. **State Property**. No provision of the Lease purporting to grant to Landlord (i) a security interest or lien against the real or personal property of the UT System or any other state agency; or (ii) a contractual right or power of attorney to take control over or otherwise handle or dispose of the property of UT System or any other state agency, shall be of force and effect.

7. **Insurance**. Landlord acknowledges that UT System is an agency of the State of Texas and has only such authority as is granted to UT System by state law or as may be reasonably implied from such law, and that any obligation of UT System under this Lease to obtain insurance is expressly made subject to the UT System's authority under state law to obtain such insurance. Landlord further agrees that UT System shall have the right, at its option, to (a) obtain liability insurance protecting UT System and its employees and property insurance protecting UT System's interests in real property, to the extent authorized by Section 51.966 of the Texas Education Code or other law; or (b) self-insure against any risk that may be incurred by UT System as a result of its operations under this Lease or in order to meet the insurance requirements in the Lease.

8. **Texas State Auditor's Office**. Landlord acknowledges and stipulates that, notwithstanding anything to the contrary set forth in this Lease, the Texas State Auditor's Office (collectively, with any successor agency thereto, the "*State Auditor*") is authorized under applicable Texas law (including, without limitation, Texas Education Code Sections 51.9335(c), 73.115(c), and 74.008(c)), in each case, as may be amended from time to time, to conduct an audit or investigation in connection with any of the funds or payments received and accepted by Landlord from UT System pursuant to this Lease. Landlord agrees to cooperate with the State Auditor in the conduct of any such audit or investigation, including, without limitation, providing the State Auditor with all records requested as may be required under applicable Texas law. All costs and expenses of any such audit or investigation by the State Auditor shall be UT System's sole responsibility, except and unless such audit and investigation determines that the amounts paid by UT System for the applicable period which are the subject of such audit or investigation were in excess of the amounts properly payable under this Lease, in which event Landlord will pay to UT System the amount determined to be in excess of the correct amount. In addition, if the excess amounts are greater than five percent (5.0%) than the amounts properly payable under this Lease, Landlord shall reimburse UT System for the actual and reasonable cost of such audit by the State Auditor.

9. **Good and Services**. Landlord is advised that pursuant to Texas Education Code 51.9335**,** in any contract for the acquisition of goods and services to which an institution of higher education is a party, a provision required by applicable law to be included in the contract is considered to be a part of the executed contract without regard to: (i) whether the provision appears on the face of the contract; or (ii) whether the contract includes any provision to the contrary.

10. **Amendment**. **THE PROVISIONS OF THIS STATE LAW ADDENDUM MAY BE AMENDED BY AGREEMENT OF THE PARTIES ONLY WITH THE WRITTEN APPROVAL OF THE OFFICE OF GENERAL COUNSEL OF THE UNIVERSITY OF TEXAS SYSTEM**.