CEC LEASE AGREEMENT

between

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A
CENTRAL HEALTH

as Landlord

and

SETON FAMILY OF HOSPITALS

as Tenant

CEC LEASE AGREEMENT

This **CEC LEASE AGREEMENT** (this "**Lease**") is entered into as of December 15, 2017, by and between the **TRAVIS COUNTY HEALTHCARE DISTRICT**, d/b/a Central Health, a political subdivision of the State of Texas ("**Landlord**" or "**Central Health**"), and **SETON FAMILY OF HOSPITALS**, a Texas nonprofit corporation ("**Tenant**" or "**Seton**").

RECITALS:

A. Central Health is a political subdivision of the State of Texas, created in 2004 by a vote of the citizens of Travis County, Texas as allowed under Chapter 281 of the Texas Health and Safety Code. Central Health endeavors to develop and maintain a network of health care providers to furnish medical aid and hospital care and to coordinate the delivery of health care services to eligible residents within the City of Austin and Travis County. Seton is a non-profit provider of health care services in Central Texas.

B. Central Health and Seton have entered into a lease agreement effective June 1, 2013 (as amended from time to time, the "**UMCB Lease**") for operation of University Medical Center Brackenridge ("**UMCB**") as a primary safety net hospital for all residents of Travis County, Texas. Central Health, Seton, and/or Ascension Texas, a Texas non-profit corporation f/k/a Seton Healthcare Family ("**Ascension Texas**") have entered into the following other agreements pursuant to which Seton will, among other things, operate the Teaching Hospital (to replace the hospital operations covered by the UMCB Lease): that certain Master Agreement dated as of June 1, 2013, that certain Option to Purchase dated as of June 1, 2013, and together with Community Care Collaborative, a Texas nonprofit corporation, that certain Omnibus Healthcare Services Agreement dated as of June 1, 2013 (collectively, the "**Central Health/Seton Ancillary Agreements**"). UMCB is part of and located on the campus of facilities owned by Central Health which is located in an area south of the Medical District and which is bounded by Red River Street, 12th Street, IH-35, and 15th Street (the "**Central Health Downtown Campus**").

C. The Board of Regents of the University of Texas System ("**UT System**"), The University of Texas at Austin ("**UT Austin**"), Central Health, and Seton have worked in collaboration with each other for the establishment of a teaching hospital (the "**Teaching Hospital**") to be operated as part of a safety net system providing healthcare for residents of Travis County, Texas, and to support a four-year medical school as a department of UT Austin, being Dell Medical School and the educational mission of UT Austin and to support graduate medical education in the City of Austin and Travis County. The Dell Medical School will be established on the UT Austin campus in an area designated by UT Austin as The University of Texas at Austin Medical District (the "**Medical District**").

D. In order to best accomplish the collaborative effort described above to establish a Teaching Hospital and its statutory duty to provide medical services to the indigent and safety net population of Travis County, Texas, Central Health has ground leased from UT System a certain tract of land in the Medical District, being 3.510 acres of land, more or less and more particularly described in that certain Ground Lease executed effective as of October 17, 2014 (as may be amended from time to time, the "**Ground Lease**"), and then subleased the premises

described therein to Seton to be operated pursuant to that certain Ground Sublease executed effective as of October 17, 2014 (as may be amended from time to time, the "**Hospital Sublease**") and the Central Health/Seton Ancillary Agreements.

E. To further accomplish the collaborative effort described above to establish a Teaching Hospital: (i) Central Health has agreed to lease the Clinical Education Center (the "CEC") Simulation Building, the CEC Education Building, the Cyberknife Building, and the CEC Parking Garage, all located at 1400 North IH-35, Austin, Texas 78701 to Seton, and (ii) Seton has agreed to lease the CEC Simulation Building, the CEC Education Building, the Cyberknife Building, and the CEC Parking Garage as herein provided.

F. Landlord has concluded that the transaction described in this Lease will best accomplish its statutory purpose and significantly benefit the residents of Travis County, Texas, and that, as a result of such transaction, the Teaching Hospital will be better able to serve as the safety net population hospital and thereby provide essential health services for residents of Travis County, Texas.

G. The Board of Managers of Landlord has approved and authorized the transaction described in this Lease and Landlord's execution, delivery, and performance of this Lease, and has made a finding that all of the property, both real and personal, being leased to Tenant pursuant to this Lease is necessary and convenient for the efficient operation of the Teaching Hospital; and

H. Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Premises pursuant to the terms and conditions set forth herein.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the agreements set forth herein, Landlord and Tenant (collectively, the "**Parties**" and individually, a "**Party**") hereby agree as follows:

Article 1
DEFINITIONS

1.1 Definitions. As used in this Lease, each of the following terms shall have the following meaning:

"**Additional Payment Obligations**" has the meaning set forth in Section 4.6.

"**Affiliate**" means a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another Person. "**Control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through majority membership in the non-profit corporation, appointment of a majority of the board of directors or trustees, or ownership of a majority of the voting securities.

"**Aggregate Rent**" has the meaning set forth in Section 4.2(a).

"**Alteration**" has the meaning set forth in Section 7.1.

"Alternate Improvements" has the meaning set forth in Section 11.1(a).

"**Alternate Rebuilding**" has the meaning set forth in Section 11.1(a).

"**Ancillary Agreements**" means the Central Health/Seton Ancillary Agreements (the certain Master Agreement dated as of June 1, 2013, the certain Option to Purchase dated as of June 1, 2013, and together with Community Care Collaborative, a Texas nonprofit corporation, the certain Omnibus Healthcare Services Agreement dated as of June 1, 2013).

"**Applicable Law(s)**" means, collectively, the Constitution of the State of Texas, all current and future applicable federal, state and local statutes, ordinances, codes, rules, regulations, and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority having jurisdiction over any of the Parties, the Premises, or the Equipment.

"**Article**" has the meaning set forth in Section 1.2.

"**Buildings**" means the CEC Simulation Building, the CEC Education Building, the Cyberknife Building and the CEC Parking Garage. The Buildings also include all architectural, structural, mechanical, electrical, plumbing, and other systems.

"**Business Day**" has the meaning set forth in Section 18.2(e).

"**Casualty**" has the meaning set forth in Section 11.1(a).

"**CEC Simulation Building**" means the four-story (3 above ground, 1 underground) building, which is located on a portion of the Land, connected to the CEC Education Building, comprising approximately 136,476 square feet, as further described and shown on Exhibit "A" attached hereto.

"**CEC Education Building**" means the three-story building, which is located on a portion of the Land, comprising approximately 47,339 square feet, including the connecting corridors to the CEC Simulation Building, Cyberknife Building, and the CEC Parking Garage, as further described and shown on Exhibit "A" attached hereto.

"**CEC Parking Garage**" means the four-story parking garage, which is located on a portion of the Land, connected to the CEC Education Building containing parking spaces for approximately 300 vehicles, ingress and egress ramps, annexed office space, equipment, and storage room space, one elevator bank and systems as further described and shown on Exhibit "A" attached hereto.

"**Central Health Downtown Campus**" has the meaning set forth in Recital B.

"Central Plant" means that certain approximately 18,260 square foot concrete and steel facility located on the Central Health Downtown Campus comprised of a chiller/boiler room,

paint shop, cooling tower, maintenance shop, bottled medical gas tank farm, and staff offices and from which the Central Plant Utilities originate.

"Central Plant Utility Fee" has the meaning set forth in Section 5.5(a)(vi).

"**City**" means the City of Austin, Texas, a home-rule municipality located in Travis, Hays and Williamson Counties, Texas.

"**Claim**" has the meaning set forth in Section 10.5(a).

"**Claims**" has the meaning set forth in Section 10.5(a).

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Commencement Date**" has the meaning set forth in Article 3.

"**Construction Standards**" has the meaning set forth in Section 7.2(a).

"**Control**" has the meaning given to such term under the definition of Affiliate.

"**Cyberknife Building**" means the one-story building, which is located on a portion of the Land, connected to the CEC Education Building, comprising approximately 3,848 square feet, as further described and shown on Exhibit "A" attached hereto.

"**Default**" means any event or condition which upon notice, lapse of time or both would constitute an Event of Default or a Landlord Event of Default.

"**Default Rate**" has the meaning set forth in Section 4.8.

"**Dispute**" has the meaning set forth in Section 15.7(b).

"**Dispute Notice**" has the meaning set forth in Section 15.7(b).

"**Dispute Resolution**" has the meaning set forth in Section 15.7(a).

"Environmental Report" means the Limited Subsurface Investigation report for Brackenridge Hospital dated May 1995 and prepared by HBC Engineering, Inc.

"**Equipment**" means all furniture, furnishings, and equipment owned by Tenant and located at the Premises or used in connection with the operation of the Premises.

"Ethical and Religious Directives" means the *Ethical and Religious Directives for Catholic Health Care Services (Fifth Edition)* in the form issued by the United States Conference of Catholic Bishops on November 17, 2009, as the same may be amended from time to time by the United States Conference of Catholic Bishops and interpreted by the Bishop of the Diocese of Austin.

"**Event of Default**" has the meaning set forth in Section 15.1.

"**Exhibits**" has the meaning set forth in Section 1.2.

"**Existing Infrastructure**" means those pipes, pipelines, electrical vaults, electrical conduits, electrical circuitry, cabling or other fixtures or equipment located on or under the Central Health Downtown Campus as of the Commencement Date and through which utilities are furnished to the Premises.

"**Fair Market Value**" means the price which a willing purchaser would pay and a willing seller would accept for a comparable transaction involving similar land and improvements as the Premises if offered for sale in the open market with a reasonable period of time in which to consummate a transaction and (i) taking into account the use restrictions imposed on the Premises pursuant to the express terms of this Lease, and (ii) without regard to Tenant's decision, if any, to subsidize or discount parking charges at the Premises for patients, employees, or other visitors, and where neither purchaser nor seller is under any compulsion to purchase or sell and both have reasonable knowledge of the relevant facts,. Determination of Fair Market Value shall take into account all parameters to ensure compliance with applicable Healthcare Laws.

"**Fee Mortgage**" has the meaning set forth in Section 16.1.

"**Fee SNDA**" has the meaning set forth in Section 16.2.

"**Force Majeure**" has the meaning set forth in Section 18.8.

"**Force Majeure Party**" has the meaning set forth in Section 18.8.

"**Full Insurable Value**" has the meaning set forth in Section 10.1(a).

"**Governmental Authorities**" has the meaning set forth in Section 5.1.

"**Governmental Authority**" has the meaning set forth in Section 5.1.

"**Ground Lease**" has the meaning set forth in the Recital D.

"**Hazardous Materials**" means any solid, liquid, or gaseous material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive or corrosive, including, without limitation, petroleum (when released into the environment), PCBs, asbestos, and those materials, substances and/or wastes, including infectious waste, medical waste, and potentially infectious biomedical waste, which are regulated by any Governmental Authority, including but not limited to, substances defined as "hazardous substances," "hazardous materials," "toxic substances," or "hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.;* the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, *et seq;* the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.;* all analogous State of Texas and local Statutes, ordinances and regulations, including without limitation any dealing with above ground or underground storage tanks; and in any other law, regulation, or ordinance relating to the prevention of pollution or protection of the environment (collectively, "**Hazardous Materials Laws**").

"**Hazardous Materials Laws**" has the meaning given to such term under the definition of Hazardous Materials.

"Healthcare Laws" means all laws and statutes that govern, apply to, and regulate the design, construction, and operation of a hospital and the ancillary medical and healthcare uses, operations, and functions, as well as, all rules and regulations pursuant to or promulgated pursuant to such laws and statutes, including without limitation, the Patient Protection and Affordable Care Act (Public Law No. 111-152), the False Claims Act (31 U.S.C. §§ 3729 *et seq.*), the Anti-Kickback Act of 1986 (41 U.S.C. §§ 51 *et seq.*), the Federal Health Care Programs Anti-Kickback statute (42 U.S.C. § 1320-7a(b)), the Ethics in Patient Referrals Act of 1989, as amended (Stark Law) (42 U.S.C. § 1395nn), the Civil Monetary Penalties Law (42 U.S.C. § 1320-7a), and the Truth in Negotiations (10 U.S.C. §§ 2304 *et seq.*), Health Care Fraud (18 U.S.C. § 1347), Wire Fraud (18 U.S.C. § 1343), Theft or Embezzlement (18 U.S.C. § 669), False Statements (18 U.S.C. § 1001), False Statements (18 U.S.C. § 1035), and Patient Inducements Statute, and equivalent state statutes and regulations, and any and all rules or regulations promulgated by Governmental Authorities with respect to any of the foregoing.

"**Heritage Title Report**" means the title commitment dated effective November 17, 2016, and issued November 29, 2017, under GF No. 201603552 that was prepared by Heritage Title Company of Austin, Inc., as agent for First American Title Insurance Company, with respect to the Land on which the Premises are situated.

"**Hospital Sublease**" has the meaning set forth in Recital D.

"**Impositions**" has the meaning set forth in Section 5.1.

"**Improvements**" means the Buildings and grounds (including driveways, lanes, walkways, connecting corridor, elevators, stairways, and corridors in the Buildings providing vehicular and pedestrian access), and other buildings, structures, and improvements of every kind located on the Land, including without limitation, sidewalks, curbs, access and ingress drives, utility pipes, conduits, and lines.

"**Insurance Proceeds Trustee**" has the meaning set forth in Section 11.1(b).

"**Judicial Resolution**" has the meaning set forth in Section 15.7(e).

"**Land**" means the real property owned by Landlord on which the Buildings are located (inclusive of the Tranquility Garden) and being more particularly described in the Legal Description, as that real property may be modified or redeveloped in accordance with Section 8.5.

"**Landlord**" has the meaning set forth in the Preamble.

"**Landlord Event of Default**" has the meaning set forth in Section 15.3.

"**Landlord's Knowledge**" or "**Knowledge**" when referring to Landlord shall mean the current, actual knowledge, without inspection or inquiry, of Landlord's President and Chief Executive Officer and Chief Operating Officer.

"**Landlord Party**" has the meaning set forth in Section 10.5(a).

"**Lease**" has the meaning set forth in the Preamble.

"**Leasehold Estate**" means the leasehold estate and Tenant's other rights created by this Lease.

"**Lease Year**" means each consecutive twelve-month period occurring during the Term; however, the first Lease Year will commence on the Commencement Date and expire on September 30, 2018.

"**Legal Description**" means the description of the Land set forth in Exhibit B attached hereto.

"**Master Plan**" has the meaning set forth in Section 8.5(a).

"**Material Adverse Effect**" shall mean (a) with respect to Landlord or Tenant, any change in or disruption of the business or operations or any other material aspect of the relationship between the Parties as contemplated by this Lease that is, or may reasonably be expected to be, material and adverse to Landlord or Tenant, as the case may be, or (b) with respect to the Premises, a change in the value, condition or use thereof that is, or may reasonably be expected to be, material and adverse to the Premises, taken as a whole and/or the business conducted therewith.

"**Mediation Notice**" has the meaning set forth in Section 15.7(d).

"**Names and Marks**" means all Landlord's right, title, and interest, if any, in, to, and under (i) the names "Brackenridge Hospital," "University Medical Center Brackenridge," "Children's Hospital of Austin," "Brackenridge Professional Building," (ii) all trade names, trademarks, logos, and service marks used by the City of Austin or Landlord at any time prior to the Commencement Date in connection with the operation of the Premises or UMCB, and (iii) all goodwill and going concern value associated with the foregoing.

"**Non-Monetary Default Notice**" has the meaning set forth in Section 15.7(b).

"Parking Garage Lease Agreement" means that certain Parking Garage Lease Agreement entered into by and between Landlord and Tenant dated of even date herewith.

"**Parking Manager**" means any parking management company from time to time engaged by Tenant to manage parking within the CEC Parking Garage pursuant to a "**Parking Management Agreement**" between Tenant and Parking Manager.

"**Party**" or "**Parties**" has the meaning set forth on page 2 of this Lease.

"**Permitted Exceptions**" means the exceptions to Landlord's title set forth on Exhibit C.

"**Person**" means any individual, corporation, partnership, Limited Liability Company, or other entity of any kind.

"**Premises**" means (i) the Land, (ii) the Buildings, and (iii) the Improvements. The term "**Premises**" expressly excludes the Equipment.

"**Rebuild**" has the meaning set forth in Section 11.1(a).

"**Rebuilding**" has the meaning set forth in Section 11.1(a).

"**Rent**" means Aggregate Rent, a term defined in Section 4.2.

"**Replacement Cost**" means, with respect to any of the Improvements, the cost to repair or restore such Improvements to substantially the condition in which they existed immediately prior to a casualty.

"**Restriction(s)**" has the meaning set forth in Section 8.5(d)(i).

"Safety Net Requirement" has the meaning set forth in the Ground Lease.

"Safety Net System" means the Seton Safety Net System (as defined in the Ground Lease) or the Central Health Safety Net System (as defined in the Ground Lease), as applicable.

"**Section**" has the meaning set forth in Section 1.2.

"Teaching Hospital Operator" has the meaning set forth in the Ground Lease and the Hospital Sublease.

"**Tenant**" has the meaning set forth in the Preamble. Upon an assignment of this Lease permitted in accordance with the terms of this Lease, the assignee ("**Transferee**") will thereupon succeed to the rights and obligations of, and become, the "Tenant" for purposes of this Lease.

"**Tenant Party**" has the meaning set forth in Section 10.5(b).

"**Tenant Required Alteration**" has the meaning set forth in Section 7.3.

"**Tenant's Knowledge**" or "**Knowledge**" when referring to Tenant shall mean the current, actual knowledge, without inspection or inquiry, of Tenant's President and Chief Executive Officer.

"**Tenant's Personal Property**" means the Equipment and all machinery, movable walls or partitions, computers or trade fixtures, and all other tangible and intangible personal property owned by Tenant and located at the Premises or used in connection with the operation of the Premises.

"**Term**" has the meaning set forth in Article 3.

"Tranquility Garden" means the healing garden located due west of the CEC Education Building.

"**Transferee**" has the meaning given to such term under the definition of Tenant.

"**Work**" has the meaning set forth in Section 10.4.

1.2 Terminology. The terms defined in the Recitals and Section 1.1 shall apply throughout this Lease. All references in this Lease to "Section" or "Article" shall refer to the section or article of this Lease in which such reference appears, unless otherwise expressly stated. All references to "Exhibits" shall mean the exhibits attached to this Lease. All such Exhibits are incorporated in this Lease by this reference. All references to herein, hereof, hereto, hereunder or similar terms shall be deemed to refer to the entire Lease. As used in this Lease, the term "including" shall mean "including but not limited to." The headings of Articles and Sections in and Exhibits to this Lease shall be for convenience only and shall not affect the interpretation hereof.

1.3 Interpretation. Words used in the singular number shall include the plural, and vice versa, and any gender shall be deemed to include each other gender. Reference to any agreement means such agreement as amended or modified and in effect in accordance with the terms thereof. This Lease was negotiated between Landlord and Tenant with the benefit of legal representation, and any rule of construction or interpretation that requires this Lease to be construed or interpreted against either Party shall not apply to any construction or interpretation hereof.

1.4 Condition of Premises. Except as expressly set forth in this Lease, Tenant acknowledges that it is leasing the Premises "**AS IS, WHERE IS, WITH ALL FAULTS**" and that Landlord makes no representations or warranties of any nature, express or implied, concerning the Premises, including any representation or warranty concerning (i) the physical condition of the Premises, (ii) the suitability of the Premises for Tenant's intended use, (iii) the environmental condition of the Premises, or (iv) compliance of the Premises with any Applicable Laws. Tenant currently occupies the Premises pursuant to the UMCB Lease which will, pursuant to the terms of a separate written agreement of even date herewith executed by Landlord and Tenant, terminate with respect to the Premises, except for indemnity obligations which by their nature survive termination, and Tenant acknowledges that it: (i) occupied the Premises prior to the date hereof, (ii) is familiar with the Premises, (iii) has had adequate opportunity to inspect, conduct tests and other due diligence, and otherwise evaluate the Premises, and (iv) notwithstanding anything in this Lease to the contrary, is not relying upon any representations or warranties of Landlord with respect to the Premises.

1.5 Limitation on Landlord Obligations. Tenant acknowledges that all obligations of Landlord under this Lease are payable only to the extent of money lawfully available therefor and appropriated for such purpose by Landlord's Board of Managers. Landlord and Tenant acknowledge and agree that the immediately preceding sentence does not (i) affect or override Landlord's duty to comply with the non-monetary terms of this Lease and all Ancillary Agreements or (ii) preclude Tenant from exercising Tenant's rights and remedies under this Lease.

Article 2
LEASE OF PREMISES

Landlord hereby does lease, let, and demise unto Tenant, and Tenant hereby does lease and rent from Landlord, upon and subject to the provisions of this Lease, the Premises, commencing on the Commencement Date.

Article 3
TERM

The term of this Lease (the "**Term**") shall commence on January 1, 2018 (the "**Commencement Date**"), and, unless sooner terminated as provided herein, end on September 30, 2024.

Article 4
PAYMENT OBLIGATIONS

4.1 Parking Garage Lease. By lease of even date, Landlord and Tenant have entered into the Parking Garage Lease Agreement. Aggregate Rent (defined in Section 4.2 below) payable under both this Lease and the Parking Garage Lease Agreement shall be calculated as an aggregate amount pursuant to Section 4.4 (i.e. the total Aggregate Rent payable under the Parking Garage Lease Agreement and this Lease is set forth below in this Section 4.3). Any amounts paid by Tenant against the amounts set forth in Section 4.4 will reduce, on a dollar-for-dollar basis, Tenant's rent obligation under the Parking Garage Lease Agreement.

4.2 Aggregate Rent.

(a) During the Term, Tenant shall pay aggregate rent ("**Aggregate Rent**") comprised of (i) fixed rent ("**Fixed Rent**") plus (ii) a contingent rent amount ("**Contingent Rent**") calculated as set out in Section 4.4.

(b) The maximum aggregate amount of Rent that is payable under the Term of this Lease and the Initial Term of the Parking Garage Lease Agreement is $63,386,719.00. Aggregate Rent will be paid by Tenant to Landlord in accordance with Section 4.4 below.

(c) Landlord and Tenant acknowledge and agree that, during the Term, Landlord may exercise its Relocation Right, which will likely trigger an adjustment in the Aggregate Rent that Tenant is obligated to pay under this Lease and the Parking Garage Lease Agreement. If this Lease or the Parking Garage Lease Agreement contemplates an adjustment to Rent based on a change in circumstances (e.g., an exercise of the Relocation Right), then the Parties will work in good faith to agree on the Aggregate Rent that is payable under this Lease and the Parking Garage Lease Agreement; however, in no event shall Tenant's total rent obligation under this Lease and the Parking Garage Lease Agreement increase (i.e. the maximum Aggregate Rent payable by Tenant during the Term is the amount set forth below in Section 4.4(b).

4.3 Contingent Rent. Contingent Rent will be determined based upon the Net Patient Service Revenue ("NPSR") (defined below) for Tenant's preceding Fiscal Year. For example, during the period commencing on January 1, 2018, and expiring on September 30,

2018, the amount of Contingent Rent will be calculated based upon the NPSR recognized by Tenant during the period commencing on July 1, 2016, and expiring on June 30, 2017. Landlord and Tenant estimate that, during the first Lease Year in the Term, the annual estimated Contingent Rent ("**Projected Contingent Rent**") will be $6,660,937.00; however, Tenant does not make, and has not made, any representations or warranties of any kind to Landlord with respect to the amount of NPSR that will be received by Tenant in any particular year.

(a) Annual Calculation of Net Patient Service Revenue. Commencing on or before September 1, 2018 (or commencing as soon as reasonably practicable after such date but not later than September 15, 2018), and continuing on or before the first day of September of each year thereafter (or commencing as soon as reasonably practicable after each such date, but not later than September 15 of each year), and continuing throughout the remainder of the Term of this Lease, Tenant shall calculate and notify (the "**NPSR Notice**") Landlord of the combined Net Patient Service Revenue ("**NPSR**") that is realized by the University Medical Center Brackenridge and the Teaching Hospital during the Tenant Fiscal Year which ended immediately prior to each such date. Tenant shall, with each NPSR Notice, furnish Landlord with appropriate data and backup material supporting the annual calculation of NPSR.

(b) Landlord's Reset of Contingent Rent. Notwithstanding anything to the contrary contained herein, Landlord shall have the right, by written notice (the "**Landlord Reset Notice**") to Tenant to require an adjustment to the formula used to establish Contingent Rent upon the occurrence of any of the following:

(i) Any material types or levels of service offered at University Medical Center Brackenridge or the Teaching Hospital on or after the Commencement Date are no longer provided at those facilities or are moved out of University Medical Center Brackenridge or the Teaching Hospital to one or more off-site location(s) without Landlord's prior written consent; or

(ii) Any material change to the methodology used for computing NPSR is implemented by Tenant without the prior written consent of Landlord.

If Landlord exercises its rights under this Section 4.3 but Landlord and Tenant cannot agree on the appropriate adjustment to the formula used to establish Contingent Rent, then the disagreement will be resolved pursuant to the dispute resolution process under Section 15.7 of this Lease.

(c) Contingent Rent Shortfall. If NPSR falls below $100,000,000.00 during any Tenant Fiscal Year used to calculate Contingent Rent, which results in an amount less than the Projected Contingent Rent being paid to Landlord in the following Lease Year, then a rent shortfall ("**Rent Shortfall**") shall occur in an amount equal to the difference between the Projected Contingent Rent and the actual Contingent Rent paid based on the reduced NPSR. If, in a subsequent Lease Year, the NPSR exceeds $100,000,000.00, then Tenant shall pay to Landlord as Aggregate Rent for the following Lease Year an amount equal to the sum of (a) $509,375.00 in Fixed Rent plus (b) $8,881,245.00 in Projected Contingent Rent plus (c) an amount (the "**Rent Shortfall Recapture Payment**") equal to $8,881,245.00 multiplied by a fraction the numerator of which is (i) the most recent NPSR less $100,000,000.00, and the denominator of which is

(ii) $100,000,000.00, but with such Rent Recapture Payment in no event to exceed the amount of Cumulative Rent Shortfall for prior Lease Years less the cumulative amount of all "**Rent Recapture Payments**" (the "**Cumulative Rent Shortfall Amount**"), and this process will continue every year in which NPSR exceeds $100,000,000.00 until such time as the Cumulative Rent Shortfall Amount has been reduced to zero and, subject to a maximum Aggregate Rent for the Term of $63,386,719. Subject to the terms of Section 4.12, Rent Shortfall Recapture Payments, if due, shall be made within thirty (30) days following the date of Tenant's NPSR Notice showing an NPSR in excess of $100,000,000.00.

By way of example: If NPSR for the second Lease Year during the Term is $75,000,000.00, the actual Contingent Rent for the next Lease Year is calculated as follows: 8.881245% of $75,000,000.00 equals $6,660,933.75 and the Aggregate Rent for such Lease Year will be $509,375.00 in Fixed Rent plus $6,660,933.75 in actual Contingent Rent. The Contingent Rent Shortfall is calculated as follows: $8,881,245.00 (the Projected Contingent Rent based on $100,000,000.00 NPSR) minus $6,660,933.75 in actual Contingent Rent equals a Rent Shortfall of $2,220,311.25. If, in the Lease Year following the Lease Year in which the NPSR is $75,000,000.00, the NPSR is $185,000,000.00, then the Rent Shortfall Recapture Payment for the following Lease Year will be $2,220,311.25 determined by multiplying $8,881,245.00 by a fraction, the numerator of which is $185,000,000.00 - $100,000,000.00 = $85,000,000.00, and the denominator of which is $100,000,000.00 ($8,881,245.00 x $85,000,000.00/$100,000,000.00 = $7,549,058.25); provided that since such amount exceeds the $2,220,311.25 in Cumulative Rent Shortfall Amount, the amount of such Rent Recapture Payment shall be the amount necessary to reduce the Cumulative Rent Shortfall Amount to zero, i.e., $2,220,311.25, and the amount of the Aggregate Rent for such Lease Year shall be the sum of (a) $509,375.00 in Fixed Rent, (b) $8,881,245.00 in Contingent Rent, and (c) $2,220,311.25 in Initial Term Rent Recapture Payment, which equals $11,610,931.25.

(d) **Right to Audit Tenant's Records**. Landlord shall have the right to audit, at its own expense and using generally accepted accounting principles, the books and records of Tenant that relate to the calculation of NPSR for each Fiscal Year, with any such audit to be performed by a certified public accountant in a manner consistent with a typical financial statement audit. Tenant shall make the required records available to Landlord at Tenant's office. Tenant shall reimburse Landlord for the actual and reasonable cost of any such inspection or audit in the event that the inspection or audit reflects that the NPSR shall have been understated by five percent (5%) or more for the applicable Fiscal Year.

4.4 Payment of Fixed and Contingent Rent. Commencing on the Commencement Date, and on the first day of each calendar month thereafter occurring during the Term, Tenant shall pay Landlord Aggregate Rent in accordance with the schedule set forth in Section 4.4(a) below, and such Aggregate Rent will be the total rent payable to Landlord under this Lease and the Parking Garage Lease Agreement. Aggregate Rent will be payable on a monthly basis in equal monthly installments.

(a) Aggregate Rent by Lease Year. The Aggregate Rent during each Lease Year of the Term (Fixed Rent and Contingent Rent) shall be as follows:

(i) Lease Year 1 – [01/01/2018–09/30/2018]

a. Contingent Rent – 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00, equitably prorated to reflect that the first Lease Year is only nine months;

plus

b. Fixed Rent -- $382,031.00 (which is a prorated amount since the first Lease Year is only nine months)

(ii) Lease Year 2 – [10/01/2018–09/30/2019]

a. Contingent Rent -- 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00;

plus

b. Fixed Rent -- $509,375.00

(iii) Lease Year 3 – [10/01/2019–09/30/2020]

a. Contingent Rent -- 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00;

plus

b. Fixed Rent -- $509,375.00

(iv) Lease Year 4 – [10/01/2020–09/30/2021]

a. Contingent Rent -- 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00;

plus

b. Fixed Rent -- $509,375.00

(v) Lease Year 5 – [10/01/2021–9/30/2022]

a. Contingent Rent -- 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00;

plus

b. Fixed Rent -- $509,375.00

(vi) Lease Year 6 – [10/01/2022–9/30/2023]

a. Contingent Rent -- 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00;
plus

b. Fixed Rent -- $509,375.00

(vii) Lease Year 7 – [10/01/2023–9/30/2024]

a. Contingent Rent -- 8.881245% of NPSR for the preceding Tenant Fiscal Year not to exceed an annual NPSR of $100,000,000.00;
plus

b. Fixed Rent -- $509,375.00

(b) Notwithstanding anything to the contrary contained herein, total Aggregate Rent payable during the Term of this Lease and the Initial Term of the Parking Garage Lease Agreement shall not exceed the aggregate amount of $63,386,719.00.

4.5 Definitions. As used in this Article 4, the term:

(a) "**Fiscal Year**" shall mean Tenant's fiscal year, which shall end on June 30 of each year; and

(b) "**Net Patient Service Revenue**" shall mean the total *combined* patient revenues from Tenant's operation of University Medical Center Brackenridge and the Teaching Hospital, excluding all Medicaid supplemental payments and reduced by revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, bad debt, and charity care amounts.

4.6 Additional Payment Obligations. All amounts required to be paid by Tenant under the terms of this Lease (including Impositions and the Central Plant Utility Fees) other than Aggregate Rent are herein from time to time collectively referred to as "**Additional Payment Obligations**." As such, Additional Payment Obligations shall not be included in the calculation of the maximum Aggregate Rent payable during the Term under Section 4.2(b).

4.7 No Abatement. Except as expressly provided in this Lease and except as expressly provided in the Ancillary Agreements: (a) no happening, event, occurrence, or situation during the Term, whether foreseen or unforeseen, and however extraordinary, shall relieve Tenant from its obligations hereunder to pay Rent, or entitle Tenant to any abatement, diminution, reduction, offset or suspension of Rent whatsoever; and (b) Tenant waives any right now or hereafter conferred upon it by statute or other Applicable Law, to any abatement, diminution, reduction, offset, or suspension of Rent because of any event, happening, occurrence or situation whatsoever.

4.8 Interest on Late Payment. If Landlord has not received at the address set forth in Section 4.9 any installment of Rent within twenty (20) days after the date due, the

outstanding and unpaid Rent shall bear interest at a rate per annum equal to the lesser of eighteen percent (18%) or the maximum rate of interest allowed under Applicable Laws (the "**Default Rate**"), commencing on the twenty-first (21st) day after the date on which such Rent was due.

4.9 Place of Payment for Rent. Rent shall be payable to Landlord at Travis County Healthcare District, 1111 East Cesar Chavez Street, Austin, Texas 78702, or to such other persons or at such other address as Landlord may designate from time to time in writing to Tenant, or by such other method as may be agreed to from time to time by Landlord and Tenant, such as wire transfer or electronic funds transfer to an account designated by Landlord. Rent shall be paid to Landlord in United States Dollars.

4.10 Ascension Texas Guaranty. On or before the Commencement Date, Tenant shall cause Ascension Texas to execute and deliver to Landlord a guaranty of this Lease in the form attached hereto as Exhibit "D".

4.11 Shortfall Payment in Event of Lease Expiration. Notwithstanding anything to the contrary contained herein, Tenant shall not be liable to Landlord for payment of any then remaining Cumulative Rent Shortfall Amount existing as of the expiration of the Term; however, such Cumulative Rent Shortfall Amount may be carried forward under the Parking Garage Lease Agreement (in accordance with the terms of the Parking Garage Lease Agreement) if the term of such lease agreement is extended.

Article 5
IMPOSITIONS; UTILITIES

5.1 Impositions Defined. The term "**Impositions**" shall mean all taxes, assessments, use and occupancy taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, license and permit fees, and other charges by any public authority, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed, or imposed by any municipality, county, state, the United States of America, or any other governmental body, subdivision, agency, or authority (each a "**Governmental Authority**" and collectively, "**Governmental Authorities**") upon or accrued or become a lien on (i) the Premises, the Leasehold Estate, Tenant's Personal Property, all other property of Tenant used on the Land, or any part thereof; (ii) the rent and income received by or for the account of Tenant from any Parking Agreement and tenants or subtenants, and for any use and occupancy of the Building, including the parking spaces and office space in the Premises; (iii) such franchises, licenses, and permits as may be pertinent to the use of the Premises or Tenant's Personal Property; or (iv) any documents to which Tenant is a party creating or transferring an interest or estate in the Premises or Tenant's Personal Property. Impositions shall include: (a) all taxes, utilities, and insurance arising out of or related to Tenant's lease, ownership, use, and operation of the Premises and all property of Tenant used on the Land and the business conducted thereon by Tenant or any tenant, subtenant, or licensee of Tenant, (b) any taxes, assessments, or other impositions that Landlord is obligated to pay on the Premises, and (c) any income, profits, margin, or revenue tax, assessment, or charge imposed upon the rent or other benefit received by Landlord under this Lease. Except as otherwise provided herein,

Impositions shall not include (a) any income, franchise, or margin tax, capital levy, estate, succession, inheritance, or similar tax of Landlord; or (b) any franchise or margin tax imposed upon any owner of the Premises or Tenant's Personal Property. However, if at any time during the Term the present method of taxation shall be changed such that the whole or any part of the taxes, assessments, levies, impositions, or charges now levied, assessed or imposed on real estate, improvements thereon, and equipment shall be discontinued in whole or in part, or the rates for such taxes reduced, and in whole or partial substitution therefor, taxes of the type described in the immediately preceding sentence or taxes, assessments, levies, impositions, or charges shall be levied, assessed, and/or imposed wholly or partially as a capital levy or otherwise on the rents received from said real estate, improvements, or equipment or the rents reserved herein or any part thereof, then such substitute taxes, assessments, levies, impositions, or charges, to the extent so levied, assessed or imposed in substitution (in whole or in part) for such other taxes shall be deemed to be included within the term Impositions.

5.2 Tenant's Obligation. During each year of the Term other than the last, Tenant will pay as and when the same shall become due and prior to delinquency, all Impositions, including any that Landlord is obligated to pay on the Premises (including those related to the Austin Downtown Public Improvement District) and Tenant's Personal Property, directly to the Governmental Authority or other person entitled to receive payment thereof and provide Landlord with documentation evidencing in reasonably sufficient detail that such Impositions have been paid in a timely manner; provided, however, that Landlord will be responsible for (i) all Impositions assessed against the Premises because of Landlord's exercise of rights expressly reserved to Landlord hereunder and (ii) any Impositions assessed against any portion of the Central Health Downtown Campus other than the Premises. To the extent Landlord receives any notices, statements, certificates, bills, or correspondence from any Governmental Authority relating to Impositions on the Premises or Tenant's Personal Property payable by Tenant hereunder, then Landlord shall promptly deliver same to Tenant. During the last year of the Term, Impositions shall be apportioned between Landlord and Tenant, so that each pays its proportionate share of the Impositions. Where any Imposition that Tenant is obligated to pay may be paid pursuant to Applicable Law in installments, Tenant may pay such Imposition in installments as and when such installments become due.

5.3 Tax Contest. Tenant may, at its sole cost and expense, contest the validity or amount of any Imposition for which it is responsible, in which event the payment thereof may be deferred to the extent permitted by Applicable Law, during the pendency of such contest, if diligently prosecuted. Landlord will reasonably cooperate with Tenant, at no material cost to Landlord, in connection with any such contest. If the amount being contested is more than $1,000,000 and such amount has not been paid by Tenant to the applicable taxing authority, fifteen (15) days prior to the date any contested Imposition shall become delinquent, Tenant shall deposit with Landlord or, at the election of Tenant, such bank or trust company having its principal place of business in Austin, Texas, selected by Tenant and reasonably satisfactory to Landlord (the "**Imposition Trustee**"), an amount sufficient to pay such contested item, together with any interest and penalties thereon and the estimated fees and expenses of any Imposition Trustee, which amount shall be applied to the payment of such items when the amount thereof shall be finally determined. In lieu of such cash deposit, Tenant may deliver to Landlord a surety company bond in a form and substance, and issued by a company, reasonably satisfactory to Landlord, or other security reasonably satisfactory to Landlord.

Nothing herein contained, however, shall be construed to allow any Imposition to remain unpaid for such length of time as would permit the Premises, or any part thereof, to be sold or seized by any Governmental Authority for the nonpayment of the same. If at any time, in the reasonable judgment of Landlord, it shall become necessary to do so, Landlord may, after at least ten (10) days prior written notice to Tenant, under protest if so requested by Tenant, direct the application of the amounts so deposited or so much thereof as may be required to prevent a sale or seizure of the Premises or foreclosure of any lien created thereon by such item. If the amount deposited exceeds the amount of such payment, the excess shall be paid to Tenant, or, in case there should be any deficiency, the amount of such deficiency shall be promptly paid on demand by Tenant to Landlord (provided Landlord has advanced such amount), and, if not so paid, such amount shall be a debt of Tenant to Landlord, together with interest thereon at the Interest Rate from the date advanced until paid. Upon Landlord's written request, Tenant shall promptly furnish Landlord with copies of all proceedings and documents with regard to the contest of any Imposition, and Landlord shall have the right, at its expense, to participate therein.

5.4 Evidence Concerning Impositions. The certificate, bill, or statement produced by officials authorized by Applicable Law to issue or receive payment of any Imposition shall be prima facie evidence for all purposes of the existence, payment, nonpayment, or amount of such Imposition.

5.5 Utilities.

(a) Central Plant Utilities.

(i) *Generally.* From and after the Effective Date and during the Term, Landlord shall Furnish or cause to be Furnished the Central Plant Utilities (defined in Section 5.5(c) below) to Tenant from the Central Plant, to the extent reasonably required by or for the Premises and the Equipment, on a continuous and uninterrupted basis other than in the event of an Excused Interference (defined below).

(ii) *CP Utility Service Provider.* Landlord shall have the right to contract for any of the Central Plant Utilities, except Medical Gases which are to be purchased by Tenant, from such providers of such utilities as Landlord shall elect, subject to Tenant's approval of such providers (which approval will not be unreasonably withheld, conditioned, or delayed) (each being a "**CP Utility Service Provider**"). Tenant shall cooperate with Landlord and the applicable CP Utility Service Provider at all times and, as reasonably necessary, shall allow Landlord and such CP Utility Service Provider access to the Premises and any systems, equipment, or machinery within the Premises. Landlord's obligation to Furnish the Central Plant Utilities shall be subject to the provisions of this Section 5.5, the rules and regulations of the CP Utility Service Provider and the rules and regulations of any applicable Governmental Authority.

(iii) *Discontinuance of Chilled Water, Steam or Emergency Power.* Landlord may, upon not less than ninety (90) days' prior written notice to Tenant,

discontinue Furnishing chilled water, steam or emergency power to the Premises, provided Landlord first arranges for a direct connection thereof through a CP Utility Service Provider approved by Tenant (who may not unreasonably withhold approval). If Landlord discontinues the Furnishing of chilled water, steam or emergency power in accordance with the provisions of this Section 5.5(a)(iii), Tenant shall be responsible for contracting with the CP Utility Service Provider and for paying all deposits for, and costs of such service; however Landlord will be solely responsible for all costs and expenses associated with establishing such service.

(iv) *Conveyance of Central Plant.* Landlord may also, upon ninety (90) days' prior written notice to Tenant, convey the Central Plant to a third party, so long as Landlord first arranges for such third party to continue to Furnish or cause to be Furnished the Central Plant Utilities to Tenant in accordance with the terms and at the rates provided for in this Lease. For purposes of the preceding sentence, "convey" means a sale or other transfer as distinguished from engaging a third party operator to manage the Central Plant on Landlord's behalf.

(v) *Release of Landlord.* In the event that Landlord shall discontinue Furnishing chilled water, steam or emergency power in accordance with Section 5.5(a)(iii), above, or shall convey the Central Plant to a third party in accordance with Section 5.5(a)(iv), above, Landlord shall no longer have any responsibility for Furnishing or causing to be Furnished the Central Plant Utilities to Tenant from the Central Plant, and, except as otherwise expressly provided in this Section 5.5, Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply or character of the chilled water, steam and emergency power Furnished to the Premises, or if the quantity or character of the chilled water, steam and emergency power supplied by the applicable CP Utility Service Provider is no longer available or suitable for Tenant's requirements, and, except as otherwise expressly provided in this Section 5.5, no such change, failure, defect, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease.

(vi) *Central Plant Utilities Fee.* Beginning on the Effective Date and continuing during the Term, Tenant shall pay Landlord, in consideration of the Central Plant Utilities Furnished hereunder, a gross fee in the amount of $45,475.00 per month, which fee includes an estimate of the costs that will be charged to or incurred by Landlord for the Central Plant Utilities for the Premises, including all costs of operations and maintenance, capital costs, security, metering the Premises' use of such utilities, and all direct and indirect costs of providing such utilities, including any sales, use, or other taxes and insurance ("**Central Plant Utilities Fee**"). The gross monthly Central Plant Utilities Fee stated above shall be adjusted as needed, subject to the prior written consent of Tenant, which

consent will not be unreasonably withheld, conditioned or delayed, to be equal to the reasonable and verifiable costs incurred by Landlord for the Central Plant Utilities including all costs as defined above. The Central Plant Utilities Fee shall be invoiced directly to Tenant by Landlord as Additional Payment Obligations and shall be paid by Tenant within thirty (30) days after Tenant's receipt of each such invoice. Notwithstanding anything to the contrary contained herein, if Landlord transfers its obligation to Furnish the Central Plant Utilities to a third party, as is its right under Section 5.5(a)(iii) and Section 5.5(a)(iv), above, then Tenant will have no obligation to pay the Central Plant Utilities Fee to Landlord following the date of such transfer or transfers. Tenant will make such payments directly to the third party to whom Landlord transferred its obligations.

Furthermore, if the Alternative Central Plant Utilities Equipment (as such term is defined herein) is installed in accordance with the provisions of Section 5.5(e), below, the final Central Plant Utilities Fees to be paid by Tenant to Landlord shall be pro-rated for the final month in which Central Plant Utilities Fees would otherwise be due to account for the actual date of installation of such Alternative Central Plant Utilities Equipment, or if any such installation is completed in phases or sequences, equitably adjusted to reflect the Alternative Central Plant Utilities Equipment so installed.

(vii) *Alternative Utilities Fee.* If the Alternative Central Plant Utilities Equipment is installed, then Tenant will pay to Landlord a fee (the "**Alternative Utilities Fee**") in nine equal monthly installments of $231,111.00 each. The first of such monthly installments shall be payable by Tenant on the first day of the calendar month first following the Alternative Utilities Completion Date (as defined in Section 5.5(c), below), with each of the remaining monthly installments thereof payable by Tenant on the first day of each calendar month thereafter until the Alternative Utilities Fee is paid in full. From and after the first day of the calendar month first following the Alternative Utilities Completion Date, Tenant shall have no obligation to pay Landlord the Central Plant Utilities Fee described in Section 5.5(a)(vi), or the Adjusted Central Plant Utilities Fee described in Section 5.5(a)(viii).

(viii) *Separate Metering Work; Rates for Steam and Chilled Water; Reconciliation Payments.* Tenant has installed separate meters and associated equipment to measure the amount of steam and chilled water supplied and delivered to the Premises ("**Separate Metering Work**"). Landlord will pay Tenant the sum of $40,800 as partial reimbursement of the actual costs and expenses incurred by Tenant with respect to the Separate Metering Work. Such reimbursement shall be made by Landlord to Tenant within 30 days following Landlord's receipt of written invoices showing the total costs and expenses incurred by Tenant in connection with the Separate Metering Work. Landlord and Tenant will negotiate in good faith to determine the rate (i.e. the applicable utility charge) for steam and chilled water, which rate will be used to determine the Tenant's monthly pro-rata portion of steam and chilled water cost of the Central

Plant Utilities. Once Landlord and Tenant have agreed on a rate for steam and chilled water, then the Central Plant Utilities Fee payable under this Lease will be adjusted to equal the amount (the "**Adjusted Central Plant Utilities Fee**") determined by multiplying (A) the monthly usage of steam and chilled water as measured by the separate meters, by (B) the applicable rate for such items as agreed to by Landlord and Tenant, and such amount will be applied retroactively to the Effective Date, if applicable (with the Parties to make any necessary reconciliation payments taking into account the amounts paid by Tenant and such Adjusted Central Plant Utilities Fee).

(ix) *Medical Gases O2/ N2/N2O.* Medical Gases as defined in Section 5.5(c) below and specifically oxygen, nitrogen, and nitrous oxide (collectively, the "**O2/N2/N2O**") that shall be held in storage in the Central Plant Tank Farm on the Effective Date, together with any additional required O2/N2/N2O purchased by Tenant pursuant to the sentence next succeeding, shall be the sole property of Tenant, and Tenant shall be solely responsible and liable for their operation, maintenance and performance. In the event that the quantities of O2/N2/N2O shall be less than Tenant shall require for use by the Premises and Equipment over the course of the Term, Tenant shall be responsible, at its sole cost and expense, for purchasing any additional required O2/N2/N2O and for causing the delivery of any such additional required O2/N2/N2O to the Central Plant Tank Farm or other location(s).

(x) *No Metering of Emergency Power and Medical Gases.* For the avoidance of doubt, Landlord and Tenant acknowledge and agree that the supply and delivery of emergency power and the delivery of Medical Gases pursuant to the terms of this Agreement will not be separately metered for the purposes hereof.

(xi) *Interruption of Services.* Except as otherwise provided in this Section 5.5, Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply, character or delivery of the chilled water, steam and emergency power Furnished to the Premises, or for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption or defect in the delivery of Medical Gases, and except as otherwise provided in this Section 5.5, no such failure, defect, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease.

(xii) *Suspension or Interruption of Central Plant Utilities.* If any of the Central Plant Utilities are suspended or interrupted for any reason, including a suspension or interruption by reason of an Excused Interference, and Landlord is responsible for Furnishing such Central Plant Utilities, then Landlord will use its commercially reasonable efforts to restore or cause the restoration of any such

utilities as soon as reasonably possible. In addition, if: (A) any of the Central Plant Utilities Furnished by Landlord are suspended or interrupted for more than two (2) consecutive Business Days for any reason other than an Excused Interference (defined below); (B) Tenant promptly gives Landlord notice of such interruption; and (C) such interruption renders any portion of the Premises unusable or inaccessible by Tenant in the conduct of its business or materially disrupts Tenant's operations at the Premises, then commencing on the third (3rd) consecutive Business Day of any such suspension or interruption, Tenant will receive a daily credit against the Aggregate Rent and Additional Rent payable hereunder for each day that such suspension or interruption continues until the day that such suspension or interruption is substantially remedied. If the entire Premises have not been rendered unusable or inaccessible by the suspension or interruption of the Central Plant Utilities, the amount of the daily credit shall be equitably prorated. If the interruption is less than one day after the expiration of two (2) consecutive Business Days, then Tenant will receive a prorated credit based upon the number of hours of such delay; provided, however, that any suspension or interruption that lasts longer than five (5) business hours will be deemed to last one entire day. The remedy provided for in this Section 5.5(a)(xi) is Tenant's sole remedy for a suspension or interruption in Central Plant Utilities.

(b) Other Utilities.

(i) *Generally*. From and after the Effective Date and during the Term, Tenant shall Furnish or caused to be Furnished, at Tenant's sole cost and expense, the Other Utilities (defined below) to the extent required by or for the Premises and the Equipment. Tenant shall pay all charges for the Other Utilities when due. Tenant shall apply in its own name for the Other Utilities and shall pay all charges for the Other Utilities directly to the billing entity.

(ii) *Interruption of Services*. Except as otherwise provided in this Section 5.5, Landlord shall in no way be liable or responsible for any loss, damage, or expense that Tenant may sustain or incur by reason of any change, failure, interference, disruption, or defect in the supply or character of the Other Utilities Furnished to the Premises, or if the quantity or character of the Other Utilities supplied by the applicable utility service provider is no longer available or suitable for Tenant's requirements, and no such change, failure, defect, unavailability, or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease.

(iii) *Negligence or Willful Misconduct of a Landlord Party*. If any of the Other Utilities are suspended or interrupted due to the negligence or willful misconduct of a Landlord Party, Landlord will use commercially reasonable efforts to restore or cause the restoration of any such Other Utilities as soon as possible. In addition, if: (A) any of the Other Utilities are suspended or interrupted for more than two (2) consecutive Business Days for any reason by

the negligence or willful misconduct of a Landlord Party; (B) Tenant promptly gives Landlord notice of such interruption; and (C) such interruption renders any portion of the Premises unusable or inaccessible by Tenant in the conduct of its business or materially disrupts Tenant's operations at the Premises, then, commencing on the third (3rd) consecutive Business Day of any such suspension or interruption, Tenant will receive a daily credit against Aggregate Rent and Additional Rent payable hereunder for each day that such suspension or interruption continues until the day that such suspension or interruption is substantially remedied. If the entire Premises have not been rendered unusable or inaccessible by the suspension or interruption of the Other Utilities, the amount of the daily credit shall be equitably prorated. If the interruption is less than one day after the expiration of two (2) consecutive Business Days, then Tenant will receive a prorated credit based upon the number of hours of such delay; provided, however, that any suspension or interruption that lasts longer than five (5) business hours will be deemed to last one entire day. The remedy provided for in this Section 5.5(b)(iii) is Tenant's sole remedy for a suspension or interruption in Other Utilities due to the negligence or willful misconduct of a Landlord Party.

(c) Defined Terms. The following terms shall have the meanings given to such terms in this Section 5.5:

"**Alternative Utilities Completion Date**" means the date on which Landlord determines and on which Tenant, by written notice to Landlord, concurs (which concurrence may not be unreasonably withheld or delayed) with Landlord that:

(i) the engineering, design, construction and installation of the Alternative Central Plant Utilities Equipment is complete; and

(ii) the Alternative Central Plant Utilities Equipment is operating in accordance with the standards, quality control measures and other specifications set forth in the Work Letter.

"**Central Plant**" means that certain approximately 18,260 square foot concrete and steel facility located on the Central Health Downtown Campus comprised of a chiller/boiler room, paint shop, cooling tower, maintenance shop, Central Plant Tank Farm, and staff offices and from which the Central Plant Utilities originate.

"**Central Plant Tank Farm**" means the bottled medical gas tank farm comprising part of the Central Plant.

"**Central Plant Utilities**" means chilled water, steam, emergency power, and Medical Gases.

"**Excused Interference**" means an interruption in the Central Plant Utilities or Other Utilities that is required by Applicable Law or caused by (i) a casualty event, (ii) Tenant's or Tenant Party's negligence or willful misconduct, (iii) Tenant's breach of this Lease, (iv) Force Majeure, or (v) repairs, alterations, replacements, or improvements that are initiated by Tenant or initiated by Landlord at Tenant's request.

"**Furnish**" means (i) with respect to chilled water, steam and emergency power, to supply the product and the systems, machinery and other equipment used to deliver such utilities, and (ii) with respect to Medical Gases, to make available the existing systems, machinery and other equipment used to deliver same.

"**Landlord Party**", as defined in Section 10.5(a) shall for purposes of this Section 5.5 and Section 8.5(b)(ii) include any party to which Landlord may sell, convey, or lease any portion of the Central Health Downtown Campus and any such party's successors, assigns, tenants, or subtenants.

"**Medical Gases**" means oxygen, nitrogen, nitrous oxide, medical air and medical vacuum.

"**Other Utilities**" means water, wastewater, sewer, electricity, telephone, cable, internet service and all other communication services, and all other utilities of every type and nature, provided to the Premises as of the Effective Date.

(d) Major Disruption. If a suspension or interruption of the Central Plant Utilities or Other Utilities occurs and Landlord and Tenant agree, acting in good faith, that such interruption and suspension will take longer than thirty (30) consecutive calendar days to remedy, then a "**Major Disruption**" will be deemed to have occurred. If a Major Disruption occurs, then Landlord and Tenant will promptly meet and confer to determine a commercially reasonable course of action to address the Major Disruption and to minimize the impact that the Major Disruption will have on Tenant. Without limiting Landlord's other obligations under this Lease, if a Major Disruption is caused solely by Landlord or another Landlord Party, including because of an exercise of Landlord's Redevelopment Rights, then Landlord will promptly remedy the Major Disruption, or cause the Major Disruption to be remedied, at Landlord's cost. If a Major Disruption is caused solely by Tenant or another Tenant Party, then Tenant will promptly remedy the Major Disruption, or cause the Major Disruption to be remedied, at Tenant's cost.

(e) Engineering, Design, Construction and Installation of Alternative Chilled Water, Steam and Emergency Power Equipment, and Alternative Medical Gases Equipment.

(i) Tenant and Landlord hereby acknowledge that replacing the systems, machinery and other equipment used to Furnish the Central Plant Utilities is of mutual benefit to Tenant and Landlord.

(ii) Tenant agrees, in accordance with the terms and subject to the conditions set forth in this Section 5.5(e), to the relocation and replacement of the systems, machinery and other equipment (collectively, the "**Chilled Water, Steam and Emergency Power Equipment**") utilized by Tenant in connection with the supply and delivery of chilled water, steam and emergency power to the Premises, in order to enable Landlord to advance its redevelopment of the Central Health Downtown Campus.

(iii) Tenant agrees, in accordance with the terms and subject to the conditions set forth in this Section 5.5(e), to the relocation and replacement of the systems, machinery and other equipment (collectively, the "**Medical Gases Equipment**") utilized by Tenant in connection with the delivery of Medical Gases to the Premises and to Landlord's removal of any Medical Gas containers stored within the Central Plant Tank Farm, in order to enable Landlord to advance its redevelopment of the Central Health Downtown Campus.

(iv) Landlord and Tenant will execute a work letter, in form and substance mutually acceptable to Landlord and Tenant (such work letter, together with any amendments, supplements or modifications thereto, the "**Work Letter**"), which shall define:

(A) the requirements, restrictions, design and engineering standards, and similar provisions for the engineering, design, construction, and installation of the systems, machinery and other equipment necessary to provide an alternative source for the supply and delivery of chilled water, steam, and emergency power to the Premises (collectively, the "**Alternative Chilled Water, Steam and Emergency Power Equipment**"); and

(B) the requirements, restrictions, design and engineering standards, and similar provisions for the engineering, design, construction and installation of the systems, machinery and other equipment necessary to provide an alternative source for the delivery of Medical Gases to the Premises (collectively, the "**Alternative Medical Gases Equipment**" and, together with the Alternative Chilled Water, Steam and Emergency Power Equipment, the "**Alternative Central Plant Utilities Equipment**").

(v) Landlord will expeditiously initiate, and complete on or prior to December 31, 2018, the engineering, design, construction and installation of the Alternative Central Plant Utilities Equipment (the **"Alternative Central Plant Utilities Equipment Work")** in accordance with the provisions of the Work Letter.

(vi) Landlord will provide Tenant with copies of all design and construction documents, contracts, change orders, schedules, and similar documents associated with the engineering, design, construction and installation of the Alternative Central Plant Utilities Equipment.

(vii) Landlord will pay all costs and expenses that shall be incurred by Landlord, consistent with the provisions of the Work Letter, in connection with the engineering, design, construction, installation and financing of the Alternative Central Plant Utilities Equipment (collectively, the "**Alternative Equipment Costs and Expenses**"), which Alternative Equipment Costs and Expenses will be reflected in the Alternative Utilities Fee without mark-up, management fee, or similar overhead imposed or charged by Landlord.

(viii) Upon the Alternative Utilities Completion Date: (A) Tenant shall become solely responsible for the operation, maintenance, and all similar costs of such Alternative Central Plant Utilities Equipment; and (B) Landlord shall assign to Tenant any and all equipment warranties, maintenance agreements or other contracts or commitments entered into or undertaken by the manufacturers or vendors of the Alternative Central Plant Utilities Equipment relative to the future replacement, repair, maintenance or operation thereof.

5.6 Tenant's Inspection Rights. Tenant shall have the right to inspect, at its own expense and during reasonable times, the books and records of Landlord relating to the engineering, design, construction and installation of the Alternative Central Plant Utilities Equipment, including any related planning, engineering, design, and construction documents, and any books or records evidencing the Alternative Equipment Costs and Expenses incurred by Landlord in connection therewith.

5.7 Landlord's Inspection Rights. If Landlord assigns the Alternative Central Plant Utilities Equipment Work to Tenant, Landlord shall have the right to inspect, at its own expense and during reasonable times, the books and records of Tenant relating to Alternate Required Utilities Construction and Medical Gases relocation work, including, the planning, engineering, design, and construction documents and any books or records evidencing the costs and expenses associated with such construction and relocation work.

5.8 Net Lease. Except as expressly provided in this Lease, Landlord shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this Lease or the financing, ownership, construction, maintenance, operation, or repair of the Premises or Tenant's Personal Property, such being within the Tenant's sole responsibility to make or incur. It is expressly understood and agreed that, except as expressly provided in this Lease, this is a completely net lease intended to assure Landlord the rentals herein reserved on an absolute net basis.

5.9 Right to Perform Tenant's Obligation as to Impositions. If Tenant fails to timely pay any Imposition for which it is responsible hereunder, Landlord may, at its election (but without obligation), pay such Imposition with any interest and penalties due thereon, and

the amount so paid shall be reimbursed by Tenant on demand together with interest thereon at the Default Rate from the date of such payment until such amount is repaid.

Article 6
ETHICAL AND RELIGIOUS DIRECTIVES

Landlord acknowledges that Tenant is subject to the official teachings of the Roman Catholic Church and its Ethical and Religious Directives. Any provision contained in this Lease to the contrary notwithstanding, in no event shall Tenant be required to engage in any conduct, or provide or perform any services, in connection with its obligations under this Lease, in contravention of the Ethical and Religious Directives. In the event that, during the Term of this Lease, Tenant shall be asked to engage in any conduct, or provide or perform any services, the conduct of which or the provision or performance of which shall be determined by Tenant, in the exercise of its absolute discretion, to be in violation of the Ethical and Religious Directives, Tenant may refuse to engage in any such conduct, or provide or perform any such services; provided, however, that, in any such event, Tenant shall work cooperatively and in good faith with Landlord, to the end that any such services shall be provided or performed by Landlord, or shall be provided or performed by one or more other healthcare providers who Landlord shall select for such purpose.

Article 7
IMPROVEMENTS AND ALTERATIONS

7.1 **Alterations Generally**. Tenant shall not perform any alteration, improvement, addition, repairs (other than those repairs Tenant is obligated to make under this Lease), remediation, reconstitution, or other construction to or of the Premises (each and including a "Tenant Required Alteration", an "**Alteration**") without first obtaining the prior written consent of Landlord in each instance; provided, however, Tenant shall have the right, without consent of, but upon at least ten (10) days' prior written notice (including a copy of any final plans, specifications, and working drawings for any such work if such documents were prepared) to, Landlord to make an Alteration within the interior of the Premises which (1) are not structural in nature, (2) are not visible from the exterior of any of the Buildings, and (3) do not affect or otherwise require modification of any of the Buildings' electrical, mechanical, plumbing, heating/ventilation/air-conditioning, fire/life safety, or other systems. If Landlord's consent is required, Tenant shall submit such information regarding the intended Alteration as Landlord may reasonably require, and no request for consent shall be deemed complete until such information is so delivered. Landlord may require that Tenant, upon the expiration or earlier termination of this Lease, remove all, or any part of the Alterations at its sole cost and expense and repair any damage caused by such removal. Landlord must give Tenant notice of any such removal requirement at the time that Landlord consents to a particular Alteration so as to allow Tenant the opportunity to factor such removal requirement into its decision to perform the particular Alteration. If Tenant fails to perform its removal obligations in a timely manner, Landlord may perform such work at Tenant's expense. The provisions of this Section 7.1 shall survive the expiration or any earlier termination of this Lease. Unless expressly provided under this Lease, Landlord shall have no obligation to perform any alterations, repairs or improvements to the Premises.

7.2 Construction Standards.

(a) Any Alteration and any Rebuilding shall be performed in accordance with the following standards (the "**Construction Standards**"):

(i) all such construction or work shall be performed without cost, expense, or other liability to Landlord and in a good and workmanlike manner in accordance with good commercial construction industry practice for the type of work in question and in accordance with plans and specifications approved by Landlord (to the extent Landlord's approval of plans and specifications is required), and if the cost of any single work project exceeds $1,000,000.00, then also using a general contractor;

(ii) all such construction work shall be performed by Tenant's contractors, subcontractors, or agents and at the sole cost and risk of Tenant. Tenant shall pay all architectural and engineering fees, any permit or license fees, and all other costs and expenses associated with any such construction work;

(iii) all such construction or work shall be designed, constructed, maintained, and operated in accordance and in compliance with all Applicable Law and all applicable Joint Commission accreditation standards, as they may be amended from time to time;

(iv) no such construction or work shall be commenced until Tenant shall have obtained all licenses, permits, and authorizations required of all Governmental Authorities having jurisdiction;

(v) no such construction or work shall be commenced until Tenant (and Tenant's contractors) shall have obtained, and Tenant (and Tenant's contractors) shall maintain in force and effect, the insurance coverage required in Article 10 with respect to the type of construction or work in question;

(vi) no such construction or work that exceeds $1,000,000.00 shall be commenced until Tenant shall have provided Landlord with payment and performance bonds;

(vii) no such construction or work, upon completion, shall result in any decrease in the value or the utility of the Premises, or, except for short periods of time during the course of such construction or work, interfere with the operation of the Central Health Downtown Campus; and

(viii) after commencement, such construction or work shall be prosecuted with due diligence to its completion, subject to extension due to delays caused by Force Majeure.

(b) Tenant shall not permit or acquiesce to the foreclosure of any mechanic's or materialmen's lien or other statutory lien against the Premises by reason of work, labor, services, or materials supplied to or on behalf of Tenant in connection with any construction on the Premises. Tenant shall have no right, authority, or power to bind Landlord or Landlord's interest in the Premises for any claim for labor, material, or for any other charge or expense incurred in construction of any Alteration or other work with regard thereto, nor to render any interest in the Premises liable for any lien or right of lien

for any labor, materials, or other charge or expense incurred in connection therewith, and Tenant shall in no way be considered to be the agent of Landlord with respect to, or general contractor for, the construction, erection, or operation of any Alterations or other work. If any liens or claims for labor or materials supplied or claimed to have been supplied to or on behalf of Tenant in connection with any construction on the Premises shall be filed, Tenant shall promptly pay and release or bond such liens to Landlord's reasonable satisfaction or otherwise obtain the release or discharge thereof. If Tenant fails to promptly pay and release or bond such lien to Landlord's reasonable satisfaction within thirty (30) days after written notice from Landlord to Tenant, Landlord shall have the right, but not the obligation, to pay, release, or obtain a bond to protect against such liens and claims following written notice to Tenant, and Tenant shall reimburse Landlord on demand for any such amounts paid together with interest thereon at the Default Rate from the date of such payment until paid.

(c) No approval by Landlord of designs, plans, specifications or other matters shall ever be construed as representing or implying that such designs, plans, specifications or other matters will, if followed, result in a properly designed or Code compliant alteration or other improvement. Such approvals shall in no event be construed as representing or guaranteeing that any improvements will be built in a workmanlike manner, nor shall such approvals relieve Tenant of its obligation to construct the improvements in a workmanlike manner as provided in this Article 7. Landlord's approval of any Alterations will not create any liability whatsoever on the part of Landlord.

7.3 Alterations Required By Applicable Law. If during the Term, an Alteration is required as a result of a violation of or noncompliance with any Applicable Law that was caused by Tenant (a "**Tenant Required Alteration**"), the Tenant Required Alteration shall be promptly and diligently performed by Tenant, at Tenant's sole cost and expense, in accordance with the provisions of Section 7.1 and Section 7.2.

7.4 Utilities Capital Cost. Notwithstanding anything to the contrary contained herein, if any Tenant Alteration causes an increase in demand for chilled water and/or steam ("**Increased Load**") from the Central Utility Plant to such a degree as to require a capital cost expenditure to increase the (i) capacity of the Central Utility Plant or (ii) the then current output of chilled water or steam being produced by the Central Utility Plant, Landlord shall have no obligation to make such capital expenditure or to increase the output being produced by the Central Utility Plant unless the costs thereof are paid in advance by Tenant.

7.5 Ownership of Improvements. All Improvements, including the Alternative Central Plant Utilities Equipment, any Alteration, and any Rebuilding constructed during the Term, shall without payment by Landlord be included under the terms of this Lease and be solely the property of Landlord.

7.6 Subordination of Landlord's Lien. Landlord agrees to subordinate any and all liens it may assert on Tenant's Personal Property, or Tenant's other personal property located on the Premises, including any statutory, constitutional, or contractual liens, to any lien or security interest granted by Tenant to a third party lender for the purpose of securing financing and will execute, upon Tenant's request, a subordination agreement reasonably acceptable to

Landlord and Tenant's third party lender in order to evidence such subordination. Tenant shall provide at least thirty (30) days' written notice of such request and shall pay Landlord's reasonable attorneys' fees and other costs in preparing and negotiating such subordination.

Article 8
USE; MAINTENANCE AND REPAIRS

8.1 Use.

(a) Subject to the terms and provisions hereof, Tenant shall use the Premises as an ancillary health care facility to the Teaching Hospital that is part of the applicable Safety Net System and for other legally permitted uses consistent therewith, which will include the following:

(i) CEC Simulation Building for medical office and medical training purposes;

(ii) CEC Education Building for medical office use;

(iii) Cyberknife Building for medical office and outpatient specialty use; and

(iv) CEC Parking Garage for (A) parking of motor vehicles by physicians and other employees of Tenant at the Premises and employees of Tenant's subtenants at the Premises; (B) parking of motor vehicles for patients, visitors, and other users of the Premises; (C) parking of motor vehicles by the general public; (D) parking of motor vehicles pursuant to any spaces subleased by third parties; and (E) the non-exclusive use, in common use with the general public, of the driveways, land, walkways, elevators, stairways, and corridors in the Premises; and (F) so long as the CEC Parking Garage is being operated as a parking structure pursuant to and in accordance with the terms and provisions of this Lease, all other legally permissible uses deemed necessary or advisable by Tenant in connection with Tenant's use of the CEC Parking Garage as a parking garage.

(b) Tenant shall not use or operate Tenant's Personal Property, use, manage, operate, or occupy the Premises, permit the Premises to be used, managed, operated, or occupied, nor do or permit anything to be done in or on the Premises that would (i) make it impossible to obtain the insurance required to be furnished hereunder, (ii) constitute waste or a public or private nuisance, (iii) violate any Applicable Law, (iv) impair Landlord's (or Tenant's, as the case may be) title thereto or to any portion thereof, or (v) make possible a valid claim or claims of adverse usage or adverse possession by the public, as such, or of implied dedication of the Premises or any portion thereof, except as necessary in the ordinary and prudent operation of the Premises.

(c) Except as otherwise expressly provided in this Lease or by Applicable Law, Tenant shall have full management, and control of the operation and maintenance of the Premises, and Tenant's Personal Property located on the Premises without the need of further approval and consent from Landlord. Tenant shall have full authority to collect and use all revenues derived or resulting from its operation of the Premises and shall be responsible for all debts, contracts, torts, liabilities, and claims resulting from the

management, operation, and maintenance of the Premises during the Term, except as otherwise expressly provided in this Lease.

(d) Tenant shall perform all its obligations under this Lease, and operate the Premises, in a manner consistent with its classification as a not-for-profit corporation under Texas corporate law and as a tax-exempt corporation under Section 501(c)(3) of the Code.

8.2 Use of Names and Marks. Without Landlord's written consent, Tenant shall not erect or place any signage on the Premises that includes the name "Travis County Healthcare District," "Central Health," "University Medical Center Brackenridge," "Brackenridge Hospital," "Children's Hospital of Austin," "Brackenridge Professional Building," or "UMCB" or any variation thereof or which infringes on any of Landlord's trademarks or other intellectual property. Tenant's nontransferable, exclusive, royalty-free right under the UMCB Lease to use the Names and Marks shall terminate on the Commencement Date and, thereafter, Tenant shall cease such use.

8.3 Intentionally Deleted.

8.4 Maintenance and Repairs. Except as otherwise expressly provided in this Lease, Tenant, at its expense, shall take good care of the Premises and make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and shall maintain and keep the Premises in good repair and condition (whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements, or the age of the Premises, or any portion thereof), subject to ordinary wear and tear, in material compliance with all Applicable Laws, and with respect to the CEC Parking Garage, in a manner consistent with Tenant's parking facility located immediately south of Seton Medical Center Austin in Austin, Texas, and in the absence of that facility, to other similar hospital parking facilities in the greater Austin, Texas area and with respect to the other Buildings, in a manner consistent with other similar facilities in the greater Austin, Texas metropolitan area.

(a) It is understood that the Premises include, without limitation, the exterior walls around the Buildings and located on the Land, the elevators serving the Buildings, all other components of the Buildings, and all architectural, structural, mechanical, electrical, and plumbing systems. Tenant shall not charge Landlord for the maintenance, repair, and operation of the Premises described in this subparagraph (a).

(b) Notwithstanding anything to the contrary contained in this Lease (except as provided in Sections 5.5(a)(viii) and 7.3, to which this subparagraph (b) shall not be applicable), Tenant will not be required to perform any capital repair, replacement, or maintenance with respect to the Premises if the particular work would have a useful life that extends beyond the Term (any such capital work, "**Landlord Capital Work**"). If, after consultation with Tenant regarding any proposed Landlord Capital Work, Landlord agrees that a portion of the Premises is in need of repair or replacement constituting Landlord Capital Work and that such work is necessary to ensure the safe operation of the Buildings, then, except as provided herein, Tenant may elect that (i) Landlord will perform the Landlord Capital Work and the cost thereof will be amortized over the useful life of the applicable item (assuming straight line amortization over the useful life) and Tenant will reimburse Landlord on a monthly basis for the monthly amortized amount

applicable to each month of the Term, or (ii) Tenant will perform the Landlord Capital Work and Landlord will reimburse Tenant within ninety (90) days following receipt of demand for all reasonable, direct, and verified costs and expenses incurred by Tenant in connection with the Landlord Capital Work that is not allocable to the Term (again, assuming a straight line amortization over the useful life of the item). Any amounts not timely paid by Landlord to Tenant will accrue interest at the Default Rate until paid. If the need for the Landlord Capital Work occurs during the final two (2) years of the Term or the cost of any Landlord Capital Work that is not allocable to the Term will exceed $250,000, Landlord may elect to terminate this Lease by giving written notice thereof to Tenant effective thirty (30) days after the date of Landlord's written notice of termination. If Landlord elects to terminate this Lease, then Landlord and Tenant will cooperate in good faith to agree on a reasonable plan for Tenant's surrender of the Premises, it being agreed that Tenant will not be obligated to immediately vacate the Premises and Aggregate Rent and Additional Payment Obligations may need to be abated or adjusted pro rata to take into account the impact that the required Landlord Capital Work has on Tenant's use of the Premises.

(c) Except as expressly set forth in this Lease, Landlord shall have no obligation to maintain or repair the Premises or the Equipment in any way, and Landlord shall not under any circumstances be required to build or rebuild any improvement on the Premises, or to make any repairs, replacements, alterations, restorations, or renewals of any nature or description to the Premises, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto in connection with this Lease. Landlord shall have the right to give, record, and post, as appropriate, notices of non-responsibility under any mechanic's lien laws now or hereafter existing in connection with any work performed by or on behalf of Tenant.

(d) Tenant shall maintain in full force and effect any and all licenses, permits, and other authorizations required by any Governmental Authority with respect to Tenant's operation of the Premises and the Equipment.

(e) The provisions of this Section 8.3 are inapplicable to repairs and replacements resulting from casualty or condemnation, which are addressed in Article 11 of this Lease.

(f) The CEC Parking Garage and the Equipment used in connection with the operation of the CEC Parking Garage shall, at all times during the Term, be under the direction and supervision of an active operator, who may be Tenant or a Parking Manager, with the expertise, qualifications, experience, competence, and skills to manage, operate, and maintain the CEC Parking Garage and the Equipment used in connection with the operation of the CEC Parking Garage in accordance with the terms of this Lease, including subsection 8.4(a) above. At Tenant's election and expense, Tenant may engage a Parking Manager to manage the Premises on Tenant's behalf pursuant to a Parking Management Agreement; provided, however, the Parking Manager shall at all times be subject to the direction, supervision, and control of Tenant, and any delegation to the Parking Manager shall not relieve Tenant of any obligations, duties, or liability hereunder. Any Parking Management Agreement between Tenant and Parking Manager will be subject and subordinate to this Lease and shall by its terms terminate without

penalty at the election of Landlord or the Parking Manager upon fifteen (15) Business Days' notice to such Parking Manager or Landlord, as applicable, upon the termination of this Lease. The Parking Manager shall have no interest in or rights under this Lease or in the CEC Parking Garage other than pursuant to the Parking Management Agreement. Tenant shall not permit Parking Manager to use the CEC Parking Garage for providing automobile repair service, maintenance or automobile care service, car wash service nor for any other purpose in violation of this Lease without Landlord's prior written approval.

(g) Nothing contained in this Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, express or implied, to any contractor, subcontractor, laborer, materialman, or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair, or demolition of or to the Premises or any part thereof, or (ii) giving Tenant any right, power, or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, or lien upon the estate of Landlord in the Premises, or any portion thereof; provided, however, that the foregoing shall not be construed to prevent mechanic's or materialman's liens that arise by operation of law on property of Tenant, if the obligation secured by such laws is paid on or before the date when payment is due.

8.5 Landlord's Redevelopment Rights.

(a) Redevelopment Rights. Tenant acknowledges that Landlord intends, but shall not be obligated, to redevelop the Central Health Downtown Campus, including the Premises after expiration of the Term of this Lease, and has prepared a master plan to guide such redevelopment, a copy of which is attached hereto as Exhibit "F" (the "**Master Plan**"). Landlord reserves the right, in its sole discretion, to modify, change, or abandon the Master Plan, including, without limitation changes to the sizes, configuration and locations of buildings, roadways, entrances, exits, and traffic signals. In connection therewith, and subject to the limitations set forth in Section 8.5(b) below or elsewhere in this Lease, Tenant agrees that Landlord shall have the right, but not the obligation, to do one or more of the following: (i) to redevelop and relocate the Existing Infrastructure, (ii) to reconfigure, relocate, restructure, demolish, and temporarily or permanently close, in whole or in part, the Existing Infrastructure; (iii) to redevelop the Central Health Downtown Campus and engage in such other construction activities as Landlord deems appropriate to complete the Master Plan as the same may be amended, and (iv) to perform any other activities related thereto ((i)-(iii)) above are referred to herein, individually or collectively, as the "**Redevelopment Rights**"). Notwithstanding the foregoing and except as provided in Section 8.5(b)(ii), nothing in this Section 8.5(a) shall be deemed to impose an obligation upon Landlord, and Landlord shall not have the obligation, to undertake or exercise any Redevelopment Rights or seek approval from Tenant of any Redevelopment Rights or any of the work done in connection with the exercise of same. All work performed by or on behalf of Landlord pursuant to the Redevelopment Rights must be performed in accordance with all Applicable Laws. Notwithstanding Section 11.5, Tenant agrees that, without seeking compensation, it will allow Landlord to exercise the Redevelopment Rights should Landlord choose to do so.

(b) Limitations on Landlord's Redevelopment Rights. Landlord's Redevelopment Rights are subject to the following limitations:

(i) Landlord will give Tenant at least sixty (60) days' prior written notice of any work on the Central Health Downtown Campus performed by or on behalf of Landlord or a Landlord Party (which, for purposes of this Section will have the same meaning given to Landlord Party in Section 5.5) pursuant to the Redevelopment Rights that would materially and adversely impact the Existing Infrastructure, the Central Plant, or the availability of the Central Plant Utilities or the Other Utilities to Tenant ("**Landlord Infrastructure Work**").

(ii) Without limiting item (i) above, Landlord shall coordinate and consult (or will require the applicable Landlord Party to consult) with Tenant prior to undertaking any Landlord Infrastructure Work and shall coordinate with the applicable utility providers to the extent necessary to relocate temporarily or permanently any Existing Infrastructure to another location or locations to ensure that the Premises can continue to be served by the Other Utilities, without interruption.

(iii) The Redevelopment Rights, and all work arising therefrom, will be at Landlord's sole cost and expense. In addition, Landlord will be responsible for all actual and reasonable out-of-pocket third party costs and expenses that are incurred by Tenant (and evidenced by actual receipts therefor and produced to Landlord) because of Landlord's exercise of its Redevelopment Rights. It is the intent of the Parties that Landlord's election to exercise its Redevelopment Rights will be at no out-of-pocket third party cost or liability to Tenant whatsoever.

(iv) Notwithstanding anything to the contrary contained herein, Landlord may not perform any work pursuant to the Redevelopment Rights that will impact, in a material and adverse manner, Tenant's use of the Building.

(c) Construction Activities. Tenant acknowledges that Landlord's re-development of the Central Health Downtown Campus shall, by necessity, involve ongoing construction work, renovation, and similar development activities relating to the Central Health Downtown Campus re-development and that such activities may involve, among other things, noise, nuisance, and disruption of Tenant's use and enjoyment of the Premises, provided that Landlord agrees as follows: (i) to exercise commercially reasonable efforts to conduct all work performed pursuant to the Redevelopment Rights in a manner that does not cause an unreasonable interference with the conduct of Tenant's business operations in or access to the Premises, (ii) to reasonably repair, at Landlord's sole expense, any damage to the Premises caused by any construction performed pursuant to an exercise of the Redevelopment Rights, and (iii) to give Tenant reasonable prior notice of any construction activities involving the Building. Landlord's obligations under this Section 8.5(c) will be in addition to Landlord's other express obligations set forth in this Lease with respect to its construction work.

(d) Covenants, Restrictions, or Easements.

(i) Landlord may, at its sole cost and expense, grant easements, make public dedications, record declarations (including, without limitation, declarations

of covenants, conditions and restrictions), and create restrictions on or about the Land which may affect the Premises (including, without limitation, Landlord's master plan or other development activities) (individually, "**Restriction**" and collectively, "**Restrictions**"); provided that no such Restriction: (i) materially or unreasonably interferes with Tenant's use or occupancy of, or access to, the Premises, (ii) diminishes Tenant's right to the quiet enjoyment of the Premises as set forth in Article 14 below, or (iii) imposes any discriminatory or materially adverse additional obligations on Tenant. Subject to the terms of this Section 8.5(d)(i), if Landlord elects or is required to prepare a Restriction, Tenant shall promptly upon request execute such agreement if and as required, and Tenant shall abide by any Restrictions now or hereafter affecting the Premises.

(ii) So long as no Event of Default by Tenant exists, Landlord will, from time to time, at the request of Tenant and at Tenant's cost and expense but subject to the approval of Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed, execute amendments to any covenants, restrictions, or easements affecting the Premises, but only upon the delivery by Tenant to Landlord of an officers' certificate stating that such amendment is not detrimental to the proper conduct of the business of Tenant on the Premises and does not materially reduce the value of the Premises.

(e) Subdivision. At any time during the Term, Landlord may elect, at its sole cost and expense, in compliance with all Applicable Laws, to subdivide the Central Health Downtown Campus so that the Premises is situated on a separate legal parcel or parcels capable of lawful conveyance and separate from the remainder of the Central Health Downtown Campus, pursuant to a final plat or replat of the Central Health Downtown Campus approved by the City of Austin. Tenant shall, at no cost to Tenant, reasonably cooperate with Landlord to the extent Tenant's cooperation is required for any Subdivision matters.

(f) Cooperation. Landlord may seek and require approval from various Governmental Authorities in relation to the development of the Central Health Downtown Campus, or any other Redevelopment Rights. Tenant agrees to reasonably cooperate with Landlord, at no expense to Tenant, in connection with the Master Plan and the exercise of all Redevelopment Rights described in this Section 8.5, including executing and submitting any application or seeking any requested approvals from Governmental Authorities and similar matters.

(g) Disputes. All disputes between Landlord and Tenant regarding the provisions of Section 8.5(b)(ii) will be subject to the dispute resolution process set forth in Section 15.7 below.

8.6 Landlord's Right of Entry. Landlord shall have the right to enter upon the Premises in an emergency situation and without notice unless it is practicable to give notice under the circumstances. In addition, Landlord shall have the right to enter upon the Premises at any time following reasonable advance notice to Tenant (other than in emergencies), for the purpose of inspecting the same, or of making repairs or replacements to the Premises (including, without limitation, if such repairs or replacements are occasioned by Tenant's failure to repair or replace, following any applicable notice and cure period, as provided

elsewhere in this Lease), or of showing the Premises to prospective developers, purchasers, tenants, or lenders; provided, however, in all such circumstances, Landlord shall use reasonable efforts to minimize interference with Tenant's business or operations on the Premises.

Article 9
HAZARDOUS MATERIALS

9.1 Environmental Matters.

(a) Tenant shall (i) comply in all material respects with all applicable Hazardous Materials Laws, and (ii) promptly forward to Landlord a copy of any order, notice, permit, application, or any other communication or report in connection with any discharge, spillage, uncontrolled loss, seepage, release, or filtration of any Hazardous Materials or any other matter relating to the Hazardous Materials Laws as they may affect the Premises. Landlord shall promptly forward to Tenant a copy of any order, notice, permit, application, or any other communication or report in connection with any discharge, spillage, uncontrolled loss, seepage, release, or filtration of any Hazardous Materials or any other matter relating to the Hazardous Materials Laws as they may affect the Premises.

(b) Removal and Remediation. If Tenant, the Parking Manager, the Teaching Hospital Operator, any sub-tenant, Permitted Transferee (as such term defined in Section 12.1), and/or any of their respective successors, assigns, agents, officers, employees, guests, patients, invitees, or permittees generates, stores, releases, spills, disposes of, or transfers to the Premises any Hazardous Materials in violation of this Lease or applicable Hazardous Materials Laws (collectively, "Tenant Hazardous Materials") or installs any diagnostic, laboratory or radiology equipment that uses or generates any such Hazardous Materials (collectively, "Hazardous Equipment"), then Tenant shall promptly remove, remediate, and clean-up the Tenant Hazardous Materials upon their release, spill, or disposal and shall promptly remove such Hazardous Equipment upon termination of this Lease so as to restore the Premises to at least as good as condition that existed prior to the release, spill, or disposal of the subject materials or the installation of the Hazardous Equipment, respectively. Any removal, remediation, and clean-up efforts shall, regardless of when the necessity for such efforts occurs or the existence of the Tenant Hazardous Materials is discovered, be undertaken at Tenant's sole cost and expense and in the manner prescribed by all applicable Hazardous Materials Laws. In addition, Tenant will diligently pursue and obtain from any applicable Governmental Authorities the necessary clearance, closure letter, or other similar approval or documentation from the applicable Governmental Authority for such removal, remediation, and clean-up of the Tenant Hazardous Materials. Tenant shall pay any fines, penalties, or other assessments imposed by any Governmental Authority with respect to any such Tenant Hazardous Materials and shall promptly repair and restore any portion of the Premises and any other land or property owned by Landlord that is damaged in removing any such Tenant Hazardous Materials or Hazardous Equipment and any removal or remediation efforts. Tenant shall provide to Landlord all of the tests, investigations, studies or reports, and all related correspondence, related to any removal, remediation, or clean-up of Tenant Hazardous Materials, and further Tenant shall provide to Landlord in advance of any removal,

remediation, or clean-up (excepting only actions taken in an emergency situation where there is an imminent threat to human health or the environment) the work plans for such activities for Landlord's review and approval. Tenant shall deliver promptly to Landlord any notices, orders, or similar documents received from any Governmental Authority concerning any violation of any Hazardous Materials Laws or with respect to any Hazardous Materials affecting the Premises.

(c) If Tenant shall fail to materially comply with any of the requirements of any applicable Hazardous Materials Laws, Landlord may, but shall not be obligated to, give such notices or cause such work to be performed or take any and all actions deemed reasonable and necessary to cure such failure to comply, and Tenant shall pay any resulting reasonable expenses incurred by Landlord. The provisions of this Section 9.1 are in addition to Tenant's obligations to Landlord under Section 10.5.

(d) TENANT ACKNOWLEDGES THAT ITS OBLIGATION IN SECTION 10.5(A) TO INDEMNIFY, PROTECT, DEFEND, AND HOLD HARMLESS ANY LANDLORD PARTY AGAINST CLAIMS BROUGHT BY ANY OF LANDLORD'S EMPLOYEES, AGENTS, CONTRACTORS, INVITEES, OR REPRESENTATIVES, OR BY ANY GOVERNMENTAL AUTHORITY, OR BY ANY OTHER THIRD PARTY, INCLUDES MATTERS ARISING FROM OR RELATED TO:

(i) TENANT'S VIOLATION OR ALLEGED VIOLATION OF ANY HAZARDOUS MATERIALS LAWS RELATING TO THE TREATMENT, STORAGE, OR DISPOSAL OF ANY HAZARDOUS MATERIALS DURING THE OPERATION OF THE PREMISES OR THE EQUIPMENT DURING THE TERM;

(ii) ANY SUIT OR OTHER CLAIM FOR DAMAGES AGAINST ANY LANDLORD PARTY ALLEGING STRICT LIABILITY, PROPERTY DAMAGE, OR PERSONAL INJURY ARISING FROM OR RELATED TO THE EXPOSURE TO, OR THE RELEASE OR THREATENED RELEASE OF ANY HAZARDOUS MATERIALS DURING OR AFTER THE TERM, WHICH WAS (A) PRESENT UPON OR IN THE PREMISES OR THE EQUIPMENT DURING EITHER THE TERM OF TERM THE UMCB LEASE, (B) PRESENT UPON OR IN THE PREMISES OR THE EQUIPMENT PRIOR TO OCTOBER 1, 1995, BUT ONLY TO THE EXTENT SUCH EXPOSURE TO, OR RELEASE OR THREATENED RELEASE OF ANY SUCH HAZARDOUS MATERIALS (OR ANY RELATED DAMAGE) WAS CAUSED OR EXACERBATED BY AN ACT OR OMISSION OF ANY PERSON OTHER THAN A LANDLORD PARTY DURING THE TERM, OR (C) DISPOSED OF OR RELEASED ON OR FROM THE PREMISES, INCLUDING HAZARDOUS EQUIPMENT LOCATED THEREON, DURING THE TERM, BUT EXCLUDING ANY SUCH CLAIM ARISING FROM THE EXISTENCE OF ANY LANDLORD HAZARDOUS MATERIALS (DEFINED IN SUBSECTION (E) BELOW); AND

(iii) THE RELEASE OR CONTINUED RELEASE DURING OR AFTER THE TERM OF ANY HAZARDOUS MATERIALS FROM ANY

HAZARDOUS EQUIPMENT OR UNDERGROUND OR ABOVEGROUND STORAGE TANK ON THE PREMISES IF THE HAZARDOUS EQUIPMENT OR TANK WAS INSTALLED DURING THE TERM OR THE TERM OF THE UMCB LEASE, OR, OTHERWISE, ONLY IF AND TO THE EXTENT SUCH EXPOSURE TO, OR RELEASE OR THREATENED RELEASE OF, ANY SUCH HAZARDOUS MATERIALS (OR ANY RELATED DAMAGE) WAS CAUSED OR EXACERBATED BY AN ACT OR OMISSION OF ANY PERSON OTHER THAN A LANDLORD PARTY DURING THE TERM; REGARDLESS OF WHETHER SUCH CLAIMS ARISE OR ARE OTHERWISE BROUGHT OR ASSERTED DURING OR AFTER THE TERM.

(e) Notwithstanding anything to the contrary in this Lease, Tenant will not be responsible for any Landlord Hazardous Materials and Tenant's indemnity and remediation obligations hereunder will not extend to any Claims to the extent arising from the presence of any Landlord Hazardous Materials. The term "Landlord Hazardous Materials" means those specific Hazardous Materials that are generated, stored, released, spilled, handled, disposed of, or transferred by Landlord or Landlord's agents, employees, or contractors and that (i) were present in, on, or under the Premises prior to October 1, 1995 due to the acts or omissions of Landlord; (ii) migrate to the Premises from other property owned by Landlord and that were not introduced or released by Tenant or Tenant's agents, employees, or contractors; or (iii) are discovered in, on, or under any property located adjacent to the Premises that is owned by Landlord and were not introduced or released by Tenant or Tenant's agents, employees, or contractors. Landlord shall comply in all material respects with all applicable Hazardous Materials Laws with respect to any Landlord Hazardous Materials.

Article 10
INSURANCE

10.1 Buildings Insurance. During the Term, Tenant will, at its sole cost and expense, keep and maintain or cause to be kept and maintained in force the following policies of insurance:

(a) Insurance on the Improvements against loss or damage by fire and against loss or damage by any other risk now and from time to time insured against by "special form" (formerly "all risk") property insurance, in amounts sufficient to provide coverage for the Full Insurable Value (as defined herein) of the Improvements; the policy for such insurance shall be on a replacement cost basis. "**Full Insurable Value**" shall mean actual replacement value (exclusive of cost of excavation, foundations, and footings below the surface of the ground or below the lowest basement level and commercially reasonable deductible amounts), and such Full Insurable Value shall be confirmed from time to time at the request of Landlord.

(b) Boiler and pressure apparatus insurance in amounts not less than $5,000,000 with respect to any one accident, such limit to be increased if reasonably requested by Landlord. If the Improvements shall be without a boiler plant, no such boiler insurance will be required.

(c) Workers' compensation insurance with the statutory limits and employer's liability insurance with limits of not less than $1,000,000 for each accident, $1,000,000 for disease—policy limit, and $1,000,000 for disease—each employee. Policy must include a waiver of all rights of subrogation in favor of Landlord.

(d) Commercial automobile liability insurance covering all owned, non-owned or hired automobiles, with coverage for at least $1,000,000 Combined Single Limit Bodily Injury and Property Damage.

(e) Garage Liability Insurance by Parking Manager, including contractual liability and liability for bodily injury or property damage with a single combined limit of not less than $1,000,000 for each occurrence; Garagekeeper's Comprehensive and Collision Insurance against liability for damage to vehicles of others in Parking Manager's care, custody, and control with a limit of not less than $200,000 for each occurrence.

(f) Employee dishonesty insurance by Parking Manager, specifically written to insure only the activities of Parking Manager and its employees under the Parking Management Agreement, naming Landlord as loss payee, and covering employee dishonesty in an amount not less than $10,000.

(g) Workers' Compensation & Employers' Liability insurance by Parking Manager or any alternative plan or coverage as permitted or required by applicable law, with a minimum employer's liability limit of $1,000,000 each accident, each employee for disease, and policy limit for disease.

(h) All Parking Manager's insurance coverage except Workers' Compensation is subject to a deductible amount not to exceed $1,000.00. Parking Manager shall name Landlord and Tenant as additional insured on their liability policies.

(i) Coverage against loss or damage to property by reason of any certified or non-certified act of terrorism, with limits not less than $5,000,000 per occurrence. Ascension Health Alliance will also select to purchase and maintain the terrorism risk insurance coverage offered by its property insurer in accordance with the Terrorism Risk Insurance Program created by the Terrorism Risk Insurance Act of 2002 and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015, as the same may be modified, amended, or further extended.

(j) Such other insurance as may protect against other hazards which at the time are commonly insured against in the case of improvements similarly situated, due regard being given to the height and type of the Improvements, their construction, location, use, and occupancy.

10.2 Liability Insurance. Tenant will, at its cost and expense, keep and maintain in force commercial general liability insurance or a program of self-insurance for bodily injury, death, and property loss and damage (including coverages for product liability, contractual liability, and personal injury liability) covering Tenant for claims, lawsuits, or damages arising out of its performance under this Lease, and any negligent or otherwise wrongful acts or omissions by Tenant or any employee or agent of Tenant, with a minimum limit of $1,000,000 per occurrence and a minimum annual aggregate of $10,000,000. Tenant shall require that: (x) any general contractor for new facilities, Alterations or Rebuilding estimated to cost more than

estimated to cost more than $2,500,000 provide completed operations coverage in its commercial general liability policy, and (y) such insurance name Tenant and Landlord as additional insureds and (z) be written on an occurrence, rather than a claims made, basis.

10.3 Policies.

(a) Unless self-insured, all insurance maintained in accordance with the provisions of this Article 10 shall be issued by responsible companies rated "A" or better by Standard & Poor's Rating Service, or at least "A" by Moody's Investor Services, Inc., or any successors thereto. General Liability insurance policies shall name Landlord as an additional insured. General Liability insurance to be carried by Tenant will be primary to, and non-contributory with, Landlord's insurance. Any similar insurance carried by Landlord will be non-contributory and considered excess insurance only.

(b) The amounts of all insurance required to be carried hereunder shall be reviewed on the fourth (4th) anniversary date of this Lease and shall be increased, if necessary in Landlord's reasonable discretion.

(c) Should any of the above described policies be cancelled before the expiration date thereof, notice of any such cancellation will be delivered to Landlord in accordance with the relevant policy provisions. Upon execution of this Lease, Tenant shall furnish Landlord with a memorandum of insurance, with new evidence of insurance to be delivered no later than ten (10) days after expiration of the current policies. If Tenant fails to maintain any insurance required to be maintained by Tenant pursuant to this Lease and such failure continues for fifteen (15) days after written notice from Landlord to Tenant, Landlord may, at its election (without obligation), procure such insurance as may be necessary to comply with these requirements, and Tenant shall reimburse Landlord for the reasonable costs thereof on demand, with interest thereon at the Default Rate from the date of expenditure until fully reimbursed. Any and all property insurance policies required to be maintained pursuant to this Lease shall, if they do not automatically permit the waivers of subrogation contained herein, be endorsed to reflect the waivers of subrogation provided for herein.

10.4 Tenant's Insurance Related to Alterations and Alternative Central Plant Utilities Equipment Work. Whenever Tenant shall undertake any alterations, additions or improvements in, to or about the Premises, including, without limitation, any Alterations, Tenant Required Alterations, and if such is assigned to Tenant by Landlord, Alternative Central Plant Utilities Equipment Work ("**Work**") the aforesaid insurance protection must extend to and include injuries to persons and damage to property arising in connection with such Work, and such other insurance as Landlord shall require; and the policies of or certificates evidencing such insurance must be delivered to Landlord prior to the commencement of any such Work.

10.5 Indemnities. With respect to claims asserted prior to, on, or after the Commencement Date, Tenant and Landlord agree as follows:

(a) EXCEPT AS IS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE TO THE CONTRARY, LANDLORD SHALL NOT BE LIABLE FOR ANY LOSS, DEATH, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY

PERSON OR PROPERTY ARISING FROM ANY USE OF THE PREMISES, OR ANY PART THEREOF, OR CAUSED BY ANY DEFECT, MALFUNCTION, OR OTHER CHARACTERISTIC OF ANY BUILDING, STRUCTURE, OR OTHER IMPROVEMENT THEREON OR IN ANY EQUIPMENT OR ANY OTHER FACILITY ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OR ASPECT OF THE PREMISES, OR CAUSED BY OR ARISING FROM ANY ACT OR OMISSION OF TENANT, THE PARKING MANAGER, THE TEACHING HOSPITAL OPERATOR, ANY SUB-TENANT, PERMITTED TRANSFEREE, AND/OR ANY OF THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, OFFICERS, EMPLOYEES, GUESTS, PATIENTS, INVITEES OR PERMITTEES, OR FAILURE TO MAINTAIN THE PREMISES, INCLUDING ALL IMPROVEMENTS, IN SAFE CONDITION AND IN COMPLIANCE WITH ALL APPLICABLE LAWS, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; HOWEVER, TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LANDLORD WILL BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PERSONS OR THE IMPROVEMENTS OR TENANT'S PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY. UNLESS AND ONLY TO THE DEGREE CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY, TENANT SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY TENANT AND REASONABLY ACCEPTABLE TO LANDLORD), AND HOLD HARMLESS LANDLORD AND LANDLORD'S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, REPRESENTATIVES, AGENTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, **"LANDLORD PARTIES"** AND INDIVIDUALLY, A **"LANDLORD PARTY"**) FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY, AND RELATED EXPENSES (INCLUDING COURT COSTS, REASONABLE ATTORNEYS, AND EXPERTS' FEES) (COLLECTIVELY, **"CLAIMS,"** AND EACH INDIVIDUALLY, A **"CLAIM"**) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY TENANT, THE PARKING MANAGER, THE TEACHING HOSPITAL OPERATOR, AND/OR ANY PERMITTED TRANSFEREE OR SUB-TENANT IN THEIR RESPECTIVE OBLIGATIONS UNDER THIS LEASE, (ii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE OCCURRING ON THE PREMISES CAUSED BY ANY ACT OR OMISSION OF TENANT, THE PARKING MANAGER, THE TEACHING HOSPITAL OPERATOR, AND/OR ANY PERMITTED TRANSFEREE OR SUB-TENANT, OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, OFFICERS, EMPLOYEES, INVITEES, GUESTS, PATIENTS, OR PERMITTEES, OR (iii) ANY IMPROVEMENT, ALTERATIONS, REMODELING, RENOVATIONS, OR ADDITIONS TO THE PREMISES MADE BY OR ON BEHALF OF TENANT.

(b) EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY TENANT PARTY, AND IN ALL EVENTS ONLY TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LANDLORD SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY LANDLORD AND REASONABLY ACCEPTABLE TO TENANT), AND HOLD HARMLESS TENANT AND TENANT'S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, REPRESENTATIVES,

AGENTS, SUB-TENANTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, **"TENANT PARTIES"** AND INDIVIDUALLY, A **"TENANT PARTY"**) FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO (i) A DEFAULT BY LANDLORD UNDER THIS LEASE, OR (ii) PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE OCCURRING ON THE PREMISES CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY.

(c) With respect to any Claim, the party seeking indemnity shall provide the other party with written notice of such Claim with reasonable promptness after such Claim is received by the party seeking indemnity. The indemnifying party shall thereafter have the right to direct the investigation, defense, and resolution (including settlement) of such third-party Claim, so long as the party seeking indemnity is allowed to participate in the same (at its own expense). The indemnifying party shall not settle a Claim without the other party's consent, which shall not be unreasonably withheld.

10.6 Waiver of Subrogation. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each, on behalf of themselves and their respective heirs, successors, legal representatives, assigns and insurers, hereby (a) waive any and all rights of recovery, claims, or causes of action against the other and its respective employees, agents, officers, attorneys, visitors, licensees, or invitees for any loss or damage that may occur to the Premises or the Equipment, the Improvements, or any portions thereof, or any personal property of such party therein, by reason of fire, the elements, or any other cause to the extent that such loss is (i) insured against or (ii) required to be insured against under the terms of this Lease, regardless of cause or origin, including negligence of the other Party or its respective employees, agents, officers, partners, shareholders, attorneys, visitors, licensees, customers, or invitees, and (b) covenants that no other insurer shall hold any right of subrogation against such other Party; provided, however, that the waiver set forth in this Section 10.6, shall not apply to any reasonable deductibles on insurance policies carried by Landlord or Tenant or to any coinsurance penalty that Landlord or Tenant might sustain. If the respective insurer or Landlord and Tenant does not permit such a waiver without an appropriate endorsement to such Party's insurance policy, then Landlord and Tenant each shall notify its insurer of the waiver set forth herein and shall secure from such insurer an appropriate endorsement to its respective insurance policy with respect to such waiver. **IT IS THE INTENTION OF BOTH LANDLORD AND TENANT THAT THE WAIVER CONTAINED IN THIS SECTION 10.6 APPLY TO ALL INSURABLE CLAIMS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF THE SAME THAT ARE CAUSED, IN WHOLE OR IN PART, BY LANDLORD OR TENANT OR THEIR RESPECTIVE VISITORS, EMPLOYEES, CONTRACTORS, AGENTS OR INVITEES.**

10.7 Self-Insurance. Notwithstanding any provisions of this Lease to the contrary, Tenant may participate in a program of self-insurance with respect to the insurance to be carried by Tenant, as set forth in Sections 10.1 and 10.2 of this Lease, on the following terms and conditions:

(a) Self-Insure Defined. "Self-insure" with respect to Tenant means that Tenant (or a legal entity that shall directly or indirectly control Tenant) (i) is acting as though it were the insurance company providing the insurance required of Tenant under

the provisions of this Lease, and (ii) will pay amounts equal to the insurance proceeds that would have been payable if the insurance policies had been carried by Tenant, including any and all deductibles or self-insured retentions, which amounts will be treated as insurance proceeds for all purposes under this Lease. In the event of a dispute that cannot be settled through negotiation as to the amount that would have been payable if an insurance policy had been carried, either party may request alternative dispute resolution by written notice to the other party. The dispute will be submitted to non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association within thirty (30) days after receipt by the other party of the request for alternative dispute resolution. While any such mediation is underway, no party will be entitled to terminate this Lease, or to otherwise enforce any right or remedy against the other party arising out of the matters that are the subject of the dispute.

(b) Conditions. Tenant and Ascension Texas agree to fulfill the requirements of this Section 10.7(b). In the event Tenant or Ascension Texas fails to fulfill the requirements of this Section 10.7(b), Tenant will immediately lose the option to self-insure in accordance with Section 10.7(a), above, and will be required to provide the third-party insurance set forth in Sections 10.1 and 10.2 of this Lease, and to comply with the other requirements set forth in Sections 10.3 and 10.6 of this Lease.

(i) Financial Information. Upon the written request of Landlord, Ascension Texas shall provide Landlord:

(A) a copy of the most recent audited annual consolidated financial statements of Ascension Health, a Missouri nonprofit corporation and the sole member of Ascension Texas ("**Ascension Parent**"), together with Ascension Texas accompanying schedules, which financial statements shall be prepared in accordance with U.S. generally acceptable accounting principles, consistently applied, or

(B) if Ascension Parent shall no longer cause its annual consolidated financial statements to be audited by a firm of independent certified public accountants, a copy of the most recent unaudited annual consolidated financial statements of Ascension Texas, which financial statements shall be accompanied by a letter addressed to Landlord and signed by the Chief Financial Officer of Ascension Texas, certifying that such financial statements were prepared in accordance with U.S. generally accepted accounting principles, consistently applied.

(ii) Unaudited Statements of Revenues and Expenses. In addition, Tenant shall deliver annually to Landlord separate unaudited statements of revenues and expenses of the Teaching Hospital.

(iii) Tenant Claim Management. Tenant must maintain a separate department of qualified personnel for processing claims or employ an experienced outside third party administrator to process such claims.

(iv) Ascension Texas Unrestricted Net Assets. Ascension Texas shall maintain unrestricted net assets, calculated in accordance with U.S. generally

accepted accounting principles, consistently applied, in an amount no less than $250,000,000.

(v) Additional Ascension Texas Obligations. In the event that Tenant shall fail to pay any claim or loss or otherwise provide the funding that would have been available from insurance proceeds, but for the election by Tenant to self-insure in accordance with Section 10.7(a), above, then: (A) Ascension Texas shall use its own funds to pay any such claim or loss; and (B) Landlord may proceed directly against Ascension Texas for the purpose of collecting any such funds from Ascension Texas, without first having to proceed against Tenant; provided, however, that: (1) Ascension Texas may assert any defenses in any such proceeding that Tenant would have been entitled to assert in defense of any attempt by Landlord to collect such funds directly from Tenant; and (2) the alternative dispute resolution provisions described in Section 10.7(a), above, shall apply to any such attempt by Landlord to collect such funds directly from Ascension Texas.

In addition, in any such instance, Ascension Texas will have the same duty as an insurer would to act in good faith toward Landlord in connection with any such claim or loss under the laws and regulations of the State of Texas.

(c) Defending Claims. In the event that Tenant elects to self-insure and a claim or loss occurs for which a defense and/or coverage would have been available for Landlord from an insurance company providing the coverage outlined under Sections 10.1 and 10.2 of this Lease:

(i) Defense. Tenant will undertake the defense of any such claim or loss, including a defense of Landlord, with counsel reasonably satisfactory to Landlord, at Tenant's sole cost and expense.

(ii) Payment. Tenant will use its own funds to pay any such claim or loss or otherwise provide the funding that would have been available from insurance proceeds, but for such election by Tenant to self-insure.

(iii) Good Faith. Tenant will have the same duty to act in good faith toward Landlord with respect to any such claim or loss as an insurer would have had in connection with any such claim or loss under the laws and regulations of the State of Texas.

(d) Evidence of Coverage. In the event that Tenant elects to self-insure, Tenant will provide Landlord with certificates of insurance from Tenant's primary, umbrella, and excess coverage carriers specifying the extent of self-insurance coverage hereunder. Should any of the above policies be cancelled before the expiration date thereof, notice will be promptly delivered to Landlord by Tenant in accordance with applicable policy provisions. If Tenant or Ascension Texas receives notice from any carrier of such carrier's intent to cancel any such policy, Tenant or Ascension Texas, respectively, will promptly forward such notice to Landlord.

Article 11
CASUALTY; CONDEMNATION

11.1 Casualty.

(a) Subject to Section 11.1(d), if, at any time during the Term, the Improvements or any part thereof shall be damaged or destroyed by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (collectively, a "**Casualty**"), Tenant: (i) shall repair, alter, restore, replace, or rebuild (collectively, "**Rebuild**" or "**Rebuilding**") the same in substantially the form in which the Improvements existed prior to such Casualty, with at least as good workmanship and quality as the Improvements damaged or destroyed and in accordance with the Construction Standards and Applicable Laws, whether or not insurance proceeds, if any, shall be sufficient for such purpose; or (ii) may propose to Landlord that Tenant Rebuild the Improvements in a form different than that in which they existed prior to such Casualty and, if Landlord approves the same (which approval may be withheld, delayed or conditioned in Landlord's reasonable discretion), Tenant shall Rebuild the Premises based upon revised plans and specifications approved in writing by Landlord and Tenant (which approval may be withheld, delayed, or conditioned in Landlord's reasonable discretion) (an "**Alternate Rebuilding**"). Such Alternate Rebuilding shall comply with the provisions of this Lease relating to Rebuilding. If Landlord and Tenant agree to an Alternate Rebuilding that will require sums in excess of the insurance proceeds received as a result of such damage or destruction, Tenant shall fund all such excess. As an alternative to Rebuilding or Alternate Rebuilding by Tenant, Landlord may, at its sole discretion replace the Improvements or any part thereof, with improvements in a form different from the form in which they existed prior to such Casualty ("**Alternate Improvements**"). Such Alternate Improvements shall allow Tenant to continue to use the Buildings in the manner described in Section 8.1. If Landlord elects to replace the Improvements with Alternate Improvements, all insurance proceeds (together with the amount of the applicable deductibles) paid on account of damage or destruction under the policies provided for in Article 10 herein shall be disbursed to Landlord in accordance with Section 11(b). If Alternate Improvements require sums in excess of the insurance proceeds received as a result of such damage or destruction, Landlord shall fund all such excess.

(b) Landlord and Tenant shall cooperate and consult with each other in all matters pertaining to the settlement or adjustment of any and all insurance claims. All insurance proceeds (together with the amount of the applicable deductibles) paid on account of damage or destruction under the policies of insurance provided for in Article 10 herein shall be paid to a bank selected by Tenant and approved by Landlord (the "**Insurance Proceeds Trustee**") to be applied in accordance with the terms of this Article 11.

(i) The insurance proceeds will be disbursed in reasonable installments based on a distribution schedule to be agreed upon by Landlord and Tenant, each acting reasonably, based on the design and construction for such repairs, restoration, or rebuilding. Each such installment (except the final installment) shall be advanced in an amount equal to the cost of the construction

work completed since the last prior advance (or since commencement of work as to the first advance) less statutorily required retainage in respect of mechanic's and materialman's liens. The amount of each installment requested shall be certified as being due and owing by Tenant and Tenant's architect in charge, and each request shall include all bills for labor and materials for which reimbursement is requested, as well as, reasonably satisfactory evidence that no lien affidavit has been placed against the Premises for any labor or material furnished for such work. The final disbursement, which shall be in an amount equal to the balance of the insurance proceeds needed to pay the cost of Rebuilding, plus the amount of any retainage, shall be made upon receipt of (x) an architect's certificate of substantial completion as to the work from Tenant's architect, (y) reasonably satisfactory evidence that all bills incurred in connection with the work have been paid, and (z) executed final releases of mechanic's liens by the general contractor and any major subcontractors and suppliers. A major subcontractor or supplier is a subcontractor or supplier having a contract or purchase order value of $50,000.00.

(ii) If the cost of any such Rebuilding is estimated by Tenant's architect (or any independent supervising architect retained by Landlord and reasonably acceptable to Tenant) to be in excess of the insurance proceeds, Tenant will, upon request of Landlord or the Insurance Proceeds Trustee, give satisfactory assurance that the funds required to meet such deficiency will be available to Tenant for such purpose. If Tenant completes any such Rebuilding, all insurance proceeds shall be disbursed to Tenant upon completion of such Rebuilding. If Tenant does not complete any such Rebuilding, any unexpended insurance proceeds shall be paid to Landlord.

(c) Tenant shall not be entitled to any abatement of Rent as a result of such Casualty, Rebuilding, or Alternate Rebuilding except to the extent expressly provided herein.

(d) Notwithstanding the foregoing provisions of this Section 11.1, if the Improvements or any part thereof shall be damaged or destroyed by a Casualty during the final two (2) years of the Term or the cost to repair the Improvements or any part thereof will exceed $1,000,000.00, either Tenant or Landlord may elect to terminate this Lease, or the portion thereof that relates to the affected Improvements, by giving written notice thereof to the other party no later than sixty (60) days after the occurrence of such damage or destruction. If the Lease is terminated pursuant to this provision, Tenant shall promptly pay to Landlord the amount of Tenant's deductible on the applicable insurance policy and either pay or assign to Landlord any and all property insurance proceeds relating to the affected Improvements; and thereafter neither party shall have any further rights or obligations hereunder unless otherwise expressly provided in this Lease. Additionally, if Tenant timely exercises its termination rights under Article 12 of the Hospital Sublease due to a Casualty, then this Lease shall terminate effective the date of termination of the Hospital Sublease, and Tenant shall promptly pay or assign to Landlord any and all insurance proceeds recoverable by Tenant as a result of a Casualty and any and all deductibles required in connection with such coverage.

(e) Tenant shall immediately notify Landlord of any destruction or material damage to the Premises.

11.2 Condemnation.

(a) If, at any time during the Term, title to all of the Premises shall be taken in condemnation proceedings or the Hospital Sublease is terminated pursuant to Article 13 of the Hospital Sublease, this Lease shall terminate on the date the condemning authority takes possession, and the Rent shall be apportioned and paid to the date of such taking.

(b) If, at any time during the Term, title to less than all of the Premises shall be taken in any condemnation proceedings, then this Lease shall not terminate but as of the date the condemning authority takes possession, the Rent shall be adjusted equitably based upon the condition of the Premises after restoration.

11.3 Rebuilding. If a portion of the Premises is taken in any condemnation proceedings and this Lease is not terminated, then (a) Tenant shall promptly Rebuild the portion of the Improvements not so taken (to the extent necessary for the effective operation thereof) in accordance with the same procedures described in Section 11.1 for Rebuilding following a Casualty, regardless of whether the condemnation award is adequate for Rebuilding, and (b) the condemnation award, to the extent to be used for Rebuilding, shall be paid to the Insurance Proceeds Trustee (to the same extent as if the condemnation award were insurance proceeds) and disbursed in accordance with Section 11.1(a). The Landlord shall receive the balance of the award, subject to Section 11.5.

11.4 Notice of Taking. Landlord and Tenant shall immediately notify the other Party of the commencement of any eminent domain, condemnation, or other similar proceedings with regard to the Premises. Landlord and Tenant covenant and agree to fully cooperate in any condemnation, eminent domain, or similar proceeding in order to maximize the total award receivable in respect thereof.

11.5 Condemnation Award. Nothing contained herein shall be deemed or construed to prevent Tenant from intervening and prosecuting in any condemnation proceeding a claim for the value of Tenant's interest in the Premises, including but not limited to the value of Tenant's interest in the Leasehold Estate and the value of any of Tenant's Personal Property that is taken, and in the case of a partial condemnation of the Premises, the cost, loss, or damages sustained by Tenant as the result of any alterations, modifications, or repairs which may be reasonably required for Tenant in order to place the remaining portion of the Premises in a suitable condition for Tenant's further occupancy; and all amounts awarded to Tenant as damages or compensation with respect to such claims (and the amount paid in any settlement of such claims) shall belong to and be the property of Tenant; Landlord likewise retains its claims.

Article 12
ASSIGNMENT, TRANSFERS AND SUBLETTING

12.1 Assignment, Transfers and Subletting.

(a) Subject to Landlord's right of first offer in Section 12.5 below and the terms of this Section 12.1, Tenant, in the normal course of business, may sublease, license, or otherwise grant third parties (a "**Permitted Sublessee**") the right to use any of the parking spaces within the CEC Parking Garage on any terms Tenant desires, without Landlord's consent; provided, however, no such agreement shall affect or reduce any obligations of Tenant or rights of Landlord under this Lease and all such agreements and use of parking spaces pursuant thereto shall be subject to the terms of this Lease.

(b) Except as provided in Sections 12.1(a) and 12.4, Tenant shall not assign, sublease, convey, or otherwise transfer its interest in this Lease or the Premises, in whole or in part, without Landlord's prior written consent, which Landlord may withhold in its sole discretion; provided, however, that Tenant may assign, convey, or otherwise transfer its interest in this Lease in connection with a transfer by Tenant of its entire interest under the Hospital Sublease at the same time to the same assignee and in accordance with the terms thereof; provided further, however, that such assignment, conveyance, or other transfer shall not be deemed to release Tenant from its obligations under this Lease. Any assignment, conveyance, or other transfer that does not meet the requirements of this Section 12.1 and the Hospital Sublease will be void ab initio.

(c) The establishment and continued operation within the Subleased Premises (as defined in the Hospital Sublease) by Tenant of a Teaching Hospital that is part of the applicable Safety Net System is an integral and essential component of this Lease and it is expressly stipulated and agreed by Tenant and Landlord that Landlord shall be and hereby is excused from consenting to an assignment, sublease, or other transfer to, or accepting performance from and rendering performance to, any person claiming through Tenant hereunder, whether by assignment, sublease, or other transfer from Tenant, that cannot establish and maintain a Teaching Hospital within the Subleased Premises in compliance with the applicable Safety Net Requirement.

12.2 Security Interests. Tenant shall not mortgage, pledge, hypothecate, or grant a security interest in this Lease or the Premises or its interest in either without Landlord's prior written consent, which Landlord may withhold in its sole discretion. Tenant has no authority to act on behalf of Landlord with respect to transferring or encumbering in any manner this Lease or any of the Premises.

12.3 Disposition of Equipment. Tenant shall have the right to dispose of any items of Equipment that have worn out or become obsolete and therefore are not useable by Tenant in the operation of the Premises, provided that Tenant promptly replaces any items of Equipment necessary for Landlord to furnish the Central Plant Utilities with a new item of Equipment serving a similar function (unless such function is obsolete).

12.4 Subletting. Tenant may enter into subleases in the ordinary course of business for space in the Buildings provided that each such sublease agreement meets the requirements set forth in this Section 12.4. Use of the Premises shall be limited to uses permitted under this

Lease and shall otherwise be in conformance with the terms and provisions of this Lease. Each such sublease shall state that it is subject to this Lease and shall grant Landlord, at its option, the right to assume or terminate such sublease upon termination of this Lease. Tenant shall promptly provide Landlord with copies of all executed subleases. In no event shall Tenant be released from any liability for performance of its obligations hereunder as a result of any such sublease. No such sublease shall extend beyond the Term. Upon the occurrence of an Event of Default, if the Premises or any portion thereof are sublet, Landlord may, at its option and in addition and without prejudice to any other remedies herein provided or provided by law, collect directly from the sublessee(s) all rentals becoming due or to become due from Tenant and apply such rentals against other sums due hereunder to Landlord.

12.5 Landlord Right of First Offer. Landlord will have an ongoing right of first offer to sublease any parking spaces in the CEC Parking Garage, subject to the terms and conditions of this Section 12.5.

(a) If Tenant decides that it will offer any of the parking spaces for lease (which term for all purposes in this Section 12.5 shall also include a license or other occupancy agreement) to third parties for a term more than thirty (30) days, then, prior to entering into such an agreement with respect to such parking spaces, Tenant will first offer to sublease such parking spaces to Landlord.

(b) Tenant will send written notice to Landlord (a "**Parking Space Notice**") stating the number and location of the applicable parking spaces that Tenant intends to lease, the proposed term of such lease, the proposed rent to be paid under such sublease with respect to such parking spaces (at no more than the then current prevailing market rental rate for comparable parking spaces), and any other material economic terms that will be applicable to the parking spaces (collectively, "**Economic Terms**"). Such Economic Terms presented to Landlord shall not deviate, either above or below current prevailing market rental rates for comparable parking spaces from the Economic Terms which would be offered to third party. Landlord will have twenty (20) days following its receipt of the Parking Space Notice in which to irrevocably exercise its right of first offer to sublease the parking spaces described in the Parking Space Notice. Landlord's failure to timely exercise its right of first offer to sublease the parking spaces will constitute Landlord's election to not sublease such spaces and Tenant will be free to lease the spaces described in the Parking Space Notice to any person or entity Tenant desires. Landlord's right of first offer under this Section 12.5 shall be automatically re-instated upon termination of any lease, license, or other occupancy agreement with a third party for any parking spaces entered into after a failure of Landlord to timely exercise its rights hereunder.

(c) If Landlord timely exercises its right of first offer to sublease the parking spaces, then Landlord and Tenant will enter into a sublease agreement with respect to the parking spaces described in the Parking Space Notice upon the Economic Terms, any other non-economic terms reasonable and customary for such parking space sublease agreements, and such other terms and provisions as Tenant and Landlord may deem appropriate.

Article 13
REPRESENTATIONS AND WARRANTIES; COVENANTS

13.1 Landlord's Representations, Warranties and Covenants. Landlord hereby covenants and represents and warrants to Tenant as follows:

(a) Landlord is a body politic and corporate duly created and validly existing under Chapter 281, Texas Health & Safety Code, as amended, and shall comply with such chapter and with all other Applicable Laws when paying Tenant any funds under this Lease Agreement. Landlord has the power and authority to enter into this Lease and all other agreements to be executed and delivered by Landlord pursuant to the terms and provisions hereof, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby.

(b) This Lease has been authorized by resolution of the Board of Managers of Landlord. All other agreements contemplated hereby to be executed and delivered by Landlord will be duly authorized, executed, and ready in all respects to be delivered by Landlord. This Lease constitutes a legal, valid, and binding obligation of Landlord enforceable in accordance with its terms.

(c) The execution, delivery, and performance of this Lease and the consummation of the transactions contemplated hereby do not, with or without the passage of time and/or the giving of notice, (i) conflict with, constitute a breach, violation, or termination of any provision of any material contract or other material agreement to which Landlord is a party or to which all or any material part of the Premises is bound, (ii) result in an acceleration or increase of any amounts due from Landlord to any person or entity, (iii) conflict with or violate the organizational documents of Landlord, (iv) result in the creation or imposition of any lien on all or any material part of the Premises or any material part of the Equipment, or (v) constitute a violation by Landlord in any material respect of any Applicable Law.

(d) No notice to, filing with, or consent, authorization, or approval of any Governmental Authority or other Person is required in connection with the execution, delivery, and performance by Landlord of this Lease or the other documents and instruments to be delivered by Landlord pursuant to this Lease, or the consummation by Landlord of the transactions described in this Lease.

(e) Landlord has good and indefeasible title to the Land, in fee simple absolute, subject only to the Permitted Exceptions. To Landlord's Knowledge, no Person other than Landlord or Persons occupying the Land pursuant to leases and other agreements disclosed to Tenant or entered into by Tenant or Tenant's Affiliates, and Tenant has any material rights in or to occupy all or any part of the Land or Improvements. To Landlord's Knowledge, except as otherwise disclosed in the Heritage Title Report, no Person has any agreement to purchase, right of first refusal, option to purchase or any other right to acquire all or any part of the Land and Improvements.

(f) There are no actions, suits, claims, assessments, or proceedings pending or, to Landlord's Knowledge, threatened that could have a Material Adverse Effect on Landlord's ability to perform under this Lease, and there is no action, suit, or proceeding

by any Governmental Authority pending or, to Landlord's Knowledge, threatened which questions the legality, validity, or propriety of the transactions described in this Lease.

(g) To Landlord's Knowledge, except as described in the Heritage Title Report, there is not (i) any restrictive covenant or deed restriction affecting all or any part of the Premises, (ii) any judicial or administrative action involving Landlord or the Premises, (iii) any action by adjacent landowners, or (iv) any natural or artificial conditions on or about the Premises that would materially prevent, limit or impede the ownership, operation, use, and enjoyment of the Premises for the purposes described in Section 8.1(a).

(h) To Landlord's Knowledge, except to the extent referred to in the Environmental Report, (A) Landlord has not generated, manufactured, refined, transported, treated, stored, handled, disposed of, transferred, produced or processed any Hazardous Materials on the Premises, except in compliance in all material respects with all Hazardous Materials Laws, and (B) Landlord has not received any notice, demand letter, or complaint from a Governmental Authority or private agency or entity concerning any release or discharge of any Hazardous Materials on, under, about or off of the Premises or any alleged violation of any Hazardous Materials Laws involving the Premises.

(i) Landlord has received no written notice from UT System of any breach or default by Landlord under the Ground Lease that remains uncured, and Landlord knows of no uncured default by UT System under the Ground Lease. The Ground Lease is in full force and effect.

(j) No representation or warranty by Landlord in this Lease and no exhibit, certificate, schedule, document, or instrument prepared, made, or delivered, or to be prepared, made, or delivered, by or on behalf of Landlord pursuant to such representation or warranty contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact that is relevant to such representation or warranty and that is necessary to make the statements contained in such representation or warranty not misleading.

(k) The representations and warranties of Landlord in this Section 13.1 shall be deemed to be made as of the Commencement Date, but not as of any date thereafter. Information provided on Exhibits attached hereto and furnished by Landlord is current as of the date of such Exhibit. Except as expressly provided herein, Landlord shall have no duty to notify Tenant of any change in any such representation or warranty or any events or facts upon which the same may be based occurring after the Commencement Date. No disclosure of any matter by Landlord to Tenant in this Lease (including the Exhibits attached hereto) shall, by virtue of such disclosure to Tenant, be deemed an admission of any violation of law, regulation, contract, or of any other liability.

(l) No disclosure of any matter by Landlord to Tenant in this Lease (including the Exhibits attached hereto) shall, by virtue of such disclosure to Tenant, be deemed an admission of any violation of law, regulation, contract, or of any other liability.

(m) Limitation of Warranties. As of the Commencement Date, Tenant shall be deemed to be acknowledging that Tenant has full knowledge of all matters pertaining to

the Premises, including, but not limited to, the physical condition of the same, and that Tenant is leasing the Premises **"AS IS", "WHERE IS", AND "WITH ALL FAULTS"**, subject to the terms and conditions of this Lease. **EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AND COVENANTS IN THIS LEASE, LANDLORD MAKES NO WARRANTY OF ANY KIND OR NATURE, EXPRESS, IMPLIED, OR OTHERWISE, OR ANY REPRESENTATIONS OR COVENANTS OF ANY KIND OR NATURE IN CONNECTION WITH THE CONDITION OF THE PREMISES OR ANY PART THEREOF, AND LANDLORD SHALL NOT BE LIABLE FOR ANY LATENT OR PATENT DEFECTS THEREIN OR BE OBLIGATED IN ANY WAY WHATSOEVER TO CORRECT OR REPAIR ANY SUCH LATENT OR PATENT DEFECTS. WITHOUT LIMITING THE ABOVE, TENANT ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY LANDLORD IN THIS LEASE, NEITHER LANDLORD, NOR ANY BROKERS, AGENTS, EMPLOYEES, OR REPRESENTATIVES OF LANDLORD HAVE MADE ANY REPRESENTATIONS OR WARRANTIES ON WHICH TENANT IS RELYING AS TO MATTERS CONCERNING THE PREMISES INCLUDING, WITHOUT LIMITATION, TAXES, PERMISSIBLE USES, COVENANTS, CONDITIONS AND RESTRICTIONS, WATER OR WATER RIGHTS, TOPOGRAPHY, UTILITIES, ZONING, SOIL, SUBSOIL, THE PURPOSES FOR WHICH THE PREMISES ARE TO BE USED, DRAINAGE, ENVIRONMENTAL OR BUILDING LAWS, RULES OR REGULATIONS, OR ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER, AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS LEASE, TENANT HEREBY ASSUMES ALL RISKS RELATING TO ANY OF THE FOREGOING AND TO ALL MATTERS RELATING TO THE USE AND OCCUPANCY OF THE PREMISES, WHETHER KNOWN OR UNKNOWN, OR FORESEEABLE OR UNFORESEEABLE. LANDLORD AND TENANT EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER KIND ARISING OUT OF THIS LEASE OR THE TENANCY CONTEMPLATED HEREBY. ALL EXPRESS OR IMPLIED WARRANTIES IN CONNECTION HEREWITH ARE EXPRESSLY DISCLAIMED.**

IN ADDITION, EXCEPT AS EXPRESSLY PROVIDED FOR IN THIS LEASE, TENANT EXPRESSLY ACKNOWLEDGES AND AGREES THAT TENANT'S OBLIGATION TO PAY RENT AND ALL OTHER SUMS DUE HEREUNDER IS NOT DEPENDENT UPON THE CONDITION OF THE PREMISES OR THE PERFORMANCE BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, AND THAT TENANT WILL CONTINUE TO PAY RENT AND ALL OTHER SUMS PROVIDED FOR HEREIN TO BE PAID BY TENANT WITHOUT ABATEMENT, SET-OFF, OR DEDUCTION, NOTWITHSTANDING THE CONDITION OF THE PREMISES OR LAND OR ANY BREACH BY LANDLORD OF ITS DUTIES OR OBLIGATIONS HEREUNDER, EXPRESS OR IMPLIED.

FURTHERMORE, TENANT WAIVES AND RELEASES ANY AND ALL CLAIMS BY TENANT BASED ON THE CONDITION OF THE PREMISES AS OF THE COMMENCEMENT DATE OF THIS LEASE.

THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THE CONSIDERATION FOR LANDLORD ENTERING INTO THIS LEASE.

13.2 Tenant's Representations, Warranties and Covenants. Tenant hereby covenants and represents and warrants to Landlord as follows:

(a) Tenant is a Texas nonprofit corporation, is exempt from federal taxation as provided under Section 501(c)(3) of the Code, and is in good standing under the laws of the State of Texas. Tenant has the power and authority to enter into this Lease and all other agreements to be executed and delivered by Tenant pursuant to the terms and provisions hereof, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby.

(b) This Lease has been authorized by all necessary corporate action on the part of Tenant. All other agreements contemplated hereby to be executed and delivered by Tenant will be duly authorized, executed, and ready in all respects to be delivered by Tenant. This Lease constitutes a legal, valid, and binding obligation of Tenant enforceable in accordance with its terms.

(c) The execution, delivery, and performance of this Lease and the consummation of the transactions contemplated hereby do not, with or without the passage of time and/or the giving of notice, (i) conflict with, constitute a breach, violation, or termination of any provision of any material contract or other material agreement to which Tenant is a party, (ii) result in an acceleration or increase of any amounts due from Tenant to any person or entity, (iii) conflict with or violate the organizational documents of Tenant, or (iv) constitute a violation by Tenant in any material respect of any Applicable Law.

(d) There are no lawsuits or proceedings, whether brought by private parties or by a Governmental Authority (or, to Tenant's Knowledge, any claims or investigations by a Governmental Authority) pending or, to Tenant's Knowledge, threatened against Tenant or against the business of Tenant or the Premises which, individually or in the aggregate, could be expected to have a Material Adverse Effect on Tenant or its ability to consummate the transactions described in this Lease or the Premises, and there is no action, suit, or proceeding by any Governmental Authority pending or, to Tenant's Knowledge, threatened that questions the legality, validity, or propriety of the transactions described herein.

(e) To Tenant's knowledge, neither Tenant nor any of its controlled Affiliates is in violation of any Applicable Law to which it may be subject, which violation could have a Material Adverse Effect on Tenant or the Premises. Tenant has not received any written notice of a violation of any Applicable Law to which it may be subject.

(f) Tenant has received no written notice from UT System of any breach or default by Tenant under the Ground Lease or HDC Agreement (as defined in the Ground Lease) that remains uncured, and Tenant knows of no uncured default by UT System

under the Ground Lease or HDC Agreement. The HDC Agreement is in full force and effect.

(g) Except as described in the Heritage Title Report, there are no unpaid Impositions (governmental or otherwise) affecting the Premises (matured or unmatured) and, to Tenant's Knowledge, no such Impositions are threatened. There are no unpaid bills or claims in connection with any repair of the Premises or other work performed or materials purchased in connection with the Premises.

(h) To Tenant's Knowledge, except to the extent referred to in the Environmental Report, (A) Tenant has not generated, manufactured, refined, transported, treated, stored, handled, disposed of, transferred, produced, or processed any Hazardous Materials on the Premises, except in compliance in all material respects with all Hazardous Materials Laws, and (B) Tenant has not received any notice, demand letter, or complaint from a Governmental Authority or private agency or entity concerning any release or discharge of any Hazardous Materials on, under, about, or off of the Premises or any alleged violation of any Hazardous Materials Laws involving the Premises.

(i) No representation or warranty by Tenant in this Lease and no exhibit, certificate, schedule, document, or instrument prepared, made, or delivered, or to be prepared, made, or delivered, by or on behalf of Tenant pursuant to such representation or warranty contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact that is relevant to such representation or warranty and that is necessary to make the statements contained in such representation or warranty not misleading.

(j) The representations and warranties of Tenant in this Section 13.2 shall be deemed to be made as of the Commencement Date. Information provided on Exhibits attached hereto and furnished by Tenant is current as of the date of such Exhibit. Except as expressly provided herein, Tenant shall have no duty to notify Landlord of any change in any such representation or warranty or any events or facts upon which the same may be based occurring after the Commencement Date. No disclosure of any matter by Tenant to Landlord in this Lease (including the Exhibits attached hereto) shall, by virtue of such disclosure to Landlord, be deemed an admission of any violation of law, regulation, or contract, or of any other liability.

13.3 Reliance. Neither Party shall be entitled to rely on any representations or warranties made by the other Party to the extent that the first Party had Knowledge as of the Commencement Date that such warranties and representations are incorrect.

Article 14
COVENANT OF PEACEFUL POSSESSION

Landlord covenants that Tenant, on paying the Rent and performing and observing the covenants and agreements provided by Tenant under this Lease, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Premises during the Term, and may exercise all its rights hereunder, subject only to the provisions of this Lease, Applicable Law, and the Permitted Exceptions.

Article 15
EVENT OF DEFAULT AND REMEDIES

15.1 Tenant Event of Default. Each of the following shall be an "**Event of Default**" by Tenant hereunder and a material breach of this Lease:

(a) Tenant fails to pay any installment of Rent or any other sum payable by Tenant to Landlord under this Lease on the date upon which the same is due to be paid if such failure to pay is not cured within ten (10) days after written notice thereof is received by Tenant;

(b) Tenant fails to pay Impositions required to be paid by Tenant hereunder as and when due and provide Landlord with evidence of payment prior to the date on which penalties and interest can lawfully accrue due to non-payment, and, subject to Tenant's right to contest Impositions pursuant to Section 5.2, such failure continues for thirty (30) days after Tenant has received written notice from Landlord specifying such Default;

(c) An uncured Sublease Termination Default (as defined in the Hospital Sublease) exists under the Hospital Sublease or an uncured Lease Termination Default (as defined in the Ground Lease) caused by Tenant exists under the Ground Lease;

(d) Tenant fails to keep, perform, or observe any of the agreements, conditions, provisions, or covenants, including the covenants set forth in Section 13.2, contained in this Lease that are to be kept, performed, or observed by Tenant under this Lease that are not described in Subsections (a) - (c) above or Subsection (e)-(f) below, and Tenant fails to remedy the same within sixty (60) days after Tenant has received written notice from Landlord specifying such Default; provided, however, that if such Default can be cured but by its nature cannot be cured within such sixty (60) day time period, and if Tenant has commenced curing such Default within such time period and thereafter diligently and with continuity pursues such cure to completion, such sixty (60) day time period shall be extended for the period of time reasonably necessary for Tenant to cure such Default;

(e) Tenant (or an Affiliate thereof) as the subtenant under the Hospital Sublease, the lessee under the Ground Lease or a new direct lease with UT System or the Teaching Hospital Operator fails to operate the Teaching Hospital in compliance with the applicable Safety Net Requirement; or

(f) An uncured Event of Default by Tenant (as defined in the Parking Garage Lease Agreement) exists under the Parking Garage Lease Agreement.

15.2 Landlord's Remedies.

(a) Subject to the limitations in Section 15.6 but except as otherwise provided herein, Tenant shall be liable to Landlord for any damages that result from any Event of Default. Without limiting the generality of the foregoing, if any Event of Default occurs and is continuing, Landlord may, at its option and in addition to the other rights and remedies available to Landlord under this Lease, the Ancillary Agreements, or those provided by law or equity, file suit against Tenant in a court of competent jurisdiction for specific performance or injunctive relief, or to collect the unpaid Rent and damages for breach of any other agreements, conditions, covenants, or provisions contained in this Lease (plus interest at the Default Rate as provided under Section 4.8 and attorneys' fees as provided in Section 18.5).

(b) In addition to any other rights or remedies available to Landlord under this Lease, the Ancillary Agreements, or those provided by law or equity, if any Event of Default has occurred, Landlord may perform the agreement, condition, covenant, or provision that Tenant has failed to perform, in which event Tenant shall reimburse Landlord for all reasonable costs reasonably incurred by Landlord in curing or attempting to cure such Event of Default, together with interest at the Default Rate and attorneys' fees as provided in Section 18.5.

(c) If an Event of Default has occurred and is continuing, then in addition to the remedies set forth in Section 15.2(a) and 15.2(b), Landlord may do any one of the following:

(i) Landlord may terminate this Lease by giving Tenant written notice thereof, in which event this Lease and the Leasehold Estate and all interest of Tenant and all parties claiming by, through or under Tenant shall terminate on the date of such notice.

(ii) Landlord may terminate this Lease by giving Tenant written notice thereof, in which event this Lease and the Leasehold Estate and all interest of Tenant and all parties claiming by, through or under Tenant shall automatically terminate upon the effective date of such notice; and Landlord, its agents, or representatives, shall have the right, without further demand or notice, to reenter and take possession of the Premises and remove all persons and property therefrom with process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof. In the event of such termination, Tenant shall be liable to Landlord for all Rent accrued to the date of termination, interest thereon at the Default Rate, and damages in an amount equal to (i) the discounted (at the rate of 6% per annum) present value of the amount by which the Rent reserved hereunder for the remainder of the stated Term exceeds the then net Fair Market Value of the Premises for such period of time, plus (ii) all expenses incurred by Landlord in enforcing its rights hereunder.

(iii) Landlord may terminate Tenant's right to possession of the Premises and all interest of Tenant and all parties claiming by, through or under Tenant without terminating this Lease or the Leasehold Estate, and reenter and take possession of the Premises and remove all persons and property therefrom

with process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof, and lease, manage, and operate the Premises and collect the rents, issues, and profits therefrom all for the account of Tenant, and credit to the satisfaction of Tenant's obligations hereunder the net rental thus received (after deducting therefrom all reasonable costs and expenses of repossessing, leasing, managing, and operating the Premises). If the net rental so received by Landlord is less than the amount necessary to satisfy all of Tenant's obligations under this Lease, Tenant shall pay to Landlord on demand the amount of such deficiency together with interest at the Default Rate, and Landlord may bring suit from time to time to collect such deficiency. If the net rental so received by Landlord exceeds the aggregate amount necessary to satisfy all of Tenant's obligations under this Lease, Landlord shall retain such excess. Landlord shall not be liable for failure to so lease, manage, or operate the Premises or collect the rentals due under any subleases and any such failure shall not reduce Tenant's liability hereunder. If Landlord elects to proceed under this Section 15.2(c)(iii), Landlord may at any time thereafter elect to terminate this Lease as provided in Section 15.2(c)(ii). If Landlord operates any portion of the Premises, Landlord shall credit to the satisfaction of Tenant's obligations hereunder the net profits from such operation, with such credit to be determined on an aggregate basis for each calendar year and with the net profits for any calendar year to be credited against Tenant's obligations for the following calendar year.

(d) Intentionally deleted.

(e) Nothing contained in this Section 15.2 shall limit any remedies available to Landlord pursuant to the Ancillary Agreements, the Ground Lease, the Hospital Sublease, or those provided by law or equity with respect to any failure by Tenant to keep, perform, or observe any of the agreements, conditions, covenants, or provisions contained in the Ancillary Agreements, the Ground Lease, and the Hospital Sublease that are to be kept, performed, or observed by Tenant.

(f) Pursuit of any of the remedies provided for in this Lease shall not preclude pursuit of any of the other remedies provided in this Lease or by law or equity, nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any Rent due to Landlord hereunder or any damages accruing to Landlord by reason of the violation of any of the conditions, provisions, and covenants herein contained (except as may otherwise be expressly provided herein). Landlord's acceptance of Rent following an Event of Default shall not be construed as Landlord's waiver of such Event of Default. No waiver by Landlord of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No re-entry or repossession, repairs, changes, alterations and additions, reletting, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, nor shall the same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express notice of such intention is sent by Landlord to Tenant.

(g) Except as expressly stated in this Lease, each legal or contractual right, power, and remedy of Landlord now or hereafter provided in this Lease or by statute or

otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, and remedy, and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers, and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers, and remedies.

(h) Mitigation of Damages. If Tenant abandons the Premises or vacates the Premises, or if Landlord terminates Tenant's right to possession of the Premises as a result of an Event of Default, Landlord shall not have any obligation to relet or attempt to relet the Premises, or any portion thereof. To the fullest extent allowed by law and except as otherwise provided below, Tenant hereby waives any obligation on the part of Landlord to mitigate damages.

15.3 Landlord's Default. Each of the following shall be a "**Landlord Event of Default**" by Landlord hereunder and a material breach of this Lease:

(a) Landlord fails to make any payment of money required to be paid by Landlord to Tenant or any third party under this Lease on the date upon which the same is due to be paid, and such default shall continue for thirty-one (31) days after Landlord has received written notice from Tenant specifying such default; or

(b) Landlord fails to keep, perform, or observe any of the agreements, conditions, covenants, or provisions contained in this Lease that are to be kept, performed, or observed by Landlord under this Lease that are not described in Subsection (a) above, and Landlord fails to remedy the same within sixty (60) days after Landlord has received written notice from Tenant specifying such default; provided, however, that if such non-monetary default cannot, by its nature, be cured within such sixty (60) day time period, and if Landlord has commenced curing such default within such time period and thereafter diligently and with continuity pursues such cure to completion, such sixty (60) day cure period shall be extended for the period of time reasonably necessary for Landlord to cure such default.

15.4 Tenant's Remedies. Subject to the limitations in Section 15.6, if any Landlord Event of Default occurs and is continuing, Tenant may, in addition to all other rights and remedies provided by law or equity, to which Tenant may resort cumulatively or in the alternative, pursue the remedies provided in and in accordance with Section 16.02 of the Hospital Sublease and the remedies provided therein. In this regard, Landlord acknowledges and agrees that Tenant's right to withhold rent under Section 16.02 of the Hospital Sublease will apply with respect to this Lease and any withholding of rent by Tenant under this Lease must comply with the terms of Section 16.02 of the Sublease. Except as expressly provided in this Lease, Tenant shall have no right to terminate this Lease as a result of a Landlord Event of Default.

15.5 Compliance with Hospital Sublease. Notwithstanding anything to the contrary set forth in this Lease, neither Landlord nor Tenant may allege a default under the Hospital Sublease by the other if the non-defaulting party's noncompliance with the terms of the Hospital Sublease (e.g., to provide parking for the Teaching Hospital) is caused by the defaulting party's breach of this Lease.

15.6 Limitation on Damages.

(a) Notwithstanding anything to the contrary set forth in this Lease, neither Landlord nor Tenant will be liable for, and Landlord and Tenant each hereby waive any claims against the other for, special, exemplary, and/or punitive damages.

(b) The obligations of Tenant and Landlord under this Lease are corporate obligations of Tenant and Landlord, respectively, and this Lease imposes no liability upon any member of the Board of Tenant or any member of the Board of Managers of Landlord or any other employee or agent of Tenant or Landlord. This provision is not intended to limit the liability, if any, of an individual under Applicable Law for his or her own acts or omissions.

15.7 Dispute Resolution.

(a) Cooperation. The Parties agree to cooperate in good faith to resolve any disputes or disagreements between the Parties. The terms of this Section 15.7 apply solely with respect to disputes between Landlord and Tenant. "**Dispute Resolution**" means the process of good faith negotiation and mediation of a Dispute as provided in Sections 15.3(c) and 15.3(d).

(b) Dispute Notice. Notwithstanding any provision in this Lease to the contrary, if (i) Landlord delivers to Tenant a notice of default under Section 15.1(d) (a "**Non-Monetary Default Notice**"), and if Tenant disputes any matters set out in such Non-Monetary Default Notice, or (ii) Tenant alleges any non-monetary default by Landlord under this Lease, then either Party may deliver to the other Party 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 Event of Default, as the case may be, and (ii) the applicable cure periods for the default that is the subject to the Dispute shall be tolled until the conclusion of the Dispute Resolution process as provided in this Section15.7, 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.

(c) 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. The President and CEO of Landlord and the President and CEO of Ascension Texas will meet as soon as reasonably possible to attempt in mutual good faith to resolve the Dispute. Provided, however, based on the subject matter of the Dispute, any Party may designate a representative to attend negotiations on behalf of such Party. If the Parties are unable to resolve the Dispute within forty-five (45) days after delivery of a Dispute Notice, then the Parties will submit the Dispute to mediation as set forth below.

(d) Mediation. If negotiation is unsuccessful, the Dispute will be subject to mediation conducted as follows:

(i) Commencement of Mediation. Any Party wishing to commence mediation will send a written notice of intent to mediate to the other Party, specifying in detail the nature of the Dispute and proposing a resolution of the Dispute ("**Mediation Notice**"). Within fifteen (15) days after such Mediation Notice is received by the other Party, 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.

(ii) Conduct of Mediation. The mediation will be conducted in the City and will be non-binding. Any non-binding mediation conducted under the terms of this Section 15.3(d) 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.

(e) 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 of any rights of sovereign immunity it may have under the Constitution and laws of the State of Texas, all of which are expressly reserved.

Article 16
ENCUMBRANCE

16.1 Mortgaging of Landlord's Interest. Landlord may freely pledge and mortgage its interest in the Premises and under this Lease from time to time. The holder of any mortgage on the fee interest of Tenant in the Premises and/or on Tenant's interest under this Lease (a "**Fee Mortgage**") may be referred to as the "**Fee Mortgagee**". Subject to the execution of a Fee SNDA (defined below), this Lease and all rights of Tenant hereunder are and will be subject and subordinate to any Fee Mortgage and to all renewals, modifications, and extensions thereof.

16.2 Subordination, Non-Disturbance, and Attornment. If during the Term, Landlord shall encumber the Premises with a Fee Mortgage, then Landlord agrees to use Landlord's reasonable, good faith efforts to obtain the execution of a subordination, non-disturbance, and attornment agreement by Landlord, the Fee Mortgagee, and Tenant in a form reasonably acceptable to all parties thereto ("**Fee SNDA**"). Landlord and Tenant agree to cooperate and negotiate in good faith with respect to any such Fee SNDA. Provided, however, the following provisions are self-operative: (i) the Fee Mortgage will not encumber, and the Fee Mortgagee will have no lien against, the Leasehold Estate of Tenant in and to the Premises; (ii) the Fee Mortgagee's lien under the Fee Mortgage will be subject to the rights of Tenant under this Lease; (iii) if the Fee Mortgagee forecloses its lien, it will provide to Tenant

notice that it has foreclosed such lien; (iv) that in the event of the foreclosure, assignment, or acquisition, the Fee Mortgagee or any other person or entity that acquires Landlord's fee title to the Premises will acquire such fee title subject to the obligations of Landlord under this Lease from and after the date of such foreclosure, assignment, or acquisition; and (v) no foreclosure, deed in lieu of foreclosure, or sale under the encumbrance, and no steps or procedures undertaken under any deed of trust, lien, encumbrance, security interest, or other instrument will affect Tenant's rights under this Lease then in effect, subject to Tenant's continued performance under and compliance with this Lease.

16.3 Tenant's Agreements. Tenant agrees that while any Fee Mortgage is in force, if Tenant shall have been given written notice thereof and the name and address of the Fee Mortgagee, Tenant will give the Fee Mortgagee a duplicate copy of any and all notices of default or other written notices that Tenant may give or serve upon Landlord pursuant to the terms of this Lease, and any such notice shall not be effective until said duplicate copy is given to such Fee Mortgagee. Any such Fee Mortgagee may, at its option, within the time period provided to Landlord herein to cure a default by Landlord, make any payment or do any other act or thing required of the Landlord by the terms of this Lease; and all payments so made and all things so done or performed by any such Fee Mortgagee shall be as effective hereunder as the same would have been if done and performed by Landlord instead of by any such Fee Mortgagee. No such Fee Mortgagee shall be or become liable to Tenant as an assignee of this Lease until such time as said Fee Mortgagee shall by foreclosure or other appropriate proceedings in the nature thereof, or as the result of any other action or remedy provided for by the Fee Mortgage, or by proper conveyance from Landlord, acquire the rights and interests of Landlord under the terms of this Lease, and such liability of the Fee Mortgagee terminate upon such Fee Mortgagee's assigning such rights and interests to another party. If any holder of a future mortgage shall become the owner of the Premises by reason of foreclosure of such future mortgage or otherwise, or if the Premises shall be sold as a result of any action or proceeding to foreclose such future mortgage, or transfer of ownership by deed given in lieu of foreclosure, this Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct lease between Tenant and the then owner of the Premises, as "landlord", upon all of the same terms, covenants and provisions contained in this Lease.

16.4 Mortgaging of Tenant's Interest. Tenant shall not, without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to this Lease.

Article 17
TEACHING HOSPITAL; AUTOMATIC TERMINATION; CHANGED CIRCUMSTANCES

17.1 Teaching Hospital.

(a) If Tenant (or an Affiliate thereof) or the Teaching Hospital Operator no longer has any right to use and occupy the Teaching Hospital for any reason (either under the Ground Lease, the Hospital Sublease, a direct lease with UT System, or otherwise, the "**Other Agreements**"), then this Lease shall automatically terminate effective as of the date that Tenant (or an Affiliate thereof) or the Teaching Hospital Operator no longer has the right to use and occupy the Teaching Hospital.

(b) The establishment and continued operation within the Subleased Premises (as defined in the Hospital Sublease) by Tenant (or an Affiliate thereof) or the Teaching Hospital Operator of a Teaching Hospital that is part of the applicable Safety Net System is an integral and essential component of this Lease and Landlord's agreement in the Ground Lease to provide the Required Parking Spaces (as defined in the Parking Garage Lease Agreement) to Tenant or the Teaching Hospital Operator. It is expressly stipulated and agreed by Tenant and Landlord that Landlord shall be and hereby is excused from accepting performance from and rendering performance to Tenant (or an Affiliate thereof) or the Teaching Hospital Operator or any person claiming through either hereunder that cannot establish and maintain a Teaching Hospital within the Subleased Premises in compliance with the applicable Safety Net Requirement. In addition, therefore, if Tenant (or an Affiliate thereof), the Teaching Hospital Operator, or any person claiming through either hereunder fails to operate the Teaching Hospital in compliance with the applicable Safety Net Requirement, then, in addition to the other rights and remedies available to Landlord under this Lease, the Ancillary Agreements, or those provided by law or equity, this Lease shall automatically terminate effective as of the date that Tenant (or an Affiliate thereof), or the Teaching Hospital Operator, or any person claiming through either hereunder fails to cure such Safety Net Requirement within the applicable notice and cure periods under the applicable Other Agreement.

(c) Notwithstanding anything in this Lease to the contrary, Landlord may, at its sole discretion and in addition to the other rights and remedies available to Landlord under this Lease, the Ancillary Agreements, or those provided by law or equity terminate this Lease if (i) the Ground Lease is terminated as the result of one or more defaults by any of the parties other than Landlord under such Ground Lease that is not cured within the applicable notice and cure periods under the Ground Lease, or (ii) the Hospital Sublease or, in the absence thereof, a direct lease with UT System is terminated as the result of one or more defaults by any of the parties other than Landlord under such Hospital Sublease or direct lease that is not cured within the applicable notice and cure periods under such Hospital Sublease or direct lease, and (iii) after a termination of this Lease because of the occurrence of an event described in either subsection 17.1(c)(i) or (c)(ii), Landlord shall have no further obligation to provide the Required Parking Spaces (or any other Parking Spaces) in any location on the Central Health Downtown Campus.

17.2 Regulatory Matters. Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable Healthcare Laws and, specifically, in compliance with the Space Rental Safe Harbor to the federal Anti-Kickback Statute codified at 42 C.F.R. § 1001.952(b). Notwithstanding any unanticipated effect of any provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Healthcare Laws. Without limiting the generality of the foregoing, Landlord and Tenant expressly agree that nothing contained in this Lease shall require either party to refer any patients to the other, or to any affiliate or subsidiary of the other, nor shall any charge or payment owed by either party to the other under this Lease be determined in a manner that takes into account the volume or value of any referral or other business generated between the parties. Landlord and Tenant further agree that if, at any time after the first year in which Aggregate Rent is set (or reset), either party concludes that the Aggregate Rent charged under

this Agreement is inconsistent with Fair Market Value then, upon the provision of written notice by the party who has reached said conclusion to the other, the parties will follow the procedures set forth in Section 17.3(a) below.

17.3 Change in Laws or Circumstances.

(a) If there is a change in circumstance that materially and adversely affects the fundamental legal relationship of or materially affects the financial arrangement between the Parties or would cause either party to be in violation of applicable Healthcare Laws due to the existence of any provision of this Lease, then the Parties will cooperate and negotiate in good faith to amend or terminate the Lease. If the Parties are unable within a six-month period to reach a new agreement or an agreement to terminate the Lease, either Party may send the other a Dispute Notice and trigger the dispute resolution process in Section 15.7.

(b) If there is a change in any Applicable Law or procedure of any Governmental Authority, or a change in the parties' reasonable interpretation thereof, and such change materially affects the ability of a party to lawfully perform its obligations under this Lease, the parties shall forthwith and in good faith renegotiate the affected provision so that such provision can be satisfied in accordance with such changed law, regulation, or procedure.

Article 18
MISCELLANEOUS

18.1 Notices.

(a) Any notice provided for or permitted to be given hereunder must be in writing and may be given by (i) depositing same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth in this Section 18.1; or (ii) delivering the same to the party to be notified in person or through a reliable courier service. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee, as evidenced by the executed postal receipt or other receipt for delivery. For purposes of notice the addresses of the Parties shall, until changed, be as follows:

To Landlord: Travis County Healthcare District
1111 East Cesar Chavez Street
Austin, Texas 78702
Attention: President and Chief Executive Officer

With a copy (which shall not constitute notice) to:

Travis County Attorney's Office
314 West 11th Street, 5th Floor
Austin, Texas 78701
Attention: Director of Health & Social Services Division

To Tenant: Seton Family of Hospitals
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attention: President and Chief Executive Officer

With a copy (which shall not constitute notice) to:

Seton Family of Hospitals
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attention: General Counsel

Ascension Texas
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attn: President and Chief Executive Officer

(b) The parties hereto shall have the right from time to time to change their respective addresses for purposes of notice hereunder to any other location within the continental United States by giving ten (10) days' advance notice to such effect in accordance with the provisions of this Section 18.1. Any notice given by counsel or authorized agent for a Party shall be deemed to have been given by such Party.

(c) Either Party may, by notice given at any time or from time to time in the manner specified in this Section 18.1, require subsequent notices to be given to another person whether a party or an officer or representative, or to a different address, or both. Notices given before actual receipt of notice of change will not be invalidated by the change.

(d) Landlord and Tenant hereby covenant and agree to promptly deliver to the other copies of any and all notices or other correspondence received by the respective Party from UT System that might affect Landlord or Tenant, as applicable, in any manner and further agree that, Section 18.1 notwithstanding, to so deliver such notices or other correspondence in the manner most appropriate to insure that Landlord and Tenant, as applicable, will be able to respond to any such notice or other correspondence from UT System within any time periods set forth in the Ground Lease.

18.2 Interpretation of Lease.

(a) Amendment. No amendment, modification, or alteration of the terms of this Lease will be binding unless the same is in writing, dated subsequent to the date of this Lease, and duly executed by the Parties.

(b) Headings; Interpretation. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Lease. Whenever the context of this Lease requires, words used in the singular will be construed to include the plural and vice versa, and pronouns of whatsoever gender will be deemed to include and designate the masculine, feminine, or neuter gender.

(c) Applicable Law. This Lease will be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties created under this Lease are performable in Travis County, Texas.

(d) Remedies Cumulative. All rights and remedies of the Parties under this Lease will be cumulative and none will exclude any other rights or remedies allowed by law or in equity.

(e) Time of Essence. Time is of the essence with respect to the performance of each of the terms, provisions, covenants, and conditions contained in this Lease. Any provision of this Lease to the contrary notwithstanding, if any day or date specified or provided in this Lease falls on a day that is not a Business Day, then such day or date will be automatically extended to the next following Business Day. The term "**Business Day**" means any day that is not a Saturday, Sunday, or legal banking holiday.

(f) Exhibits. The terms and provisions of all exhibits described in and attached to this Lease are hereby made a part of this Lease for all purposes.

(g) Severability. If any term or provision of this Lease, or the application of such term or provision to any person or circumstance, is to any extent invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected thereby, and each provision of this Lease will be valid and will be enforceable to the extent permitted by law.

(h) Ancillary to Ground Lease and Hospital Sublease. This Lease is entered into by the Parties pursuant to the terms of and is ancillary to the Ground Lease and the Hospital Sublease. In the event that any of the terms and provisions of this Lease shall conflict with any of the terms and provisions of the Ground Lease and the Hospital Sublease, the terms and provisions of the Ground Lease and the Hospital Sublease shall control. This Lease does not in any manner amend or change the Ground Lease or the Hospital Sublease and the obligations of the Parties to each other set forth therein related to the Garage Agreement (as defined therein).

(i) Drafting. No provision of this Lease shall be interpreted for or against any Party hereto on the basis that such Party was the author of such provision, each Party having participated equally in the drafting hereof, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Lease.

18.3 Modification and Non-Waiver. No variations, modifications, or changes herein or hereof shall be binding upon any Party hereto unless set forth in a writing executed by Landlord and Tenant. No waiver by either Party of any breach or default of any term, condition, or provision hereof, including without limitation the acceptance by Landlord of any Rent at any time or in any manner other than as herein provided, shall be deemed a waiver of any other or subsequent breaches or defaults of any kind, character, or description under any circumstance. No waiver of any breach or default of any term, condition, or provision hereof shall be implied from any action of any Party, and any such waiver, to be effective, shall be set out in a written instrument signed by the waiving Party.

18.4 Estoppel Certificate. Landlord and Tenant shall execute and deliver to each other, promptly upon any request therefor from the other Party, a certificate addressed as indicated by the requesting Party and stating:

(a) whether or not this Lease is in full force and effect;

(b) whether or not this Lease has been modified or amended in any respect, and submitting copies of such modifications or amendments;

(c) whether or not there are any existing Defaults or Landlord Event of Default hereunder known to the Party executing the certificate, and specifying the nature thereof; and

(d) such other matters as may be reasonably requested.

18.5 Attorneys' Fees. If litigation is instituted by either Party to enforce, or to seek damages for the breach of, any provision hereof, the prevailing Party therein shall be promptly reimbursed by the other Party for all attorneys' fees reasonably incurred by the prevailing Party in connection with such litigation. In addition, if an Event of Default or Landlord Event of Default occurs, the defaulting Party shall reimburse the non-defaulting Party for all attorneys' fees reasonably incurred by the non-defaulting Party in connection with such Event of Default or Landlord Event of Default.

18.6 Surrender of Premises: Holding Over. Upon termination or expiration of this Lease, Tenant shall remove all Tenant's Personal Property from the Premises and return peaceably quit, deliver up, and surrender the Premises to Landlord as they may have been repaired, rebuilt, restored, altered, or added to as permitted or required by the provisions of this Lease in good order, repair, and condition, subject to ordinary wear and tear, casualty, condemnation, and matters that are the responsibility of Landlord hereunder. If Tenant abandons, vacates, or surrenders the Premises, or is dispossessed by process of law, or otherwise, any of Tenant's Personal Property left in or about the Premises will, at the option of Landlord, be deemed abandoned and may be disposed of, kept in place, used, sold, destroyed or stored by Landlord without notice to Tenant or any other person (and without any obligation to account for them) at the expense and risk of Tenant. Tenant's obligation to observe and perform this covenant will survive the expiration or termination of this Lease. Upon Tenant's abandonment, vacation, or surrender of the Premises, Landlord may, without further notice, enter upon, reenter, possess, and repossess itself of the Premises by summary proceedings, ejectment, or otherwise, and may dispossess and remove Tenant and all those claiming under Tenant from the Premises and may have, hold, and enjoy the Premises and all rental and other income therefrom, free of any claim by Tenant and those claiming under Tenant with respect thereto. If Tenant and those claiming under Tenant do not surrender possession of the Premises at the end of the Term, such action shall not extend the Term, and Tenant shall be a tenant at sufferance. Tenant's occupancy shall be subject to all the terms and provisions of this Lease, and during such time of occupancy Tenant shall pay (on a per month basis without reduction for partial months during the holdover) to Landlord, as damages, an amount equal to 150% of the amount of Rent that was being paid immediately prior to the end of the Term. Landlord shall not be deemed to have accepted a surrender of the Premises by Tenant, or to have extended the Term, other than by execution of a written agreement specifically so stating.

18.7 Relation of Parties. It is the intention of Landlord and Tenant to hereby create the relationship of landlord and tenant, and no other relationship whatsoever is hereby created. Nothing in this Lease shall be construed to make Landlord and Tenant partners or joint venturers or to render either Party hereto liable for any obligation of the other.

18.8 Force Majeure. As used herein "**Force Majeure**" shall mean, with respect to Tenant or Landlord (the "**Force Majeure Party**"), the occurrence of any of the following: (i) strikes, lockouts, or picketing (legal or illegal); (ii) riot, civil commotion, insurrection, and war; (iii) fire or other casualty, accidents, acts of God or public enemy; or (iv) any other similar event that prevents or delays the performance by the Force Majeure Party of any of its obligations imposed upon it hereunder and the prevention or cessation of which event is beyond the reasonable control of the Force Majeure Party and is not a change in market or economic conditions. However, in no event shall inability to pay monetary sums when due be deemed to constitute an event of Force Majeure. If a Force Majeure Party shall be delayed, hindered, or prevented from performance of any of its obligations hereunder (other than to pay when due monetary sums) by reason of Force Majeure, the time for performance of such obligation shall be extended on a day-for-day basis for each day of actual delay, provided that the following requirements are complied with by the Force Majeure Party: (a) the Force Majeure Party shall give prompt written notice of such occurrence to the other Party, and (b) the Force Majeure Party shall diligently attempt to remove, resolve, or otherwise eliminate such event, and minimize the cost and time delay associated with such event, keep the other Party advised with respect thereto, and commence performance of its obligations hereunder immediately upon such removal, resolution, or elimination.

18.9 Tobacco- and Electronic Device-Free Environment. Landlord and Tenant agree that the Premises shall be a smoke-, tobacco-, and electronic vapor device-free environment. Landlord shall have the right to delineate reasonable policies to further such goal and make amendments thereto. Tenant shall cooperate with the implementation of such policies. Landlord, at its option, may file one or more restrictive covenants on the Land and the Central Health Campus to effectuate such policies without the consent of Tenant, so long as such policies and amendments are uniformly applicable to all owners and tenants of property within the Central Health Campus.

18.10 Non-Merger. Notwithstanding the fact that fee title to the Premises and to the Leasehold Estate may, at any time, be held by the same Person, there shall be no merger of the Leasehold Estate and fee estate unless the owner thereof executes and files for record in the Office of the County Clerk of Travis County, Texas a document expressly providing for the merger of such estates.

18.11 Memorandum of Lease. Neither this Lease nor a memorandum thereof shall be recorded.

18.12 Successors and Assigns. Subject to the limitations on assignment, subleasing and encumbrances set forth in this Lease, this Lease shall constitute a real right and covenant running with the Premises, and this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns. Whenever a reference is

made herein to either Party, such reference shall include the party's permitted successors and assigns.

18.13 Landlord's Joinder. Landlord agrees to join with Tenant in the execution of such applications for permits and licenses from any Governmental Authority as may be reasonably necessary or appropriate to effectuate the intents and purposes of this Lease, provided that no such application shall constitute an encumbrance of or with respect to the Premises, and Landlord shall not incur or become liable for any expenses or obligation as a result thereof.

18.14 No Third Parties Benefited. The terms and provisions of this Lease are for the sole benefit of Landlord and Tenant, and no third party whatsoever is intended to benefit herefrom or shall have any right to enforce this Lease.

18.15 Survival. Any terms and provisions of this Lease pertaining to rights, duties, or liabilities extending beyond the expiration or termination of this Lease, including indemnification obligations relating to events or conditions that occur or exist prior to such expiration or termination, shall survive the expiration or termination of this Lease.

18.16 Broker. Landlord and Tenant represent and warrant each to the other that no broker negotiated this Lease or is entitled to any commission in connection herewith. Landlord and Tenant each agree to reimburse the other Party for any losses, costs, or damages (including reasonable attorneys' fees) incurred by the other Party as a consequence of the breach or falsity of the representations and warranties of such Party under this Section 18.16.

18.17 Signage. Tenant will not place any new signage on or about the Premises, or on any part thereof, without the prior written consent of Landlord, which consent may be withheld or conditioned in its reasonable discretion. All Tenant signage will comply with the terms and conditions of this Lease, all Applicable Laws, any sign criteria for the Building as promulgated by Landlord from time to time, and any reasonable rules and regulations and/or other criteria that Landlord may establish from time to time. Landlord shall respond to Tenant's request for formal approval of signage within fifteen (15) Business Days after receipt by Landlord, and if Landlord fails to respond within such 15-Business Day period, then the signage for which Landlord's approval was sought will be deemed approved. Provided, however, any signage submitted to Landlord for formal approval must be submitted in writing to Landlord to the parties set forth in and in the manner prescribed in Section 18.1 above, with a cover letter or memo which states at the top of such letter or memo in all capital letters, bold, and 12-point type: "NOTICE: REQUEST FOR REVIEW AND APPROVAL OF SIGNAGE UNDER SECTION 18.17 OF CEC LEASE".

18.18 Waiver of Tenant Rights and Benefits under Section 93.012, Texas Property Code. Landlord and Tenant agree that each provision of the Lease for determining charges and amounts payable by Tenant are commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code. **TENANT FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHTS AND**

BENEFITS OF TENANT UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEEDED.

18.19 Notification of Transfer of Lease. Notwithstanding any other provision of this Lease, Landlord may, in its discretion, at any time during the Term sell, convey or otherwise transfer all or any portion of its interest in the Premises; provided, however, that (i) Landlord shall give written notice to Tenant not less than sixty (60) days in advance of the proposed sale, conveyance or transfer (ii) any such sale, conveyance or transfer shall be made expressly subject to all terms and conditions of this Lease. In the event Landlord at any time during the Term sells, conveys, leases, or otherwise transfers all or any portion of its interest in the Central Health Downtown Campus (other than the Premises), Landlord shall give written notice to Tenant not less than sixty (60) days in advance of the proposed sale, conveyance, lease, or transfer and any such sale, conveyance, lease, or transfer shall be made expressly subject to Tenant's rights under Sections 5.5 and 8.5 of this Lease.

18.20 Financial Reporting. Tenant at all times during a Term of this Lease will keep books of record and account in accordance with generally accepted accounting principles and all applicable governmental requirements. Upon the written request of Landlord, Ascension Texas shall provide Landlord: (1) a copy of the most recent audited annual consolidated financial statements of Ascension Parent, together with Ascension Texas accompanying schedules, which financial statements shall be prepared in accordance with U.S. generally acceptable accounting principles, consistently applied; or (2) if Ascension Parent shall no longer cause its annual consolidated financial statements to be audited by a firm of independent certified public accountants, a copy of the most recent unaudited annual consolidated financial statements of Ascension Texas, which financial statements shall be accompanied by a letter addressed to Landlord and signed by the Chief Financial Officer of Ascension Texas, certifying that such financial statements shall have been prepared in accordance with U.S. generally accepted accounting principles, consistently applied. In the event Tenant is no longer included in the consolidated financial statements of Ascension Parent, then the requirements of subsections (1) and (2) of this Section 18.20 shall apply to Tenant. In addition, Tenant shall deliver annually to Landlord separate unaudited statements of revenues and expenses of the Teaching Hospital.

18.21 Counterparts. This Lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one document. An executed counterpart transmitted by facsimile or electronic mail shall be deemed an original counterpart and shall be effective as delivery of a manually executed counterpart of this Lease.

[SIGNATURE PAGE FOLLOWS]

TENANT:

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By: _____
Name: Greg Hartman
Title: Chief – External and Academic Affairs

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

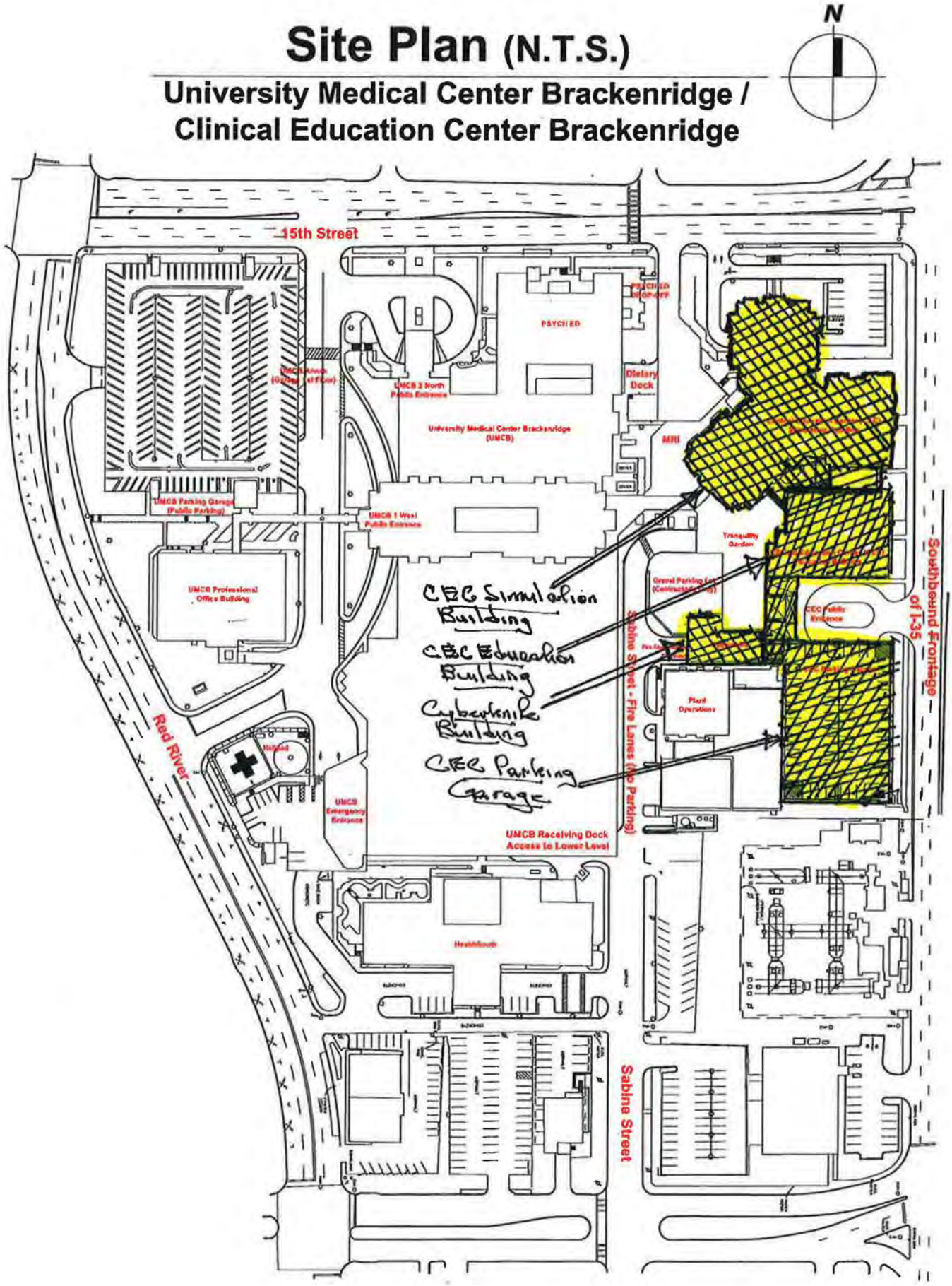
By: _____
Name: Scott Herndon
Title: Chief Financial Officer

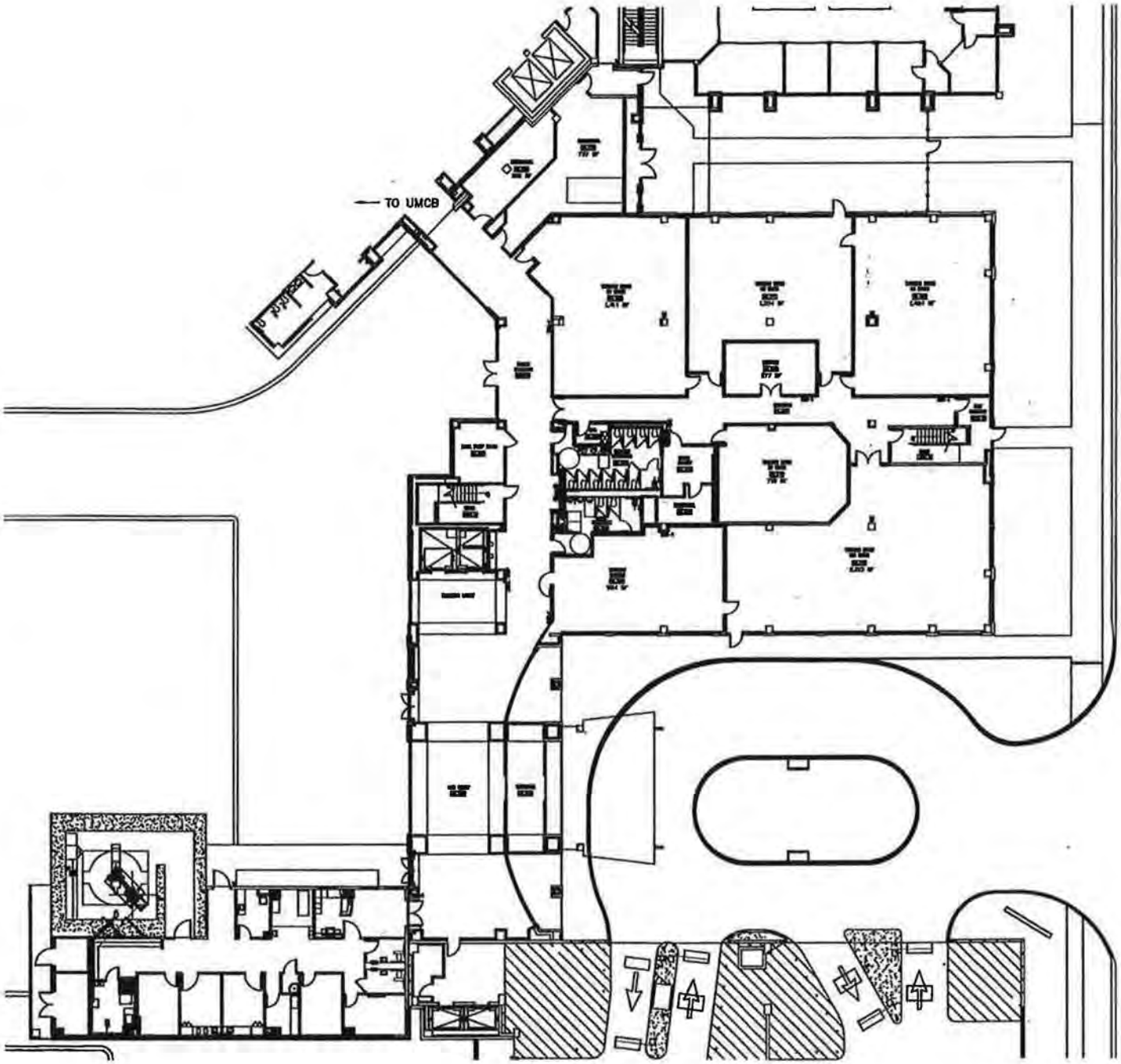
EXHIBIT A

BUILDING DIAGRAM

Site Plan (N.T.S.)

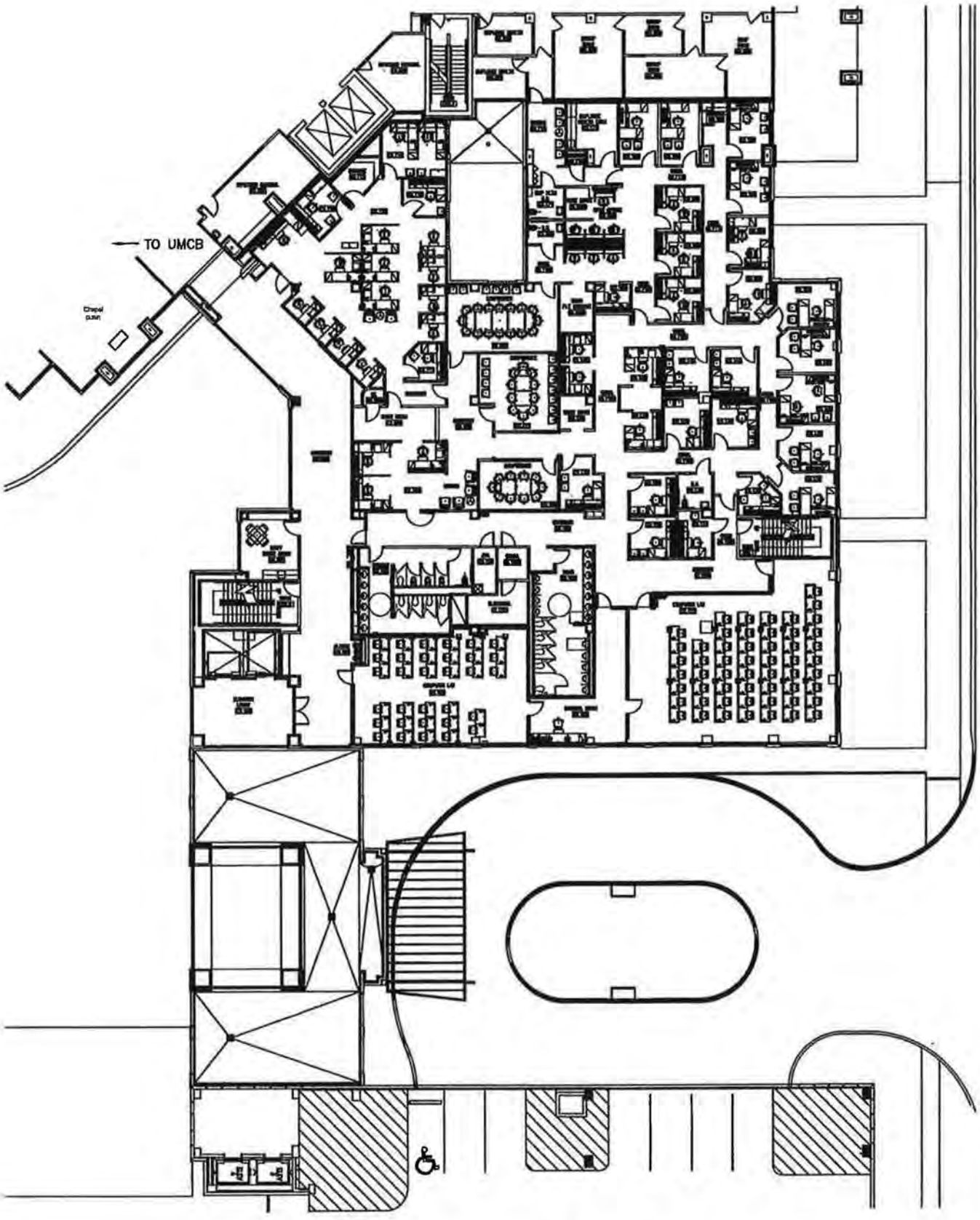
University Medical Center Brackenridge / Clinical Education Center Brackenridge





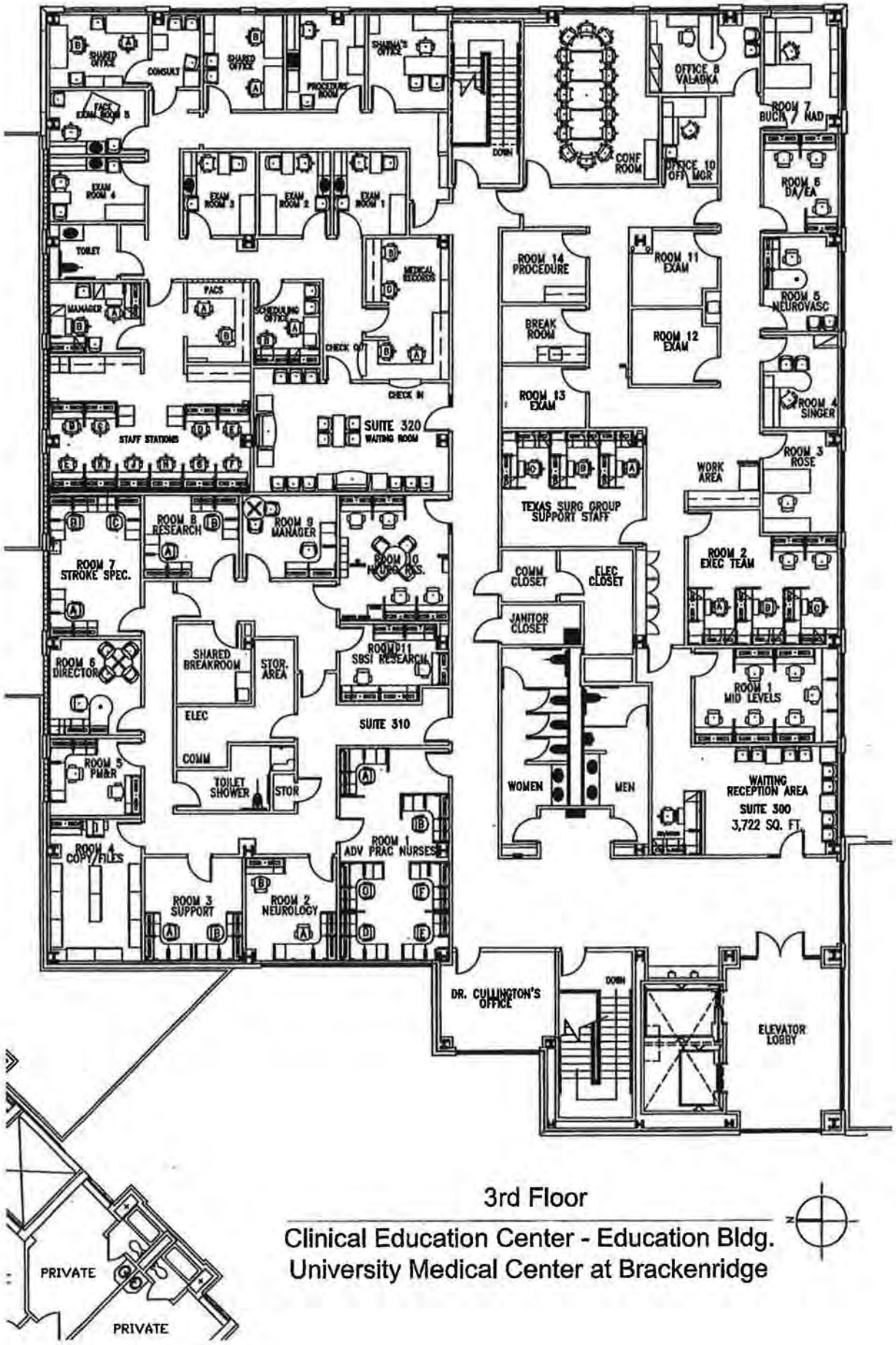
1st Floor

Clinical Education Center
Education Building



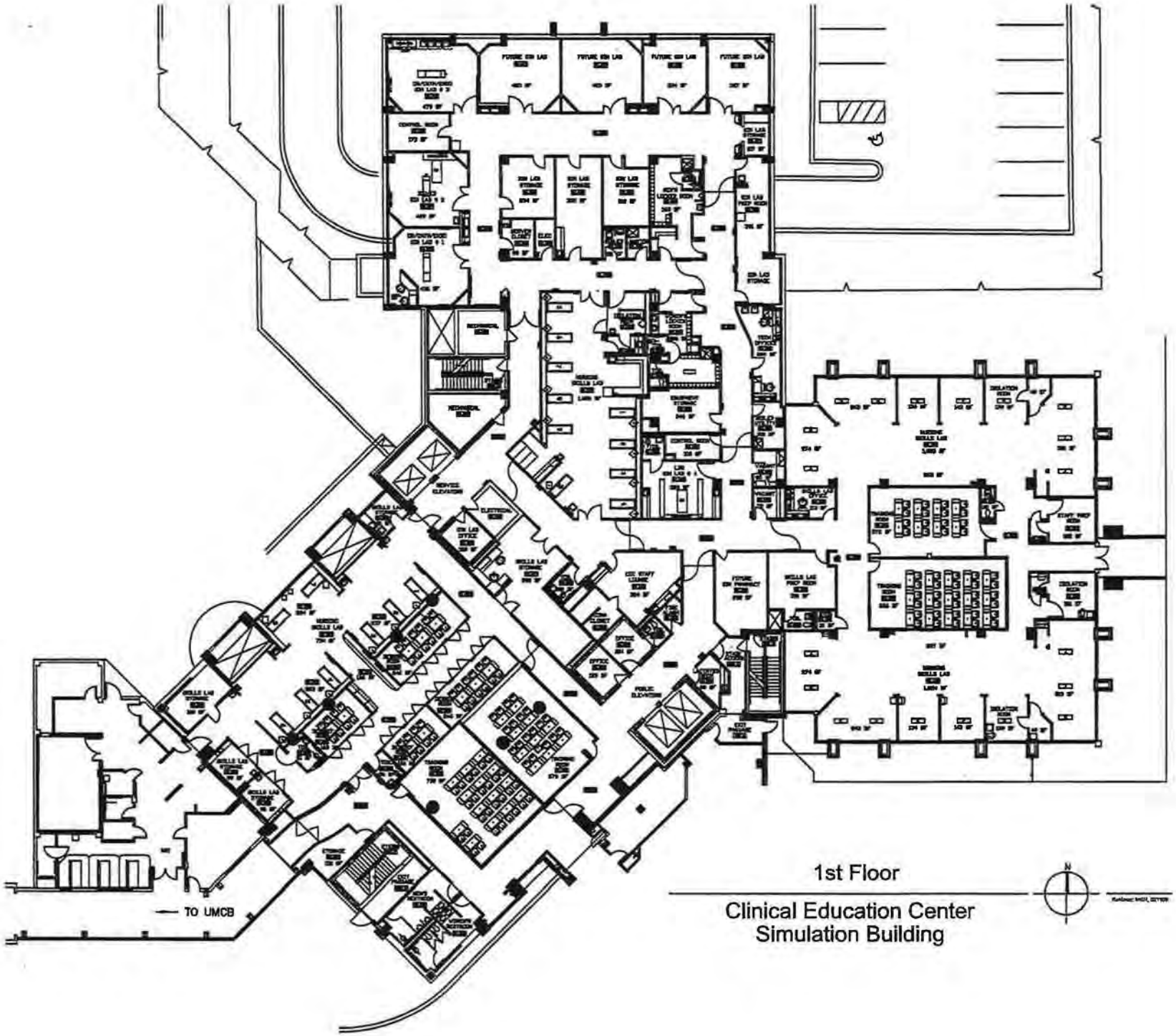
2nd Floor

Clinical Education Center
Education Building



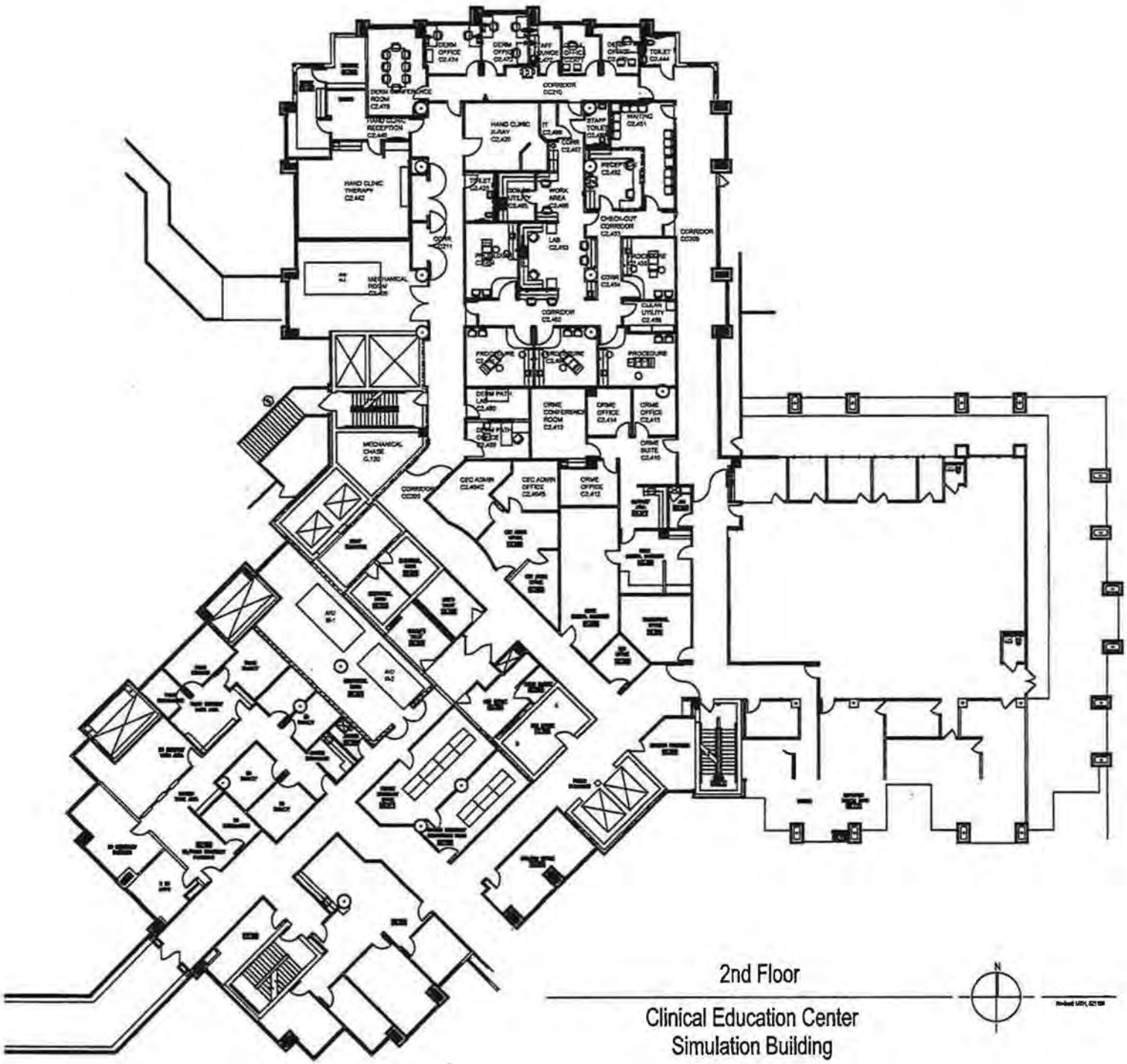
3rd Floor

Clinical Education Center - Education Bldg.
University Medical Center at Brackenridge



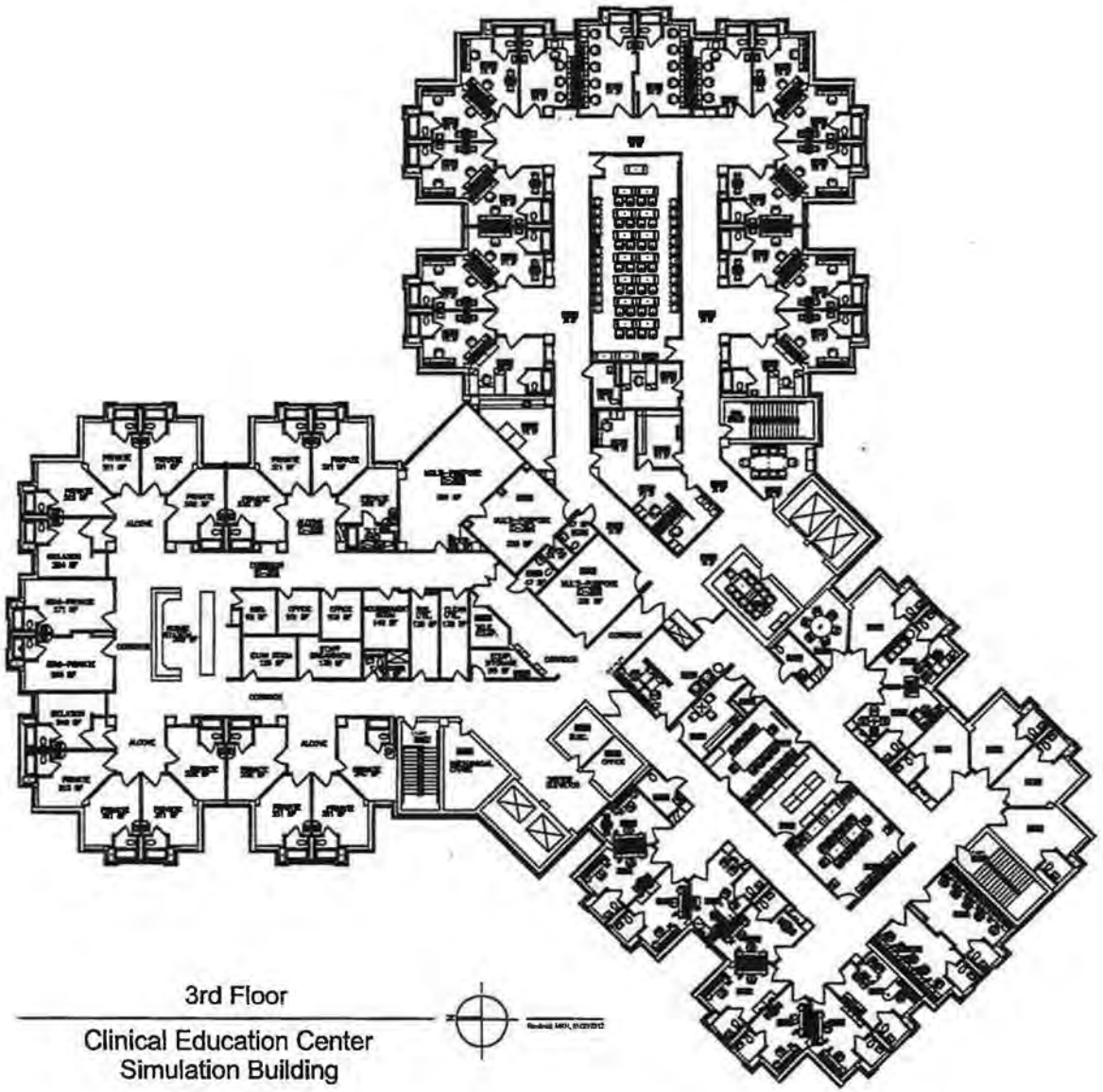
1st Floor

Clinical Education Center
Simulation Building



2nd Floor

Clinical Education Center
Simulation Building



3rd Floor

Clinical Education Center
Simulation Building

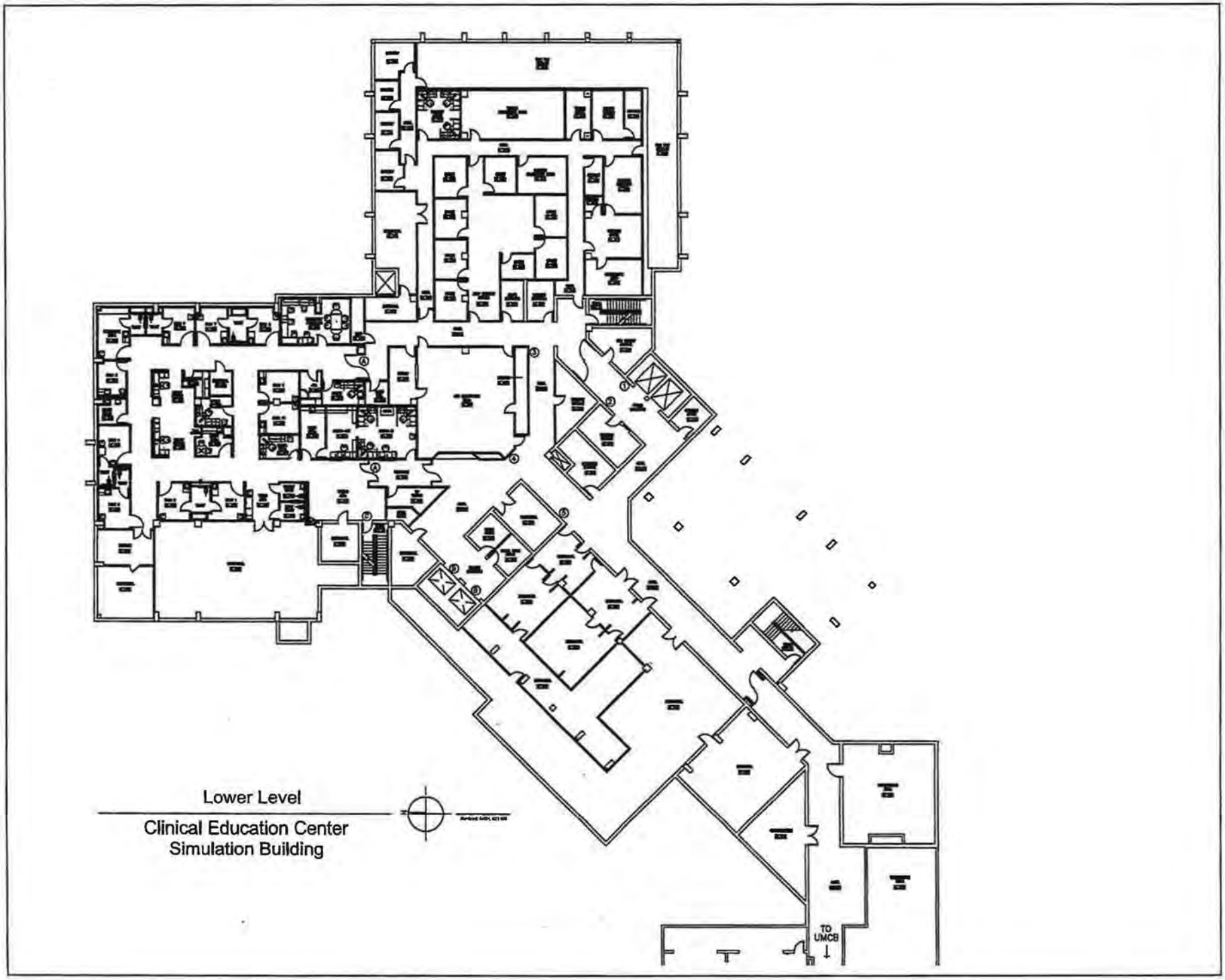

Lower Level
Clinical Education Center
Simulation Building
TO UMCB

EXHIBIT B

LEGAL DESCRIPTION OF THE LAND

LEGAL DESCRIPTION

LEGAL DESCRIPTION OF A 3.182 ACRE TRACT
BEING A PORTION OF THAT CERTAIN CALLED 14.343 ACRES
CONVEYED TO THE TRAVIS COUNTY
HOSPITAL DISTRICT, AS DESCRIBED IN DOCUMENT NO. 2005014435,
OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;
SAID 3.182 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED
BY METES AND BOUNDS AS FOLLOWS AND SHOWN ON
ATTACHED SKETCH:

BEGINNING, at a found cut "X" with mag nail at the intersection of the northwesterly right of way line of Interstate Highway 35 with the southwesterly right of way line of East 15th Street, for the northeasterly corner of said 14.343 acre tract;

THENCE, South 16deg 30' 18" West, along the northwesterly right of way line of Interstate Highway 35, a distance of 622.43 feet, to a point;

THENCE, leaving the northwesterly right of way line of Interstate Highway 35, and into said 14.343 acre tract, the following courses:

North 73deg 10' 54" West, a distance of 132.88 feet, to a point;
North 16deg 30' 27" East, a distance of 159.07 feet, to a point;
North 73deg 36' 14" West, a distance of 111.77 feet, to a point;
North 16deg 35' 15" East, a distance of 54.56 feet, to a point;
South 73deg 36' 14" East, a distance of 37.93 feet, to a point;
South 16deg 35' 15" West, a distance of 17.40 feet, to a point;
South 73deg 36' 14" East, a distance of 4.96 feet, to a point;
North 16deg 23' 46" East, a distance of 138.12 feet, to a point;
North 28deg 15' 52" West, a distance of 25.99 feet, to a point;
South 61deg 38' 34" West, a distance of 2.70 feet, to a point;
North 28deg 07' 02" West, a distance of 16.18 feet, to a point;
North 61deg 44' 41" East, a distance of 3.63 feet, to a point;
North 28deg 15' 37" West, a distance of 5.75 feet, to a point;
North 61deg 44' 24" East, a distance of 2.73 feet, to a point;
North 28deg 15' 31" West, a distance of 4.10 feet, to a point;
South 61deg 44' 51" West, a distance of 3.33 feet, to a point;
North 28deg 15' 11" West, a distance of 16.60 feet, to a point;
North 61deg 45' 08" East, a distance of 2.36 feet, to a point;
North 28deg 15' 22" West, a distance of 6.17 feet, to a point;
North 62deg 01' 58" East, a distance of 10.77 feet, to a point;
North 27deg 58' 21" West, a distance of 8.74 feet, to a point;
North 62deg 02' 01" East, a distance of 5.59 feet, to a point;
North 27deg 58' 57" West, a distance of 3.21 feet, to a point;

North 62deg 01' 11" East, a distance of 16.23 feet, to a point;
South 27deg 59' 18" East, a distance of 2.52 feet, to a point;
North 62deg 01' 29" East, a distance of 22.15 feet, to a point;
North 73deg 43' 02" West, a distance of 115.71 feet, to a point;
North 16deg 16' 58" East, a distance of 31.37 feet, to a point;
South 73deg 43' 02" East, a distance of 9.00 feet, to a point;
North 16deg 16' 58" East, a distance of 34.62 feet, to a point;
South 73deg 36' 10" East, a distance of 42.72 feet, to a point;
North 16deg 24' 32" East, a distance of 121.25 feet, to a point on the southwesterly right of way line of East 15th Street;

THENCE, South 73deg 35' 28" East, along the southwesterly right of way line of East 15th Street, a distance of 284.69 feet, to the **POINT OF BEGINNING** and containing 3.182 acres (138,607 square feet) of land, more or less.

Basis of bearings is the Texas State Plane Coordinate System, Central Zone, NAD 83.

James W Russell
10/27/16

James W. Russell
Registered Professional Land Surveyor No. 4230
Kimley-Horn and Associates, Inc.
601 NW Loop 410, Suite 350
San Antonio, Texas 78216
Ph. 210-541-9166
jim.russell@kimley-horn.com
TBPLS Firm No. 10193973

EXHIBIT C

PERMITTED EXCEPTIONS

a. The terms, conditions and stipulations of those certain Tenant Leases, as evidenced by Assignment of Seller's Interest in Tenant Leases and Assumption Agreement dated November 15, 1991, recorded in Volume 11567, Page 1645 of the Real Property Records of Travis County, Texas.

b. The terms, conditions and stipulations of that certain Lease Agreement dated October 1, 1995, executed by and between the City of Austin, as Lessor, and Daughters of Charity Health Services of Austin d/b/a Seton Medical Center, as Lessee, evidenced by Memorandum of Lease recorded in Volume 12533, Page 238, as further affected by Consent to Assignment and Waiver recorded in Volume 12533, Page 247, both of the Real Property Records of Travis County, Texas. (No release or renewal recited in any instrument found of record.)

c. Stormsewer line and workspace area located upon and across the subject property as evidenced by Declaration of Location of Stormsewer Line dated September 28, 1995, recorded in Volume 12533, Page 304 of the Real Property Records of Travis County, Texas.

d. Wastewater line and workspace area located upon and across the subject property as evidenced by Declaration of Location of Wastewater Line dated September 28, 1995, recorded in Volume 12533, Page 311 of the Real Property Records, as partially released by instrument recorded under Document No. 2002013598 of the Official Public Records, both of Travis County, Texas.

e. The terms, conditions and stipulations of that certain License Agreement dated January 7, 1997, recorded in Volume 12849, Page 394 of the Real Property Records of Travis County, Texas.

f. Drainage, waterline and wastewater easements located upon and across the subject property as evidenced by Memorandum Designating Locations of New Drainage, Waterline and Wastewater Easements at Children's Hospital of Austin - "Brackenridge" dated December 11, 1998, recorded in Volume 13328, Page 716 of the Real Property Records, as further affected by Right of Way Encroachment License Agreement No. #WP 477-1109 recorded under Document No. 2011183680 of the Official Public Records, both of Travis County, Texas.

g. Waterline easement located upon and across the subject property as evidenced by Memorandum Designating the Location of a 1792 Square Foot Waterline Easement at the Brackenridge Children's Hospital of Austin dated July 7, 2000, recorded under Document No. 2000106528, as further affected by Right of Way Encroachment License Agreement No. #WP 477-1109 recorded under Document No. 2011183680, both of the Official Public Records of Travis County, Texas.

h. Terms, conditions and stipulations of that certain Installation and Service Agreement in favor of Time Warner Cable, as evidenced by that certain Easement and Memorandum of Agreement dated August 14, 2002, and recorded under Document No. 2002167767 of the Official Public Records of Travis County, Texas.

i. The terms, conditions and stipulations of that certain Lease Agreement dated June 1, 2013, executed by and between Travis County Healthcare District, as Lessor, and Seton Family of Hospitals, a Texas nonprofit corporation, as Lessee, evidenced by Memorandum of Lease recorded under Document No. 2013111523 of the Official Public Records of Travis County, Texas.

j. INTENTIONALLY DELETED.

k. The terms, conditions and stipulations of that certain Lease Agreement dated _____, 2017, executed by and between Travis County Healthcare District, as Lessor, and Seton Family of Hospitals, a Texas nonprofit corporation, as Lessee, evidenced by Memorandum of Lease recorded under Document No. _____ of the Official Public Records of Travis County, Texas.

l. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.

m. Easements, or claims of easements, which are not recorded in the public records.

n. Rights of parties in possession. (Owner Policy Only)

EXHIBIT D

FORM OF GUARANTY

GUARANTY

As a material inducement to Landlord to enter into the CEC Lease Agreement, dated December 15, 2017 (the "**Lease**"), between **SETON FAMILY OF HOSPITALS**, a Texas nonprofit corporation, as Tenant, and **TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH**, a political subdivision of the State of Texas, as Landlord, **ASCENSION TEXAS**, a Texas non-profit corporation f/k/a Seton Healthcare Family ("**Guarantor**"), hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Tenant (and any assignee) under the Lease and any extensions or renewals of and amendments to the Lease. This Guaranty is an absolute, primary, and continuing, guaranty of payment and performance and is independent of Tenant's obligations under the Lease. Guarantor shall be primarily liable, jointly and severally, with Tenant and any other guarantor of Tenant's obligations under the Lease. Guarantor waives any right to require Landlord to (a) join Tenant with Guarantor in any suit arising under this Guaranty, (b) proceed against or exhaust any security given to secure Tenant's obligations under the Lease, or (c) pursue or exhaust any other remedy in Landlord's power under the Lease.

Until all of Tenant's obligations to Landlord have been discharged in full, Guarantor shall have no right of subrogation against Tenant. Landlord may, without notice or demand and without affecting Guarantor's liability hereunder, from time to time, compromise, extend, renew or otherwise modify any or all of the terms of the Lease by amendment, novation or otherwise (including a new lease, to the extent a court of competent jurisdiction determines any of the foregoing constitutes a new lease), or fail to perfect, or fail to continue the perfection of, any security interests granted under the Lease. Without limiting the generality of the foregoing, if Tenant elects to increase the size of the leased premises, extend or renew the lease term, or otherwise expand Tenant's obligations under the Lease, Tenant's execution of such lease documentation shall constitute Guarantor's consent thereto (and such increased obligations of Tenant under the Lease shall constitute a guaranteed obligation hereunder); Guarantor hereby waives any and all rights to consent thereto. Guarantor waives any right to participate in any security now or hereafter held by Landlord. Guarantor hereby waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, dishonor and notices of acceptance of this Guaranty, and waives all notices of existence, creation or incurring of new or additional obligations from Tenant to Landlord. Guarantor further waives all defenses afforded guarantors or based on suretyship or impairment of collateral under applicable Law, other than payment and performance in full of Tenant's obligations under the Lease. The liability of Guarantor under this Guaranty will not be affected by (1) the release or discharge of Tenant from, or impairment, limitation or modification of, Tenant's obligations under the Lease in any bankruptcy, receivership, or other debtor relief proceeding, whether state or federal and whether voluntary or involuntary; (2) the rejection or disaffirmance of the Lease in any such proceeding; or (3) the cessation from any cause whatsoever of the liability of Tenant under the Lease.

Guarantor shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned, (A) assign or transfer this Guaranty or any estate or interest herein, whether directly or by operation of law, (B) permit any other entity to become Guarantor hereunder by merger, consolidation, or other reorganization, or (C) permit the transfer of an ownership interest in Guarantor so as to result in a change in the current direct or indirect control of Guarantor. If Guarantor violates the foregoing restrictions or otherwise

defaults under this Guaranty and such violation or default continues for thirty (30) days after Guarantor has been given a written notice from Landlord specifying such violation or default, Landlord shall have all available remedies at law and in equity against Guarantor and Tenant. Without limiting the generality of the foregoing, Landlord may (i) declare an Event of Default under the Lease, (ii) require Guarantor and/or Tenant (at Landlord's election) to deliver to Landlord additional security for the obligations of Tenant and Guarantor under the Lease and this Guaranty, respectively, which additional security may be in the form of an irrevocable letter of credit issued by a bank reasonably acceptable to Landlord and in form and substance reasonably satisfactory to Landlord, and in an amount to be determined by Landlord in its reasonable discretion. Any and all remedies set forth in this Guaranty: (a) shall be in addition to any and all other remedies Landlord may have at law or in equity, (b) shall be cumulative, and (c) may be pursued successively or concurrently as Landlord may elect. The exercise of any remedy by Landlord shall not be deemed an election of remedies or preclude Landlord from exercising any other remedies in the future.

Guarantor represents and warrants, as a material inducement to Landlord to enter into the Lease, that (1) this Guaranty and each instrument securing this Guaranty have been duly executed and delivered and constitute legally enforceable obligations of Guarantor; (2) there is no action, suit or proceeding pending or, to Guarantor's knowledge, threatened against or affecting Guarantor, at law or in equity, or before or by any governmental authority, which might result in any materially adverse change in Guarantor's business or financial condition; (3) execution of this Guaranty will not render, on a fully consolidated basis, Guarantor insolvent; and (4) Guarantor expects to receive substantial benefits from Tenant's financial success.

Guarantor shall pay to Landlord all reasonable costs incurred by Landlord in enforcing this Guaranty (including, without limitation, reasonable attorneys' fees and expenses). The obligations of Tenant under the Lease, if any, to execute and deliver estoppel and financial statements, as therein provided, shall be deemed to also require Guarantor hereunder to do so and provide the same relative to Guarantor following written request by Landlord in accordance with the terms of the Lease however, any such estoppel certificate to be provided by Guarantor shall be with respect to this Guaranty rather than certifications regarding the Lease. This Guaranty shall be binding upon the heirs, legal representatives, successors and assigns of Guarantor and shall inure to the benefit of Landlord's successors and assigns.

Any notice provided for or permitted to be given to Guarantor hereunder must be in writing and may be given by (a) depositing the same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth herein; or (b) delivering the same to Guarantor in person or through a reliable courier service. Notice given in accordance herewith shall be effective upon receipt at the address of Guarantor, as evidenced by the executed postal receipt or other receipt for delivery. For purposes of notice, the address of Guarantor hereto shall, until changed, be as follows:

Ascension Texas
1345 Philomena Street, Suite 402
Austin, TX 78723
Attention: President and Chief Executive Officer

With a copy (which shall not constitute notice) to:	Ascension Texas 1345 Philomena Street, Suite 402 Austin, TX 78723 Attention: General Counsel

Guarantor shall have the right from time to time to change its address for purposes of notice hereunder to any other location within the continental United States by giving ten (10) days advance notice to Landlord to such effect in accordance with the provisions hereof. Any such notice given by counsel or authorized agent for Guarantor shall be deemed to have been given by Guarantor.

This Guaranty will be governed by and construed in accordance with the laws of the State in which the Premises (as defined in the Lease) is located. The proper place of venue to enforce this Guaranty will be the county or district in which the Premises is located. In any legal proceeding regarding this Guaranty, including enforcement of any judgments, Guarantor irrevocably and unconditionally (1) submits to the jurisdiction of the courts of law in the county or district in which the Premises is located; (2) accepts the venue of such courts and waives and agrees not to plead any objection thereto; and (3) agrees that (a) service of process may be effected at the address specified herein, or at such other address of which Landlord has been properly notified in writing, and (b) nothing herein will affect Landlord's right to effect service of process in any other manner permitted by applicable law.

Guarantor acknowledges that it and its counsel have reviewed and revised this Guaranty and that the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Guaranty or any document executed and delivered by Guarantor in connection with the transactions contemplated by this Guaranty.

The representations, covenants and agreements set forth herein will continue and survive the termination of the Lease or this Guaranty. The masculine and neuter genders each include the masculine, feminine and neuter genders. This instrument may not be changed, modified, discharged or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord. The words "Guaranty" and "guarantees" will not be interpreted to modify Guarantor's primary obligations and liability hereunder.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

[SIGNATURE PAGE TO LEASE GUARANTY]

Executed to be effective as of January 1, 2018.

ASCENSION TEXAS, a Texas nonprofit corporation,
f/k/a Seton Healthcare Family

By:_____
Name: _____
Title: _____

ASCENSION TEXAS, a Texas nonprofit corporation,
f/k/a Seton Healthcare Family

By:_____
Name: _____
Title: _____

[SIGNATURE PAGE TO LEASE GUARANTY]

Executed to be effective as of January 1, 2018.

ASCENSION TEXAS, a Texas nonprofit corporation,
f/k/a Seton Healthcare Family

By: _____
Greg Hartman
Chief of External and Academic Affairs

ASCENSION TEXAS, a Texas nonprofit corporation,
f/k/a Seton Healthcare Family

By: _____
Scott Herndon
Senior Vice President and Chief Financial Officer

EXHIBIT E

MASTER PLAN

Gensler

CENTRAL HEALTH BRACKENRIDGE CAMPUS MASTER PLAN

JANUARY 27, 2016

CENTRAL HEALTH

BRACKENRIDGE CAMPUS

Introduction from Central Health

Patricia A. Young Brown
President and Chief Executive Officer,
Central Health

Clarke Heidrick
Central Health Board of Managers:
Ad Hoc Central Health Downtown Campus/
Innovation Zone Committee Chairperson

CENTRAL HEALTH

1111 East Cesar Chavez St.
Austin, Texas 78702
Phone: 512-978-8000
Fax: 512-978-8156
www.centralhealth.net

Jan. 27, 2016

Central Health's Brackenridge Campus is an integral part of the City of Austin's history. For more than 100 years the site has served the medical needs of Austin, Travis County and surrounding areas—providing a sanctuary where our most vulnerable residents have received quality health care services, regardless of their ability to pay.

Today, the 14.3-acre Brackenridge Campus resides at the heart of Austin's most dynamic and innovative downtown developments, and holds the potential to connect our communities.

Immediately north of the campus is the burgeoning University of Texas at Austin Medical District, which will soon include a brand new medical school, research facilities and teaching hospital. To the east are the culturally diverse neighborhoods of East Central Austin. To the west is the Texas Capitol Complex where officials are planning a pedestrian mall and new state office buildings along North Congress Avenue. South of the campus sits downtown Austin, including an evolving Innovation Zone which will serve as a base for high-tech businesses and entrepreneurs. And, immediately west of the Brackenridge Campus is Waterloo Park, the starting point of an interconnected park system, which will extend through downtown.

The location of the Brackenridge Campus—combined with the relocation in 2017 of the University Medical Center Brackenridge hospital operations from the campus to the Dell Seton Medical Center at The University of Texas at Austin—offers an unprecedented redevelopment opportunity for Central Health with the potential to greatly benefit all of the residents of Travis County in the years to come.

The property is owned by Central Health—the special-purpose governmental entity created by voters in 2004 to ensure Travis County's most vulnerable residents have sufficient access to health care. Going forward, it is Central Health's intention that the campus continues to support our mission while also aligning with the synergy of the surrounding transformation.

To set our goals for the redevelopment of the Brackenridge Campus, the Central Health Board of Managers, executive management, staff, and consultants have collaborated with community members to develop a plan for the property. To guide the process, the Board adopted three guiding principals focusing on: meeting our health/healthcare *mission*, providing *stewardship* of taxpayer dollars, and developing *partnerships* with our neighbors and the larger community. The Central Health Brackenridge Campus Master plan presented here is the culmination of this work.

We are proud to present this document as a vision of what the Brackenridge Campus may become, and how it can serve our community. We hope that the project will create an invaluable community legacy for future generations.

Client Team

Central Health Board of Managers
- Katrina Daniel, Chairperson
- Lynne Hudson, Vice-Chairperson
- Rosie Mendoza, Treasurer*
- William "Kirk" Kuykendall, Secretary*
- Brenda Coleman-Beattie[1]
- Dr. Thomas B. Coopwood[2]
- Sherri Greenberg*
- Clarke Heidrick*
- Rebecca Lightsey[1]
- Cynthia Valadez
- Richard K. Yuen[3]
- Dr. Guadalupe Zamora

* Ad Hoc Central Health Downtown Campus/ Innovation Zone Committee Member
[1] Served through December 2014
[2] Served through December 2015
[3] Joined January 2016

Central Health Team
- Patricia A. Young Brown, President & Chief Executive Officer
- Larry Wallace, Executive Vice President & Chief Operating Officer
- Christie Garbe, Vice President & Chief Strategy Officer
- Jeff Knodel, Vice President & Chief Financial Officer
- Sarah Malm, Senior Director of Strategy & Business Development
- Juan Garza, Vice President of Finance & Development
- Monica Crowley, Senior Director of Communications
- John Stephens, Community Care Collaborative Executive Director

Legal Counsel - Husch Blackwell
- Adam Hauser, J.D., Partner
- David Hilgers, J.D., Partner
- Nikelle Meade, J.D., Partner

Consultant Team

Executive Campus Planner
Gensler

Urban Design & Planning
McCann Adams Studio

Real Estate Economics
Economic and Planning Systems

Public Relations & Community Outreach
Rifeline

Economic Strategy Advisors
TXP

Sustainability
Center for Maximum Potential Building Systems

Civil & Transportation Engineers
Kimley Horn

Structural Engineer
Walter P Moore

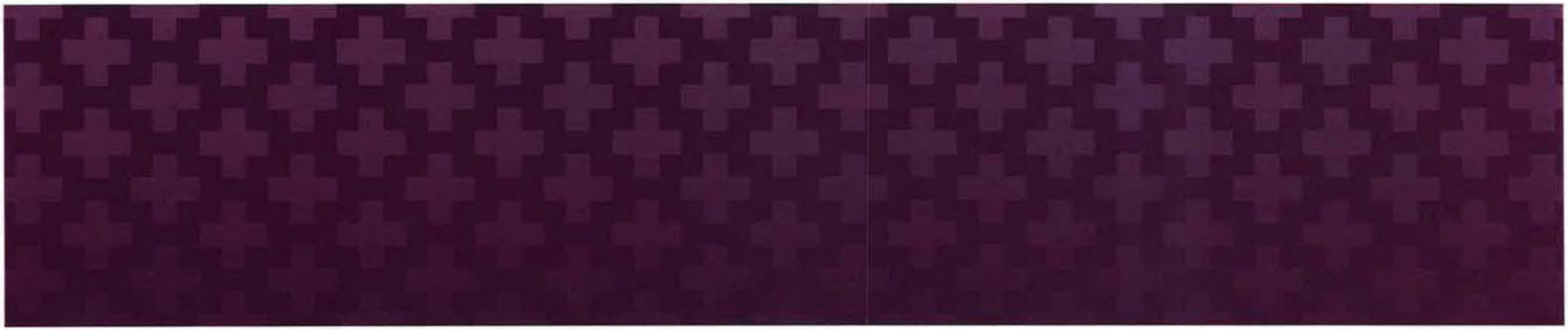
MEP Engineer
TTG Goetting

Cost Estimating
Faithful Gould

Government & Community Relations
Sheryl Cole

Table of Contents

1. INTRODUCTION: THE OPPORTUNITY



The Opportunity

The opportunity to redevelop the Central Health Brackenridge Campus springs out of initiatives and opportunities that are beginning to transform the health care delivery system and its physical infrastructure in Travis County. The introduction of the Texas 1115 Waiver in 2011 provided the opportunity for State Sen. Kirk Watson to propose his "10 Goals in 10 Years" (10 in 10 Initiative). This opportunity set the stage for Central Health's successful 2012 tax ratification election to fund the transformation and improvement of community health outcomes for the most-in-need residents of Travis County with the help of a new medical school at The University of Texas at Austin. This mandate from the voters of Travis County to support the Dell Medical School at The University of Texas led Seton Healthcare Family (Seton) to build a new teaching hospital beside the medical school. Both the medical school and the teaching hospital are now under construction and expected to open in 2016 and 2017, respectively.

When the Dell Seton Medical Center at The University of Texas opens, Seton will transfer hospital operations from the current facility at University Medical Center Brackenridge (UMCB) to this new hospital. Seton's move to its new facilities opens a unique opportunity to redevelop Central Health's 14-acre Brackenridge Campus and build a new, mixed-use community within Austin's downtown, where people can live, work, learn and play. By maintaining focus on mission, stewardship, and partnership during the redevelopment of the Brackenridge Campus, Central Health will realize a once-in-a-generation opportunity to transform and improve health care in Travis County, and do so in a way that supports its mission and promotes economic development for our diverse community.

Over the past two years, Central Health has been actively engaged in developing the master plan for this strategic downtown property that has been the site of Austin's public hospital for over 100 years. This Master Plan, informed by significant public outreach and stakeholder input, lays out a broad vision for the future of the Brackenridge Campus that is consistent with Central Health's mission. The Plan sets forth specific policies and actions intended to guide the near and long-term reuse and redevelopment of the property, which will begin when Seton transfers hospital operations from the existing UMCB hospital complex to the new Dell Seton Medical Center.

10 Goals in 10 Years

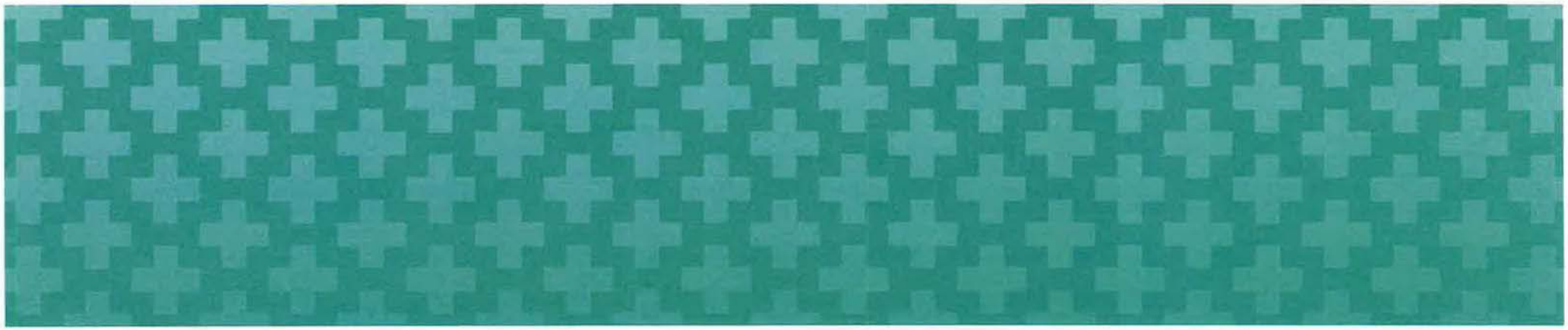
In 2011, State Sen. Kirk Watson called on our community to address Central Texas health needs and opportunities by achieving 10 important goals over the next 10 years. The 10 goals are:

1. **Build a medical school**
2. **Build a modern teaching hospital**
3. **Foster modern, uniquely Austin health clinics**
4. Develop a research institute and laboratories for public and private research
5. Launch a new commercialization incubator
6. Make Austin a center for comprehensive cancer care
7. **Provide needed behavioral health services and facilities**
8. **Improve basic infrastructure, and create a sense of place**
9. Bolster the medical examiner's office
10. **Solve the funding puzzle**

(Note: Circled and bolded initiatives have begun.)

Aerial view of potential build-out of Brackenridge Campus Master Plan, looking northeast

2. BRACKENRIDGE CAMPUS SITE AND BUILDINGS



The Site and its Context

Bounded by Red River Street on the west, 15th Street on the north and the I-35 freeway frontage road on the east, the Central Health Brackenridge Campus is a large "superblock" within downtown Austin. Today, there are no public streets running through the Brackenridge Campus, although the original City Plan of Austin laid out by Edwin Waller in 1839 envisioned this area with a grid of streets encompassing six square blocks.

The complex of buildings on the Brackenridge Campus is organized around the Hospital, constructed in phases from 1967 to 1974. The **Hospital Tower** occupies the southern part of Block 167 and is a nine-story tower flanked by one- and two-story wings, providing 363 inpatient beds and more than 530,000 square feet of floor area. The 200,000-square-foot **Clinical Education Center (CEC)** building east of the Hospital Tower was home to the Children's Hospital until 2007, but is now used to train physicians and clinicians in the latest procedures using state-of-the-art equipment. The three-story **Professional Office Building (POB)** along Red River Street offers 43,000 square feet of office and clinical space. Two parking garages are located on the Brackenridge Campus: the **Main Parking Garage**, a nine-level structure with 1,431 spaces, adjacent to the Hospital at Red River and 15th streets, and the **CEC Parking Garage** with 367 spaces, just south of the CEC building. The **Central Plant** building and underground infrastructure provides hot and chilled water for the heating and cooling of the Brackenridge Campus buildings.

The original 1839 City Plan of Austin

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