LEASE AGREEMENT

between

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A
CENTRAL HEALTH

as Landlord

and

SETON FAMILY OF HOSPITALS

as Tenant

Effective as of June 1, 2013

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LEASE AGREEMENT

This Lease Agreement (this "**Lease**") is entered into as of June 1, 2013 (the "**Effective Date**"), by and between the Travis County Healthcare District, a political subdivision of the State of Texas ("**Landlord**"), and Seton Family of Hospitals, a Texas nonprofit corporation ("**Tenant**").

RECITALS:

WHEREAS, Landlord owns the Premises (as hereinafter defined), the Clinic (as hereinafter defined), and all of Landlord's right, title and interest, if any, in the rights, benefits, privileges, easements, hereditaments and appurtenances thereto; and

WHEREAS, Tenant owns the Equipment and the Inventory (as hereinafter defined); and

WHEREAS, in order to best accomplish its statutory purpose, Landlord desires to lease the Premises to Tenant as described in this Lease;

WHEREAS, Landlord has concluded that the transaction described in this Lease will significantly benefit the residents of Travis County, Texas, and that, as a result of such transaction, University Medical Center Brackenridge (as hereinafter defined) will continue to serve as a primary safety net hospital by providing essential health services, including trauma, emergency and women's services (to the extent provided in and not limited by this Lease), for all residents of Travis County, Texas, regardless of their financial status; and

WHEREAS, 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 operations of University Medical Center Brackenridge presently being operated on the Premises; and

WHEREAS, (i) Landlord and Seton Healthcare Family, a Texas nonprofit corporation ("**Seton Healthcare Family**"), are entering into a Master Agreement dated as of June 1, 2013 (as amended from time to time, the "**Master Agreement**") and an Option to Purchase dated as of June 1, 2013 (as amended from time to time, the "**Option Agreement**"), and (ii) Landlord, Tenant and Community Care Collaborative, a Texas nonprofit corporation ("**CCC**"), are entering into an Omnibus Healthcare Services Agreement dated as of June 1, 2013 (as amended from time to time, the "**Omnibus Healthcare Services Agreement**"); and

WHEREAS, 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:

"**Accounts Receivable**" shall mean all right, title, and interest of a party in and to the accounts receivable and claims for payment derived from operations of such party on the Premises, including the right to receive reimbursement under the Medicare and Medicaid programs.

"**Additional Rent**" has the meaning set forth in Section 4.2.

"**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. For the avoidance of doubt: (a) CCC shall be considered an "Affiliate" of Landlord for the purposes of this definition; and (b) CommUnityCare shall not be considered an "Affiliate" of Landlord for the purposes of this definition.

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

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

"**Amended and Restated Lease Agreement**" means the Amended and Restated Lease Agreement entered into as of October 27, 2006 [amending and restating that certain original lease dated as of September 29, 1995 between the City and Daughters of Charity Health Services of Austin d/b/a Seton], by and between Landlord and Tenant as amended by: (a) Letter Agreement effective as of November 1, 2006, which was terminated effective as of July 1, 2008; (b) Letter Agreement effective as of July 1, 2008; (c) Letter Agreement effective as of September 30, 2008; (d) First Amendment to the Amended and Restated Lease Agreement dated as of October 1, 2010; (e) Second Amendment to the Amended and Restated Lease Agreement dated effective as of July 1, 2012, which was rescinded by Landlord and Tenant in its entirety with effect as of such date; and (f) any and all amendments, modifications or supplements thereto, or other agreements, whether written or oral, between Landlord and Tenant with regard thereto.

"**Ancillary Agreements**" means the Master Agreement, the Option Agreement, the Omnibus Healthcare Services Agreement, and the New Teaching Hospital Agreement.

"**Applicable Law**" means, collectively, the Constitution of the State of Texas, all 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 or the Premises, the Clinic, the Inventory, or the Equipment.

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

"**Base Rent**" has the meaning set forth in Section 4.1.

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

"**Catch Up Rent**" has the meaning set forth in Section 4.1.

"**CCC**" has the meaning set forth in the Recitals.

"**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 10.6(a).

"**Claims**" has the meaning set forth in Section 10.6(a).

"**Clinic**" means the approximately 6,028 square feet of space, comprising Suite 320 and an unidentified portion of the central corridor office space on the third floor of the Office Building, as shown as the "Community Care OB Clinic" on the floor plan attached hereto as **Exhibit A**, and formerly designated as Suite 316 and Suite 320 in the Office Building.

"**Clinic Proportionate Share**" means 13.98%, which is the percentage obtained by dividing (a) the 6,028 square feet in the Clinic by (b) the 43,107 square feet in the Office Building.

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

"**CommUnityCare**" means Central Texas Community Health Centers, a Texas nonprofit corporation.

"**Construction Standards**" has the meaning set forth in Section 7.3(a).

"**Contingent Rent**" has the meaning set forth in Section 4.1.

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

"**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.

"**Dell Children's Medical Center**" means the Dell Children's Medical Center of Central Texas owned and operated by Tenant on property acquired by Tenant and located on a portion of the site formerly operated by the City as the Robert Mueller Airport.

"**Designated Real Property**" has the meaning set forth in Section 17.1(b).

"**Dispute**" has the meaning set forth in Article 18.

"**Effective Date**" has the meaning set forth in the Preamble.

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

"**Equipment**" means all furniture, furnishings and equipment now owned by Tenant and located at the Premises or used in connection with the operation of the Premises, as described on **Schedule 1**, together with each item of furniture, furnishings and equipment that is purchased or acquired by Tenant for use in the Premises either (i) to replace an item of similar use that was formerly included in the definition of Equipment but has been disposed of by Tenant in accordance with Section 12.4 or (ii) in connection with Tenant's use and operation of the Premises. The term "**Equipment**" expressly excludes any of the equipment disposed of by Tenant as permitted in Section 12.4, when disposed of by Tenant.

"**Escrow Agent**" has the meaning set forth in Section 15.4(f).

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

"**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.

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

"**Final Termination Date**" has the meaning set forth in Section 15.5.4.

"**Fiscal Year**" has the meaning set forth in Section 4.1(c).

"**Fixed Rent**" has the meaning set forth in Section 4.1.

"**Force Majeure**" has the meaning set forth in Section 19.9.

"**Force Majeure Party**" has the meaning set forth in Section 19.9.

"**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.

"**Hazardous Materials**" means any 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 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.

"**Heritage Title Report**" means the title commitment dated effective May 23, 2103 and issued May 30, 2013 under GF No. 201300016A, which was prepared by Heritage Title Company of Austin, Inc., as agent for First American Title Insurance Company, with respect to the Land.

"**Imposition Trustee**" has the meaning set forth in Section 5.3.

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

"**Improvements**" means all buildings, structures and other improvements of every kind located on the Land, including without limitation, sidewalks, curbs, utility pipes, conduits and lines (on-site and off-site), and parking areas pertinent to such buildings, structures and improvements.

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

"**Interest Rate**" means an annual rate of interest equal to the lesser of (a) three and one-half percent (3.5%) above the "Prime Rate" as announced from time to time by The Wall Street Journal, or if such publication ceases to exist or report a "Prime Rate", 1 percent (1%) per annum above the base prime rate or reference rate announced from time to time by JPMorgan Chase Bank, N.A. (or any successor thereto) or such other major national banking institution selected by Landlord, or (b) the maximum contract rate of interest then permitted by Applicable Law as applied to Landlord or Tenant, as the case may be.

"**Inventory**" means all disposable inventory and supplies (including, without limitation, laundry, housekeeping, nursing, pharmaceutical, medical supply, and food inventories) owned or hereafter acquired by Tenant and used on or in connection with the Premises as of the termination of this Lease.

"**Land**" means all of the real property on the campus of and used in the operation of University Medical Center Brackenridge as set forth in the Legal Description.

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

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

"**Landlord Party**" has the meaning set forth in Section 10.6(a).

"**Landlord Termination Accounts Receivable**" has the meaning set forth in Section 15.5.4(f).

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

"**Landlord-Acquired Property**" has the meaning set forth in Section 15.4(f).

"**Landlord-Assumed Obligations**" has the meaning set forth in Section 15.5.4(c).

"**Landlord-Retained Property**" has the meaning set forth in Section 15.5.4(b).

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

"**Lease Amendment**" has the meaning set forth in Section 17.1(d).

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

"**Legal Description**" means the descriptions of the 14.015-acre tract of land and the 0.328-acre tract of land set forth in **Exhibit B** attached hereto.

"**Master Agreement**" has the meaning set forth in the Recitals.

"**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.

"**Medical School**" has the meaning set forth in Section 17.1(a).

"**Names and Marks**" means all of Landlord's right, title, and interest 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 or Landlord at any time prior to the Effective Date in connection with the operation of the Premises, and (iii) all goodwill and going concern value associated with the foregoing.

"**Necessary Approvals**" has the meaning set forth in Section 17.1(e).

"**Net Patient Service Revenues**" has the meaning set forth in Section 4.1(c).

"**New Landlord Facilities**" has the meaning set forth in Section 11.6(a).

"**New Teaching Hospital Agreement**" has the meaning set forth in Section 17.1(c).

"**Office Building**" means the professional office building consisting of approximately 43,107 square feet and constituting part of the Premises known as "Brackenridge Professional Building."

"**Omnibus Healthcare Services Agreement**" has the meaning set forth in the Recitals.

"**Option Agreement**" has the meaning set forth in the Recitals.

"**Patient Services**" has the meaning set forth in Section 17.1(e).

"**Patient Tower**" means the nine (9) story building consisting of approximately 534,822 square feet and constituting part of the Premises sometimes known as the "Patient Tower" or the "Bed Tower" of University Medical Center Brackenridge.

"**Party**" or "**Parties**" has the meaning set forth on page 1 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.

"**Post-Termination Services**" has the meaning set forth in Section 15.5.2.

"**Premises**" means (i) the Land, (ii) the Improvements, and (iii) all furniture, furnishings and equipment now owned by Landlord and located at the Premises. The term "**Premises**" expressly excludes (i) the Equipment, (ii) the Clinic, and (iii) the Inventory.

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

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

"**Rent**" has the meaning set forth in Section 4.2.

"**Rental Damages**" means the sum of $50,000,000.

"**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.

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

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

"**Seton Healthcare Family**" has the meaning set forth in the Recitals.

"**Teaching Hospital**" has the meaning set forth in Section 17.1(a).

"**Teaching Hospital Commencement Date**" has the meaning set forth in Section 17.1(e).

"**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 10.6(b).

"**Tenant Prorated Amount**" has the meaning set forth in Section 15.5.4(e).

"**Tenant Required Alteration**" has the meaning set forth in Section 7.4(a).

"**Tenant Termination Accounts Receivable**" has the meaning set forth in Section 15.5.4(f).

"**Tenant Termination Services**" has the meaning set forth in Section 15.5.4(e).

"**Tenant's Knowledge**" or "**Knowledge**" when referring to Tenant shall mean the current, actual knowledge, without 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 (other than the Inventory) then-owned by Tenant and located at the Premises or used in connection with the operation of the Premises. The term "**Tenant's Personal Property**" expressly excludes the Inventory.

"**Tenant-Retained Obligations**" has the meaning set forth in Section 15.5.4(c).

"**Term**" has the meaning set forth in Section 3.1.

"**Termination Date**" has the meaning set forth in Section 15.5.1.

"**Termination Notice**" has the meaning set forth in Section 15.5.1.

"**Termination Notice Date**" has the meaning set forth in Section 15.5.1.

"**Termination Notice Period**" has the meaning set forth in Section 15.5.1.

"**Termination Patient**" has the meaning set forth in Section 15.5.4(e).

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

"**University Medical Center Brackenridge**" means the health facility, which includes a 403-bed acute care hospital facility, a medical office building, and related support facilities and other assets, located in Austin, Texas.

"**UT-Austin**" has the meaning set forth in Section 17.1(a).

"**UT-Austin/Landlord Agreement**" has the meaning set forth in Section 17.1(b).

1.2 Terminology. The terms defined in 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 "Schedules" shall mean the schedules attached to this Lease. All references to "Exhibits" shall mean the exhibits attached to this Lease. All such Schedules and 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 from time to time 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 otherwise requiring 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 has had adequate opportunity to inspect, conduct tests and other due diligence and otherwise evaluate the Premises.

1.5 Limitation on Landlord Obligations. Tenant acknowledges that all obligations of Landlord under this Lease are payable solely 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 terminating this Lease as specifically permitted by its terms or exercising Tenant's other non-monetary rights and remedies under this Lease.

ARTICLE 2
LEASE OF PREMISES

2.1 Lease. 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 Effective Date.

ARTICLE 3
TERM

3.1 Term. The term of this Lease (the "**Term**") shall commence on the Effective Date and, unless sooner terminated as provided herein, end on October 1, 2055.

ARTICLE 4
PAYMENT OBLIGATIONS

4.1 Base Rent. Commencing on the Effective Date and continuing through the end of the Term, Tenant shall pay to Landlord base rent ("**Base Rent**") as follows:

(a) $1,806,060 ("**Fixed Rent**") annually; plus

(b) $19,197,904 ("**Catch Up Rent**"); plus

(c) The amount ("**Contingent Rent**") determined as follows:

(i) For the period commencing on June 1, 2013 and continuing thereafter through August 31, 2013, Contingent Rent shall be $7,628,853.

(ii) For the period commencing on September 1, 2013 and continuing thereafter through August 31, 2014, Contingent Rent shall be $30,515,412.

(iii) Commencing on or before September 1, 2014 (or commencing as soon as reasonably practicable after such date), 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), and continuing throughout the remainder of the Term of this Lease, Tenant shall calculate the Net Patient Service Revenues that shall have been realized by Tenant during the Fiscal Year ended immediately prior to each such date. In the event that Tenant shall have realized in excess of $150,000,000 in Net Patient Service Revenues during such Fiscal Year, Tenant shall pay Landlord, with regard to the twelve-month period that shall commence on the first day of October immediately following such Fiscal Year, an amount equal to 14% of such Net Patient Service Revenues. Any such Contingent Rent shall be paid in twelve equal monthly installments, on the first day of each month, commencing on October 1 and continuing thereafter through September 30 of each such twelve-month period. In the event that Tenant shall not have realized at least $150,000,000 in Net Patient Service Revenues during any such Fiscal Year, Tenant shall not be obligated to pay Landlord any Contingent Rent with regard to such twelve-month period. Subject to the mutual agreement of Landlord and Tenant, the calculation of Net Patient Service Revenues, as set forth herein, may be reevaluated from time to time.

(iv) Any provision contained herein to the contrary notwithstanding, in no event shall Tenant be obligated to pay Landlord any amount of Contingent Rent, with regard to any twelve-month period occurring during the Term of this Lease that, when aggregated with the Fixed Rent exceed the fair market value of lease rentals payable with regard to the Premises.

As used in this Section 4.1(c), the terms "**Fiscal Year**" shall mean Tenant's fiscal year, which shall end on June 30 of each year, and "**Net Patient Service Revenues**" shall mean the total patient revenues of University Medical Center Brackenridge 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.

Fixed Rent shall be paid in monthly installments in the amount of $150,505. The first monthly installment of Fixed Rent shall be due and payable on the Effective Date, and subsequent monthly installments of Fixed Rent shall be due and payable on or before the first day of each succeeding calendar month during the Term.

Catch Up Rent shall be paid in one lump sum within fifteen (15) days after the Effective Date for the fair market value of Tenant's use of the Premises from October 1, 2012 through the Effective Date.

Contingent Rent, if any, shall be calculated in accordance with the provisions of Section 4.1(c), above, which Contingent Rent, if any, shall be paid by Tenant to Landlord in advance, on the first day of each month, commencing on June 1, 2013, and continuing thereafter throughout the remainder of the Term of this Lease. Base Rent for any partial calendar month within the Term shall be appropriately pro-rated. Tenant shall pay all installments of Base Rent by wire transfer of immediately available funds to an account designated by Landlord in a notice given to Tenant or in any other manner mutually acceptable to Landlord and Tenant.

4.2 Additional Rent. All amounts required to be paid by Tenant under the terms of this Lease (including Impositions and Contingent Rent) other than Base Rent are herein from time to time collectively referred to as "**Additional Rent**." Base Rent and Additional Rent are herein collectively referred to as "**Rent**."

4.3 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.

4.4 Permissible Offset of Rent. Any provision contained in this Lease to the contrary notwithstanding, at any time or from time to time during the Term of this Lease, Tenant shall be entitled to offset, against the Rent otherwise payable by Tenant to Landlord under this Lease, any amounts owed by Tenant (or any Affiliate of Tenant) to Landlord (or any Affiliate of Landlord) under any of the Ancillary Agreements.

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, the Clinic (subject to the provisions of Section 5.2), Tenant's Personal Property, the Inventory, 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 sublessees or for any use or occupancy of the Premises or Tenant's Personal Property or the Inventory; (iii) such franchises, licenses, and permits as may be pertinent to the use of the Premises or Tenant's Personal Property or the Inventory; 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 or the Inventory. Impositions shall include: (x) all taxes, utilities, and insurance arising out of or related to Tenant's lease, ownership, use, and operation of the Premises, the Clinic (subject to the provisions of Section 5.2), Tenant's Personal Property, the Inventory, and all other property of Tenant used on the Land and the business conducted thereon by Tenant or any tenant, subtenant, or licensee of Tenant, (y) any taxes, assessments, or other impositions that Landlord is obligated to pay on the Premises, and (z) 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 or the Inventory. 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. Landlord is specifically excluded from the terms "**Governmental Authority**" and "**Governmental Authorities**" for purposes of this Section 5.1.

5.2 Tenant's Obligation. During the Term, 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), the Clinic (subject to the provisions of this Section 5.2 below), the Inventory, 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. 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 or the Inventory payable by Tenant hereunder, then Landlord shall promptly deliver same to Tenant. Impositions that are payable by Tenant for the tax year in which the Term ends shall be apportioned so that Tenant shall pay its proportionate share of the Impositions for such period of time. 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. Tenant shall, if so requested, deliver to Landlord evidence of due payment of all Impositions Tenant is obligated to pay hereunder, concurrently with the making of such payment.

Landlord and Tenant have consulted with respect to the payment of Impositions for the Clinic and have determined that it is not feasible to separate the Clinic from the Premises for purposes of assessment of Impositions. Consequently, Landlord shall pay to Tenant its share of the Impositions for the Office Building allocable to the Clinic and actually paid by Tenant, based on the Clinic Proportionate Share of such Impositions for the Office Building, within thirty (30) days after receipt of a written invoice therefor from Tenant.

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. If the amount being contested is more than $1,000,000, 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 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 reasonably exercised, 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 issued or given by the appropriate officials authorized by Applicable Law to issue the same or to receive payment of any Imposition of the existence, nonpayment, or amount of such Imposition shall be prima facie evidence for all purposes of the existence, payment, nonpayment, or amount of such Imposition.

5.5 Rendition. For each tax year commencing after the Effective Date, Tenant shall, to the extent that rendition of the Premises, Tenant's Personal Property and the Inventory is

required by Applicable Law, render the Premises, Tenant's Personal Property and the Inventory for each Governmental Authority imposing Impositions thereon and may, if Tenant shall so desire, endeavor at any time or times to obtain a lowering of the valuation of the Premises, Tenant's Personal Property and the Inventory for any year for the purpose of reducing ad valorem taxes thereon, and in such event, Landlord will, at the request of Tenant, cooperate in effecting such a reduction, provided that Landlord shall not be required to incur any material expense in connection therewith without its prior consent. Provided that no Event of Default then exists, and rendition of the Premises, Tenant's Personal Property and the Inventory by Landlord is not required by Applicable Law, Landlord may not, without the prior written consent of Tenant, render the Premises or any portion thereof or otherwise endeavor to obtain a lowering of the valuation of the Premises, Tenant's Personal Property and the Inventory.

5.6 Utilities. Tenant shall furnish at its own expense or cause to be furnished all utilities of every type and nature required by or for the Premises and the Equipment. Tenant shall pay when due, all charges for gas, light, heat, air conditioning and all other electrical charges, telephone, cable, internet service and all other communication services, and all other utilities and similar services rendered or supplied to the Premises and the Equipment, and all water rents, sewer service charges, or other similar charges levied or charged against, or in connection with, the Premises and the Equipment, and all other utilities used or consumed at the Premises. Tenant shall apply in its own name for such utilities and shall pay when due all charges for such utilities directly to the billing entity. Landlord and Tenant have consulted with respect to the metering of utilities for the Clinic and have determined that it is not feasible to meter them separately. Consequently, Landlord shall pay to Tenant the cost of utilities used by the Clinic, based on the Clinic Proportionate Share, within thirty (30) days after receipt of a written invoice therefor from Tenant. As used in this paragraph, "utilities" mean electricity, water (including hot and chilled water), steam, wastewater, gas, and, so long as Landlord, either directly or through CommUnityCare, is acquiring the same from Tenant, medical gases.

5.7 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 or the Inventory. 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. Tenant shall pay, as set forth in Section 5.2, all Impositions.

5.8 Right to Perform Tenant's Obligation as to Impositions. If Tenant fails to timely pay any Imposition for which it is responsible hereunder, or fails to timely notify Landlord of its intention to contest the same, or fails to pay contested Impositions as provided in Section 5.3, 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 Interest 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 the Ethical and Religious Directives. Any provision contain 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
ALTERATIONS

7.1 Alterations Generally. At any time and from time to time during the Term, Tenant may perform any alteration, improvement, addition, repair, remediation, reconstitution or other construction to or of the Premises (each, an "**Alteration**") as Tenant may elect, so long as Tenant complies with the provisions of Sections 7.2 and 7.3.

7.2 Notice to or Approval by Landlord. Prior to commencing any Alteration or commencing Rebuilding, Tenant shall give notice to and/or obtain the consent of Landlord, to the following extent:

(a) **Notice to Landlord**. If any Alteration or group of related Alterations or any Rebuilding is reasonably expected to cost more than $2,500,000, no later than ninety (90) days prior to commencing Alterations or commencing Rebuilding, Tenant shall give notice to Landlord describing the Alterations or the Rebuilding. For the avoidance of doubt, if any Alteration or group of related Alterations or any Rebuilding is reasonably expected to cost less than or equal to $2,500,000, then Tenant shall give notice to Landlord of the Alterations or the Rebuilding prior to the initiation of construction.

(b) **Consent by Landlord**. If any Alterations or group of related Alterations or Rebuilding is reasonably expected to cost in excess of $10,000,000 or increase or decrease by more than 20% the total number of square feet within the building or structure being altered or rebuilt, no less than ninety (90) days prior to commencing such Alterations or Rebuilding, Tenant shall provide to Landlord a notice describing in reasonable detail the Alterations or Rebuilding, including, without limitation, the approximate projected cost of the Alterations or Rebuilding, the anticipated dates of its commencement and completion, the use or uses to which it will be put, copies of exterior elevations, a site plan and exterior building materials, name of the proposed general contractor to perform such Alterations or Rebuilding, the name of the architect, structural

engineer and mechanical, electrical and plumbing engineer designing such Alterations or Rebuilding, and copies of any permits, licenses, contracts, or other information which Landlord may reasonably request. Landlord shall not unreasonably withhold or delay its consent to any such Alterations or Rebuilding, and Landlord may not withhold its consent based on aesthetic considerations. If, within ninety (90) days after receiving such notice and materials, Landlord has not given notice to Tenant objecting to such Alterations or Rebuilding, Landlord shall be deemed to have consented thereto. Notwithstanding the foregoing, but subject to the notice requirements set forth in Section 7.2(a), Tenant, at any time or from time to time, at its sole cost and expense, may remodel, remove, combine, partition or otherwise alter any interior space included within any building or structure comprising the Premises, and no such action shall require Landlord's consent as contemplated in this Section 7.2(b). For purposes of this Section 7.2(b), an Alteration that includes either the (i) the complete demolition of any building or structure located on the Land constituting a part of the Premises, and/or (ii) the addition of any floor to, or combination of any floors of, any building or structure located on the Land and constituting a part of the Premises shall require Landlord's consent under this section.

7.3 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 in a good and workmanlike manner in accordance with good industry practice for the type of work in question, and if the cost of such work exceeds $1,000,000, then also utilizing a general contractor;

(ii) all such construction or work shall be done in material compliance with all Applicable Laws;

(iii) 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;

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

(v) no such construction or work shall be commenced until Tenant shall have provided Landlord with payment and performance bonds if the cost of such work exceeds $2,500,000;

(vi) 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 University Medical Center Brackenridge; and

(vii) 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 have no right, authority, or power to bind Landlord or any interest in the Premises for any claim for labor or for 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 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 Interest 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 building or other improvements. 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.

7.4 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 (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 Sections 7.2 and 7.3.

7.5 Ownership of Improvements. During the Term all Improvements, including any Alteration and any Rebuilding, shall without payment by Landlord be included under the terms of this Lease and be solely the property of Landlord. No later than the date of the expiration, or within one hundred twenty (120) days after the earlier termination of the Term, but subject to the provisions of Section 15.5, Tenant shall have the right to remove any or all of Tenant's Personal Property, the Inventory and Tenant's other personal property located on the Premises, provided that resulting material damage or injuries to the Premises (other than the damage or injury resulting solely from the absence of the removed item) are promptly remedied at the expense of Tenant. During such time as Tenant is removing Tenant's Personal Property, the Inventory and Tenant's other personal property from the Premises, Tenant shall continue to maintain the insurance required to be maintained by Tenant hereunder, but shall have no obligation to pay Rent, Impositions or any other sums payable by Tenant to Landlord hereunder.

7.6 Subordination of Landlord's Lien. Landlord agrees to subordinate any and all liens it may assert on Tenant's Personal Property, the Inventory 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 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 AND MAINTENANCE AND REPAIRS

8.1 Use.

(a) Subject to the terms and provisions hereof, Tenant shall ensure that University Medical Center Brackenridge shall, until the Teaching Hospital Commencement Date, be part of the Safety Net System (as that term is defined in the Master Agreement) and shall have the right to use the Premises primarily as a health care facility, which (i) may include, without limitation and solely in the discretion of Tenant, uses for other inpatient and outpatient hospital services, diagnostic services, skilled care, rehabilitation (subject to the rights, if any, of Health South), long-term care, psychiatric and substance abuse services, other primary and specialty medical care, other trauma care, home health care, and for such other uses as may be necessary or incidental to such use, such as subleasing space to others as permitted herein; subject, in all cases, to the other terms and provisions hereof; and (ii) shall include the following essential community services: (A) emergency hospital services, including certification as a Level 1 trauma center and, if necessary, first as a Level 2 trauma center (or, in the alternative, maintain equivalent or comparable trauma facilities if such Level 1 and/or Level 2 designation is not available or does not exist), (B) maternity and women's services, other than services in contravention of the Ethical and Religious Directives as described in Article 6, and (C) services (including physician services) necessary (as determined by reference to the terms of this Lease, the Ancillary Agreements and Applicable Law) to support the services described in clauses (A) and (B) and in the Omnibus Healthcare Services Agreement.

(b) Tenant may provide such health care services (including, without limitation, emergency hospital services, including trauma services for pediatric patients, and neonatal intensive care services) at either or both of the Dell Children's Medical Center and/or the Premises, as Tenant may determine is appropriate to best serve the interests of the community's children after considering community needs, the opinions of physicians who treat pediatric patients, and prevailing standards of medical care (including developments in medical technology).

(c) Tenant's policies for University Medical Center Brackenridge operations shall conform to the provisions set forth in Article 6.

(d) Tenant shall not use or occupy the Premises or Tenant's Personal Property or the Inventory, permit the Premises or Tenant's Personal Property or the Inventory to be used or occupied, nor do or permit anything to be done in or on the Premises or Tenant's Personal Property or the Inventory in a manner which would (i) make it impossible to obtain the insurance required to be furnished by Tenant 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.

(e) Tenant shall not prohibit or restrict the free exercise of religion by any patient or guest using the Premises, or otherwise interfere with the religious rights or conscience of any such patients or visitors, except to the extent the same may unreasonably interfere with the operation of the Premises. Tenant shall not allow any part of the Premises to be used for sectarian purposes, including, without limitation, the teaching of doctrines or tenets of any particular faith, religion, the teaching of theological subjects, or other religious vocation (other than the clinical training of hospital chaplains for therapeutic activities). Tenant shall administer, operate, and maintain the Premises as a hospital and health care delivery system rendering health care services, or engaged in health education or research, in any case, available to members of the general public without discrimination as to race, color, religion, sex, or national origin. Nothing in this paragraph shall be deemed to prohibit Tenant from rendering or providing any service which it is required to render or provide to any person under any Applicable Law or any order or injunction issued or entered by any Governmental Authority.

(f) Except as explicitly provided in this Lease or by Applicable Law, Tenant, during the Term, shall have full management and control of the organization, operation, and maintenance of the Premises, the Inventory, Tenant's Personal Property and Tenant's other 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 the Premises, and shall be responsible for all debts, contracts, torts, and claims resulting from operation of the Premises during the Term, except as otherwise expressly provided in this Lease.

(g) Tenant shall perform all of 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 Internal Revenue Code of 1986, as amended.

8.2 Use of Names and Marks. Commencing on the Effective Date and continuing until the expiration or earlier termination of this Lease, Landlord agrees that Tenant shall have a nontransferable, exclusive, royalty-free right to use the Names and Marks and, after the Effective Date, Landlord shall not sell, lease, license, or otherwise dispose of the Names and Marks, or grant any license or other right to use the Names and Marks, to any party other than Tenant or its Affiliates. The name "Children's Hospital of Austin" may be used by Tenant at the Dell Children's Medical Center and at any other location where pediatric healthcare services may be

provided by Tenant. **LANDLORD DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF TITLE OR NONINFRINGEMENT WITH RESPECT TO SUCH NAMES AND MARKS. LANDLORD HAS NO OBLIGATION TO REGISTER, DEFEND, OR PRESERVE ANY SUCH NAME OR MARK OR TENANT'S RIGHT TO USE THE SAME.**

8.3 Provision of Duplicative Services.

(a) During the Term, Landlord, whether alone or in conjunction with any other party, will refrain from engaging, directly or indirectly, in the business of owning or operating an acute care hospital in the City or in Travis County, Texas or any county contiguous thereto, unless Landlord's Board of Managers reasonably and in good faith determines that Tenant has substantially reduced the services required under the Omnibus Healthcare Services Agreement, in violation of the provisions thereof, such that Landlord, through Tenant, is no longer fulfilling its constitutional and statutory obligations to the residents of Travis County, Texas or that the Ethical and Religious Directives are preventing Tenant from providing hospital services necessary for the residents of Travis County, Texas.

(b) If Landlord's Board of Managers makes that determination, Landlord's Board of Managers shall provide prompt written notice to Tenant of that determination. Tenant shall then have thirty (30) calendar days within which to cure such deficiency.

(c) Should Tenant fail to cure the deficiency within such thirty (30) day period, Landlord may provide the services it believes are lacking. Landlord shall first attempt to provide those services through a contract with a third-party or third-parties. If Landlord cannot contract for those services for any reason, Landlord may, alone or in conjunction with any other party, engage in the business of owning or operating an acute care hospital in the City or in Travis County, Texas or any county contiguous thereto.

(d) Notwithstanding the foregoing, Landlord may support and collaborate with accredited universities and medical schools to support medical research and graduate medical education. To the extent feasible, Landlord agrees to encourage the use of University Medical Center Brackenridge and any other health care facility in Travis County, Texas (including the Dell Children's Medical Center) or in the portions of the City not located within Travis County, Texas, that is more than 51% owned by Tenant or an Affiliate of Tenant, including any licensed hospital facility which is operated by Tenant or an Affiliate of Tenant under a lease agreement, management agreement, or other similar agreement, to provide in-patient and outpatient services in connection with such medical education and research.

8.4 Public Identification During Term. During the Term, Tenant shall not cause University Medical Center Brackenridge to be publicly identified as a Catholic healthcare facility; provided, however, that University Medical Center Brackenridge may be identified as a member of the Seton Family of Hospitals. Unless Landlord otherwise consents in writing after approval by Landlord's Board of Managers, Tenant shall operate the Premises under the names "University Medical Center Brackenridge" and "Brackenridge Professional Building."

8.5 Covenant of Continuous Operation. During the entire Term, except when prevented when doing so by Force Majeure or during periods of reconstruction following a casualty or condemnation, Tenant shall operate continuously throughout the Term University Medical Center Brackenridge located on the Premises in accordance with the terms and subject to the conditions set forth in Section 8.1(a) and in the Ancillary Agreements, including without limitation, as part of the Safety Net System (as that term is defined in the Master Agreement) until the Teaching Hospital Commencement Date.

8.6 Maintenance and Repairs.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, at its expense, 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 in a manner consistent with the maintenance and repair of Tenant's other similar facilities in the greater Austin, Texas metropolitan area.

(b) Additionally, Tenant shall cause all necessary systems included within the term "Premises" that affect the operation of the Clinic and that are owned or controlled by Tenant to operate around the clock on an uninterrupted basis, subject only to scheduled maintenance or interruptions due to events outside Tenant's control. It is understood that the Premises include, without limitation, the exterior walls around the third floor of the Office Building where the Clinic is located, the elevators serving the Clinic, the walkway from the parking garage, the hallways on the third floor of the Office Building, the Tenant-retained portion of the third floor of the Office Building, and all of the following, including on the third floor of the Office Building: all heating, air conditioning, ventilation, electrical power systems, chilled and hot water systems, steam generation and delivery system, medical gas system, exterior and interior lighting, fire alarm system, and the sprinkler system. Tenant shall not charge Landlord for the maintenance, repair, and operation of the Premises described in this subparagraph (b), except that Tenant may pass through to Landlord the Clinic Proportionate Share of Tenant's reasonable costs for the maintenance of the HVAC and medical gases in the Office Building, and Landlord will pay the same within thirty (30) days after receipt of a written invoice therefor from Tenant. In addition, Landlord recognizes that Landlord will pay for the consumption of electricity, water (including hot and chilled water), steam, wastewater, gas, and medical gases, which shall be handled as described in Section 5.6.

(c) 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 nonresponsibility 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 8.6 are inapplicable to repairs and replacements resulting from casualty or condemnation, which are addressed in Article 11 of this Lease.

(f) Nothing contained in this Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, expressed 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 due.

8.7 Amendments to Covenants, Restrictions, or Easements. Landlord, as owner of the Premises, will, from time to time so long as no Event of Default then exists, 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.

8.8 Access to the Clinic. Patients of the Clinic have and will continue to have throughout the Term non-exclusive access to the Clinic through two (2) elevators, both on the north side of the Office Building. There is also access to the Clinic via a walkway from the parking garage to the Office Building, which shall be continued throughout the Term as long as the parking garage is in operation. Landlord, its employees, agents, and invitees are granted an easement for pedestrian and vehicular ingress to and egress from the Clinic along and across all roadways and sidewalks within the Land.

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 or the Clinic.

(b) If Tenant prepares or has prepared an environmental site assessment or environmental audit report or any update of any of the foregoing with respect to the Premises, Tenant shall provide a copy of such assessment, report, or update to Landlord. Landlord acknowledges that Tenant has previously provided Landlord with a copy of the Environmental Report.

(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 10.6.

(d) Tenant acknowledges that its obligation in Section 10.6(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 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 during or after the Term of, any Hazardous Materials, which was (A) 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 (B) disposed of or released on or from the Premises during the Term; and

(iii) The release or continued release during or after the Term of any Hazardous Materials from any underground storage tank on the Premises if the tank was installed during the Term 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.

ARTICLE 10
INSURANCE

10.1 Building Insurance. During the Term, Tenant will, at its sole cost and expense, keep and maintain in force the following policies of insurance:

(a) Insurance on the Improvements and Equipment 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 have a replacement cost endorsement or similar provision. "**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 such Full Insurable Value shall be confirmed from time to time at the request of Landlord by one of the insurers.

(b) Boiler and pressure apparatus insurance to the limit of not less than $5,000,000 with respect to any one accident, such limit to be increased if requested by Landlord by an amount which may be reasonable at the time. If the Improvements shall be without a boiler plant, no such boiler insurance will be required.

(c) Worker's compensation and employer's liability coverage insurance as to Tenant's employees involved in the construction, operation, or maintenance of the Premises or the Equipment in compliance with Applicable Law.

(d) Such other insurance against other insurable 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 combined single limit of not less than $10,000,000. Tenant shall require that: (i) any general contractor for new facilities, Alterations or Rebuilding estimated to cost more than $2,500,000 provide completed operations coverage in its commercial general liability policy, and (ii) such insurance name Tenant and Landlord as additional insureds and be written on an occurrence, rather than a claims made, basis.

10.3 Professional Liability Insurance. Tenant will, at its cost and expense, maintain in effect with respect to its operations at the Premises professional liability insurance or a program of self-insurance consistent with that maintained from time to time by Tenant for its other similar facilities in the greater Austin, Texas metropolitan area.

10.4 Policies. 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. All property policies shall include Landlord as a loss payee. All liability (including professional liability) insurance policies shall name Landlord as an additional insured and shall include contractual liability endorsements. All such policies of insurance may be provided on either an occurrence or claims-made basis. If such coverage is provided on a claims made basis, such insurance shall continue throughout the Term of this Lease, and upon the termination of this Lease, or the expiration or cancellation of the insurance, Tenant shall purchase or arrange for the purchase of either an unlimited reporting endorsement ("Tail" coverage), or "Prior Acts" coverage from the subsequent insurer, with a retroactive date on or prior to the Effective Date of this Lease and for a period of not less than two (2) years following the termination or expiration of this Lease.

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. Prior to the Effective Date, Tenant shall furnish Landlord with certificates of insurance, with new certificates of insurance or other evidence of insurance to be delivered no later than ten (10) days prior to the 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 Interest 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.

10.5 Tenant's System Insurance. Tenant shall also maintain in effect with respect to the Premises and Equipment, insurance consistent with that maintained from time to time by Tenant for its other similar facilities in the greater Austin, Texas metropolitan area.

10.6 Indemnities. With respect to claims asserted prior to, on, or after the Effective Date, by third parties against either Tenant or Landlord relating to the Premises, the Equipment, or the business operated thereon, Tenant and Landlord agree as follows:

(a) Tenant shall indemnify, protect, defend, and hold harmless Landlord and Landlord's agents, officials, representatives, employees, invitees, contractors, and assigns (each a "**Landlord Party**") from and against any and all claims, demands, suits, and causes of action and any and all liabilities, costs, damages, expenses, and judgments incurred in connection therewith (including but not limited to reasonable attorneys' fees and court costs) (collectively, "**Claims**," and each individually, a "**Claim**"), whether arising in equity, at common law, or by statute, including the Texas Deceptive Trade Practices-Consumer Protection Act or similar statute of other jurisdictions, or under the law of contracts, torts (including, without limitation, negligence and strict liability without regard to fault) or property, and arising in favor of or brought by any of Landlord's employees, agents, contractors, invitees, or representatives, or by any Governmental Authority, or by any other third party, based upon, in connection with, relating to, or arising out of, or alleged to be based upon, be in connection with, relate to,

or arise out of Tenant's ownership, use, or operation of the Premises or the Equipment (or the actions or omissions of Persons other than Landlord Parties on or related to the Premises or Equipment) on or after October 1, 1995. Notwithstanding any other provision of this Section 10.6(a), Tenant shall have no obligation to indemnify Landlord or its agents, officials, representatives, employees, invitees, contractors, or assigns from and against any Claim arising from or relating to the environmental condition of the Premises or Equipment prior to October 1, 1995, except to the extent that any Claim results from acts or omissions of any Person other than a Landlord Party during the Term.

(b) To the extent permitted by law, Landlord shall indemnify, protect, defend, and hold harmless Tenant and Tenant's agents, trustees, officers, employees, invitees, contractors, and assigns (each a "**Tenant Party**") from and against any and all Claims, whether arising in equity, at common law, or by statute, including the Texas Deceptive Trade Practices-Consumer Protection Act or similar statute of other jurisdictions, or under the law of contracts, torts (including, without limitation, negligence and strict liability without regard to fault) or property, and arising in favor of or brought by any of Tenant's employees, agents, contractors, invitees, or representatives, or by any Governmental Authority, or by any other third party, based upon, in connection with, relating to, or arising out of, or alleged to be based upon, be in connection with, relate to, or arise out of Landlord's ownership, use, or operation of the Clinic or the Premises (or the acts or omissions of Persons other than Tenant Parties) on or after May 24, 2004.

(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.

10.7 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, actions 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 the insurance policies referred to in 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 10.7, shall not apply to any reasonable deductibles on insurance policies carried by Landlord or Tenant or to any coinsurance penalty which 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 to 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 10.7 APPLY TO ALL 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.**

10.8 Officer's Certificate Regarding Insurance. Within one hundred forty (140) days after the end of Landlord's fiscal year ending September 30, 2013 and every second fiscal year thereafter, Tenant shall supply Landlord with an officers' certificate containing a detailed list of the insurance coverage provided by Tenant under this Lease (including any amounts of self-insurance) on a date therein specified (which date shall be within 30 days of the filing of such officer's certificate), and stating that the insurance so listed complies with this Article 10.

10.9 Self-Insurance. Notwithstanding anything to the contrary set forth in this Article 10, Tenant may fulfill its insurance obligations under this Article 10 under self-insurance in a manner consistent with the policies and procedures maintained for the insurance of other health care facilities operated by Ascension Health in amounts customarily carried, and against loss or damage from such causes as are customarily insured against, by companies similar to those specified in Section 10.4, including without limitation directors and officers liability insurance, fidelity bonds, and business interruption insurance.

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**"), and the Rebuilding (as defined below) can reasonably be completed within one hundred and eighty (180) days from the date on which such Rebuilding might be commenced, Tenant shall repair, alter, restore, replace or rebuild (collectively "**Rebuild**" or "**Rebuilding**") the same in substantially the form in which they 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, whether or not insurance proceeds, if any, shall be sufficient for such purpose. If Tenant so elects, Tenant 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 shall not be unreasonably withheld, delayed or conditioned), Tenant shall Rebuild the Premises based upon revised plans and specifications approved in writing by Landlord and Tenant (which approval shall not be unreasonably withheld or delayed) (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.

(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 and 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.

(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, any excess 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 Casualty, and the Rebuilding cannot reasonably be completed within one hundred and eighty (180) days from the date on which such Rebuilding might be commenced, then Tenant may elect to terminate this Lease by giving written notice thereof no later than sixty (60) after the occurrence of such damage or destruction in which event all insurance proceeds relating to the Premises shall be paid to Landlord. If this Lease is terminated, the Rent shall be

apportioned and paid as of the date of termination. Unless this Lease is terminated pursuant to this Section 11.1(d), Tenant shall not be entitled to any abatement of Rent as a result of such Casualty.

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

(f) Notwithstanding the foregoing provisions of this Section 11.1, if the Improvements on any portion of the Clinic shall be damaged or destroyed by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, and Tenant completes a Rebuilding or Alternate Rebuilding of such damaged or destroyed Improvements on the Clinic in accordance with the foregoing provisions of this Section 11.1, then Landlord shall reimburse Tenant for the actual reasonable costs of such Rebuilding or Alternate Rebuilding attributable to the Clinic on demand, with interest thereon at the Interest Rate from the date of expenditure until fully reimbursed.

11.2 Condemnation.

(a) If, at any time during the Term, title to all of the Premises shall be taken in condemnation proceedings, 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, and, as a result, there shall be such a major change in the character of the Premises as to prevent Tenant from using the same in substantially the same manner as before, then Tenant may either (i) terminate this Lease as of the date the condemning authority takes possession and the Rent shall be apportioned and paid to the date of such taking, or (ii) continue to occupy the remaining portion of the Premises; provided, however, that Tenant shall give written notice to Landlord, within 15 days after the date that Tenant receives written notice of any such taking or vesting of title, of its election. If Tenant continues to occupy the remaining portion of the Premises, 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(b). The Landlord shall receive the balance of the award.

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. Except as provided below in Section 11.6, nothing herein contained shall be deemed or construed to prevent Tenant from interposing 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 Tenant's Personal Property or Inventory 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 retaining its claims.

11.6 New Landlord Facilities.

(a) Notwithstanding the foregoing, Tenant agrees that, without seeking compensation, it will allow Landlord to relocate Landlord easements and locate additional easements on the Land and to use portions of the Land for public streets, alleys, or other public uses (collectively, "**New Landlord Facilities**"); provided that (i) any such relocation, location, or use does not unreasonably, materially and permanently interfere with Tenant's use of the Premises, and (ii) Landlord pays for any renovation, repair, or restoration necessary to restore, to the degree practical, the Premises to a condition usable by Tenant.

(b) Landlord shall also have the right to locate, relocate, or install New Landlord Facilities on the Land without the obligation to compensate Tenant in each of the following instances: (i) where additional or upgraded facilities are required for or incidental to the provision or enhancement of utility service to the Premises, including any improvements constructed by Tenant, (ii) where relocation, location, or installation is undertaken by Landlord at Tenant's request, or (iii) where the relocation, location, or installation is necessitated by condemnation or threat of condemnation for a State or Federal project, and Tenant has been reasonably compensated for the effect of such relocation, location, or installation on its interest in the Leasehold Estate by the condemning authority.

ARTICLE 12
ASSIGNMENT, TRANSFERS AND SUBLETTING

12.1 Assignment, Transfers and Subletting. Subject to Section 12.3, 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 or the Premises, in whole or in part, or may assign, convey or otherwise transfer its rights, duties and obligations under this Lease, in whole or in part, to any not-for-

profit Affiliate of Tenant, without Landlord's prior written consent; provided further, however, that such assignment, conveyance or other transfer shall not be deemed to release Tenant from its obligations under this Lease.

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 Subletting. Tenant may enter into subleases with an initial term of not more than ten (10) years in the ordinary course of business for space in the Office Building. 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. 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.

12.4 Disposition of Equipment. Tenant shall have the right to dispose of any items of Equipment or Inventory that have worn out or become obsolete and therefore not useable by Tenant in the operation of the Premises, provided that Tenant promptly replaces any such item with a new item of Equipment or Inventory serving a similar function (unless such function is obsolete).

ARTICLE 13
REPRESENTATIONS

13.1 Landlord's Representations. Landlord hereby represents and warrants to Tenant that:

(a) Landlord is a body politic and corporate duly created and validly existing under Chapter 281, Texas Health & Safety Code, as amended, and in good standing under the laws of the State of Texas. 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. This Lease has been duly executed and delivered by 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, Persons occupying 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 the ownership, operation, use, enjoyment, development or redevelopment of the Premises or 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) No lien has been imposed or, to Landlord's Knowledge, threatened to be imposed against the Premises by any Governmental Authority in connection with the presence of Hazardous Materials on the Premises or violation of any Hazardous Materials Laws in connection with the Premises, except to the extent referred to in the Environmental Report.

(j) Except to the extent disclosed in writing by Landlord to Tenant, Landlord is not in material default under the Amended and Restated Lease Agreement.

(k) 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 relevant to such representation or warranty necessary to make the statements contained in such representation or warranty not misleading.

(l) The representations and warranties of Landlord in this Section 13.1 shall be deemed to be made as of the Effective Date, but not as of any date thereafter. Information provided on Exhibits and Schedules attached hereto and furnished by Landlord is current as of the date of such Exhibit or Schedule. 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 Effective Date. No disclosure of any matter by Landlord to Tenant in this Lease (including the Exhibits and Schedules attached hereto) shall, by virtue of such disclosure to Tenant, be deemed an admission of any violation of law, regulation, or contract, or of any other liability.

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

(n) Limitation of Warranties. **TENANT ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE, LANDLORD HAS MADE NO, AND IS NOT MAKING ANY, REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) REGARDING THE PHYSICAL CONDITION OF THE PREMISES, THEIR MERCHANTABILITY, FITNESS FOR ANY PARTICULAR USE OR PURPOSE, DESIGN, OR CONDITION, OR REGARDING THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, LATENT OR PATENT. LANDLORD DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AT TENANT'S REQUEST, LANDLORD HAS ALLOWED TENANT TO CONDUCT DUE DILIGENCE EXAMINATIONS ON AND OFF THE PREMISES TO BE LEASED, AND TENANT HAS OBTAINED ORAL AND WRITTEN INFORMATION FROM LANDLORD DURING THE COURSE OF SUCH EXAMINATIONS. EXCEPT WITH RESPECT TO THE MATTERS**

SPECIFICALLY ADDRESSED IN THIS SECTION 13.1, AND SUBJECT IN ALL RESPECTS TO THE OTHER PROVISIONS OF THIS LEASE, LANDLORD IS NOT RESPONSIBLE FOR, AND MAKES NO REPRESENTATION OR WARRANTY CONCERNING, THE ACCURACY OF ANY SUCH ORAL OR WRITTEN INFORMATION, AND TENANT ACKNOWLEDGES THAT IT IS NOT RELYING ON THE SAME. TENANT'S REMEDIES FOR BREACHES OF REPRESENTATIONS AND WARRANTIES ARE LIMITED AS PROVIDED IN SECTION 19.17(b).

13.2 Tenant's Representations. Tenant hereby represents and warrants to Landlord that:

(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. This Lease has been duly executed and delivered by 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 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, and there is no action, suit or proceeding by any Governmental Authority pending or, to Tenant's Knowledge, threatened which 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.

(f) Tenant is experienced and well-qualified in the development, acquisition, construction, marketing, and operation of acute care hospitals and is familiar with the service area of Landlord.

(g) Except to the extent disclosed in writing by Tenant to Landlord, Tenant is not in material default under the Amended and Restated Lease Agreement.

(h) 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 relevant to such representation or warranty necessary to make the statements contained in such representation or warranty not misleading.

(i) The representations and warranties of Tenant in this Section 13.2 shall be deemed to be made as of the Effective Date. Information provided on Exhibits and Schedules attached hereto and furnished by Tenant is current as of the date of such Exhibit or Schedule. 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 Effective Date. No disclosure of any matter by Tenant to Landlord in this Lease (including the Exhibits and Schedules 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.

(j) **LANDLORD'S REMEDIES FOR BREACHES OF REPRESENTATIONS AND WARRANTIES ARE LIMITED AS PROVIDED IN SECTION 19.17(a).**

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 Effective 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 to be performed 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 of 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, and such default continues for thirty (30) days after Tenant has been given a written notice from Landlord specifying such Default;

(b) Tenant fails to pay Impositions 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 5.3, such failure continues for thirty (30) days after Tenant has been given a written notice from Landlord specifying such Default;

(c) Tenant fails to operate University Medical Center Brackenridge located on the Premises pursuant to Section 8.5, and such failure continues for thirty (30) days after Tenant has been given a written notice from Landlord specifying such Default; provided, however, that such failure to operate is subject to modification pursuant to Section 17;

(d) The Medicare number used by Tenant at University Medical Center Brackenridge located on the Premises is terminated, excluded, or debarred because of Tenant's criminal act, or Tenant is convicted of a criminal felony offense because of a criminal act relating to the provision of health care services by Tenant at University Medical Center Brackenridge located on the Premises;

(e) Tenant fails to keep, perform, or observe any of the covenants, agreements, terms, or provisions contained in this Lease that are to be kept, performed or observed by Tenant under this Lease that are not described in Subsections (a) - (d) above, and Tenant fails to remedy the same within sixty (60) days after Tenant has been given a 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;

(f) If an involuntary petition shall be filed against Tenant under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import or if a receiver of Tenant, or of all or substantially all of the property of Tenant, shall be appointed without acquiescence, and such petition or appointment is not discharged or stayed within one hundred eighty (180) days after the happening of such event; or

(g) If Tenant shall make an assignment of its property for the benefit of creditors or shall file a voluntary petition under any bankruptcy or insolvency law, or seek relief under any other law for the benefit of debtors

15.2 Landlord's Remedies.

(a) Subject to the limitations in Section 19.17 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 or under the Ancillary Agreements, 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 covenants, agreements, terms or provisions contained in this Lease (plus interest at the Interest Rate as provided under Section 19.16 and attorneys' fees as provided in Section 19.6).

(b) In addition to any other rights or remedies available to Landlord under this Lease or under the Ancillary Agreements, if any Event of Default has occurred under Subsections (b) or (e) of Section 15.1, Landlord may perform the covenant, agreement, term or provision which 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 Interest Rate as provided in Section 19.16 and attorneys' fees as provided in Section 19.6.

(c) If an Event of Default described in Subsections (a), (b), (c), (d), or (e) of Section 15.1 has occurred and is continuing, then subject to the provisions of Section 15.2(g), in addition to the remedies set forth in Section 15.2(a) and (b), Landlord may exercise its rights under Section 15.2(a) above and/or 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 as set forth in Section 15.5 below.

(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 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 rental value of the Premises for such period of time, plus (ii) all expenses incurred by Landlord in enforcing its rights hereunder. The fair market rental value of the Premises for purposes of this Section 15.2(c)(ii) shall be determined based on any use of the Premises then permitted by Chapter 281, Texas Health & Safety Code, and Applicable Law.

(iii) Landlord may terminate Tenant's right to possession of the Premises and enjoyment of the rents, issues, and profits therefrom 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 Interest 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. So long as Landlord uses reasonable efforts to do so, 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) Landlord shall not have the right to terminate this Lease or Tenant's right to possession of the Premises pursuant to Section 15.2(c) solely by reason of the occurrence of an Event of Default described in Section 15.1(f) or (g).

(e) In addition to any other rights or remedies available to Landlord under this Lease or under the Ancillary Agreements, if any Ancillary Agreement is terminated, Landlord shall also have the right to terminate this Lease or Tenant's right to possession of the Premises pursuant to Section 15.2(c). If an Ancillary Agreement is terminated and Landlord elects to terminate this Lease under Section 15.2(c)(ii) or Tenant's right to possession of the Premises under Section 15.2(c)(iii), then Seton Healthcare Family shall no longer be required to comply (or arrange for Tenant to comply) with the Post-Termination Services provisions of the Master Agreement.

(f) Nothing contained in this Section 15.2 shall limit any remedies available to Landlord pursuant to the Ancillary Agreements with respect to any failure by Tenant to keep, perform or observe any of the covenants, agreements, terms or provisions contained in the Ancillary Agreements that are to be kept, performed or observed by Tenant.

(g) Remedies provided to Landlord pursuant to this Section 15.2 and Section 15.5 are Landlord's sole and exclusive remedies in the event of an Event of Default by Tenant.

(h) 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, nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any Rent due to

Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, 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. The loss or damage that Landlord may suffer by reason of its termination of this Lease upon the occurrence of an Event of Default shall include the reasonable out-of-pocket expenses actually incurred by Landlord, if any, within 180 days following the date of termination in re-equipping or otherwise restoring the Premises to a condition which is sufficient to enable Landlord to provide the level of services specified in Section 8.1(a)(ii) upon or in the Premises.

(i) 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.

(j) Notwithstanding the provisions of Section 15.2(c), if Tenant has in good faith disputed the existence of an Event of Default, and Tenant makes all payments of Rent on or before the due dates for such payments and otherwise timely performs its obligations under this Lease, then until (i) Landlord and Tenant have completed the dispute resolution provided in Section 7 of the Master Agreement, and (ii) such Event of Default is not cured within ten (10) days after the conclusion of the dispute resolution provided in Section 7 of the Master Agreement, Landlord shall not exercise its remedies pursuant to Section 15.2(c) based on the disputed Event of Default.

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 (30) days after Landlord has been given a written notice from Tenant specifying such Default; or

(b) Landlord fails to keep, perform or observe any of the covenants, agreements, terms or provisions contained in this Lease that are to be kept, performed or observed by Landlord under this Lease that is not described in Subsection (a) above, and Landlord fails to remedy the same within sixty (60) days after Landlord has been given a written notice from Tenant specifying such Default; provided, however, that if such non-monetary Default can be cured but by its nature cannot 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 19.17, Landlord shall be liable to Tenant for any damages that result from any Landlord Event of Default. Without limiting the generality of the foregoing, if any Landlord Event of Default occurs and is continuing, Tenant may, at its option and in addition to the other rights or remedies available to Tenant under this Lease or under the Ancillary Agreements, either (i) perform whatever action Landlord has failed to perform, in which event Tenant shall have the right to bring suit against Landlord for the reasonable cost to perform such action (plus interest at the Interest Rate as provided under Section 19.16 and attorneys' fees as provided in Section 19.6), (ii) file suit against Landlord in a court of competent jurisdiction to enforce specifically the provisions of this Lease, to obtain injunctive relief, and to collect attorneys' fees as provided in Section 19.6, (iii) subject to the limitations in Section 19.17 and in Section 1.5, file suit against Landlord in a court of competent jurisdiction to collect damages that are available to Tenant under Applicable Law (plus interest at the Interest Rate as provided under Section 19.16 and attorneys' fees as provided in Section 19.6), or (iv) in the event of a Landlord Event of Default relating to Landlord's covenants and agreements under Section 8.3 or resulting in an eviction of Tenant from all or any material portion of the Premises, subject to Section 15.5, terminate this Lease.

(b) Notwithstanding the foregoing, if Landlord disputes in good faith the existence of a Landlord Event of Default relating to Landlord's covenants and agreements under Section 8.3 or resulting in an eviction of Tenant from all or any material portion of the Premises, then (i) until Landlord and Tenant have completed the dispute resolution process provided for in Section 7 of the Master Agreement, and (ii) such Landlord Event of Default is not cured within ten (10) days after the conclusion of the dispute resolution process provided for in Section 7 of the Master Agreement, Tenant shall not terminate this Lease as a result of a Landlord Event of Default relating to Landlord's covenants and agreements under Section 8.3 or resulting from an eviction of Tenant from all or any material portion of the Premises.

(c) 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.

(d) In addition to any other rights or remedies available to Tenant under this Lease or under the Ancillary Agreements, if the Master Agreement is terminated under Section 6.9 of the Master Agreement or Seton Healthcare Family (either itself or by and through Tenant) is no longer required to comply with the Post-Termination Services provisions of the Master Agreement under Section 8.1.7 of the Master Agreement, Tenant shall have the right to terminate this Lease under Section 15.5.

(e) Nothing contained under this Section 15.4 shall limit any remedies available to Tenant pursuant to the Ancillary Agreements with respect to any failure by Landlord to keep, perform or reserve any of the covenants, agreements, terms or provisions contained in the Ancillary Agreements that are to be kept, performed or observed by Landlord; provided, however, that except as expressly provided in this Lease or in the Ancillary Agreements, Tenant shall have no right to terminate this Lease.

(f) Notwithstanding anything to the contrary set forth in this Lease, until (i) Landlord and UT-Austin have entered into the UT-Austin/Landlord Agreement and (ii) Landlord and Tenant have entered into the New Teaching Hospital Agreement, Tenant shall have the right, in its sole and absolute discretion, to terminate this Lease and pay to Landlord the Rental Damages as liquidated damages for Tenant's termination of this Lease in the time and manner set forth in this Section 15.4(f). The Rental Damages payment is in lieu of paying (i) any Base Rent or Additional Rent (or damages for either of the foregoing) that would have accrued during the remainder of the Term of this Lease beyond the Termination Date, and (ii) any other damages that would be caused by Tenant as a result of Tenant terminating this Lease under this Section 15.4(f). Landlord and Tenant acknowledge and agree that (i) the actual amount of Landlord's damages for Tenant's termination of this Lease under this Section 15.4(f) are very difficult and impracticable to forecast and determine, and (ii) the liquidated damages provided for in this Section 15.4(f) are a fair and reasonable estimate of Landlord's damages that would be caused by Tenant's termination of this Lease under this Section 15.4(f). If Tenant exercises its right to terminate this Lease and pay to Landlord the Rental Damages as described in this Section 15.4(f), Landlord and Tenant agree that the following shall apply:

(i) Tenant will exercise this termination option by giving Landlord a Termination Notice including the tender of payment of the Rental Damages to an escrow agent reasonably acceptable to the Parties (the "**Escrow Agent**") to be held in escrow under a commercially reasonable escrow agreement to be agreed upon by the Parties. Subject to Section 15.4(f)(ii), the Termination Date shall be one (1) year after the receipt of such notice.

(ii) Upon receipt of such notice, Landlord may invoke the Post-Termination Services Period provided for in Section 8.1.3 of the Master Agreement for the five-year period following the Termination Notice Date. In the event that the Post-Termination Services Period has been invoked the final Term of this Lease shall be coterminous with the Post-Termination Services Period.

(iii) As promptly as practicable and in any case not less than ninety (90) days prior to the Final Termination Date, Tenant shall provide Landlord with a reasonable description of Tenant's Personal Property.

(iv) Within sixty (60) days after Tenant provides a reasonable description of Tenant's Personal Property to Landlord, Landlord shall identify in writing those items of Tenant's Personal Property that Landlord wishes to retain following the Final Termination Date (the "**Landlord-Acquired Property**"). If Landlord fails to respond within such sixty (60) day period, then Landlord will be deemed to have waived its right under this process to identify and retain the Landlord-Acquired Property. Tenant, at its option, may then identify the Landlord-Acquired Property, if any.

(v) Within thirty (30) days following the identification of the Landlord-Acquired Property, Tenant shall cause all items of Tenant's Personal Property other than the Landlord-Acquired Property to be removed from the Premises. Within the

time period set forth in the escrow agreement to be agreed upon by the Parties, Escrow Agent shall pay the Rental Damages to Landlord, which shall be offset by an amount equal to 50% of the net book value as reflected on the books and records of Tenant of the Landlord-Acquired Property; *provided, however,* that the offset amount for the Landlord-Acquired Property pursuant to this Section 15.4(f)(v) shall not exceed $20,000,000. Upon payment of such amount provided for in this Section 15.4(f)(v), Tenant will transfer the Landlord-Acquired Property to Landlord by bill of sale or other appropriate conveyance.

(vi) Except for Section 15.5.4(b), the provisions of Section 15.5.4 shall apply.

This Section 15.4(f) shall automatically terminate and be of no further force or effect after Landlord and UT-Austin have entered into the UT-Austin/Landlord Agreement and Landlord and Tenant have entered into the New Teaching Hospital Agreement.

15.5 Termination Process. Except for a termination of this Lease by Landlord under Section 15.2(e), in the event a Party elects to exercise its right to terminate this Lease (including by Tenant for a Landlord Event of Default) during or at the end of the Term, Landlord and Tenant shall follow the procedures described below:

15.5.1 Termination Date. The terminating Party shall give written notice of termination (the "**Termination Notice**") to the non-terminating Party. The effective date of termination of this Lease (the "**Termination Date**") shall be one (1) year after the date of the receipt of the Termination Notice or completion of the Dispute Resolution Process set forth in Section 7 of the Master Agreement, whichever occurs last ("**Termination Notice Date**") subject to Section 15.5.2 and Section 15.5.3. The period of time between the Termination Notice Date and the Termination Date shall be the "**Termination Notice Period**."

15.5.2 Post-Termination Services Period. If at any time before or during the Termination Notice Period, the Master Agreement is terminated and the Post-Termination Services Period (as defined in the Master Agreement) begins, the Termination Date shall be extended until the end of the Post-Termination Services Period (or the second Post-Termination Services Period if agreed to by the parties). If at any time, Seton Healthcare Family (either itself or by and through Tenant) chooses not to provide or breaches its obligation to provide the Post-Termination Services (as defined in the Master Agreement) (the "**Post-Termination Services**") other than for reasons set forth in Section 8.1.7 of the Master Agreement, the Landlord and Tenant agree that the following shall apply:

(a) The Parties mutually agree that Seton Healthcare Family's (either itself or by and through Tenant) breach of its duties and obligations imposed under Section 8.1.3 and Section 8.1.4 of the Master Agreement related to the Post-Termination Services would cause immediate and irreparable harm to the citizens of Travis County and Landlord could not be fully remedied with money damages. Therefore, equitable relief, including specific performance and injunctive relief, is an appropriate remedy for

any such breach. Such equitable relief will be in addition to and not in limitation of or substitution for any other remedies or rights to which Landlord may be entitled at law or in equity.

(b) In addition to the other remedies provided for herein, Landlord may, at its option, file suit against Seton Healthcare Family and Tenant in a court of competent jurisdiction to collect damages for breach of the duties and obligations imposed under Section 8.1.3 and Section 8.1.4 of the Master Agreement related to the Post-Termination Services (plus interest and attorneys' fees). The Parties acknowledge and agree that this Section 15.5.2(b) is not subject to the limitations in Sections 19.6, 19.16 and 19.17 and the equitable remedies that are permitted in Section 15.5.2(a).

(c) In addition to the other remedies provided for herein, Landlord may terminate this Lease or terminate Tenant's right to possession of the Premises immediately upon written notice in which case Section 15.5.4 shall apply.

(d) The terms of this Lease will govern this Lease during the Post-Termination Services Period except that (i) the Term will be continued and coterminous with the Post-Termination Services Period or such earlier time as the Post-Termination Services can be effectively transferred to other Tenant facilities; (ii) that Landlord (and not Tenant) shall have the right to make any Alteration during the Post-Termination Services Period at Landlord's sole cost and expense; and (iii) that any Rebuild or Rebuilding required under Article 11 or any Alternate Rebuilding during the Post-Termination Services Period shall be the responsibility of Landlord and at Landlord's sole cost and expense, and (iv) that if the Lease (or, as applicable, the New Teaching Hospital Agreement) is terminated for any reason during or at the end of the Post-Termination Services Period, the provisions of Section 15.5.4 shall apply.

15.5.3 Termination without Post-Termination Services Period. In the event that this Lease is terminated and the Post-Termination Services Period is not initiated before or during the Termination Notice Period, the Lease shall terminate at the end of the Termination Notice Period in which case Section 15.5.4 shall apply.

15.5.4 Termination. Upon the termination or the expiration of this Lease for any reason (including a termination of this Lease by Landlord under Section 15.2(e) and at the expiration of the Post-Termination Services Period), the rights and responsibilities of the Parties shall be allocated as follows effective as of the Termination Date or the date of expiration of this Lease as applicable (the "**Final Termination Date**"):

(a) Surrender of Premises and Licensing Cooperation. Tenant's right, title, and interest in and to the Premises pursuant to this Lease shall terminate on the Final Termination Date and shall revert to Landlord. On the Final Termination Date, Tenant shall peaceably quit, deliver up, and surrender the Premises to Landlord in accordance with Section 19.7 free of all claims and liens other than (i) the Permitted Exceptions, and (ii) liens consented to in writing by Landlord. Tenant will use commercially reasonably efforts to assist Landlord in obtaining any and all licenses, permits, and other authorizations required by any Governmental Authority with respect to Landlord's operation of the Premises following the Final Termination Date.

(b) Tenant's Personal Property. As promptly as practicable and in any case not less than ninety (90) days prior to the Final Termination Date, Tenant shall provide Landlord with a reasonable description of Tenant's Personal Property. Within sixty (60) days thereafter, Landlord shall identify in writing those items of Tenant's Personal Property which Landlord wishes to retain following the Final Termination Date (the "**Landlord-Retained Property**"). If Landlord fails to respond within such sixty (60) day period, then Landlord will be deemed to have waived its right under this process to identity and retain the Landlord-Retained Property. Tenant, at its option, may then identify the Landlord-Retained Property, if any. Within thirty (30) days following the identification of the Landlord-Retained Property, Tenant shall cause all items of Tenant's Personal Property other than the Landlord-Retained Property to be removed from the Premises.

(c) Assumption of Liabilities by Landlord; Reimbursement of Prepaid Expenses. As promptly as practicable and in any case not less than ninety (90) days prior to the Final Termination Date, Tenant shall provide Landlord with a reasonable description those contracts, leases (including all capitalized leases), agreements, instruments, and other obligations of Tenant relating to, or entered into by Tenant in connection with its use of, the Premises. Within sixty (60) days thereafter, Landlord shall identify in writing those contracts, leases (including all capitalized leases), agreements, instruments, and other obligations of Tenant relating to, or entered into by Tenant in connection with its use of, the Premises with respect to which Landlord will choose to become obligated as of the Final Termination Date (the "**Landlord-Assumed Obligations**"). Effective as of the Final Termination Date, Landlord shall assume and promptly discharge when due all of Tenant's rights, duties, liabilities, and obligations which accrue from and after the Final Termination Date (unless Landlord has otherwise expressly agreed in writing) under the Landlord-Assumed Obligations, and shall not assume or be deemed to have assumed any other right, duty, liability, or obligation of Tenant under or in connection with the Premises (the "**Tenant-Retained Obligations**").

(d) Turnover of Tenant Inventory. On the Final Termination Date, Tenant shall turn over to Landlord in good condition and appropriate containers all Inventory and any records relating thereto.

(e) Patient Obligations. Landlord acknowledges that as of the Final Termination Date there may be patients located in certain portions of the Premises and that as of the Final Termination Date Landlord shall accept such patients as patients of Landlord and shall assume responsibility and liability for treating such patients. All revenue and expenses incurred after the Final Termination Date in connection with such patients shall become revenue and expenses of Landlord. Notwithstanding the foregoing, all liability arising from or in connection with treatment and care which was rendered to such patients by Tenant from the Effective Date through and including the Final Termination Date shall be borne solely by Tenant, regardless of whether it is asserted prior to, on, or after the Final Termination Date.

To compensate Tenant for services rendered and medicine, drugs, and supplies provided on or before the Final Termination Date (the "**Tenant Termination Services**")

with respect to patients admitted to University Medical Center Brackenridge on or before the Final Termination Date but who are not discharged until after the Final Termination Date (each such patient being referred to individually as a "**Termination Patient**"), Landlord shall pay to Tenant an amount (the "**Tenant Prorated Amount**") equal to (i) the total payments received from or with respect to each Termination Patient multiplied by a fraction, the numerator of which shall be the total number of days prior to the Final Termination Date during which such Termination Patient was a patient in University Medical Center Brackenridge, and the denominator of which shall be the total number of days elapsed between such Termination Patient's admission to, and discharge from, University Medical Center Brackenridge, minus (ii) any deposits or co-payments made prior to the Final Termination Date by or with respect to such Termination Patient. Landlord will pay the Tenant Prorated Amount with respect to any Termination Patient to Tenant within forty-five (45) days after receipt of payments by Landlord with respect to such Termination Patient, which shall be accompanied by such documentation as may be reasonably requested by Tenant.

(f) Transition Services; Termination Audit and Proration; Accounts Receivable and Accounts Payable

(i) For a period of 180 days following the Final Termination Date, Tenant shall cooperate with Landlord to provide it with information Landlord requests about the Premises, the Landlord-Acquired Property and the Landlord-Assumed Obligations, and shall take reasonable measures within Tenant's control to facilitate Landlord's assumption of the operation of the Premises.

(ii) For a period of 180 days following the Final Termination Date, Landlord will provide to Tenant any reasonable transition services requested by Tenant in connection with the termination of this Lease and the assumption of possession and operation of the Premises by Landlord. In addition, Tenant and Landlord may by mutual agreement engage an auditing or accounting firm to perform an audit of Tenant's operations of the Premises for that portion of Tenant's fiscal year ending as of the day prior to the Final Termination Date, and to assist the Parties in preparing a proration and a cash settlement of accounts. The Parties shall share the cost of such auditing or accounting firm equally.

(iii) Tenant will own all Accounts Receivable which result from the operation of University Medical Center Brackenridge from the Effective Date through, but not including, the Final Termination Date (including, without limitation, any reimbursements arising from Title XVIII Medicare Cost Report Settlements and Accounts and any settlements with third party payors resulting from the operation of University Medical Center Brackenridge for periods from the Effective Date through, but not including, the Final Termination Date) (the "**Tenant Termination Accounts Receivable**"). Landlord will own all Accounts Receivable which result from the operation of University Medical Center Brackenridge from and after the Final Termination Date (including, without limitation, any reimbursements arising from Title XVIII Medicare Cost Report

Settlements and Accounts and any settlements with third-party payors resulting from the operation of University Medical Center Brackenridge for periods from and after the Final Termination Date) (the "**Landlord Termination Accounts Receivable**"). Landlord agrees that any amount received by Landlord on account of Tenant Termination Accounts Receivable and identified or identifiable as such through reasonable commercial efforts will be promptly remitted to Tenant. Tenant agrees that any amounts received by Tenant on account of Landlord Termination Accounts Receivable and identified or identifiable as such through reasonable commercial efforts will be promptly remitted to Landlord. Any amounts received by Landlord or Tenant that are not identifiable to specific services shall be allocated to Tenant and Landlord pro rata, according to the proportion which the amount owed to Tenant or Landlord by the relevant account party bears to the aggregate amount owed to Landlord and Tenant by such account party. The Parties agree to cooperate in good faith to fulfill the commitments of each Party contained in this Section.

(iv) Landlord covenants and agrees to pay, not later than the due date therefor, all accounts payable or other current liabilities relating to University Medical Center Brackenridge which relate to periods from and after the Final Termination Date and to provide evidence to Tenant of such payment if requested.

(v) Tenant covenants and agrees to pay, not later than the due date therefor, all accounts payable or other current liabilities relating to University Medical Center Brackenridge which relate to the period from and after the Effective Date and prior to the Final Termination Date and to provide evidence to Landlord of such payment if requested.

ARTICLE 16
NON-DISTURBANCE

16.1 The Premises are currently not subject to any deed of trust or similar lien.

16.2 Landlord may sell, convey or otherwise transfer Landlord's interest in the Premises, but any such sale, conveyance or other transfer shall be subject to the provisions of this Lease and Tenant's rights in and to the Premises created hereby.

16.3 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.

ARTICLE 17
TEACHING HOSPITAL

17.1 Teaching Hospital.

(a) As contemplated in the Master Agreement, Tenant intends to design, develop, construct and equip, at a cost not to exceed the amount that shall be approved therefor by Ascension Health, a hospital ("**Teaching Hospital**") that shall replace University Medical Center Brackenridge and shall serve as the teaching hospital for a new medical school ("**Medical School**"). Such Medical School shall be located in Austin, Texas and shall be owned and operated by The University of Texas at Austin ("**UT-Austin**"). The Parties acknowledge and agree that they will reasonably and in good faith work together and cooperate with UT-Austin in the design, development and construction of the Medical School. Additionally, Landlord acknowledges and agrees that it will reasonably and in good faith work and cooperate with Tenant in the development and construction of the Teaching Hospital, including, without limitation, obtaining the Necessary Approvals and any other necessary consents, permits, licenses or approvals for the development and construction of the Teaching Hospital and for the joint use of any facilities that remain on the Land after construction of the Teaching Hospital.

(b) As soon as reasonably practicable, Landlord, in consultation with and with the active participation of Tenant, shall commence negotiations with UT-Austin, with the view to entering into a written agreement ("**UT-Austin/Landlord Agreement**"), pursuant to which Landlord shall be entitled to purchase, lease or otherwise acquire from UT-Austin, in accordance with the terms and subject to the conditions set forth therein, the real property ("**Designated Real Property**") designated therein, on which the Teaching Hospital shall be located. The terms and conditions of the UT-Austin/Landlord Agreement shall be satisfactory to Tenant in all material respects.

(c) As soon as reasonably practicable after the date on which UT-Austin and Landlord shall have entered into the UT-Austin/Landlord Agreement, Landlord and Tenant shall commence negotiations, with the view to entering into a written agreement ("**New Teaching Hospital Agreement**"), pursuant to which Tenant shall be entitled to lease (or sublease) from Landlord, in accordance with the terms and subject to the conditions set forth therein, the Designated Real Property, for the purpose of constructing and operating the Teaching Hospital thereon.

(d) As soon as reasonably practicable after the date on which Landlord and Tenant shall have entered into the New Teaching Hospital Agreement, Landlord and Tenant shall commence negotiations, with the view to entering into a written amendment ("**Lease Amendment**") to this Lease, pursuant to which Tenant shall be entitled to lease, occupy and use the Premises (or such portion thereof as shall be specified therein), from and after the Teaching Hospital Commencement Date. The Lease Amendment will be dated effective as of the Teaching Hospital Commencement Date, and will be based on market terms reasonably determined by Landlord and Tenant. The Parties acknowledge and agree they must negotiate and consummate a mutually agreeable Lease Amendment and/or other contract relating to the termination of this Lease and the post-termination use

of the University Medical Center Brackenridge property, facilities, services, and programs in connection with the use and operation of the Teaching Hospital.

(e) As used herein the term:

(i) "**Teaching Hospital Commencement Date**" means the date on which Tenant shall have received all Necessary Approvals and shall have opened the Teaching Hospital to the public and shall have commenced the delivery of Patient Services at the Teaching Hospital;

(ii) "**Necessary Approvals**" means all licenses, certifications, permits, accreditations and regulatory and other approvals necessary for the qualification of the Teaching Hospital as a Medicare and Medicaid provider and for Tenant to open the Teaching Hospital to the public and commence the delivery of Patient Services therein;

(iii) "**Patient Services**" means inpatient and outpatient medical and surgical services and other healthcare services customarily incidental or ancillary thereto.

ARTICLE 18
ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

As used this Lease, the term "**Dispute**" means any and all disagreements, questions, claims, or controversies among the Parties arising out of or relating to this Lease, including the validity, construction, meaning, performance, effect, or breach of this Lease. Any issue or concern constituting a Dispute shall be subject to the Dispute Resolution Process set forth in Section 7 of the Master Agreement.

ARTICLE 19
MISCELLANEOUS

19.1 Notices. 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 19.1; 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 W. 11th Street, 4th Floor
Austin, TX 78701
Attention: Beth Devery, RN, JD

Brown McCarroll, L.L.P.
111 Congress Avenue, Suite 1400
Austin, TX 78701-4093
Attention: David W. Hilgers

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

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 19.1. Any notice given by counsel or authorized agent for a Party shall be deemed to have been given by such Party.

19.2 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.

19.3 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of Texas.

19.4 Estoppel Certificate. Landlord and Tenant shall execute and deliver to each other, promptly upon any request therefor by 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.

19.5 Severability. If any provision of this Lease or the application thereof to any Person or circumstance shall, at any time or to any extent, be invalid or unenforceable, and the basis of the bargain between the Parties hereto is not destroyed or rendered ineffective thereby, the remainder of this Lease, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

19.6 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.

19.7 Surrender of Premises: Holding Over. Subject to the provisions of Section 15.5 hereof, upon termination or expiration of this Lease, Tenant shall 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. Upon such termination or expiration 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, Tenant shall be a tenant at sufferance, and during such time of occupancy Tenant shall pay 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.

19.8 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.

19.9 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 which 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 when due monetary sums be deemed to constitute 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: (y) the Force Majeure Party shall give prompt written notice of such occurrence to the other Party, and (z) 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.

19.10 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.

19.11 Memorandum of Lease. Landlord and Tenant will, simultaneously with the execution of this Lease, execute a memorandum of this Lease in the form of **Exhibit D**, which shall be filed for record in the Office of the County Clerk of Travis County, Texas, solely to give record notice of the existence of this Lease. No such memorandum shall in any way vary, modify or supersede this Lease. Except in connection with actual litigation between the Parties, this Lease shall not be filed for record.

19.12 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.

19.13 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.

19.14 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.

19.15 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.

19.16 Interest. If any Rent or other amount required to be paid by one Party to the other Party pursuant to this Lease is not paid when due, such amount shall bear interest at the Interest Rate from the date due until the date paid in full.

19.17 Limit on Damages/Liability.

(a) **WITH THE EXCEPTION OF ANY CLAIMS OR CLAIMS FOR WHICH LANDLORD IS ENTITLED TO BE INDEMNIFIED BY TENANT PURSUANT TO THE PROVISIONS OF SECTION 10.6(a) OR SECTION 9.1(d), TENANT SHALL BE LIABLE UNDER ANY PROVISION HEREOF ONLY FOR LANDLORD'S ACTUAL DAMAGES, AND SHALL NOT BE LIABLE FOR ANY OTHER DAMAGES, INCLUDING ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, ENHANCED, SPECULATIVE, INTANGIBLE, OR SPECIAL DAMAGES (ALL RIGHTS THERETO BEING HEREBY WAIVED AND RELEASED). AS A FURTHER MATERIAL INDUCEMENT TO TENANT TO ENTER INTO THIS LEASE AND THE TRANSACTIONS DESCRIBED HEREIN, LANDLORD HEREBY REPRESENTS TO TENANT THAT LANDLORD HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE LANDLORD TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED BY THIS LEASE, HAS BARGAINED FOR AND OBTAINED A RENTAL PRICE AND OTHER TERMS UNDER THIS LEASE WHICH MAKE THE ACCEPTANCE OF AN AGREEMENT WHICH SUBSTANTIALLY LIMITS ITS RECOURSE AGAINST TENANT ACCEPTABLE, AND HAS BEEN AND WILL CONTINUE TO BE REPRESENTED BY LEGAL COUNSEL IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED IN THIS LEASE.**

(b) **WITH THE EXCEPTION OF ANY CLAIMS OR CLAIMS FOR WHICH TENANT IS ENTITLED TO BE INDEMNIFIED BY LANDLORD PURSUANT TO THE PROVISIONS OF SECTION 10.6(b), LANDLORD SHALL BE LIABLE UNDER ANY PROVISION HEREOF ONLY FOR TENANT'S ACTUAL DAMAGES, AND SHALL NOT BE LIABLE FOR ANY OTHER DAMAGES, INCLUDING ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, ENHANCED, SPECULATIVE, INTANGIBLE, OR SPECIAL DAMAGES (ALL RIGHTS THERETO BEING HEREBY WAIVED AND RELEASED). FURTHER, AS A MATERIAL INDUCEMENT TO LANDLORD TO ENTER INTO THIS LEASE AND THE TRANSACTIONS**

DESCRIBED HEREIN, TENANT HEREBY WAIVES THE PROVISIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES ACT-CONSUMER PROTECTION ACT, CHAPTER 17, SUBCHAPTER 3, SECTIONS 17.41 THROUGH 17.63, INCLUSIVE (OTHER THAN SECTION 17.555, WHICH IS NOT WAIVED). AS A FURTHER MATERIAL INDUCEMENT TO LANDLORD TO ENTER INTO THIS LEASE AND THE TRANSACTIONS DESCRIBED HEREIN, TENANT HEREBY REPRESENTS TO LANDLORD THAT TENANT IS LEASING AND ACQUIRING THE ASSETS FOR COMMERCIAL OR BUSINESS USE, HAS KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT ENABLE TENANT TO EVALUATE THE MERITS AND RISKS OF THE TRANSACTIONS CONTEMPLATED BY THIS LEASE, HAS BARGAINED FOR AND OBTAINED A RENTAL PRICE AND OTHER TERMS UNDER THIS LEASE WHICH MAKE THE ACCEPTANCE OF AN AGREEMENT WHICH SUBSTANTIALLY LIMITS ITS RECOURSE AGAINST LANDLORD ACCEPTABLE, AND HAS BEEN AND WILL CONTINUE TO BE REPRESENTED BY LEGAL COUNSEL IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED IN THIS LEASE, AND (ii) TENANT MAY NOT RECOVER AGAINST LANDLORD FOR ANY "LOSS OF VALUE CLAIM" AS DEFINED HEREIN. AS USED HEREIN, "LOSS OF VALUE CLAIMS" SHALL MEAN ALL CLAIMS BY TENANT FOR DAMAGES, COSTS, FEES, EXPENSES, OR LIABILITIES ARISING OUT OF OR RELATED TO ANY BREACH OR ALLEGED BREACH BY LANDLORD OF ITS REPRESENTATIONS AND WARRANTIES TO TENANT. "LOSS OF VALUE CLAIMS" DO NOT INCLUDE ANY CLAIM BY TENANT AGAINST LANDLORD PURSUANT TO SECTION 10.6(B), ANY CLAIM BY TENANT FOR A BREACH BY LANDLORD OF A COVENANT, OR ANY CLAIM FOR THE PAYMENT OF MONEY BY LANDLORD TO TENANT HEREUNDER FOR SERVICES PERFORMED OR PROPERTY PROVIDED (WHETHER DURING THE TERM OR AT THE TERMINATION OF THIS LEASE).

(c) 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. Additionally, Tenant's liability under this Lease is expressly subject to the liquidated damages contemplated in Section 15.4(f).

19.18 Broker. Landlord and Tenant represent and warrant each to the other that such Party has not dealt with any broker in connection with this Lease and that, insofar as such Party knows, 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 19.18.

19.19 Signage. Tenant shall have the right to display signs at the Premises so long as the same comply with all Applicable Law.

19.20 Waiver of Tenant Rights and Benefits Under Section 93.012, Texas Property Code. Landlord and Tenant are knowledgeable and experienced in commercial leasing transactions and agree that the provisions of this Lease for determining all Base Rent, Additional Rent, Contingent Rent and other charges and amounts payable by Tenant, are commercially reasonable and valid even though such methods may not state a precise mathematical formula for determining such charges. ACCORDINGLY, TENANT VOLUNTARILY AND KNOWINGLY WAIVES ALL RIGHTS AND BENEFITS OF A TENANT UNDER SECTION 93.012, TEXAS PROPERTY CODE, AS SUCH SECTION NOW EXISTS.

19.21 Notification of Sale of Lease. Notwithstanding any other provision of this Lease, Landlord may, in its discretion, at any time during the Term sell 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, (ii) any such sale shall be made expressly subject to all terms and conditions of this Lease.

19.22 Termination of the Amended and Restated Lease Agreement; Survival of Certain Provisions of Amended and Restated Lease Agreement. The Amended and Restated Lease Agreement is hereby terminated effective as of the Effective Date of this Lease; provided, however, that Section 11 (Indemnity) of the Amended and Restated Lease Agreement, and any other provision thereof that, by its terms, is intended to survive the expiration or earlier termination of the Amended and Restated Lease Agreement, shall survive the termination thereof and the expiration or earlier termination of this Lease.

19.23 Ancillary to Master Agreement. This Lease is entered into by the Parties pursuant to the terms of and is ancillary to the Master Agreement. In the event that any of the terms and provisions of this Lease shall conflict with any of the terms and provisions of the Master Agreement, the terms and provisions of the Master Agreement shall control.

19.24 Guaranty of Lease. Seton Healthcare Family will, simultaneously with the execution of this Lease, execute a guaranty of this Lease in the form of **Exhibit E**.

19.25 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 Medicare and other governmental requirements. As soon as available, Tenant shall annually provide to Landlord a copy of Tenant's and Seton Healthcare Family's fiscal year-end financial statements prepared in accordance with generally accepted accounting principles. If one of such financial statements are not audited by independent public accountants, then within 120 days after its fiscal year-end, Tenant, upon Landlord's written request, shall provide Landlord a letter from the independent public accountants for the entity whose financial statements are audited, describing the audit adjustments, if any, to the entity with the unaudited financial statements which are included in the other's audited financial statements. If audited financial statements are prepared by Tenant or Seton Healthcare Family for any fiscal year, Tenant shall provide to Landlord a copy of such audited financial statements of Tenant or Seton Healthcare Family, as applicable, as soon as they are available. In addition, Tenant shall annually deliver separate unaudited statements of revenues and expenses of University Medical Center Brackenridge.

[SIGNATURE PAGE FOLLOWS]

EXECUTED to be effective as of the Effective Date.

LANDLORD: TRAVIS COUNTY HEALTHCARE DISTRICT,
a political subdivision of the State of Texas

By: _____
Name: Patricia A. Young Brown
Title: President & CEO

TENANT: SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By: _____
Name: Charles J. Barnett
Title: Executive Board Chair – Seton Healthcare Family

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By: _____
Name: Jesus Garza
Title: President and Chief Executive Officer - Seton Healthcare Family

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By: _____
Name: Douglas D. Waite
Title: Senior Vice President and Chief Financial Officer

EXHIBIT A

FLOOR PLAN OF THE CLINIC

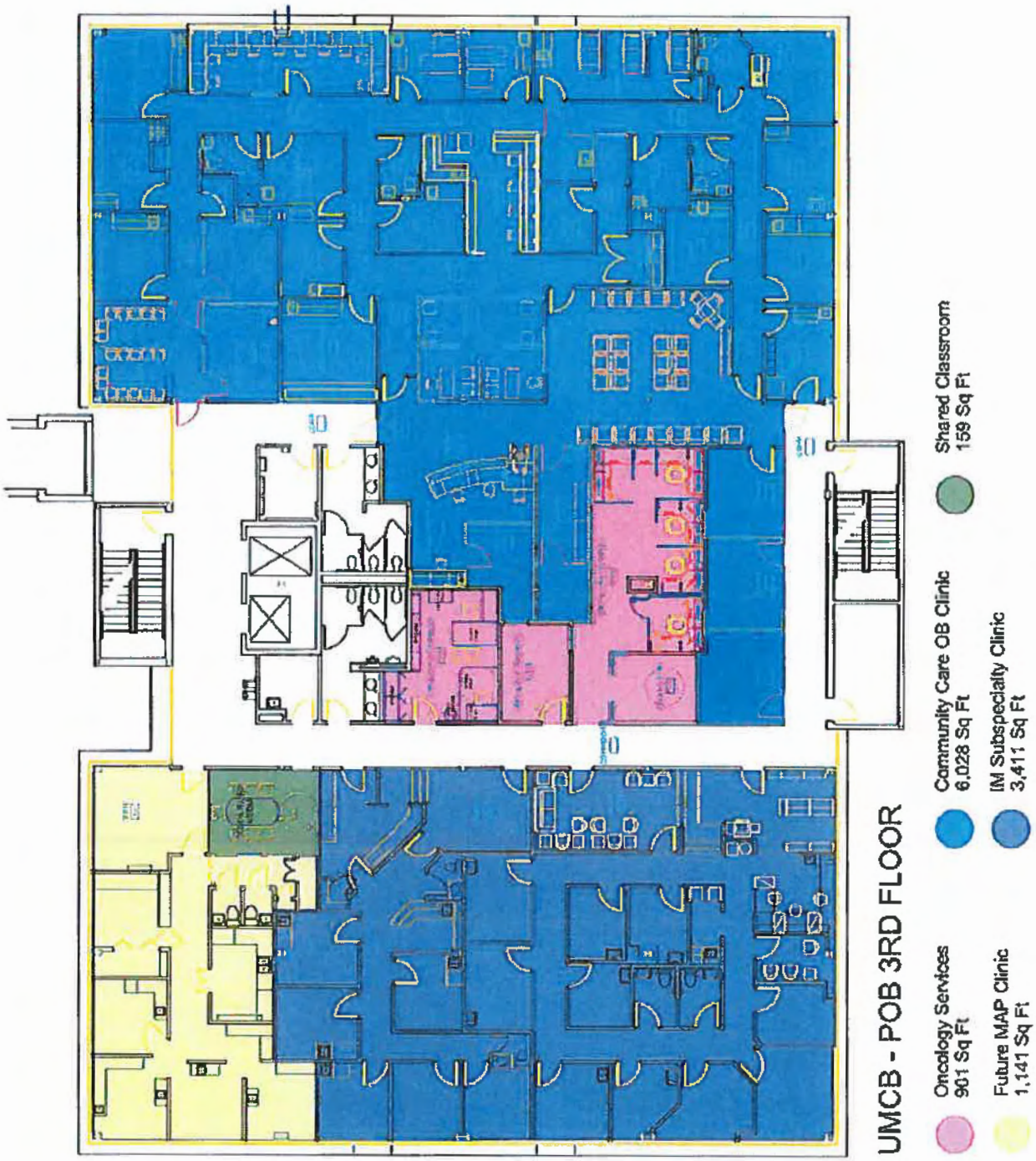

EXHIBIT B

LEGAL DESCRIPTION OF THE PREMISES

Tract 1:

14.015 ACRES
BRACKENRIDGE HOSPITAL
CITY OF AUSTIN

FN NO. 04-358(JJM)
SEPTEMBER 20, 2004
BPI JOB NO. 082-38.92

DESCRIPTION

OF A 14.015 ACRE TRACT OR PARCEL OF LAND SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING OUT OF THE ORIGINAL CITY OF AUSTIN, AS SHOWN ON A MAP ON FILE IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS; SAID 14.015 ACRES BEING ALL OF LOTS 1 THROUGH 8 OF BLOCK 166 1/2, LOTS 1 THROUGH 8 OF BLOCK 166, LOTS 1 THROUGH 8 OF BLOCK 167, LOTS 1 THROUGH 8 OF BLOCK 165, LOTS 2 THROUGH 7 AND A PORTION OF LOT 8 OF BLOCK 168 AND LOTS 5 AND 6 AND THE REMAINING PORTIONS OF LOTS 3, 4 AND 7 OF BLOCK 164 OF SAID ORIGINAL CITY OF AUSTIN, SAID 14.015 ACRES ALSO BEING THE SABINE STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 580515B, RECORDED IN VOLUME 1947, PAGE 276 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS AND A PORTION OF SAID SABINE STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 760527-A, RECORDED IN VOLUME 5480, PAGE 873 OF SAID DEED RECORDS, AND ALSO BEING A PORTION OF THE ORIGINAL RED RIVER STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 760122-A, RECORDED IN VOLUME 5388, PAGE 1230 OF SAID DEED RECORDS AND AMENDED BY ORDINANCE 760318-D, AND ALSO BEING ALL OF THE PORTIONS OF THE RE-LOCATED RED RIVER STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 760527-A, RECORDED IN VOLUME 5480, PAGE 873 OF SAID DEED RECORDS, AND ALSO BEING ALL OF THE EAST 14TH STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS, CITY ORDINANCE NO. 660707-B AND A PORTION OF THE EAST 14TH STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 730201-H, RECORDED IN VOLUME 4575, PAGE 951 OF SAID DEED RECORDS, AND ALSO BEING PORTIONS OF THE EAST 13TH STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 7721109-G, RECORDED IN VOLUME 4490, PAGE 518 OF SAID DEED RECORDS AND CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS AND CITY ORDINANCE NO. 730201-H, RECORDED IN VOLUME 4575, PAGE 951 OF SAID DEED RECORDS; SAID 14.015 ACRES ALSO BEING ALL OF THOSE ALLEYS LOCATED WITHIN SAID BLOCK 166 1/2, SAID BLOCK 166 AND SAID BLOCK 165, VACATED BY CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS, AND ALL OF THAT ALLEY LOCATED WITHIN SAID BLOCK 167 VACATED BY CITY ORDINANCE NO. 580515B, RECORDED IN VOLUME 1947, PAGE 276 OF SAID DEED RECORDS, AND ALL OF THAT ALLEY LOCATED WITHIN SAID BLOCK 168 VACATED BY CITY ORDINANCE NO. 760122-A, RECORDED IN VOLUME 5388, PAGE 1230 OF SAID DEED RECORDS AND A PORTION OF THAT ALLEY LOCATED IN BLOCK 164 VACATED BY CITY ORDINANCE NO. 730201-H, RECORDED IN VOLUME 4575, PAGE 951 OF SAID DEED RECORDS; SAID 14.015 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a City of Austin right-of-way monument found in the centerline of East 15th Street (100' R.O.W.) being the point of intersection with the centerline of said vacated Sabine Street (80' R.O.W.), and from which a 1/2 inch iron rod found in the centerline of said East 15th Street, bears N73°35'17"W, a distance of 359.48 feet;

THENCE, S73°35'17"E, along the centerline of said East 15th Street, a distance of 316.38 feet to a point;

THENCE, S16°24'43"W, leaving the centerline of East 15th Street, a distance of 50.00 feet to a cut "X" in concrete set for the **POINT OF BEGINNING** and northeasterly corner hereof, being the point of intersection of the southerly right-of-way line of said East 15th Street with the westerly right-of-way line of Interstate Highway 35 (R.O.W. varies), also being the northeasterly corner of said Block 166 1/2;

THENCE, S16°30'34"W, along the westerly line of Interstate Highway 35, being the easterly line of said Block 166 1/2, said vacated East 14th Street (Ordinance 750529-A), said Block 166, and said vacated East 13th Street (Ordinance 7721109-G), a distance of 642.62 feet to a 1/2 inch iron rod with cap set for the most easterly southeast corner hereof, and from which a 1/2 inch iron rod with aluminum cap found at the northeasterly corner of Brackenridge Hospital Sub-Station Subdivision, a subdivision of record in Book 67, Page 61 of the Plat Records of Travis County, Texas, bears S16°30'34"W, a distance of 30.00 feet, and also from which a 1/2 inch iron rod with aluminum cap set for the southeasterly corner of said Brackenridge Hospital Sub-Station Subdivision bears S16°30'34"W, a distance of 230.15;

THENCE, over, across and through said vacated East 13th Street (Ordinance 7721109-G) and a portion of said vacated Sabine Street (Ordinance 760527-A) the following five (5) courses and distances:

1) N73°37'40"W, along the northerly line of that certain portion of public utility easement released to the City of Austin by deed of record in Volume 11574, Page 1782 of said Real Property Records, a distance of 93.38 feet to a 1/2 inch iron rod with cap set for the northwesterly corner of said released public utility easement, same being an interior ell corner hereof;

2) S16°12'19"W, along the westerly line of said released public utility easement, a distance of 30.00 feet to a 1/2 inch iron rod with cap found in the northerly line of said Brackenridge Hospital Sub-Station Subdivision for an exterior ell corner hereof;

3) N73°37'40"W, along the northerly line of said Brackenridge Hospital Sub-Station Subdivision, a distance of 90.17 feet to a square galvanized bolt found for the northwesterly corner of said Brackenridge Hospital Sub-Station Subdivision, same being a point in the easterly line of that certain 0.500 acre tract of land conveyed to Travis County by deed of record in Volume 12276, Page 320 of said Real Property Records for an exterior ell corner hereof;

4) N16°31'51"E, along the easterly line of said Travis County Tract, a distance of 8.54 to a 1/2 inch iron rod found being the northeasterly corner of said Travis County Tract for an interior ell corner hereof;

5) N73°37'58"W, along the northerly line of said Travis County Tract, passing at a distance of 104.48 feet a cotton spindle found being the northwesterly corner of said Travis County Tract, and continuing for a total distance of 172.88 to a cotton spindle set in the westerly line of said vacated Sabine Street (Ordinance 760527-A), being the easterly line of said vacated East 13th Street (Ordinance 750529-A), for an interior ell corner hereof;

THENCE, S16°30'21"W, along said westerly line of vacated Sabine Street (Ordinance 760527-A) and the easterly line of said vacated East 13th Street (Ordinance 750529-A), a distance of 28.92 to a 1/2 inch iron rod found for the northeasterly corner of that certain 1.382 acre tract leased to Rehab Hospital Services Corporation by Memorandum of Lease of record in Volume 10800, Page 1017 of said Real Property Records, and corrected by instrument of record in Volume 12477, Page 1952 of said Real Property Records, for an exterior ell corner hereof, and from which a cut "X" found at the intersection of the northerly line of a 20 foot alley, same being in the southerly end of said vacated Sabine Street (Ordinance No. 760527-A), and also being the southeasterly corner of said 1.382 acre tract, bears S16°30'21"W, a distance of 179.76 feet;

THENCE, continuing along the northerly and westerly line of said 1.382 acre tract the following four (4) courses and distances:

1) N73°36'42"W, leaving the westerly line of said vacated Sabine Street (Ordinance 760527-A), passing at a distance of 102.60 feet a cut "X" found, and continuing for a total distance of 260.58 feet to a cut "X" found for an exterior ell corner of said 1.382 acre tract, same being an interior ell corner hereof;

2) S14°01'48"W, a distance of 12.33 feet to a 1/2 inch iron rod found for an interior ell corner of said 1.382 acre tract, same being an exterior ell corner hereof;

3) N73°45'30"W, a distance of 99.88 feet to a 1/2 inch iron rod found for the northwesterly corner of said 1.382 acre tract, being in the westerly line of said vacated Rid River Street (Ordinance 760122-A), same being an interior ell corner hereof;

4) S16°33'06"W, along the westerly line of said vacated Red River Street (Ordinance 760122-A), a distance of 49.08 feet to a 1/2 inch iron rod found in the easterly right-of-way line of said relocated Red River Street for the southwesterly corner hereof, and from which a 1/2 inch iron rod found in the said easterly line of relocated Red River Street for a point of curvature of a curve to the right bears S10°31'53"E, a distance of 34.55 feet;

THENCE, leaving westerly line of said 1.382 acre tract and continuing along the easterly right-of-way line of said relocated Red River Street the following three (3) courses and distances:

1) N10°31'53"W, a distance of 406.30 feet to a 1/2 inch iron rod found for the beginning of a non-tangent curve to the right, and from which a 1/2 inch iron rod found for the beginning of a curve in the westerly line of said relocated Red River Street bears S79°19'39"W, a distance of 79.75 feet;

2) Along said non-tangent curve to the right having a radius of 560.00 feet, a central angle of 34°15'00", an arc distance of 334.75 feet and a chord of which bears N06°35'37"E, a distance of 329.79 feet to a 1/2 inch iron rod with cap found for the end of said non-tangent curve to the right;

3) N23°43'07"E, a distance of 68.45 feet to a 1/2 inch iron rod with cap set at the northwest corner of said Red River Street vacated by Ordinance 760527-A (Tract 1) for the northwesterly corner hereof, being the point of intersection of the present easterly line of relocated Red River Street with the southerly line of East 15th Street;

THENCE, S73°35'17"E, along the southerly line of East 15th Street, being the northerly line of said Block 168, said vacated Red River Street (Ordinance 760122-A), said Block 167, said vacated Sabine Street (Ordinance 580515B) and said Block 166 1/2, a distance of 949.14 feet to the **POINT OF BEGINNING**, containing an area of 14.015 acres (610,502 sq. ft.) of land, more or less, within these metes and bounds.

I, JOHN T. BILNOSKI, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PROPERTY DESCRIBED HEREIN WAS DETERMINED BY A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION. A LAND TITLE SURVEY WAS PREPARED TO ACCOMPANY THIS DESCRIPTON.

9/20/04

BURY & PARTNERS, INC.
ENGINEERS-SURVEYORS
3345 BEE CAVE ROAD
SUITE 200
AUSTIN, TEXAS 78746

JOHN T. BILNOSKI,
R.P.L.S. NO. 4998
STATE OF TEXAS

STATE OF TEXAS
REGISTERED
JOHN T. BILNOSKI
4998
PROFESSIONAL
LAND SURVEYOR

FIELD NOTES REVIEWED
By JOHN MOORE Date 10-18-2004
Engineering Support Section
Department of Public Works
and Transportation

Tract 2:

0.328 ACRES
BRACKENRIDGE HOSPITAL
TRACT 2

FN. NO. 04-369(JJM)
SEPTEMBER 20, 2004
BPI JOB NO. 629-02.99

DESCRIPTION

OF A 0.328 ACRE TRACT OF LAND SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THE SABINE STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE 760527-A RECORDED IN VOLUME 5480, PAGE 873 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS; SAID 0.328 ACRE TRACT OR PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a cut "X" found in the northerly line of a 20' alley for the southwesterly corner of said Vacated Sabine Street (Ordinance 760527-A), same being the southeasterly corner of that certain 1.382 acre tract leased to Rehab Hospital Services Corporation by Memorandum of Lease of record in Volume 10800, Page 1017 of said Real Property Records, and corrected by instrument of record in Volume 12477, Page 1952 of said Real Property Records.

THENCE, N16°30'21"E, along the westerly line of said Vacated Sabine Street (Ordinance 760527-A), passing at a distance of 179.76 feet, a 1/2 iron rod found for the northeasterly corner of said 1.382 acre tract, and continuing for a total distance of 208.68 to a cotton spindle set for the northwesterly corner hereof;

THENCE, S73°37'58"E, leaving the westerly line of said Vacated Sabine Street (Ordinance 760527-A), a distance of 68.40 to a cotton spindle found for the northwesterly corner of that certain 0.500 acre tract of land conveyed to Travis County by deed of record in Volume 12276, Page 320 of said Real Property Records, for the northeasterly corner hereof, from which a 1/2 inch iron rod found for the northeasterly corner of said Travis County Tract bears S73°37'58"E, a distance of 104.48 feet;

THENCE, S16°31'38"W, along the westerly line of Travis County Tract, a distance of 208.68 feet to a cut "X" found in the northerly line of a 20' alley, same being in the southerly end of said Vacated Sabine Street (Ordinance 760527-A), and also being the southwesterly corner of said Travis County Tract, for the southeasterly corner hereof, from which a cotton spindle found for the common southerly corner of said Travis County Tract and Brackenridge Hospital Sub-Station Subdivision, a subdivision of record in Book 67, Page 61 of the Plat Records of Travis County, Texas, bears S73°37'40"E, a distance of 104.46 feet;

THENCE, N73°37'40"W, along the northerly line of said 20' alley, same being the southerly end of said Vacated Sabine Street (Ordinance 760527-A), a distance of 68.33 feet to the **POINT OF BEGINNING**, containing an area of 0.328 acres (14,265 SF) of land, more or less, within these metes and bounds.

9/20/04

JOHN T. BILNOSKI
R.P.L.S. NO. 4998
STATE OF TEXAS

DATE

STATE OF TEXAS
REGISTERED
JOHN T. BILNOSKI
4998
PROFESSIONAL
LAND SURVEYOR

BURY & PARTNERS, INC.
ENGINEERS-SURVEYORS
3345 BEE CAVE ROAD
SUITE 200
AUSTIN, TEXAS 78746

FIELD NOTES REVIEWED
By JH Moore Date 10-14-2004
Engineering Support Section
Department of Public Works
and Transportation

EXHIBIT C

PERMITTED EXCEPTIONS

1. Restrictive covenants recorded in Volume 10800, Page 1017 of the Real Property Records of Travis County, Texas.
2. Drainage and public utility easements reserved by City of Austin Ordinance No. 721109-G, recorded in Volume 4490, Page 518 of the Deed Records, as partially released by instrument recorded in Volume 11574, Page 1782 of the Real Property Records, both of Travis County, Texas. (Tract 1)
3. Drainage and public utility easements reserved by City of Austin Ordinance No. 730201-H, recorded in Volume 4575, Page 951 of the Deed Records of Travis County, Texas. (Tract 1)
4. Drainage and public utility easements reserved by City of Austin Ordinance No. 760122-A, recorded in Volume 5388, Page 1230, as amended by City of Austin Ordinance No. 760318-D, recorded in Volume 5539, Page 2237, both of the Deed Records of Travis County, Texas. (Tract 1)
5. Drainage and public utility easements reserved by City of Austin Ordinance No. 760527-A, recorded in Volume 5480, Page 873 of the Deed Records, as partially released by instrument recorded in Volume 12459, Page 77, corrected in Volume 12483, Page 784, and by instrument recorded in Volume 12697, Page 194, all of the Real Property Records, all of Travis County, Texas. (Tracts 1 and 2)
6. The terms, conditions and stipulations of that certain License Agreement dated October 23, 1979, recorded in Volume 6775, Page 1581 of the Deed Records of Travis County, Texas. (Tract 1)
7. The terms, conditions and stipulations of that certain Declaration of Lease dated October 12, 1979, recorded in Volume 7469, Page 216 of the Deed Records, executed by and between the City of Austin, as Lessor and John D. Byram, as Lessee, as further affected by Assignments recorded in Volume 10563, Page 300 and Volume 11567, Page 1638, and by Agreement recorded in Volume 10641, Page 719 refiled in Volume 10717, Page 1098, all of the Real Property Records, all of Travis County, Texas. (Tract 1)
8. 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. (Tract 1)
9. 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. (Tracts 1 and 2)
10. Stormsewer line and workspace area 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. (Tracts 1 and 2)
11. Wastewater line and workspace area 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. (Tract 1)

12. 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. (Tract 1)
13. 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. (Tract 1)
14. 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. (Tract 1)
15. 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. (Tract 1)
16. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.
17. Easements, or claims of easements, which are not recorded in the public records.
18. Rights of parties in possession.
19. Those matters disclosed in Schedule C, Item 7 shown on the Heritage Title Report.

EXHIBIT D

MEMORANDUM OF LEASE

This Memorandum of Lease (this "**Memorandum**"), dated effective as of June 1, 2013 (the "**Effective Date**"), is entered into by and between Travis County Healthcare District, a political subdivision of the State of Texas ("**Landlord**"), and Seton Family of Hospitals, a Texas nonprofit corporation ("**Tenant**").

1. Grant of Lease; Term; and Rights.

(a) Pursuant to a Lease Agreement (the "**Lease**") between Landlord and Tenant dated as of the Effective Date, Landlord leases to Tenant, and Tenant leases from Landlord, those certain premises more particularly described on the attached **Exhibit "A"** (the "**Premises**"), for a term commencing on the Effective Date and ending on, unless sooner terminated as provided therein, October 1, 2055, subject to the provisions of the Lease.

(b) The Lease grants Tenant certain rights on the terms set forth in the Lease.

2. Purpose. This Memorandum is prepared for the purpose of recordation only, and it in no way modifies the provisions of the Lease. In the event of any inconsistency between the provisions of this Memorandum and the Lease, the provisions of the Lease will prevail.

3. Miscellaneous. The parties have executed this Memorandum to be effective as of the Effective Date on the dates indicated in their acknowledgments below. Upon the expiration of the term of the Lease or the prior termination thereof, the parties agree, upon the request of either, to execute and deliver to each other a termination of this Memorandum in recordable form.

EXECUTED AND DELIVERED to be effective as of the Effective Date.

[SIGNATURE PAGES FOLLOW]

[COUNTERPART SIGNATURE PAGE TO MEMORANDUM OF LEASE]

LANDLORD:

TRAVIS COUNTY HEALTHCARE DISTRICT,
a political subdivision of the State of Texas

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this ____ day of _____, 2013 by _____, _____ of Travis County Healthcare District, a political subdivision of the State of Texas, on behalf of the political subdivision.

_____
Notary Public Signature

(SEAL)

[COUNTERPART SIGNATURE PAGE TO MEMORANDUM OF LEASE]

TENANT:

SETON FAMILY OF HOSPITALS, a Texas nonprofit corporation

By:_____
Name: Charles J. Barnett
Title: Executive Board Chair – Seton Healthcare Family

SETON FAMILY OF HOSPITALS, a Texas nonprofit corporation

By:_____
Name: Jesus Garza
Title: President and Chief Executive Officer - Seton Healthcare Family

SETON FAMILY OF HOSPITALS, a Texas nonprofit corporation

By:_____
Name: Douglas D. Waite
Title: Senior Vice President and Chief Financial Officer

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this ____ day of June, 2013 by Charles J. Barnett, Executive Board Chair – Seton Healthcare Family, a Texas nonprofit corporation, on behalf of the corporation.

(SEAL) _____
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this ____ day of June, 2013 by Jesus Garza, President and Chief Executive Officer - Seton Healthcare Family, a Texas nonprofit corporation, on behalf of the corporation.

(SEAL) _____
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this ____ day of June, 2013 by Douglas D. Waite, Senior Vice President and Chief Financial Officer of Seton Family of Hospitals, a Texas nonprofit corporation, on behalf of the corporation.

(SEAL) _____
Notary Public Signature

Exhibit "A"

Legal Description of the Premises

14.015 ACRES
BRACKENRIDGE HOSPITAL
CITY OF AUSTIN

FN NO. 04-358(JJM)
SEPTEMBER 20, 2004
BPI JOB NO. 082-38.92

DESCRIPTION

OF A 14.015 ACRE TRACT OR PARCEL OF LAND SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING OUT OF THE ORIGINAL CITY OF AUSTIN, AS SHOWN ON A MAP ON FILE IN THE GENERAL LAND OFFICE OF THE STATE OF TEXAS; SAID 14.015 ACRES BEING ALL OF LOTS 1 THROUGH 8 OF BLOCK 166 1/2, LOTS 1 THROUGH 8 OF BLOCK 166, LOTS 1 THROUGH 8 OF BLOCK 167, LOTS 1 THROUGH 8 OF BLOCK 165, LOTS 2 THROUGH 7 AND A PORTION OF LOT 8 OF BLOCK 168 AND LOTS 5 AND 6 AND THE REMAINING PORTIONS OF LOTS 3, 4 AND 7 OF BLOCK 164 OF SAID ORIGINAL CITY OF AUSTIN, SAID 14.015 ACRES ALSO BEING THE SABINE STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 580515B, RECORDED IN VOLUME 1947, PAGE 276 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS AND A PORTION OF SAID SABINE STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 760527-A, RECORDED IN VOLUME 5480, PAGE 873 OF SAID DEED RECORDS, AND ALSO BEING A PORTION OF THE ORIGINAL RED RIVER STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 760122-A, RECORDED IN VOLUME 5388, PAGE 1230 OF SAID DEED RECORDS AND AMENDED BY ORDINANCE 760318-D, AND ALSO BEING ALL OF THE PORTIONS OF THE RE-LOCATED RED RIVER STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 760527-A, RECORDED IN VOLUME 5480, PAGE 873 OF SAID DEED RECORDS, AND ALSO BEING ALL OF THE EAST 14TH STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS, CITY ORDINANCE NO. 660707-B AND A PORTION OF THE EAST 14TH STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 730201-H, RECORDED IN VOLUME 4575, PAGE 951 OF SAID DEED RECORDS, AND ALSO BEING PORTIONS OF THE EAST 13TH STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE NO. 7721109-G, RECORDED IN VOLUME 4490, PAGE 518 OF SAID DEED RECORDS AND CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS AND CITY ORDINANCE NO. 730201-H, RECORDED IN VOLUME 4575, PAGE 951 OF SAID DEED RECORDS; SAID 14.015 ACRES ALSO BEING ALL OF THOSE ALLEYS LOCATED WITHIN SAID BLOCK 166 1/2, SAID BLOCK 166 AND SAID BLOCK 165, VACATED BY CITY ORDINANCE NO. 750529-A, RECORDED IN VOLUME 5234, PAGE 2071 OF SAID DEED RECORDS, AND ALL OF THAT ALLEY LOCATED WITHIN SAID BLOCK 167 VACATED BY CITY ORDINANCE NO. 580515B, RECORDED IN VOLUME 1947, PAGE 276 OF SAID DEED RECORDS, AND ALL OF THAT ALLEY LOCATED WITHIN SAID BLOCK 168 VACATED BY CITY ORDINANCE NO. 760122-A, RECORDED IN VOLUME 5388, PAGE 1230 OF SAID DEED RECORDS AND A PORTION OF THAT ALLEY LOCATED IN BLOCK 164 VACATED BY CITY ORDINANCE NO. 730201-H, RECORDED IN VOLUME 4575, PAGE 951 OF SAID DEED RECORDS; SAID 14.015 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a City of Austin right-of-way monument found in the centerline of East 15th Street (100' R.O.W.) being the point of intersection with the centerline of said vacated Sabine Street (80' R.O.W.), and from which a 1/2 inch iron rod found in the centerline of said East 15th Street, bears N73°35'17"W, a distance of 359.48 feet;

THENCE, S73°35'17"E, along the centerline of said East 15th Street, a distance of 316.38 feet to a point;

THENCE, S16°24'43"W, leaving the centerline of East 15th Street, a distance of 50.00 feet to a cut "X" in concrete set for the **POINT OF BEGINNING** and northeasterly corner hereof, being the point of intersection of the southerly right-of-way line of said East 15th Street with the westerly right-of-way line of Interstate Highway 35 (R.O.W. varies), also being the northeasterly corner of said Block 166 1/2;

THENCE, S16°30'34"W, along the westerly line of Interstate Highway 35, being the easterly line of said Block 166 1/2, said vacated East 14th Street (Ordinance 750529-A), said Block 166, and said vacated East 13th Street (Ordinance 7721109-G), a distance of 642.62 feet to a 1/2 inch iron rod with cap set for the most easterly southeast corner hereof, and from which a 1/2 inch iron rod with aluminum cap found at the northeasterly corner of Brackenridge Hospital Sub-Station Subdivision, a subdivision of record in Book 67, Page 61 of the Plat Records of Travis County, Texas, bears S16°30'34"W, a distance of 30.00 feet, and also from which a 1/2 inch iron rod with aluminum cap set for the southeasterly corner of said Brackenridge Hospital Sub-Station Subdivision bears S16°30'34"W, a distance of 230.15;

THENCE, over, across and through said vacated East 13th Street (Ordinance 7721109-G) and a portion of said vacated Sabine Street (Ordinance 760527-A) the following five (5) courses and distances:

1) N73°37'40"W, along the northerly line of that certain portion of public utility easement released to the City of Austin by deed of record in Volume 11574, Page 1782 of said Real Property Records, a distance of 93.38 feet to a 1/2 inch iron rod with cap set for the northwesterly corner of said released public utility easement, same being an interior ell corner hereof;

2) S16°12'19"W, along the westerly line of said released public utility easement, a distance of 30.00 feet to a 1/2 inch iron rod with cap found in the northerly line of said Brackenridge Hospital Sub-Station Subdivision for an exterior ell corner hereof;

3) N73°37'40"W, along the northerly line of said Brackenridge Hospital Sub-Station Subdivision, a distance of 90.17 feet to a square galvanized bolt found for the northwesterly corner of said Brackenridge Hospital Sub-Station Subdivision, same being a point in the easterly line of that certain 0.500 acre tract of land conveyed to Travis County by deed of record in Volume 12276, Page 320 of said Real Property Records for an exterior ell corner hereof;

4) N16°31'51"E, along the easterly line of said Travis County Tract, a distance of 8.54 to a 1/2 inch iron rod found being the northeasterly corner of said Travis County Tract for an interior ell corner hereof;

5) N73°37'58"W, along the northerly line of said Travis County Tract, passing at a distance of 104.48 feet a cotton spindle found being the northwesterly corner of said Travis County Tract, and continuing for a total distance of 172.88 to a cotton spindle set in the westerly line of said vacated Sabine Street (Ordinance 760527-A), being the easterly line of said vacated East 13th Street (Ordinance 750529-A), for an interior ell corner hereof;

THENCE, S16°30'21"W, along said westerly line of vacated Sabine Street (Ordinance 760527-A) and the easterly line of said vacated East 13th Street (Ordinance 750529-A), a distance of 28.92 to a 1/2 inch iron rod found for the northeasterly corner of that certain 1.382 acre tract leased to Rehab Hospital Services Corporation by Memorandum of Lease of record in Volume 10800, Page 1017 of said Real Property Records, and corrected by instrument of record in Volume 12477, Page 1952 of said Real Property Records, for an exterior ell corner hereof, and from which a cut "X" found at the intersection of the northerly line of a 20 foot alley, same being in the southerly end of said vacated Sabine Street (Ordinance No. 760527-A), and also being the southeasterly corner of said 1.382 acre tract, bears S16°30'21"W, a distance of 179.76 feet;

THENCE, continuing along the northerly and westerly line of said 1.382 acre tract the following four (4) courses and distances:

1) N73°36'42"W, leaving the westerly line of said vacated Sabine Street (Ordinance 760527-A), passing at a distance of 102.60 feet a cut "X" found, and continuing for a total distance of 260.58 feet to a cut "X" found for an exterior ell corner of said 1.382 acre tract, same being an interior ell corner hereof;

2) S14°01'48"W, a distance of 12.33 feet to a 1/2 inch iron rod found for an interior ell corner of said 1.382 acre tract, same being an exterior ell corner hereof;

3) N73°45'30"W, a distance of 99.88 feet to a 1/2 inch iron rod found for the northwesterly corner of said 1.382 acre tract, being in the westerly line of said vacated Rid River Street (Ordinance 760122-A), same being an interior ell corner hereof;

4) S16°33'06"W, along the westerly line of said vacated Red River Street (Ordinance 760122-A), a distance of 49.08 feet to a 1/2 inch iron rod found in the easterly right-of-way line of said relocated Red River Street for the southwesterly corner hereof, and from which a 1/2 inch iron rod found in the said easterly line of relocated Red River Street for a point of curvature of a curve to the right bears S10°31'53"E, a distance of 34.55 feet;

THENCE, leaving westerly line of said 1.382 acre tract and continuing along the easterly right-of-way line of said relocated Red River Street the following three (3) courses and distances:

1) N10°31'53"W, a distance of 406.30 feet to a 1/2 inch iron rod found for the beginning of a non-tangent curve to the right, and from which a 1/2 inch iron rod found for the beginning of a curve in the westerly line of said relocated Red River Street bears S79°19'39"W, a distance of 79.75 feet;

2) Along said non-tangent curve to the right having a radius of 560.00 feet, a central angle of 34°15'00", an arc distance of 334.75 feet and a chord of which bears N06°35'37"E, a distance of 329.79 feet to a 1/2 inch iron rod with cap found for the end of said non-tangent curve to the right;

3) N23°43'07"E, a distance of 68.45 feet to a 1/2 inch iron rod with cap set at the northwest corner of said Red River Street vacated by Ordinance 760527-A (Tract 1) for the northwesterly corner hereof, being the point of intersection of the present easterly line of relocated Red River Street with the southerly line of East 15th Street;

THENCE, S73°35'17"E, along the southerly line of East 15th Street, being the northerly line of said Block 168, said vacated Red River Street (Ordinance 760122-A), said Block 167, said vacated Sabine Street (Ordinance 580515B) and said Block 166 1/2, a distance of 949.14 feet to the **POINT OF BEGINNING**, containing an area of 14.015 acres (610,502 sq. ft.) of land, more or less, within these metes and bounds.

I, JOHN T. BILNOSKI, A REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THE PROPERTY DESCRIBED HEREIN WAS DETERMINED BY A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION. A LAND TITLE SURVEY WAS PREPARED TO ACCOMPANY THIS DESCRIPTON.

BURY & PARTNERS, INC.
ENGINEERS-SURVEYORS
3345 BEE CAVE ROAD
SUITE 200
AUSTIN, TEXAS 78746

9/20/04
JOHN T. BILNOSKI,
R.P.L.S. NO. 4998
STATE OF TEXAS

STATE OF TEXAS REGISTERED JOHN T. BILNOSKI 4998 PROFESSIONAL LAND SURVEYOR

FIELD NOTES REVIEWED
By JOHN MOORE Date 10-18-2004
Engineering Support Section
Department of Public Works
and Transportation

0.328 ACRES
BRACKENRIDGE HOSPITAL
TRACT 2

FN. NO. 04-369(JJM)
SEPTEMBER 20, 2004
BPI JOB NO. 629-02.99

DESCRIPTION

OF A 0.328 ACRE TRACT OF LAND SITUATED IN THE CITY OF AUSTIN, TRAVIS COUNTY, TEXAS, BEING A PORTION OF THE SABINE STREET RIGHT-OF-WAY VACATED BY CITY ORDINANCE 760527-A RECORDED IN VOLUME 5480, PAGE 873 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS; SAID 0.328 ACRE TRACT OR PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a cut "X" found in the northerly line of a 20' alley for the southwesterly corner of said Vacated Sabine Street (Ordinance 760527-A), same being the southeasterly corner of that certain 1.382 acre tract leased to Rehab Hospital Services Corporation by Memorandum of Lease of record in Volume 10800, Page 1017 of said Real Property Records, and corrected by instrument of record in Volume 12477, Page 1952 of said Real Property Records.

THENCE, N16°30'21"E, along the westerly line of said Vacated Sabine Street (Ordinance 760527-A), passing at a distance of 179.76 feet, a 1/2 iron rod found for the northeasterly corner of said 1.382 acre tract, and continuing for a total distance of 208.68 to a cotton spindle set for the northwesterly corner hereof;

THENCE, S73°37'58"E, leaving the westerly line of said Vacated Sabine Street (Ordinance 760527-A), a distance of 68.40 to a cotton spindle found for the northwesterly corner of that certain 0.500 acre tract of land conveyed to Travis County by deed of record in Volume 12276, Page 320 of said Real Property Records, for the northeasterly corner hereof, from which a 1/2 inch iron rod found for the northeasterly corner of said Travis County Tract bears S73°37'58"E, a distance of 104.48 feet;

THENCE, S16°31'38"W, along the westerly line of Travis County Tract, a distance of 208.68 feet to a cut "X" found in the northerly line of a 20' alley, same being in the southerly end of said Vacated Sabine Street (Ordinance 760527-A), and also being the southwesterly corner of said Travis County Tract, for the southeasterly corner hereof, from which a cotton spindle found for the common southerly corner of said Travis County Tract and Brackenridge Hospital Sub-Station Subdivision, a subdivision of record in Book 67, Page 61 of the Plat Records of Travis County, Texas, bears S73°37'40"E, a distance of 104.46 feet;

THENCE, N73°37'40"W, along the northerly line of said 20' alley, same being the southerly end of said Vacated Sabine Street (Ordinance 760527-A), a distance of 68.33 feet to the **POINT OF BEGINNING**, containing an area of 0.328 acres (14,266 SF) of land, more or less, within these metes and bounds.

BURY & PARTNERS, INC.
ENGINEERS-SURVEYORS
3345 BEE CAVE ROAD
SUITE 200
AUSTIN, TEXAS 78746

9/20/04
JOHN T. BILNOSKI DATE
R.P.L.S. NO. 4998
STATE OF TEXAS

STATE OF TEXAS
REGISTERED
JOHN T. BILNOSKI
4998
PROFESSIONAL
LAND SURVEYOR

FIELD NOTES REVIEWED
By JHMoore Date 10-14-2004
Engineering Support Section
Department of Public Works
and Transportation

EXHIBIT E

FORM OF GUARANTY

As a material inducement to Landlord to enter into the Lease Agreement, dated June 1, 2013 (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, **SETON HEALTHCARE FAMILY**, a Texas nonprofit corporation ("**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 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:

Seton Healthcare Family
1345 Philomena Street, Suite 402
Austin, TX 78723
Attention: President and Chief Executive Officer

With a copy (which shall not constitute notice) to:	Seton Healthcare Family 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 a y 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 transact ons 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 June 1, 2013.

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

By:_____
Name: Charles J. Barnett
Title: Executive Board Chair

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

By:_____
Name: Jesus Garza
Title: President and Chief Executive Officer