PARKING GARAGE LEASE AGREEMENT

between

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A
CENTRAL HEALTH

as Landlord

and

SETON FAMILY OF HOSPITALS

as Tenant

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PARKING GARAGE LEASE AGREEMENT

This Parking Garage Lease Agreement (this "**Lease**") is entered into as of December 15, 2017, by and between the Travis County Healthcare District, d/b/a Central Health, a political subdivision of the State of Texas ("**Landlord**" or "**Central Health**"), and Seton Family of Hospitals, a Texas nonprofit corporation ("**Tenant**" or "**Seton**").

RECITALS:

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

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

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

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

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

E. To further accomplish the collaborative effort described above to establish a Teaching Hospital: (i) Central Health agreed in the Ground Lease to provide parking spaces on the Central Health Downtown Campus, initially in the existing parking garage located at the corner of Red River Street and East 15th Street but subject to relocation as provided herein, that are reserved for the Teaching Hospital and which are sufficient in number and type to comply with the requirements of Applicable Law for the operation of the Teaching Hospital (the "**Required Parking Spaces**" as defined herein), and (ii) Seton agreed in the Ground Lease to lease such Required Parking Spaces. Central Health and Seton are entering into this Lease to satisfy their respective obligations under the Ground Lease regarding the Required Parking Spaces.

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

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

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

AGREEMENTS

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

Article 1
DEFINITIONS

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

"**Additional Payment Obligations**" has the meaning set forth in Section 4.7.

"**Aerial Bridge**" has the meaning set forth in Section 7.1(b).

"**Aerial Bridge Easement**" has the meaning set forth in Section 7.1(b).

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

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

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

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

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

"**Ambulance Crew Quarters**" means the sleeping quarters used by Austin-Travis County EMS personnel who operate from the Ambulance Facility.

"**Ambulance Facility**" means the emergency ambulance bay generally depicted on Exhibit "A" attached hereto and consisting of approximately 11,000 square feet.

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

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

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

"**Building**" means the nine-story building comprising approximately 504,873 square feet, consisting of a parking garage for approximately 1,400 vehicles, ingress and egress ramps, the Office Annex, equipment and storage room space, elevator banks and systems, as further described and shown on Exhibit "A" attached hereto. The Building does not include the Ambulance Facility.

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

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

"**CEC Lease**" has the meaning set forth in Section 4.1.

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

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

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

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

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

"**Commencement Date**" has the meaning set forth in Section 3.1.

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

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

"**CPI-U**" has the meaning set forth in Section 4.6.

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

"Default Rate" has the meaning set forth in Section 4.9.

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

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

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

"Encroachment Agreement" has the meaning set forth in Section 7.1(b).

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

"**Equipment**" means all furniture, furnishings and equipment owned by Tenant and located at the Premises or used in connection with the operation of the Premises on the Commencement Date, 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 12.3 or (ii) in connection with Tenant's use and operation of the Premises.

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

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

"**Excess Parking Spaces**" has the meaning set forth in Section 12.5(a).

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

"**Fair Market Value**" has the meaning set forth in Section 4.6(b).

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

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

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

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

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

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

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

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

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

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

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

U.S.C. § 1347), Wire Fraud (18 U.S.C. § 1343), Theft or Embezzlement (18 U.S.C. § 669), False Statements (18 U.S.C. § 1001), False Statements (18 U.S.C. § 1035), and Patient Inducements Statute, and equivalent state statutes and regulations, and any and all rules or regulations promulgated by Governmental Authorities with respect to any of the foregoing.

"**Heritage Title Report**" means the title commitment dated effective November 17, 2016 and issued November 29, 2017 under GF No. 201603551 that was prepared by Heritage Title Company of Austin, Inc. (the "**Title Company**"), as agent for First American Title Insurance Company, with respect to the Land on which the Premises is situated.

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

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

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

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

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

"**Land**" means the real property owned by Landlord on which the Building is located and being more particularly described in the Legal Description, as that real property may be modified or redeveloped in accordance with Sections 8.5 and 8.6.

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

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

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

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

"**Landlord Relocation Rights**" has the meaning set forth in Section 8.6.

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

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

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

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

"**Market Rental Rate**" has the meaning set forth in Section 4.6(d).

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

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

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

"**Memorandum**" has the meaning set forth in Section 18.10.

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

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

"Office Annex" means that portion of the Building located on the ground floor of the east side of the Building that is currently being used as office space, as further described and shown on Exhibit "A" attached hereto.

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

"Parking Spaces" means the parking spaces in the Building equal to the sum of the Required Parking Spaces plus the Excess Parking Spaces, which Tenant may use in accordance with the terms of this Lease.

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

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

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

"**Premises**" means (i) the Land, (ii) the Building, (iii) the Improvements, and (iv) all easements and appurtenances related to the Land (including, without limitation, the Access Easements). The term "**Premises**" expressly excludes the Equipment and Ambulance Facility.

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

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

"**Redevelopment Rights**" has the meaning set forth in Section 8.5(a).

"**Relocated Parking Facilities**" has the meaning set forth in Section 8.6(a).

"**Relocation Right**" has the meaning set forth in Section 8.6(a).

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

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

"**Required Parking Spaces**" means the type and minimum number of parking spaces required by Applicable Law in order to maintain Tenant's licenses and credentials for the operation of the Teaching Hospital as the same may change from time to time, which as of the Commencement Date is 1,080 parking spaces and which will not be reduced without Tenant's prior written consent or increased to more than 1,305 parking spaces without Landlord's prior written consent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 Terminology. The terms defined in 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 in accordance with the terms thereof. This Lease was negotiated between Landlord and Tenant with the benefit of legal representation, and any rule of construction or interpretation that requires this Lease to be construed or interpreted against either Party shall not apply to any construction or interpretation hereof.

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

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

Article 2
LEASE OF PREMISES

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 Commencement Date.

2.2 Parking Agreement. The Premises and Equipment shall, at all times during the Term, be under the direction and supervision of an active operator, who may be Tenant or a Parking Manager, with the expertise, qualifications, experience, competence and skills to manage, operate and maintain the Premises and the Equipment in accordance with the terms of this Lease, including Section 8.4. At Tenant's election and expense, Tenant may engage a Parking Manager to manage the Premises on Tenant's behalf pursuant to a Parking Management Agreement; provided, however the Parking Manager shall at all times be subject to the direction, supervision and control of Tenant, and any delegation to the Parking Manager shall not relieve Tenant of any obligations, duties or liability hereunder. Any Parking Management Agreement between Tenant and Parking Manager will be subject and subordinate to this Lease and shall by its terms terminate without penalty at the election of Landlord or the Parking Manager upon fifteen (15) Business Days' notice to such Parking Manager or Landlord, as applicable, upon the termination of this Lease. The Parking Manager shall have no interest in or rights under this Lease or in the Premises other than pursuant to the Parking Management Agreement. Tenant shall not permit Parking Manager to use the Building for providing automobile repair service, maintenance or automobile care service, car wash service nor for any other purpose in violation of this Lease without Landlord's prior written approval.

2.3 Ambulance Crew Quarters. Of mutual benefit to both Landlord and Tenant, is that the City of Austin's EMC Medic 3 Unit operated from the parking garage will be allowed to continue such operations until relocation is needed due to Landlord's redevelopment of the Land. Tenant will have sole and exclusive use of the Ambulance Crew Quarters once the same are vacated and such space will be deemed part of the Office Annex.

2.4 Access Easements. Landlord hereby grants to Tenant for use during the Term the non-exclusive easements set forth in this Section 2.4 (the "**Access Easements**"), which easements shall be appurtenant to the leasehold estate granted and created by this Lease and shall be for the benefit of Tenant. All easements set forth in this Section 2.4 are granted subject to Landlord's Redevelopment Rights and all Permitted Exceptions.

(a) Sidewalk Easements. Landlord hereby grants to Tenant a non-exclusive access easement to and from the Building for pedestrian ingress and egress over and across the land owned by Landlord as shown on and in the locations designated on

Exhibit "A", and being generally described as the land and sidewalk between the northern boundary of the Premises and the right-of-way of 15th Street, the land and sidewalk between the western boundary of the Premises and Red River Street, and the land and sidewalk between the eastern boundary of the Premises and Hospital Drive.

(b) Driveway Easements. Landlord hereby grants to Tenant a non-exclusive access easement to and from the Building for vehicular and pedestrian ingress and egress over and across the land owned by Landlord as shown on and in the locations designated on Exhibit "A", and being the driveway for entrance and exit on the eastern side of the Building (the "**Eastern Access Easement**") and the driveway for entrance and exit on the western side of the Building (the "**Western Access Easement**").

(c) Use. Except as permitted in connection with the exercise of its Redevelopment Rights, Landlord will not do anything, or permit anything to be done, that would materially interfere with Tenant's use and enjoyment of the Access Easements. Tenant shall not install or construct any structures, fixtures, or other improvements in the Access Easements without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole discretion. Tenant acknowledges that Landlord's Redevelopment Rights include, but are not limited to, the following and that the exercise of such rights does not constitute a material interference with Tenant's use and enjoyment of the Premises or the Access Easements and may result in less than full access over the Access Easements at all times: (i) work in connection with modifying the vehicular and pedestrian entrances and exits to the Premises currently located on the eastern and western sides of the Premises as depicted on Exhibit "A-1" and further defined in Section 8.5(a)(ii) as the Approved Garage Entrance/Exit Work, (ii) work in connection with the vacation of the existing Red River Street to the west of the Premises and the re-alignment of Red River Street to the north of and through the Central Health Downtown Campus, (iii) work in connection with the redevelopment of the Professional Office Building site to the south of the Building and blocks 164, 165 and 167 (including demolition of existing buildings thereon).

(d) Termination. The Western Access Easement shall terminate on the date Landlord completes construction of the Approved Garage Entrance/Exit Work or other work of similar purpose constituting the modified entrance/exit on the western side of the Premises. The Eastern Access Easement shall terminate on the opening of any new public road that is located on all or a part of such easement and portions of the Eastern Access Easement shall terminate at the time the exercise of Landlord's Redevelopment Rights result in permanent closure of such portions. All other Access Easements shall terminate on the last day of the Term.

Article 3
TERM

3.1 Term.

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

(b) Renewal Option. Provided that no Event of Default under any term or provision contained in this Lease exists, Tenant shall have the right and option (the "**Renewal Option**") to renew this Lease, by written notice delivered to Landlord no later than one hundred eighty (180) days prior to the expiration of the Initial Term, or subsequent Renewal Term for up to seven (7) additional term(s) (each, a "**Renewal Term**") of one hundred twenty (120) months each; provided, however, that the seventh (7^{th}) Renewal Term will expire concurrently with the expiration of the Ground Lease. Tenant's lease of the Premises during each Renewal Term will be under the same terms, conditions and covenants contained in this Lease, except that (a) no abatements or other concessions except for the abatements and other concessions expressly provided in this Lease shall apply during the Renewal Term; (b) the Aggregate Rent shall be calculated as provided in Section 4.5 of this Lease; and (c) all leasehold improvements within the Premises shall be provided in their then existing condition (on an "As Is" basis) at the time each Renewal Term commences.

Article 4
PAYMENT OBLIGATIONS

4.1 CEC Lease. By lease of even date, Landlord and Tenant have entered into a lease relating to the CEC building (the "**CEC Lease**"). Aggregate Rent (defined below) payable under both this Lease and the CEC Lease during the Initial Term shall be calculated as an aggregate amount pursuant to Section 4.4 (i.e. the total Aggregate Rent payable under the CEC Lease and this Lease is set forth below in this Section 4.4).

4.2 Aggregate Rent.

(a) During the period commencing on January 1, 2018, and continuing thereafter through the Initial Term, Tenant shall pay aggregate rent ("**Aggregate Rent**") comprised of (i) fixed rent ("**Fixed Rent**") plus (ii) a contingent rent amount ("**Contingent Rent**") calculated as set out in Section 4.3.

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

(c) Landlord and Tenant acknowledge and agree that during the Initial Term or any Renewal Term Landlord may exercise its Relocation Right, which will likely trigger an adjustment in the Aggregate Rent that Tenant is obligated to pay under this Lease and the CEC Lease. If this Lease or the CEC Lease contemplates an adjustment to Rent based on a change in circumstances (e.g., an exercise of the Relocation Right), then the Parties will work in good faith to agree on the Aggregate Rent that is payable under this Lease and the CEC Lease; however, in no event shall Tenant's total rent obligation under this Lease and the CEC Lease increase (i.e. the maximum Aggregate Rent payable by Tenant during the Initial Term are the amounts set forth below in Section 4.4(a) and the maximum amount of Aggregate Rent payable during any Renewal Term will equal the aggregate Market Rental Rate determined as of the commencement of such Renewal Term).

4.3 Contingent Rent. Contingent Rent will be determined based upon the Net Patient Service Revenue ("NPSR") (defined below) for Tenant's preceding Fiscal Year. For example, during the period commencing on January 1, 2018 and expiring on September 30, 2018, the amount of Contingent Rent will be calculated based upon the NPSR recognized by Tenant during the period commencing on July 1, 2016, and expiring on June 30, 2017. Landlord and Tenant estimate that, during the first Lease Year in the Initial Term, the annual estimated Contingent Rent ("**Projected Contingent Rent**") will be $6,660,937.00; however, Tenant does not make, and has not made, any representations or warranties of any kind to Landlord with respect to the amount of NPSR that will be received by Tenant in any particular year.

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

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

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

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

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

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

plus (c) an amount (the "**Initial Term Rent Shortfall Recapture Payment**") equal to $8,881,245.00 multiplied by a fraction the numerator of which is (i) the most recent NPSR less $100,000,000.00, and the denominator of which is (ii) $100,000,000.00, but with such Rent Recapture Payment in no event to exceed the amount of Cumulative Rent Shortfall for prior Lease Years less the cumulative amount of all "**Rent Recapture Payments**" (which shall include the Initial Term Rent Recapture Payment and each "**Renewal Term Rent Recapture Payments**", as defined below) (the "**Cumulative Rent Shortfall Amount**"), and this process will continue every year in which NPSR exceeds $100,000,000.00 until such time as the Cumulative Rent Shortfall Amount has been reduced to zero and, subject to a maximum Aggregate Rent for the Initial Term of $63,386,719.00. Any Aggregate Rent Shortfalls existing at the end of the Initial Term will carry forward to subsequent Renewal Terms of this Lease. Subject to the terms of Section 4.12, Initial Term Rent Shortfall Recapture Payments and Renewal Term Shortfall Recapture Payments, if due, shall be made within thirty (30) days following the date of Tenant's NPSR Notice showing an NPSR in excess of $100,000,000.00.

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

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

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

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

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

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

plus

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

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

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

plus

b. Fixed Rent -- $509,375.00

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

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

plus

b. Fixed Rent -- $509,375.00

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

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

plus

b. Fixed Rent -- $509,375.00

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

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

plus

b. Fixed Rent -- $509,375.00

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

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

plus

b. Fixed Rent -- $509,375.00

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

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

plus

b. Fixed Rent -- $509,375.00

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

4.5 Reset Upon Renewal.

(a) On the first day of each Renewal Term, the Aggregate Rent shall be reset to equal the Market Rental Rate as of the commencement of such Renewal Term. At Tenant's election, Aggregate Rent in a Renewal Term may, but does not have to, include both Fixed Rent and Contingent Rent Components.

(b) If Tenant exercises its right to a Renewal Term, Landlord and Tenant will meet and confer in order to negotiate the Aggregate Rent for such Renewal Term. If Landlord and Tenant have not agreed upon the Aggregate Rent for the Renewal Term at least one hundred eighty (180) days prior to the commencement of such Renewal Term, Aggregate Rent for the Renewal Term will be submitted to binding arbitration in accordance with Section 4.5(c).

(c) If the determination of Aggregate Rent for a Renewal Term is submitted to binding arbitration, then the date that such matter is submitted to arbitration will be the "**Arbitration Commencement Date**" and the Aggregate Rent for such Renewal Term will be determined as follows:

(i) Within thirty (30) days after the Arbitration Commencement Date, Landlord will select a Qualified Appraiser ("**Landlord's Appraiser**") and Tenant will select a Qualified Appraiser ("**Tenant's Appraiser**"). Landlord and/or Tenant will request that the office

of the American Arbitration Association located in the City of San Antonio, Texas (if an office is not located in Austin, Texas) select a third Qualified Appraiser in accordance with the Commercial Arbitration Rules of such Association. The three selected Qualified Appraisers (collectively, the "**Panel**") shall, by majority vote, determine the Market Rental Rent for the Renewal Term using the definitions of Fair Market Value and Market Rental Rate provided below.

(ii) The Market Rental Rate determined by the Panel by majority vote will be the Aggregate Rent for the first Lease Year of the applicable Renewal Term. After the Aggregate Rent is established for the first Lease Year of the Renewal Term, such Aggregate Rent will be adjusted annually on October 1 of each remaining Lease Year in the applicable Renewal Term by an amount equal to the CPI-U increase over the preceding Lease Year in such Renewal Term (as determined in accordance with Section 4.5(e) below). The determination of Aggregate Rent by the Panel will be binding on Landlord and Tenant.

(iii) Within ten (10) Business Days of the date on which the Panel was appointed, Landlord and Tenant will each submit to the Panel their respective estimate of the Aggregate Rent for the Renewal Term as well as any supporting documentation that Landlord or Tenant determine relevant to the Panel's determination. Within sixty (60) days of being appointed, the Panel shall conduct such meetings or hearings as it deems appropriate, and will thereafter issue a determination in writing of the Aggregate Rent for the Renewal Term as soon as practicable.

(iv) The Party whose estimate of Aggregate Rent (i.e., the estimate submitted to the Panel as provided in (iii) above) is closer to the Panel's determination of Aggregate Rent will be deemed the "prevailing party" in the arbitration. The non-prevailing party will be responsible for all costs and fees charged by the Panel and will also reimburse the prevailing party for the prevailing party's actual and reasonable costs and expenses (including reasonable attorneys' fees) incurred in connection with the arbitration. Any such reimbursement shall be made within thirty (30) days after receipt of written demand (which demand must include reasonable supporting documentation evidencing the costs and expenses incurred by the prevailing party). If the Panel's determination of Aggregate Rent is within five percent (5%) (either higher or lower) of the exact middle of Landlord's estimate and Tenant's estimate, then there will be no prevailing party and each party will bear its own costs in connection with the arbitration, and the Parties will each pay half of the costs and fees charged by the Panel.

(v) The term "**Qualified Appraiser**" means an independent appraiser with at least seven (7) years' experience appraising commercial real estate in the greater Austin metropolitan area. The Qualified Appraiser shall be licensed by the State of Texas and shall be a member of and shall have a Member, Appraisal Institute ("MAI") designation (or the then equivalent designation) by the Appraisal Institute or any comparable successor certifying

organization if such institute is not then in existence. Notwithstanding anything to the contrary contained in this Section 4.5, in no event shall anyone serving as a Qualified Appraiser pursuant to the terms of this Section 4.5 have any previous or current business or personal relationship with Landlord, Tenant, Ascension Texas, or their various representatives, and shall have no other conflict or potential conflicts that are not fully described in writing to both Landlord and Tenant. In the event that any proposed Qualified Appraiser provides written notice of an existing or potential conflict, either Landlord or Tenant, in their sole discretion, may elect to have such person not serve as a Qualified Appraiser on the Panel under this Section 4.5, and the party who selected the Qualified Appraiser with a conflict shall select another Qualified Appraiser.

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

(e) As contemplated by Section 4.5(c)(ii), the Aggregate Rent shall, after the first year of each Renewal Term, be adjusted annually on October 1 by an amount equal to the actual CPI-U increase over the immediately preceding Lease Year of the applicable Renewal Term. As an example, if the CPI-U adjustment during the first year of the first Renewal Term is one percent (1%), then the Aggregate Rent for the second year of the first Renewal Term will be adjusted by one percent (1%). If the CPI-U Adjustment for the third year of the first Renewal Term is three percent (3%), then the Aggregate Rent for the fourth year of the first Renewal Term will be adjusted by three percent (3%).

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

(a) "**CPI-U**" means the Consumer Price Index for All Urban Consumers (1982-1984 = 100): U.S. City Average, published by the Bureau of Labor Statistics of the U.S. Department of Labor (the "**Bureau**"). If the U.S. Department of Labor no longer compiles and publishes the CPI-U, the price index published by any other branch or department of the federal government and generally used as a replacement for the CPI-U will be used in replacement of the CPI-U, and if no such index exists, the statistics reflecting the cost of living increases as compiled by any institution or organization generally recognized as an authority, as selected by a majority of three (3) economists (one selected by Landlord, one selected by Tenant, and the third selected by the two economists so selected), shall be used in replacement of the CPI-U.

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

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

(d) The "**Market Rental Rate**" means the Fair Market Value of the Premises, multiplied by a reasonable market rate of return on the Fair Market Value of Premises during the applicable Aggregate Rent reset year (as such market rate of return is determined by the Panel), which Market Rental Rate is an annual rental rate.

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

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

4.8 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.

4.9 Interest on Late Payment. If Landlord has not received at the address set forth in Section 4.10 any installment of Rent within twenty (20) days after the date due, the outstanding and unpaid Rent shall bear interest at a rate per annum equal to the lesser of eighteen percent (18%) or the maximum rate of interest allowed under Applicable Laws (the "**Default Rate**"), commencing on the twenty-first (21st) day after the date on which such Rent was due.

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

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

4.12 Shortfall Payment in Event of Lease Expiration. Notwithstanding anything to the contrary contained herein:

(a) In the event the Lease expires at the end of the Initial Term and is not renewed by Tenant, Tenant shall not be liable to Landlord for payment of any then remaining Cumulative Rent Shortfall Amount.

(b) In the event the Lease expires at the end of any Renewal Term and there is no subsequent renewal, Tenant shall not be liable to Landlord for payment of any then remaining Cumulative Rent Shortfall Amount.

Article 5
IMPOSITIONS; UTILITIES

5.1 Impositions Defined. The term "**Impositions**" shall mean all taxes, assessments, use and occupancy taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, license and permit fees, and other charges by any public authority, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed by any municipality, county, state, the United States of America, or any other governmental body, subdivision, agency, or authority (each a "**Governmental Authority**" and collectively, "**Governmental Authorities**") upon or accrued or become a lien on (i) the Premises, the Leasehold Estate, Tenant's Personal Property, all other property of Tenant used on the Land, or any part thereof; (ii) the rent and income received by or for the account of Tenant from any Parking Agreement and tenants or subtenants, and for any use and occupancy of the Building, including the parking spaces and office space in the Premises; (iii) such franchises, licenses, and permits as may be pertinent to the use of the Premises or Tenant's Personal Property; or (iv) any documents to which Tenant is a party creating or transferring an interest or estate in the Premises or Tenant's Personal Property. Impositions shall include: (x) all taxes, utilities, and insurance arising out of or related to Tenant's lease, ownership, use, and operation of the Premises and all property of Tenant used on the Land and the business conducted thereon by Tenant or any tenant, subtenant, or licensee of Tenant; (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. However, if at any time during the Term the present method of taxation shall be changed such that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate, improvements thereon and equipment shall be discontinued in whole or in part, or the rates for such taxes reduced, and in whole or partial substitution therefor, taxes of the type described in the immediately preceding sentence or taxes, assessments, levies, impositions, or charges shall be levied, assessed, and/or imposed wholly or partially as a capital levy or otherwise on the rents received from said real estate, improvements or equipment or the rents reserved herein or any part thereof, then such substitute taxes, assessments, levies, impositions, or charges, to the extent so levied, assessed or imposed in substitution (in whole or in part) for such other taxes shall be deemed to be included within the term Impositions.

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

5.3 Tax Contest. Tenant may, at its sole cost and expense, contest the validity or amount of any Imposition for which it is responsible, in which event the payment thereof may be deferred to the extent permitted by Applicable Law, during the pendency of such contest, if diligently prosecuted. If the amount being contested is more than $1,000,000 and such amount has not been paid by Tenant to the applicable taxing authority, fifteen (15) days prior to the date any contested Imposition shall become delinquent, Tenant shall deposit with Landlord or, at the election of Tenant, such bank or trust company having its principal place of business in Austin, Texas, selected by Tenant and reasonably satisfactory to Landlord (the "**Imposition Trustee**"), an amount sufficient to pay such contested item, together with any interest and penalties thereon and the estimated fees and expenses of any Imposition Trustee, which amount shall be applied to the payment of such items when the amount thereof shall be finally determined. In lieu of such cash deposit, Tenant may deliver to Landlord a surety company bond in 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 Default 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 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 apply in its own name for such utilities and shall pay when due all charges for such utilities directly to the billing entity.

5.6 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. It is expressly understood and agreed that, except as expressly provided in this Lease, this is a completely net lease intended to assure Landlord the rentals herein reserved on an absolute net basis.

5.7 Right to Perform Tenant's Obligation as to Impositions. If Tenant fails to timely pay any Imposition for which it is responsible hereunder, Landlord may, at its election (but without obligation), pay such Imposition with any interest and penalties due thereon, and the amount so paid shall be reimbursed by Tenant on demand together with interest thereon at the Default Rate from the date of such payment until such amount is repaid.

Article 6
ETHICAL AND RELIGIOUS DIRECTIVES

Landlord acknowledges that Tenant is subject to the official teachings of the Roman Catholic Church and its Ethical and Religious Directives. Any provision contained in this Lease to the contrary notwithstanding, in no event shall Tenant be required to engage in any conduct, or provide or perform any services, in connection with its obligations under this Lease, in contravention of the Ethical and Religious Directives. In the event that, during the Term of this Lease, Tenant shall be asked to engage in any conduct, or provide or perform any services, the conduct of which or the provision or performance of which shall be determined by Tenant, in the exercise of its absolute discretion, to be in violation of the Ethical and Religious Directives,

Tenant may refuse to engage in any such conduct, or provide or perform any such services; provided, however, that, in any such event, Tenant shall work cooperatively and in good faith with Landlord, to the end that any such services shall be provided or performed by Landlord, or shall be provided or performed by one or more other healthcare providers who Landlord shall select for such purpose.

Article 7
IMPROVEMENTS AND ALTERATIONS

7.1 Alterations Generally.

(a) Other than the Aerial Bridge (which shall be governed by Section 7.1(b) below), Tenant shall not perform any alteration, improvement, addition, repairs (other than those repairs Tenant is obligated to make under this Lease), remediation, reconstitution or other construction to or of the Premises (each and including a "Tenant Required Alteration", an "**Alteration**") without first obtaining the prior written consent of Landlord in each instance; provided, however, Tenant shall have the right, without consent of, but upon at least ten (10) days' prior written notice (including a copy of any final plans, specifications and working drawings for any such work if such documents were prepared) to, Landlord to make an Alteration within the interior of the Premises which (1) are not structural in nature; (2) are not visible from the exterior of the Building; (3) do not affect or otherwise require modification of the Building's electrical, mechanical, plumbing, heating/ventilation/air-conditioning, fire/life safety, or other systems; and (4) do not materially increase the cost of any work in connection with the exercise of Landlord's Redevelopment Rights, including demolition of the Building. If Landlord's consent is required, Tenant shall submit such information regarding the intended Alteration as Landlord may reasonably require, and no request for consent shall be deemed complete until such information is so delivered. Landlord reserves the right to deny consent to an Alteration if such Alteration would materially interfere with Landlord's Redevelopment Rights as they apply to the Premises. Landlord may require that Tenant, upon the expiration or earlier termination of this Lease, remove all, or any part of the Alterations, at its sole cost and expense and repair any damage caused by such removal. Landlord must give Tenant notice of any such removal requirement at the time that Landlord consents to a particular Alteration so as to allow Tenant the opportunity to factor such removal requirement into its decision to perform the particular Alteration. If Tenant fails to perform its removal obligations in a timely manner, Landlord may perform such work at Tenant's expense. The provisions of this Section 7.1 shall survive the expiration or any earlier termination of this Lease. Unless expressly provided under this Lease, Landlord shall have no obligation to perform any alterations, repairs or improvements to the Premises. Notwithstanding anything to the contrary contained in this Lease, Tenant will have no obligation to remove any Alterations if the Premises are relocated pursuant to Section 8.6 below, irrespective of whether Landlord previously gave Tenant notice of such requirement.

(b) **Aerial Bridge**. Before the opening of the Teaching Hospital to the public, the Tenant will construct an aerial bridge over 15th Street to connect the Premises to the Teaching Hospital and related improvements depicted on Exhibit "E" (collectively, the "**Aerial Bridge**"). The Aerial Bridge will be

constructed at Tenant's sole cost and expense in accordance with the Ground Lease and the Hospital Sublease and (i) plans and specifications to be prepared by Tenant at Tenant's cost and expense and reviewed and approved by Landlord, and otherwise in accordance with the provisions of this Article 7; (ii) that certain Aerial Bridge Easement Agreement (the "**Aerial Bridge Easement**") executed by Landlord and Tenant dated October 17, 2014 recorded in the Official Public Records of Travis County, Texas under Document Number 2014156413 as amended by that certain First Amendment to Aerial Bridge Easement Agreement recorded in the Official Public Records of Travis County, Texas under Document Number 2015102986; and (iii) that certain Encroachment Agreement No. 9342-1403 between Tenant and the City of Austin recorded in the Official Public Records of Travis County, Texas under Document Number 2015170719 (the "**Encroachment Agreement**"). Tenant agrees that the Aerial Bridge Easement is subject to Landlord's Relocation Rights, Landlord's Redevelopment Rights, and Landlord's rights to the New Landlord Facilities; provided, however, that Landlord may not demolish the Aerial Bridge or permanently deny access to the Aerial Bridge from the Central Health Downtown Campus except in one or more of the following circumstances: (1) Tenant consents in writing; (2) the Teaching Hospital is demolished; (3) as required by Applicable Law, when such requirement was triggered by Tenant (as distinguished from any requirement triggered by Landlord in connection with the exercise of its Redevelopment Rights or otherwise) or not triggered by either Tenant or Landlord; (4) as provided in the documents set forth in subsection 7.1(b)(ii) below; (5) as provided in Section 17.1(d) below; (6) if a Change in Circumstance occurs, as such term is defined in Section 17.3(a) below; or (7) as otherwise agreed to by the Parties in writing. If the Building requires modifications or is damaged because of the installation of the Aerial Bridge, then Tenant will be solely responsible for performing such modifications or repairing such damage. The following shall also apply with respect to the Aerial Bridge:

(i) From and after the substantial completion of the Aerial Bridge and subject to Section 8.1(a), Tenant may use the Aerial Bridge as a pedestrian walkway and service corridor.

(ii) For all purposes of this Lease except payment of Aggregate Rent, the Aerial Bridge shall be considered to be a part of the Premises; however, Tenant's surrender and maintenance obligations with respect to the Aerial Bridge will be subject to the Ground Lease, Applicable Law, the Encroachment Agreement, and any other document executed by Landlord and Tenant in connection with the installation of the Aerial Bridge.

(iii) Except as otherwise provided herein, if the Aerial Bridge is for any reason removed, demolished, damaged, or destroyed (including by a Casualty or a permitted termination of the Encroachment Agreement), all costs of such removal, demolition, and Rebuilding shall be borne by Tenant, including the costs incurred in the repair and construction necessary to restore the Building and the Teaching Hospital at the place of structural connection to the Aerial Bridge, unless the parties mutually agree to a different allocation of reconstruction costs. In the event of a permitted termination of the Encroachment Agreement, Tenant shall

provide prior notice of and permit Landlord to participate in any meetings or communications with the City and/or its Real Estate Officer (as defined in the Encroachment Agreement) regarding whether to remove or leave the Aerial Bridge, and shall not agree in writing or otherwise with the City and/or such Real Estate Officer to leave the Aerial Bridge in place without the prior written consent of Landlord.

(iv) All permits, agreements, and entitlements obtained from the City of Austin or any Governmental Authority for the Aerial Bridge shall be collaterally assigned by the Tenant to Landlord and UT System. Tenant shall maintain all permits and agreements necessary for the Aerial Bridge.

7.2 Construction Standards.

(a) Any Alteration and any Rebuilding (including without limitation the Aerial Bridge) shall be performed in accordance with the following standards (the "**Construction Standards**"):

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

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

(iii) all such construction or work shall be designed, constructed, maintained, and operated in accordance and in compliance with all Applicable Law;

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

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

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

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

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

(b) Tenant shall not permit or acquiesce to the foreclosure of any mechanic's or materialmen's lien or other statutory lien against the Premises by reason of work, labor, services, or materials supplied to or on behalf of Tenant in connection with any construction on the Premises. Tenant shall have no right, authority, or power to bind Landlord or Landlord's interest in the Premises for any claim for labor, material or for any other charge or expense incurred in construction of any Alteration or other work with regard thereto, nor to render any interest in the Premises liable for any lien or right of lien for any labor, materials, or other charge or expense incurred in connection therewith, and Tenant shall in no way be considered to be the agent of Landlord with respect to, or general contractor for, the construction, erection, or operation of any Alterations or other work. If any liens or claims for labor or materials supplied or claimed to have been supplied to or on behalf of Tenant in connection with any construction on the Premises shall be filed, Tenant shall promptly pay and release or bond such liens to Landlord's reasonable satisfaction or otherwise obtain the release or discharge thereof. If Tenant fails to promptly pay and release or bond such lien to Landlord's reasonable satisfaction within thirty (30) days after written notice from Landlord to Tenant, Landlord shall have the right, but not the obligation, to pay, release or obtain a bond to protect against such liens and claims following written notice to Tenant, and Tenant shall reimburse Landlord on demand for any such amounts paid together with interest thereon at the Default Rate from the date of such payment until paid.

(c) No approval by Landlord of designs, plans, specifications or other matters shall ever be construed as representing or implying that such designs, plans, specifications or other matters will, if followed, result in a properly designed 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. Landlord's approval of any Alterations and/or Landlord's approval or designation of any general contractor, subcontractor, supplier or other project participant will not create any liability whatsoever on the part of Landlord.

7.3 Alterations Required By Applicable Law. If during the Term, an Alteration is required as a result of a violation of or noncompliance with any Applicable Law that was not caused by Landlord or Landlord's construction on the Land or within the Central Health Downtown Campus, (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 7.1 and 7.2.

(a) Increase in Required Parking Spaces. If during the Initial Term or any Renewal Term, the Required Parking Spaces (as of the Commencement Date) increases as a result of Tenant's expansion of the Teaching Hospital or a change in Applicable Law or otherwise, Tenant shall first use all available Excess Parking Spaces in the Building to satisfy such increase up to and including the actual number of parking spaces in the

Building. Notwithstanding anything contained in this Lease to the contrary, in no event shall Landlord be required to perform an Alteration to increase the number of Parking Spaces within the Building regardless of whether the number of Required Parking Spaces increases because of Tenant's expansion of the Teaching Hospital as it exists as of the Commencement Date or a change in Applicable Law or otherwise.

(b) Excess Required Parking Spaces. If during the Initial Term or any Renewal Term, the Required Parking Spaces exceed the actual number of parking spaces in the Building as of the Commencement Date (the "**Excess Required Parking Spaces**"), Landlord will use commercially reasonable efforts to arrange for sufficient parking on the Central Health Downtown Campus, subject to Sections 8.5 and 8.6 of this Lease, to accommodate the Excess Required Parking Spaces only.

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

7.5 Subordination of Landlord's Lien. Landlord agrees to subordinate any and all liens it may assert on Tenant's Personal Property, or Tenant's other personal property located on the Premises, including any statutory, constitutional or contractual liens, to any lien or security interest granted by Tenant to a third party lender for the purpose of securing financing and will execute, upon Tenant's request, a subordination agreement reasonably acceptable to Landlord and Tenant's third party lender in order to evidence such subordination. Tenant shall provide at least thirty (30) days' written notice of such request and shall pay Landlord's reasonable attorneys' fees and other costs in preparing and negotiating such subordination.

Article 8
USE; MAINTENANCE AND REPAIRS; REDEVELOPMENT AND RELOCATION

8.1 Use.

(a) Subject to the terms and provisions hereof, Tenant shall use the Premises as an ancillary parking garage and office annex ancillary to the Teaching Hospital that is part of the applicable Safety Net System (for so long as Tenant is required to operate the Teaching Hospital as part of the Safety Net System pursuant to the Ancillary Agreements) and shall use the Premises (other than the Office Annex) solely for (i) parking of motor vehicles by physicians and other employees of Tenant at the Teaching Hospital; (ii) optional valet or self-parking of motor vehicles for patients, visitors, and other users of the Teaching Hospital, including valet parking associated with operation of the emergency room; (iii) parking of motor vehicles by the general public; (iv) parking of motor vehicles pursuant to any spaces subleased by third parties from Landlord under Section 12.5; (v) the non-exclusive use, in common use with the general public, of the walkways, elevators, stairways, and corridors in the Premises; and (vi) so long as the Premises are being operated as a parking structure pursuant to and in accordance with the terms and provisions of this Lease, all other legally permissible uses deemed necessary or advisable by Tenant in connection with Tenant's use of the

Premises as a parking garage. Subject to the terms and provisions hereof, Tenant shall use the Office Annex solely for office use.

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

(c) Except as otherwise expressly provided in this Lease or by Applicable Law and subject to Section 2.3 herein, Tenant, during the Initial Term or any Renewal Term, shall have full management and control of the operation and maintenance of the Premises, Tenant's Personal Property located on the Premises without the need of further approval and consent from Landlord. Tenant shall have full authority to collect and use all revenues derived or resulting from its operation of the Premises, and shall be responsible for all debts, contracts, torts, liabilities and claims resulting from the management, operation and maintenance of the Premises during the Initial Term or any Renewal Term, except as otherwise expressly provided in this Lease.

(d) 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 Code.

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

8.3 Intentionally Deleted.

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

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

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

(c) Despite the foregoing subparagraph (b), if Landlord exercises any of its Redevelopment Rights, then Landlord shall have the obligation to make structural and non-structural alterations and improvements to those portions of the Land which are triggered by Landlord's exercise of its Redevelopment Rights, and to maintain in full force and effect any and all licenses, permits and other authorizations required by any Governmental Authority with respect to Landlord's operation of that portion of the Land subject to the Redevelopment Rights.

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

(f) The Garage and the Equipment used in connection with the operation of the Garage shall, at all times during the Term, be under the direction and supervision of an active operator, who may be Tenant or a Parking Manager, with the expertise, qualifications, experience, competence, and skills to manage, operate, and maintain the Garage and the Equipment used in connection with the operation of the Garage in accordance with the terms of this Lease, including Subsection 8.4(a) above. At Tenant's election and expense, Tenant may engage a Parking Manager to manage the Premises on Tenant's behalf pursuant to a Parking Management Agreement; provided, however, the Parking Manager shall at all times be subject to the direction, supervision, and control of Tenant, and any delegation to the Parking Manager shall not relieve Tenant of any obligations, duties, or liability hereunder. Any Parking Management Agreement between Tenant and Parking Manager will be subject and subordinate to this Lease and shall by its terms terminate without penalty at the election of Landlord or the Parking Manager upon fifteen (15) Business Days' notice to such Parking Manager or Landlord, as applicable, upon the termination of this Lease. The Parking Manager shall have no interest in or

rights under this Lease or in the Garage other than pursuant to the Parking Management Agreement. Tenant shall not permit Parking Manager to use the Garage for providing automobile repair service, maintenance or automobile care service, car wash service nor for any other purpose in violation of this Lease without Landlord's prior written approval.

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

8.5 Landlord's Redevelopment Rights.

(a) Redevelopment Rights. Tenant acknowledges that Landlord intends, but shall not be obligated, to redevelop the Central Health Downtown Campus, including the Premises, and has prepared a master plan to guide such redevelopment, a copy of which is attached hereto as Exhibit "F" (the "**Master Plan**"). Landlord reserves the right, in its sole discretion, to modify, change or abandon the Master Plan, including, without limitation changes to the sizes, configuration and locations of buildings, roadways, entrances, exits and traffic signals. In connection therewith, and subject to the limitations set forth in Section 8.5(b) below or elsewhere in this Lease, Tenant agrees that Landlord shall have the right, but not the obligation, to do one or more of the following: (i) to redevelop and relocate easements and locate additional easements on the Land and to use all or a portion of the Land for public streets, alleys, or other public uses; (ii) to reconfigure, relocate, restructure, demolish, and temporarily or permanently close, in whole or in part, existing entrances and exits to the Building (including, but not limited to, modifying the vehicular and pedestrian entrances and exits to the Building currently located on the eastern and western sides of the Building by relocating the existing east entrance/exit to the north by one structural bay, removing and re-striping parking spaces in the Building, re-routing the vehicular circulation within the Building, and permanently closing the existing western physician's entrance/exit to the Building, all as depicted in but not limited to Exhibit "A-1") (the "**Approved Garage Entrance/Exit Work**"); (iii) to relocate existing paths, sidewalks, walkways, and related similar improvements for pedestrian ingress and egress to and from the Building; (iv) to make changes to the grading and landscaping surrounding the Premises; (v) to demolish buildings and other improvements including the Building (subject, however, to Section 8.6) and to construct additional or new buildings (which may or may not connect to the Building and its available utilities) and improvements on the Land for use by Landlord or lease or sale by Landlord to owners, tenants, or other occupants for mixed uses; (vi) to renovate, remodel, expand, or reduce the size of the Building; (vii) to redevelop the Central Health

Downtown Campus and engage in such other construction activities as Landlord deems appropriate to complete the Master Plan as the same may be amended; and (viii) to perform any other activities related thereto ((i)-(viii) above are referred to herein, individually or collectively, as the "**Redevelopment Rights**")). Notwithstanding the foregoing and except as provided in Section 8.5(b)(ii), nothing in this Section 8.5(a) shall be deemed to impose an obligation upon Landlord, and Landlord shall not have the obligation, to undertake or exercise any Redevelopment Rights or seek approval from Tenant of any Redevelopment Rights or any of the work done in connection with the exercise of same. All work performed by or on behalf of Landlord pursuant to the Redevelopment Rights must be performed in accordance with all Applicable Laws. Notwithstanding Section 11.5, Tenant agrees that, without seeking compensation (other than as expressly provided in Section 8.5 and Section 8.6), it will allow Landlord to exercise the Redevelopment Rights should Landlord choose to do so.

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

(i) Landlord will give Tenant at least six (6) months' prior written notice of any work on or in the Building or any work that would materially and adversely impact the Access Easements, including the Approved Garage Entrance/Exit Work, performed by or on behalf of Landlord pursuant to the Redevelopment Rights ("**Landlord Building Work**"). Landlord's failure to comply with applicable notice requirements to Tenant in the exercise of Landlord's Redevelopment Rights constitutes irreparable harm to Tenant for injunctive relief purposes.

(ii) Without limiting item (i) above, Landlord shall coordinate and consult with Tenant prior to undertaking any Landlord Building Work. Except in connection with the Approved Garage Entrance/Exit Work (which is deemed approved by Tenant), Landlord will provide Tenant with copies of all plans and specifications, if any, for any Landlord Building Work, for Tenant's review. If Tenant has any comments or objections to the proposed plans and specifications, Tenant shall submit such comments and objections to Landlord within ten (10) Business Days after Landlord provides Tenant with copies of all plans and specifications, if any, for any Landlord Building Work, and so long as Tenant's comments and objections are not unreasonable or inconsistent with the Master Plan, as modified or amended, or Landlord's Redevelopment Rights, Landlord will address such comments and objections.

(iii) Except in connection with a demolition of the Building (which will require a relocation of all Required Parking Spaces in accordance with the terms of this Lease), Landlord's exercise of the Redevelopment Rights may not (i) reduce the number of parking spaces available for use by Tenant in the Building below the number of Required Parking Spaces (unless substitute parking spaces are provided in accordance with the terms of this Lease), and (ii) may not unreasonably interfere with the use and enjoyment by Tenant of the Premises. If Landlord's exercise of the Redevelopment Rights results in a decrease in the number of parking spaces available for use by Tenant in the Building, then Landlord and Tenant will negotiate in good faith to agree on an equitable

reduction to the Aggregate Rent payable under this Lease to account for such reduction in spaces.

(iv) The Redevelopment Rights, and all work arising therefrom, will be at Landlord's sole cost and expense. In addition, Landlord will be responsible for all actual and reasonable out-of-pocket third party costs and expenses that are incurred by Tenant (and evidenced by actual receipts therefor and produced to Landlord) because of Landlord's exercise of its Redevelopment Rights, including, without limitation, such costs related to new wayfinding or other signage, transportation costs, additional parking costs or fees, security costs, costs of a fire watch if required by Applicable Law, and moving costs. It is the intent of the Parties that Landlord's election to exercise its Redevelopment Rights will be at no out-of-pocket third party cost or liability to Tenant whatsoever.

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

(d) Covenants, Restrictions, or Easements.

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

(ii) So long as no Event of Default by Tenant exists, Landlord, will, from time to time, at the request of Tenant and at Tenant's cost and expense but subject to the approval of Landlord, which approval shall not be unreasonably

withheld, conditioned or delayed, execute amendments to any covenants, restrictions, or easements affecting the Premises, but only upon the delivery by Tenant to Landlord of an officers' certificate stating that such amendment is not detrimental to the proper conduct of the business of Tenant on the Premises and does not materially reduce the value of the Premises.

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

(f) Cooperation.

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

(ii) Landlord and Tenant shall cooperate and negotiate in good faith to agree on any amendments to this Lease necessary to address any change in the Premises and other terms of the Lease as a result of Landlord's exercise of its Redevelopment Rights, including, without limitation, re-defining the term "Premises" covered under this Lease as a result of any modifications to the entrances and exits to the Building, the granting of any additional easements or other access rights reasonably required in connection with the exercise of its Redevelopment Rights, and the modification of other terms of the Lease.

(g) Aerial Bridge. Sections 8.6(b), 8.6(c), and 8.6(i) contain additional restrictions on Landlord's Redevelopment Rights to the extent Landlord's contemplated work will impact use of the Aerial Bridge.

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

8.6 Landlord Relocation Rights.

(a) Despite anything to the contrary in this Lease, Landlord at Landlord's sole cost and expense shall have the right in its sole discretion ("**Relocation Right**"), subject to the terms of this Lease and in consultation with Tenant, upon not less than six (6) months' written notice to Tenant with a copy to UT System and UT Austin ("**Relocation Notice**"), to relocate the Required Parking Spaces (either on a temporary or permanent

basis) to another location or locations reasonably acceptable to Tenant on the Central Health Downtown Campus (the "**Relocated Parking Facilities**") that shall include Reasonable Alternative Access (defined below) to the Teaching Hospital and not less than the Required Parking Spaces. The Required Parking Spaces may be relocated to multiple Relocated Parking Facilities; however each Relocated Parking Facility must contain at least two hundred (200) spaces dedicated to Tenant (which spaces will be located in one contiguous block) and the ADA accessible parking spaces used in connection with the Teaching Hospital will be located as close to the Teaching Hospital as possible (and, in any event, close enough to comply with all Applicable Laws). In addition, notwithstanding anything to the contrary contained in this Lease, Landlord may not relocate any of the Required Parking Spaces to property that is encumbered by a lien or restriction (each, a "**Prohibited Encumbrance**") that is (i) not reflected on the Heritage Title Report and (ii) does or could, through foreclosure, result in the impairment, loss, or extinguishment of Tenant's rights under this Lease. For purposes of clarity, any lien or restriction which is expressly subordinated to Tenant's rights under this Lease pursuant to a subordination agreement in a commercially reasonable form does not constitute a Prohibited Encumbrance. Except as expressly provided in this Section 8.6(a) with respect to Prohibited Encumbrances, nothing herein shall be deemed to limit, restrict, or modify Landlord's Redevelopment Rights under Section 8.5 of this Lease. The Relocation Right may not be exercised except in connection with an exercise of the Redevelopment Rights that requires that the Building (in whole or in part) be closed or demolished as part of the redevelopment work. Without limiting the foregoing, it is the intent of the Parties that the Relocation Right will only be exercised to accommodate work being performed pursuant to the Redevelopment Rights that results in all or part of the Building no longer being available for parking purposes (as distinguished from a relocation for Landlord's convenience or to accommodate another person or entity). Landlord's failure to comply with applicable notice requirements to Tenant in the exercise of Landlord's Relocation Rights constitutes irreparable harm to Tenant for injunctive relief purposes.

(b) In the event Landlord elects to modify, demolish, and/or relocate the Building in a manner that affects the Aerial Bridge as a direct connection between the Building and the Teaching Hospital, Landlord, at its sole cost, shall construct or provide a similar structure or means of access to the Teaching Hospital or the Aerial Bridge (the "**Reasonable Alternative Access**"). Except as otherwise expressly permitted under Section 8.6(d) and Section 7.1 (b) of the Ground Lease, the Reasonable Alternative Access must provide access to the Teaching Hospital via the Aerial Bridge. The Reasonable Alternative Access shall be provided via an acceptable passage through the Central Health Downtown Campus to the Aerial Bridge using public streets (for vehicular access) and sidewalks (for pedestrian access); provided, however, if public access for vehicles or pedestrians is unavailable at the time Landlord exercises its rights under this Section 8.6(b), Landlord shall provide appropriate Reasonable Alternative Access via easements consistent with this Lease and which shall terminate if and when such public access becomes available. Subject to the terms of Section 8.6(d), the Reasonable Alternative Access must be in place prior to a relocation of the Required Parking Spaces. Landlord shall consult with Tenant on any proposed relocation but shall have sole discretion with regard to such relocation subject only to the obligations of Landlord

expressly contained herein. If, after such consultation, Tenant objects to any aspect of the proposed relocation, Tenant may send Landlord a Dispute Notice and trigger the dispute resolution process under Section 15.7.

(c) If Landlord elects to exercise its Relocation Right in the event of a Casualty pursuant to Section 11.1(d) hereunder, and Tenant or any Tenant Party negligently caused the Casualty, then notwithstanding anything to the contrary contained herein, Tenant will pay to Landlord the insurance proceeds that are payable with respect to the damaged portion of the Building (but excluding any insurance proceeds that are payable with respect to any of Tenant's personal property).

(d) Landlord acknowledges and agrees that the main pedestrian entrance to the Teaching Hospital will be through the Aerial Bridge. Accordingly, in order to minimize the impact on the operation of the Teaching Hospital, Landlord agrees that Landlord may not deny access to the Aerial Bridge from the Central Health Downtown Campus, except in connection with a modification, partial or complete demolition, or relocation of the Building, in which event such closure will only be for the shortest duration possible under the circumstances. Landlord acknowledges and agrees that, unless this section impairs any of Landlord's rights under the Ground Lease, Landlord may be required, at Landlord's cost, to reconfigure the structural improvements associated with the Aerial Bridge located on and adjacent to the Land so that pedestrians can enter the Aerial Bridge from the sidewalk along 15th Street or build an access portal and pathway to the Aerial Bridge on the Land.

(e) If there are not a sufficient number of Relocated Parking Facilities available on the Central Health Downtown Campus to relocate all of the Required Parking Spaces in the absence of a Casualty or other structural failure of the Building (in which case Landlord may relocate all of the Required Parking Spaces), then Landlord may relocate up to two hundred (200) of the Required Parking Spaces to another location that is within three (3) miles of the Teaching Hospital, so long as such location provides for secure and safe parking for Tenant's employees and invitees and otherwise complies with the requirements of Applicable Law for the operation of the Teaching Hospital ("**Off-Site Location**"); provided, however, that Landlord's right to relocate the Required Parking Spaces to an Off-Site Location will be subject to the following terms and conditions: (i) Landlord may only relocate the Required Parking Spaces to an Off-Site Location on a temporary basis (meaning no longer than two years); (ii) Landlord may only relocate the Required Parking Spaces to an Off-Site Location to the extent there are not available parking spaces on the Central Health Downtown Campus; and (iii) Landlord, at Landlord's sole cost, must provide valet or shuttle services as appropriate to transport parkers from the Off-Site Location to the Teaching Hospital (which shuttle service will operate in accordance with a schedule reasonably established by Tenant). Without limiting the foregoing, Landlord agrees to cooperate in good faith with Tenant to address any operational issues or concerns that may arise in connection with relocating the Required Parking Spaces to an Off-Site Location and to pay any reasonable costs arising with Tenant's use of the Off-Site Location including, without limitation, any parking charges associated with the Off-Site Location or any other operational costs. By way of example and not as a limitation, various operational issues and costs that may arise in connection with moving a portion of the Required Parking

Spaces to an Off-Site Location, all of which will be at Landlord's cost: (1) installing a time clock or other mechanism that allows for Tenant's employees to clock-in/out from the Off-Site Location; (2) establishing a pick-up or drop-off location adjacent to the Teaching Hospital and constructing any necessary shelter at such location; (3) constructing and operating a fully enclosed shelter at the Off-Site Location with heating and air-conditioning; and (4) changing Tenant's website or other print media to provide parking directions to the Off-Site Location.

(f) Landlord's exercise of its Relocation Right, and all work arising therefrom, will be at Landlord's sole cost and expense. In addition, Landlord will be responsible for all reasonable out-of-pocket costs and expenses that are incurred by Tenant (and evidenced by actual receipts therefor and produced to Landlord) because of Landlord's exercise of its Relocation Right, including, without limitation, costs related to new wayfinding or other signage, transportation costs, security costs, costs of a fire watch if required by Applicable Law, and moving costs. It is the intent of the Parties that Landlord's election to exercise its Relocation Right will be at no cost or liability to Tenant whatsoever.

(g) If the Required Parking Spaces are relocated and the Building or Land is thereafter redeveloped to include parking spaces on the Land, then, at Tenant's request, Landlord will relocate up to five hundred (500) of the Required Parking Spaces on the Land as may be accommodated thereon (as reasonably determined by Landlord and Tenant). In the event that Tenant elects to relocate said Required Parking Spaces under this Section 8.6(c), Landlord and Tenant shall cooperate and negotiate in good faith to agree on an amendment to this Lease, including without limitation, an adjustment in Rent.

(h) Notwithstanding any relocation of the Required Parking Spaces, Tenant's obligation to pay Rent for such spaces shall continue in accordance with the terms of this Lease; provided, however, Landlord and Tenant shall cooperate and negotiate in good faith to agree on an amendment to this Lease necessary to address the change in location of the Required Parking Spaces, including, without limitation, re-defining the term "Premises" covered under this Lease, an adjustment in Rent, the granting of any additional easements or other access rights reasonably required in connection with the relocation of the Required Parking Spaces, and the modification of other terms of the Lease to address the possible transition from a single user gross lease structure to a multiple user triple net lease or to a lease of parking spaces only or otherwise. For example, if Tenant is not the sole user and tenant of the Relocated Parking Facilities, then (i) Landlord and Tenant would agree upon a fair and equitable allocation of maintenance, tax, and insurance obligations with respect to the Relocated Parking Facilities to account for the fact that the Relocated Parking Facilities service multiple users (and in such instance Landlord acknowledges and agrees that this allocation may result in certain of Tenant's obligations with respect to the initial Premises shifting to Landlord); and (ii) any Tenant indemnity obligation contained herein that requires Tenant to indemnify Landlord for any claims, losses, and expenses arising from any damage or injury occurring within the Premises would be revised to cover only damage or injury caused by Tenant's willful misconduct and negligence.

(i) If Landlord desires to relocate the Premises pursuant to this Section 8.6 but Landlord and Tenant are unable to agree upon the Relocated Parking Facilities, then either party may initiate the dispute resolution process set forth in Section 15.7. If such dispute remains unresolved following the negotiation and mediation process set forth in Sections 15.7(c) and (d), Tenant will have the right to terminate this Lease, after having given thirty (30) days prior written notice to UT System, by delivering written notice of such termination to Landlord ("**Termination Notice**"), with a copy of the Termination Notice to UT System and UT Austin. If Tenant delivers a Termination Notice, then this Lease and any further obligation of Landlord to provide the Required Parking Spaces (or any other Parking Spaces) in any location on the Central Health Downtown Campus will terminate effective as of the second year anniversary of Tenant's receipt of the Relocation Notice or on such other date agreed upon by Landlord and Tenant. Tenant acknowledges and agrees that if Tenant terminates this Lease pursuant to this Section 8.6(i), Tenant will be required to find alternative parking for the Teaching Hospital that satisfies the parking requirements imposed on Tenant pursuant to the Hospital Sublease and the Ground Lease.

(j) Landlord and Tenant acknowledge and agree that in connection with a relocation of the Required Parking Spaces and/or Landlord's exercise of its Redevelopment Rights, it may be necessary to modify or alter access to the Aerial Bridge. If Landlord desires to perform any work that would require the alteration of access to the Aerial Bridge or any of the improvements or appurtenances related thereto ("**Aerial Bridge Work**"), then in addition to and without limiting Landlord's other obligations set forth in this Lease, Landlord must deliver to Tenant plans and specifications detailing the Aerial Bridge Work ("**Aerial Bridge Work Plans**"). The Aerial Bridge Work shall be performed in a manner that reasonably minimizes disruption of access to the Teaching Hospital for the shortest duration reasonably possible. Reasonable Alternative Access shall be provided at all times. Landlord may not commence any Aerial Bridge Work unless and until Landlord has obtained Tenant's consent to the Aerial Bridge Work Plans, which shall not be unreasonably withheld, conditioned or delayed. Landlord will be solely responsible for all Aerial Bridge Work and all costs arising therefrom. Landlord acknowledges that the Aerial Bridge will be attached not only to the Premises but also to the Teaching Hospital, and that any work to the Aerial Bridge may have an impact on Tenant's ability to use the Premises or the Teaching Hospital and may be subject to the terms of the Ground Lease. Accordingly, all Aerial Bridge Work must be coordinated with Tenant and performed only during times that have been approved in advance by Tenant, and must be performed in accordance with the terms of the Ground Lease, to the extent applicable. Tenant will have the right, in its sole discretion, to include within the scope of Aerial Bridge Work to be performed by Landlord any modifications or alterations to the Teaching Hospital reasonably required as a result of modifications to access to the Aerial Bridge. .

(k) Self-Help. If Landlord fails to perform any work required or contemplated by Section 8.6(e) within the time periods provided in this Lease for such performance, then Tenant shall have the right, but not the obligation, to perform such work on Landlord's behalf, at Landlord's sole cost and expense. Landlord must reimburse Tenant for all actual and reasonable out-of-pocket costs and expenses incurred by Tenant in connection with such work within thirty (30) days following receipt of written demand

and all actual receipts therefor, and if not paid within such thirty (30) days, together with interest on such amounts at the Default Rate from the date such payment is due until paid. If Landlord fails to timely reimburse Tenant for any costs or expenses incurred by Tenant as a result of Landlord's failure to perform any work required or contemplated by Section 8.6(e), then, in addition to Tenant's other rights and remedies under this subparagraph (k), Tenant may offset the unpaid amount against the Rent next coming due hereunder.

(l) Disputes. All disputes between Landlord and Tenant regarding the provisions of Section 8.6 will be subject to the dispute resolution process under Section 15.7 below.

8.7 Landlord's Right of Entry. Landlord shall have the right to enter upon the Premises in an emergency situation and without notice unless it is practicable to give notice under the circumstances. In addition, Landlord shall have the right to enter upon (and temporarily close all or a portion of, in which event Tenant shall not have a right to terminate this Lease or, except as otherwise expressly provided in Section 8.5 or Section 8.6, abate Rent or assert a claim of constructive eviction because of any such closure) the Premises at any time following reasonable advance notice to Tenant (other than in emergencies), for the purpose of inspecting the same, or of making repairs, additions or replacements to the Premises (if such repairs, additions or replacements are occasioned by Tenant's failure to repair or replace, following any applicable notice and cure period, as provided elsewhere in this Lease), or of showing the Premises to prospective developers, purchasers, tenants or lenders; provided, however, in all such circumstances, Landlord shall use reasonable efforts to minimize interference with Tenant's business or operations on the Premises.

Article 9
HAZARDOUS MATERIALS

9.1 Environmental Matters.

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

(b) Removal and Remediation. If Tenant, the Parking Manager, the Teaching Hospital Operator (if then an Affiliate of Tenant), any sub-tenant, Permitted Transferee (as such term defined in Section 12.1), and/or any of their respective successors, assigns, agents, officers, employees, guests, patients, invitees or permittees generates, stores, releases, spills, disposes of or transfers to the Premises any Hazardous Materials in violation of this Lease or applicable Hazardous Materials Laws (collectively, "**Tenant Hazardous Materials**"), then Tenant shall promptly remove, remediate, and clean-up the

Tenant Hazardous Materials so as to restore the Premises to at least as good as condition that existed prior to the release, spill, or disposal of the subject materials, at its sole cost and expense, to the extent and in the manner provided by all applicable Hazardous Materials Laws regardless of when such Tenant Hazardous Materials shall be discovered. In addition, Tenant will diligently pursue and obtain from any applicable Governmental Authorities the necessary clearance, closure letter, or other similar approval or documentation from the applicable Governmental Authority for such removal, remediation and clean-up of the Tenant Hazardous Materials. Tenant shall pay any fines, penalties, or other assessments imposed by any Governmental Authority with respect to any such Tenant Hazardous Materials and shall promptly repair and restore any portion of the Premises and any other land or property owned by Landlord damaged in removing any such Tenant Hazardous Materials and any removal or remediation efforts. Tenant shall provide to Landlord all of the tests, investigations, studies or reports, and all related correspondence, related to any removal, remediation, or clean-up of Tenant Hazardous Materials, and further Tenant shall provide to Landlord in advance of any removal, remediation, or clean-up (excepting only actions taken in an emergency situation where there is an imminent threat to human health or the environment) the work plans for such activities for Landlord's review and approval. Tenant shall deliver promptly to Landlord any notices, orders or similar documents received from any Governmental Authority concerning any violation of any Hazardous Materials Laws or with respect to any Hazardous Materials affecting the Premises.

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

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

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

(ii) ANY SUIT OR OTHER CLAIM FOR DAMAGES AGAINST ANY LANDLORD PARTY ALLEGING STRICT LIABILITY, PROPERTY DAMAGE, OR PERSONAL INJURY ARISING FROM OR RELATED TO THE EXPOSURE TO, OR THE RELEASE OR THREATENED RELEASE OF ANY HAZARDOUS MATERIALS DURING OR AFTER THE TERM, WHICH WAS (A) PRESENT UPON OR IN THE PREMISES OR THE EQUIPMENT

DURING EITHER THE TERM OF TERM THE UMCB LEASE; (B) PRESENT UPON OR IN THE PREMISES OR THE EQUIPMENT PRIOR TO OCTOBER 1, 1995, BUT ONLY TO THE EXTENT SUCH EXPOSURE TO, OR RELEASE OR THREATENED RELEASE OF ANY SUCH HAZARDOUS MATERIALS (OR ANY RELATED DAMAGE) WAS CAUSED OR EXACERBATED BY AN ACT OR OMISSION OF ANY PERSON OTHER THAN A LANDLORD PARTY DURING THE TERM; OR (C) DISPOSED OF OR RELEASED ON OR FROM THE PREMISES DURING THE TERM, EXCLUDING ANY SUCH CLAIM ARISING FROM THE EXISTENCE OF ANY LANDLORD HAZARDOUS MATERIALS (DEFINED IN SUBSECTION (E) BELOW); AND

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

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

Article 10
INSURANCE

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

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

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

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

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

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

(f) Employee dishonesty insurance by Parking Manager, specifically written to insure only the activities of Parking Manager and its employees under the Parking Management Agreement, naming Landlord as loss payee, and covering employee dishonesty in an amount not less than $10,000.00.

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

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

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

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

10.2 Liability Insurance. Tenant will, at its cost and expense, keep and maintain in force commercial general liability insurance or a program of self-insurance for bodily injury, death and property loss and damage (including coverages for product liability, contractual liability and personal injury liability) covering Tenant for claims, lawsuits or damages arising out of its performance under this Lease, and any negligent or otherwise wrongful acts or omissions by Tenant or any employee or agent of Tenant, with a minimum limit of $1,000,000 per occurrence and minimum annual aggregate of $10,000,000. Tenant shall require that: (x) any general contractor for new facilities, Alterations or Rebuilding estimated to cost more than $2,500,000 provide completed operations coverage in its commercial general liability policy, and (y) such insurance name Tenant and Landlord as additional insureds and be written on an occurrence, rather than a claims made, basis.

10.3 Policies.

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

(b) The amounts of all insurance required to be carried hereunder shall be reviewed on the fifth (5th) anniversary date of this Lease and each third (3rd) year thereafter and shall be increased, if necessary in Landlord's reasonable discretion.

(c) Should any of the above described policies be cancelled before the expiration date thereof, notice of any such cancellation will be delivered to Landlord in accordance with the relevant policy provisions. Upon execution of this Lease, Tenant shall furnish Landlord with a memorandum of insurance, with new evidence of insurance to be delivered no later than ten (10) days after expiration of the current policies. If Tenant fails to maintain any insurance required to be maintained by Tenant pursuant to this Lease and such failure continues for fifteen (15) days after written notice from

Landlord to Tenant, Landlord may, at its election (without obligation), procure such insurance as may be necessary to comply with these requirements, and Tenant shall reimburse Landlord for the reasonable costs thereof on demand, with interest thereon at the Default Rate from the date of expenditure until fully reimbursed. Any and all property insurance policies required to be maintained pursuant to this Lease shall, if they do not automatically permit the waivers of subrogation contained herein, be endorsed to reflect the waivers of subrogation provided for herein.

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

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

(a) EXCEPT AS IS OTHERWISE EXPRESSLY SET FORTH IN THIS LEASE TO THE CONTRARY, LANDLORD SHALL NOT BE LIABLE FOR ANY LOSS, DEATH, DAMAGE OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM ANY USE OF THE PREMISES, OR ANY PART THEREOF, OR CAUSED BY ANY DEFECT, MALFUNCTION OR OTHER CHARACTERISTIC OF ANY BUILDING, STRUCTURE OR OTHER IMPROVEMENT THEREON OR IN ANY EQUIPMENT OR ANY OTHER FACILITY ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OR ASPECT OF THE PREMISES, OR CAUSED BY OR ARISING FROM ANY ACT OR OMISSION OF TENANT, THE PARKING MANAGER, THE TEACHING HOSPITAL OPERATOR, ANY SUB-TENANT, PERMITTED TRANSFEREE, AND/OR ANY OF THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, OFFICERS, EMPLOYEES, GUESTS, PATIENTS, INVITEES OR PERMITTEES, OR FAILURE TO MAINTAIN THE PREMISES (EXCLUDING THE ACCESS EASEMENTS FOR PURPOSES OF THE FAILURE TO MAINTAIN ONLY), INCLUDING ALL IMPROVEMENTS, IN SAFE CONDITION AND IN COMPLIANCE WITH ALL APPLICABLE LAWS, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; HOWEVER, TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LANDLORD WILL BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PERSONS OR THE IMPROVEMENTS OR TENANT'S PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY OR LANDLORD'S BREACH OF THIS LEASE. UNLESS AND ONLY TO THE DEGREE CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY, TENANT SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY TENANT AND REASONABLY ACCEPTABLE TO LANDLORD) AND HOLD HARMLESS LANDLORD AND LANDLORD'S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS,

REPRESENTATIVES, AGENTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, **"LANDLORD PARTIES"** AND INDIVIDUALLY, A **"LANDLORD PARTY"**) FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY AND RELATED EXPENSES (INCLUDING COURT COSTS, REASONABLE ATTORNEYS AND EXPERTS' FEES) (COLLECTIVELY, **"CLAIMS,"** AND EACH INDIVIDUALLY, A **"CLAIM"**) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY TENANT, THE PARKING MANAGER, THE TEACHING HOSPITAL OPERATOR (IF THEN AN AFFILIATE OF TENANT), AND/OR ANY PERMITTED TRANSFEREE OR SUB-TENANT IN THEIR RESPECTIVE OBLIGATIONS UNDER THIS LEASE; (ii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE OCCURRING ON THE PREMISES CAUSED BY ANY ACT OR OMISSION OF TENANT, THE PARKING MANAGER, THE TEACHING HOSPITAL OPERATOR, AND/OR ANY PERMITTED TRANSFEREE OR SUB-TENANT, OR THEIR RESPECTIVE SUCCESSORS, ASSIGNS, AGENTS, OFFICERS, EMPLOYEES, INVITEES, GUESTS, PATIENTS, OR PERMITTEES; OR (iii) ANY IMPROVEMENT, ALTERATIONS, REMODELING, RENOVATIONS, OR ADDITIONS TO THE PREMISES MADE BY OR ON BEHALF OF TENANT.

(b) EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY TENANT PARTY, AND IN ALL EVENTS ONLY TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LANDLORD SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY LANDLORD AND REASONABLY ACCEPTABLE TO TENANT) AND HOLD HARMLESS TENANT AND TENANT'S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, REPRESENTATIVES, AGENTS, SUB-TENANTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, **"TENANT PARTIES"** AND INDIVIDUALLY, A **"TENANT PARTY"**) FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO (i) A DEFAULT BY LANDLORD UNDER THIS LEASE, OR (ii) PERSONAL INJURY, DEATH OR PROPERTY DAMAGE CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LANDLORD PARTY.

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

10.6 Waiver of Subrogation. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each, on behalf of themselves and their respective heirs, successors, legal representatives, assigns and insurers, hereby (a) waive any and all rights of recovery, claims, or causes of action against the other and its respective employees, agents, officers, attorneys, visitors, licensees or invitees for any loss or damage that may occur to the Premises or the Equipment, the Improvements, or any portions thereof, or any personal property of such party therein, by reason of fire, the elements, or any other cause to the extent that such loss is

(i) insured against or (ii) required to be insured against under the terms of 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 10.6, shall not apply to any reasonable deductibles on insurance policies carried by Landlord or Tenant or to any coinsurance penalty that Landlord or Tenant might sustain. If the respective insurer or Landlord and Tenant does not permit such a waiver without an appropriate endorsement to such Party's insurance policy, then Landlord and Tenant each shall notify its insurer of the waiver set forth herein and shall secure from such insurer an appropriate endorsement to its respective insurance policy with respect to such waiver. **IT IS THE INTENTION OF BOTH LANDLORD AND TENANT THAT THE WAIVER CONTAINED IN THIS SECTION 10.6 APPLY TO ALL INSURABLE CLAIMS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF THE SAME THAT ARE CAUSED, IN WHOLE OR IN PART, BY LANDLORD OR TENANT OR THEIR RESPECTIVE VISITORS, EMPLOYEES, CONTRACTORS, AGENTS OR INVITEES.**

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

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

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

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

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

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

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

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

(iv) Ascension Texas Unrestricted Net Assets. Ascension Texas shall maintain unrestricted net assets, calculated in accordance with U.S. generally accepted accounting principles, consistently applied, in an amount no less than $250,000,000.

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

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

(c) Defending Claims. In the event that Tenant elects to self-insure and a claim or loss occurs for which a defense and/or coverage would have been available for

Landlord from an insurance company providing the coverage outlined under Sections 10.1 and 10.2 of this Lease:

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

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

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

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

Article 11
CASUALTY; CONDEMNATION; NEW LANDLORD FACILITIES

11.1 Casualty.

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

from the form in which they existed prior to such Casualty ("**Alternate Improvements**"). Such Alternate Improvements shall allow Tenant to continue to use the Building in the manner described in Section 8.1. If Landlord elects to replace the Improvements with Alternate Improvements, all insurance proceeds (together with the amount of the applicable deductibles) paid on account of damage or destruction under the policies provided for in Article 10 herein shall be disbursed to Landlord in accordance with Section 11(b). If Alternate Improvements require sums in excess of the insurance proceeds received as a result of such damage or destruction, Landlord shall fund all such excess.

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

(i) The insurance proceeds will be disbursed in reasonable installments based on a distribution schedule to be agreed upon by Landlord and Tenant, each acting reasonably, based on the design and construction for such repairs, restoration or rebuilding. Each such installment (except the final installment) shall be advanced in an amount equal to the cost of the construction work completed since the last prior advance (or since commencement of work as to the first advance) less statutorily required retainage in respect of mechanic's and materialman's liens. The amount of each installment requested shall be certified as being due and owing by Tenant and Tenant's architect in charge, and each request shall include all bills for labor and materials for which reimbursement is requested as well as, reasonably satisfactory evidence that no lien affidavit has been placed against the Premises for any labor or material furnished for such work. The final disbursement, which shall be in an amount equal to the balance of the insurance proceeds needed to pay the cost of Rebuilding, plus the amount of any retainage, shall be made upon receipt of (x) an architect's certificate of substantial completion as to the work from Tenant's architect, (y) reasonably satisfactory evidence that all bills incurred in connection with the work have been paid, and (z) executed final releases of mechanic's liens by the general contractor and any major subcontractors and suppliers.

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

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

(d) Notwithstanding the foregoing provisions of this Section 11.1(i) if the Improvements or any part thereof shall be damaged or destroyed by a Casualty, Landlord may elect to exercise its Relocation Right by giving written notice thereof to Tenant no later than ninety (90) days after the occurrence of such damage or destruction in which event all property insurance proceeds relating to the Premises shall be promptly paid to Landlord and Section 8.6 shall control; and (ii) if Tenant timely exercises its termination rights under Article 12 of the Hospital Sublease, then this Lease shall also terminate effective the date of termination of the Hospital Sublease, and Tenant shall promptly pay or assign to Landlord any and all insurance proceeds recoverable by Tenant as a result of a Casualty and payable with respect to the Building (if any) and, if applicable, any and all deductibles required in connection with such coverage. Notwithstanding anything to the contrary contained in this Section 11.1(d) a relocation of the Required Parking Spaces may only occur in strict accordance with the terms of Section 8.6 above unless otherwise agreed to by Tenant.

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

11.2 Condemnation.

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

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

(c) If, at any time during the Term, title to less than all the Premises shall be taken in any condemnation proceedings, and, as a result, the Required Parking Spaces are no longer available in any configuration on the Premises, then Landlord shall relocate the Required Parking Spaces and Section 8.6 shall control.

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

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

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

11.6 New Landlord Facilities. Landlord shall have the right, subject to the terms of this Lease, to locate, relocate, or install (a) public streets, alleys, or other public uses and/or (b) new and additional buildings and improvements for use by Landlord or lease or sale by Landlord to owners, tenants, or other occupants for mixed uses on the Land without the obligation to compensate Tenant (except as otherwise expressly provided in Section 8.5 or Section 8.6), including in the following circumstances: (i) where relocation, location, or installation is undertaken by Landlord at Tenant's request, or (ii) 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.

(a) Subject to Landlord's right of first offer in Section 12.5 below and the terms of this Section 12.1, Tenant, in the normal course of business, may sublease, license, or otherwise grant third parties (a "**Permitted Sublessee**") the right to use any of the Excess Parking Spaces on any terms Tenant desires, without Landlord's consent; provided, however, no such agreement shall affect or reduce any obligations of Tenant or rights of Landlord under this Lease and all such agreements and use of the Excess Parking Spaces pursuant thereto shall be subject to the terms of this Lease. Any below market terms agreed to by Tenant and any third party for the use of such spaces shall not be used by the Appraisers in determining Fair Market Value pursuant to Article 4 herein. In no event shall Tenant sublease, license, or otherwise grant third parties the right to use the Required Parking Spaces unless such transfer is made to the Teaching Hospital Operator in accordance with this Lease and the Ground Lease.

(b) Except as provided in Sections 12.1(a) and 12.4, Tenant shall not assign, sublease, convey or otherwise transfer its interest in this Lease or the Premises, in whole

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

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

12.2 Security Interests. Except as provided in Section 16.4, Tenant shall not mortgage, pledge, hypothecate, or grant a security interest in this Lease or the Premises or its interest in either without Landlord's prior written consent, which Landlord may withhold in its sole discretion. Tenant has no authority to act on behalf of Landlord with respect to transferring or encumbering in any manner this Lease or any of the Premises.

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

12.4 Collateral Assignment. Landlord and Tenant each agree to collaterally assign its right, title and interest (including Tenant's Leasehold Interest) in and to this Lease to UT System, as required by the terms of the Ground Lease and Hospital Sublease, pursuant to an instrument in writing mutually agreeable to Landlord, Tenant and UT System.

12.5 Landlord Right of First Offer. Landlord will have an ongoing right of first offer to sublease any Excess Parking Spaces, subject to the terms and conditions of this Section 12.5.

(a) "**Excess Parking Spaces**" means any parking spaces in the Building over and above the total amount of Required Parking Spaces.

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

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

(d) If Landlord timely exercises its right of first offer to sublease the Excess Parking Spaces, then Landlord and Tenant will enter into a sublease agreement with respect to the Excess Parking Spaces described in the Excess Parking Space Notice upon the Economic Terms, any other non-economic terms reasonable and customary for such parking space sublease agreements, and such other terms and provisions as Tenant and Landlord may deem appropriate. Notwithstanding anything to the contrary contained in any such sublease agreement, Tenant will have the right to terminate any sublease agreement upon at least sixty (60) days prior written notice to Landlord (or such shorter notice as may be required under the circumstances) if Tenant determines, subject to confirmation by Landlord, that Excess Parking Spaces are needed to satisfy Applicable Law as to the Required Parking Spaces. Unless all of the Excess Parking Spaces covered by the sublease agreement are needed for such purpose, the Tenant's right to terminate shall be limited to only the number of Excess Parking Spaces so needed.

Article 13
REPRESENTATIONS AND WARRANTIES; COVENANTS

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

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

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

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

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

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

(f) There are no actions, suits, claims, assessments, or proceedings pending or, to Landlord's Knowledge, threatened that could have a Material Adverse Effect on Landlord's ability to perform under this Lease, and there is no action, suit, or proceeding by any Governmental Authority pending or, to Landlord's Knowledge, threatened which questions the legality, validity, or propriety of the transactions described in this Lease.

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

(h) To Landlord's Knowledge, except to the extent referred to in the Environmental Report, (A) Landlord has not generated, manufactured, refined, transported, treated, stored, handled, disposed of, transferred, produced or processed any

Hazardous Materials on the Premises, except in compliance in all material respects with all Hazardous Materials Laws, and (B) Landlord has not received any notice, demand letter or complaint from a Governmental Authority or private agency or entity concerning any release or discharge of any Hazardous Materials on, under, about or off of the Premises or any alleged violation of any Hazardous Materials Laws involving the Premises.

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

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

(k) The representations and warranties of Landlord in this Section 13.1 shall be deemed to be made as of the Commencement Date, but not as of any date thereafter. Information provided on Exhibits 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 Commencement 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.

(l) 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, contract, or of any other liability.

(m) Limitation of Warranties. As of the Commencement Date, Tenant shall be deemed to be acknowledging that Tenant has full knowledge of all matters pertaining to the Premises, including, but not limited to, the physical condition of the same, and that Tenant is leasing the Premises **"AS IS", "WHERE IS", AND "WITH ALL FAULTS"**, subject to the terms and conditions of this Lease. **EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AND COVENANTS IN THIS LEASE, LANDLORD MAKES NO WARRANTY OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR OTHERWISE, OR ANY REPRESENTATIONS OR COVENANTS OF ANY KIND OR NATURE IN CONNECTION WITH THE CONDITION OF THE PREMISES, OR ANY PART THEREOF AND LANDLORD SHALL NOT BE LIABLE FOR ANY LATENT OR PATENT DEFECTS THEREIN OR BE OBLIGATED IN ANY WAY WHATSOEVER TO CORRECT OR REPAIR ANY SUCH LATENT OR PATENT DEFECTS.**

WITHOUT LIMITING THE ABOVE, TENANT ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY LANDLORD IN THIS LEASE, NEITHER LANDLORD, NOR ANY BROKERS, AGENTS, EMPLOYEES OR REPRESENTATIVES OF LANDLORD HAVE MADE ANY REPRESENTATIONS OR WARRANTIES ON WHICH TENANT IS RELYING AS TO MATTERS CONCERNING THE PREMISES INCLUDING, WITHOUT LIMITATION, TAXES, PERMISSIBLE USES, COVENANTS, CONDITIONS AND RESTRICTIONS, WATER OR WATER RIGHTS, TOPOGRAPHY, UTILITIES, ZONING, SOIL, SUBSOIL, THE PURPOSES FOR WHICH THE PREMISES ARE TO BE USED, DRAINAGE, ENVIRONMENTAL OR BUILDING LAWS, RULES OR REGULATIONS OR ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER, AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS LEASE, TENANT HEREBY ASSUMES ALL RISKS RELATING TO ANY OF THE FOREGOING AND TO ALL MATTERS RELATING TO THE USE AND OCCUPANCY OF THE PREMISES, WHETHER KNOWN OR UNKNOWN, OR FORESEEABLE OR UNFORESEEABLE. LANDLORD AND TENANT EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND ARISING OUT OF THIS LEASE OR THE TENANCY CONTEMPLATED HEREBY ALL EXPRESS OR IMPLIED WARRANTIES IN CONNECTION HEREWITH ARE EXPRESSLY DISCLAIMED.

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

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

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

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

(a) Tenant is a Texas nonprofit corporation, is exempt from federal taxation as provided under section 501(c)(3) of the Code, and is in good standing under the laws of

the State of Texas. Tenant has the power and authority to enter into this Lease and all other agreements to be executed and delivered by Tenant pursuant to the terms and provisions hereof, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby.

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

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

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

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

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

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

(h) To Tenant's Knowledge, except to the extent referred to in the Environmental Report, (A) Tenant has not generated, manufactured, refined, transported, treated, stored, handled, disposed of, transferred, produced or processed any Hazardous

Materials on the Premises, except in compliance in all material respects with all Hazardous Materials Laws; and (B) Tenant has not received any notice, demand letter or complaint from a Governmental Authority or private agency or entity concerning any release or discharge of any Hazardous Materials on, under, about or off of the Premises or any alleged violation of any Hazardous Materials Laws involving the Premises.

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

(j) The representations and warranties of Tenant in this Section 13.2 shall be deemed to be made as of the Commencement Date. Information provided on Exhibits 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 Commencement 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.

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

13.4 Security. During the Term, Tenant shall conduct or cause to be conducted regular and recurring security patrols throughout the Building on a 24-hour/365-day basis.

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

Article 14
COVENANT OF PEACEFUL POSSESSION

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

Article 15
EVENT OF DEFAULT AND REMEDIES

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

(a) Tenant fails to pay any installment of Rent or any other sum payable by Tenant to Landlord under this Lease on the date upon which the same is due to be paid if such failure to pay is not cured within twenty (20) days after written notice thereof is received by Tenant;

(b) Tenant fails to pay Impositions required to be paid by Tenant hereunder as and when due and provide Landlord with evidence of payment prior to the date on which penalties and interest can lawfully accrue due to non-payment, and, subject to Tenant's right to contest Impositions pursuant to Section 5.3, such failure continues for thirty (30) days after Tenant receives written notice from Landlord specifying such Default;

(c) An uncured (i.e. after any applicable notice and cure period and dispute resolution process) Sublease Termination Default (as defined in the Hospital Sublease) exists under the Hospital Sublease or an uncured (i.e. after any applicable notice and cure period and dispute resolution process) Lease Termination Default (as defined in the Ground Lease) caused by Tenant exists under the Ground Lease;

(d) Tenant fails to keep, perform, or observe any of the agreements, conditions, provisions, or covenants, including the covenants set forth in Section 13.2, contained in this Lease that are to be kept, performed or observed by Tenant under this Lease that are not described in Subsections (a) - (c) above or Subsection (e) below, 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;

(e) At any time after opening of the Teaching Hospital, the subtenant under the Hospital Sublease, the lessee under the Ground Lease or a new direct lease with UT System, or the Teaching Hospital Operator fails to operate the Teaching Hospital in compliance with the applicable Safety Net Requirement (as defined in the Ground Lease), and such failure has continued beyond all applicable notice and cure periods provided in the Hospital Sublease (even if it is not then in effect), the Ground Lease, or a new direct lease, as applicable, provided that Landlord has consented to such notice and cure periods; or

(f) An Event of Default by Tenant occurs under the CEC Lease.

15.2 Landlord's Remedies.

(a) Subject to the limitations in Section 15.6(a) but except as otherwise provided herein, Tenant shall be liable to Landlord for any damages that result from any Event of Default. Without limiting the generality of the foregoing, if any Event of Default occurs and is continuing, Landlord may, at its option and in addition to the other rights and remedies available to Landlord under this Lease, the Ancillary Agreements, or those provided by law or equity, file suit against Tenant in a court of competent jurisdiction for specific performance or injunctive relief, or to collect the unpaid Rent and damages for breach of any other agreements, condition, covenants or provisions contained in this Lease (plus interest at the Default Rate as provided under Section 4.9 and attorneys' fees as provided in Section 18.5.

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

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

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

(ii) Landlord may terminate this Lease by giving Tenant written notice thereof, in which event this Lease and the Leasehold Estate and all interest of Tenant and all parties claiming by, through, or under Tenant shall automatically terminate upon the effective date of such notice; and Landlord, its agents or representatives, shall have the right, without further demand or notice, to reenter and take possession of the Premises and remove all persons and property therefrom with process of law, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of Rent or existing breaches hereof. In the event of such termination, Tenant shall be liable to Landlord for all Rent accrued to the date of termination, interest thereon at the Default Rate, and damages in an amount equal to (i) the discounted (at the rate of six percent (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.

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

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

(d) Intentionally deleted.

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

(f) Pursuit of any of the remedies provided for in this Lease shall not preclude pursuit of any of the other remedies provided in this Lease or by law or equity (including, without limitation, the right to seek injunctive relief or specific performance with respect to Tenant's execution of a release under Section 18.10(b) of 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 any damages accruing to Landlord by reason of the violation of any of the conditions, provisions, and covenants herein contained (except as may otherwise be expressly provided herein). Landlord's acceptance of Rent following an Event of Default shall not be construed as Landlord's waiver of such Event of Default. No waiver by Landlord of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. No re-entry or repossession, repairs, changes, alterations and additions, reletting, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, nor shall the same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express notice of such intention is sent by Landlord to Tenant.

(g) Except as expressly stated in this Lease, each legal or contractual right, power, and remedy of Landlord now or hereafter provided in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, and remedy, and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers, and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers, and remedies.

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

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

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

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

15.4 Tenant's Remedies. Subject to the limitations in Section 15.6(a), if any Landlord Event of Default occurs and is continuing, Tenant may, in addition to all other rights and remedies provided by law or equity (including, without limitation, the right to seek injunctive relief), to which Tenant may resort cumulatively or in the alternative, pursue the remedies provided in and in accordance with Section 16.02 of the Hospital Sublease and the remedies provided therein.

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

15.6 Limitation on Damages.

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

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

15.7 Dispute Resolution.

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

(b) Dispute Notice. Notwithstanding any provision in this Lease to the contrary, if (i) Landlord delivers to Tenant a notice of default under Section 15.1(d) (a "**Non-Monetary Default Notice**"), and if Tenant disputes any matters set out in such Non-Monetary Default Notice, or (ii) Tenant alleges any non-monetary default by Landlord under this Lease (including under Sections 8.5(b)(ii) or 8.6(e)), then either Party may deliver to the other Party a written notice ("**Dispute Notice**") stating the matter or matters that are disputed or which need to be resolved (collectively, the "**Dispute**"). Upon delivery of a Dispute Notice and during the pendency of the Dispute Resolution, (i) the events described in the Non-Monetary Default Notice shall not constitute an Event of Default or a Landlord Event of Default, as the case may be, and (ii) the applicable cure periods for the default that is the subject to the Dispute shall be tolled until the conclusion of the dispute resolution process as provided in this Section 15.7, at which time the applicable cure period will resume, provided, in no event shall such cure period be less than ten (10) days. If the Dispute is based on any matters set forth in a Non-Monetary Default Notice, then the Dispute Notice must be sent within ten (10) Business Days after the date of Tenant's receipt of the Non-Monetary Default Notice. If the Dispute is based on any alleged default by Landlord, then the Dispute Notice must be sent within ten (10) Business Days after the date of Landlord's receipt of written notice of the alleged default.

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

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

(i) Commencement of Mediation. Any Party wishing to commence mediation will send a written notice of intent to mediate to the other Party, specifying in detail the nature of the Dispute and proposing a resolution of the Dispute ("**Mediation Notice**"). Within fifteen (15) days after such Mediation Notice is received by the other Party, if the Parties cannot agree on a proposed mediator, one will be appointed by the executive director or other functional equivalent of the American Arbitration Association or any similar entity. Each Party will designate no more than three (3) representatives who will meet with the mediator to mediate the dispute. Mediation will be commenced as soon as reasonably possible. The mediator will be a person having no conflict of interest relationship with any of the Parties.

(ii) Conduct of Mediation. The mediation will be conducted in the City and will be non-binding. Any non-binding mediation conducted under the terms of this Section 15.7(d) will be confidential within the meaning of and subject to Applicable Laws. The cost of the mediation will be borne equally among the Parties. The mediation must be conducted and completed within ninety (90) days after the date of the Mediation Notice.

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

Article 16
ENCUMBRANCE

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

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

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

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

16.4 Mortgaging of Tenant's Interest. Tenant will have the right to mortgage its interest and its Leasehold Estate under this Lease in connection with a mortgage by Tenant of its interest and leasehold estate under the Hospital Sublease on terms and conditions similar to those set forth in Article IX of the Ground Lease, and in such event, Landlord will have all of the rights of the "Lessor" contained in Article IX of the Ground Lease.

Article 17
TEACHING HOSPITAL; CHANGED CIRCUMSTANCES

17.1 Teaching Hospital.

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

(b) The establishment and continued operation within the Subleased Premises (as defined in the Hospital Sublease) by Tenant (or an Affiliate thereof) or the Teaching Hospital Operator of a Teaching Hospital that is part of the applicable Safety Net System is an integral and essential component of this Lease and Landlord's agreement in the Ground Lease to provide the Required Parking Spaces to Tenant or the Teaching Hospital Operator. It is expressly stipulated and agreed by Tenant and Landlord that Landlord shall be and hereby is excused from accepting performance from and rendering performance to Tenant (or an Affiliate thereof), the Teaching Hospital Operator, or any person claiming through either hereunder that cannot establish and maintain a Teaching Hospital within the Subleased Premises (as defined in the Hospital Sublease) in compliance with the applicable Safety Net Requirement. In addition, therefore, if Tenant (or an Affiliate thereof), the Teaching Hospital Operator, or any person claiming through either hereunder fails to operate the Teaching Hospital in compliance with the applicable Safety Net Requirement then, in addition to the other rights and remedies available to Landlord under this Lease, the Ancillary Agreements, or those provided by law or equity, this Lease shall automatically terminate effective as of the date that Tenant (or an Affiliate thereof) or the Teaching Hospital Operator or any person claiming through either hereunder fails to cure such Safety Net Requirement within applicable notice and cure periods ; and thereafter Landlord shall have no further obligation to provide the Required Parking Spaces (or any other Parking Spaces) in any location on the Central Health Downtown Campus. Landlord and Tenant acknowledge that they will not agree to terminate this Lease so long as the Ground Lease is in effect except as permitted in Section 7.17(b) of the Ground Lease.

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

(d) If this Lease is terminated under Section 15.2 or under this Article 17 and/or Landlord is no longer required to provide the Required Parking Spaces (or any other Parking Spaces) in any location on the Central Health Downtown Campus, Landlord shall have the right to demolish the Aerial Bridge or otherwise permanently deny access thereto.

17.2 Regulatory Matters. Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable Healthcare Laws and, specifically, in compliance with the Space Rental Safe Harbor to the federal Anti-Kickback Statute at 42 C.F.R. § 1001.952(b).

Notwithstanding any unanticipated effect of any provisions of this Lease, neither party will intentionally conduct itself under the terms of this Lease in a manner that would constitute a violation of the Healthcare Laws. Without limiting the generality of the foregoing, Landlord and Tenant expressly agree that nothing contained in this Lease shall require either party to refer any patients to the other, or to any affiliate or subsidiary of the other, nor shall any charge or payment owed by either party to the other under this Lease be determined in a manner that takes into account the volume or value of any referral or other business generated between the parties. Landlord and Tenant further agree that if, at any time after the first year in which Aggregate Rent is set (or reset), either party concludes that the Aggregate Rent charged under this Agreement is inconsistent with Fair Market Value then, upon the provision of written notice by the party who has reached said conclusion to the other, the parties will follow the procedures set forth in Section 17.3(a) below.

17.3 Change in Law or Circumstances.

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

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

Article 18
MISCELLANEOUS

18.1 Notices.

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

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

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

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

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

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

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

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

A copy of all notices from Landlord to Tenant and from Tenant to Landlord shall also be given to UT System and UT Austin as follows:

The University of Texas System
Real Estate Office
201 West 7th Street
Austin, Texas 78701
Attention: Executive Director of Real Estate

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

With a copy to:

Patricia C. Ohlendorf, J.D.
Vice President for Legal Affairs
The University of Texas at Austin
Flawn Academic Center, Suite 438
Austin, Texas 78712

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

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

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

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

18.2 Interpretation of Lease.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18.8 Force Majeure. As used herein "**Force Majeure**" shall mean, with respect to Tenant or Landlord (the "**Force Majeure Party**"), the occurrence of any of the following: (i) strikes, lockouts or picketing (legal or illegal); (ii) riot, civil commotion, insurrection and war;

(iii) fire or other casualty, accidents, acts of God or public enemy; or (iv) any other similar event that prevents or delays the performance by the Force Majeure Party of any of its obligations imposed upon it hereunder and the prevention or cessation of which event is beyond the reasonable control of the Force Majeure Party and is not a change in market or economic conditions. However, in no event shall inability to pay monetary sums when due be deemed to constitute an event of Force Majeure. If a Force Majeure Party shall be delayed, hindered or prevented from performance of any of its obligations hereunder (other than to pay when due monetary sums) by reason of Force Majeure, the time for performance of such obligation shall be extended on a day-for-day basis for each day of actual delay, provided that the following requirements are complied with by the Force Majeure Party: (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.

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

18.10 Memorandum of Lease.

(a) Land. This Lease shall not be recorded. Landlord and Tenant will execute a memorandum of this Lease in the form of Exhibit "G" ("**Memorandum**") against the Central Health Downtown Campus which shall be filed for record only on or after the Commencement Date in the Office of the County Clerk of Travis County, Texas, solely to give record notice of the existence of this Lease. The Memorandum shall not 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.

(b) Central Health Downtown Campus. If Landlord waives its relocation right with respect to any portion of the Central Health Downtown Campus thereby waiving Landlord's ability to turn such portion into a Relocated Parking Facility, Tenant, within fifteen (15) days following receipt of Landlord's written request, will execute a release of Memorandum with respect to such area, provided that (i) the release of such portion would not materially and adversely impact Tenant's Reasonable Alternative Access (i.e. any existing easements over the released portion will stay in place unless Landlord provides, prior to the release, Reasonable Alternative Access reasonably acceptable to Tenant); and (ii) Landlord reasonably demonstrates and affirms in writing that the portion of the Central Health Downtown Campus that will remain subject to the Memorandum will have sufficient parking and appropriate access to accommodate the Required Parking Spaces. Tenant's failure to timely execute any required release will constitute irreparable harm to Landlord for injunctive relief or specific performance purposes.

18.11 Successors and Assigns. Subject to the limitations on assignment, subleasing, and encumbrances set forth in this Lease, this Lease shall constitute a real right and covenant

running with the Premises, and this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns. Whenever a reference is made herein to either Party, such reference shall include the party's permitted successors and assigns.

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

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

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

18.15 Broker. Landlord and Tenant represent and warrant each to the other that no broker negotiated this Lease or is entitled to any commission in connection herewith. Landlord and Tenant each agree to reimburse the other Party for any losses, costs or damages incurred by the other Party as a consequence of the breach or falsity of the representations and warranties of such Party under this Section 18.15.

18.16 Signage. Tenant will not place any signage on or about the Premises, or on any part thereof, without the prior written consent of Landlord, which consent may be withheld or conditioned in its reasonable discretion. All Tenant signage will be subject to Landlord's Redevelopment Rights and will comply with the terms and conditions of this Lease, all Applicable Laws, any sign criteria for the Building as promulgated by Landlord from time to time and any reasonable rules and regulations and/or other criteria that Landlord may establish from time to time. Landlord shall respond to Tenant's request for formal approval of signage within fifteen (15) Business Days after receipt by Landlord, and if Landlord fails to respond within such 15-Business Day period, then the signage for which Landlord's approval was sought will be deemed approved. Provided, however, any signage submitted to Landlord for formal approval must be submitted in writing to Landlord to the parties set forth in and in the manner prescribed in Section 18.1 above, with a cover letter or memo which states at the top of such letter or memo in all capital letters, bold, and 12-point type: "NOTICE: REQUEST FOR REVIEW AND APPROVAL OF SIGNAGE UNDER SECTION 18.16 OF PARKING GARAGE LEASE".

18.17 Waiver of Tenant Rights and Benefits Under Section 93.012, Texas Property Code. Landlord and Tenant agree that each provision of the Lease for determining charges and amounts payable by Tenant are commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code. **TENANT FURTHER**

VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHTS AND BENEFITS OF TENANT UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEEDED.

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

18.19 Financial Reporting. Tenant at all times during a Term of this Lease will keep books of record and account in accordance with generally accepted accounting principles and all applicable governmental requirements. Upon the written request of Landlord, Ascension Texas shall provide Landlord: (1) a copy of the most recent audited annual consolidated financial statements of Ascension Parent, together with Ascension Texas accompanying schedules, which financial statements shall be prepared in accordance with U.S. generally acceptable accounting principles, consistently applied; or (2) if Ascension Parent shall no longer cause its annual consolidated financial statements to be audited by a firm of independent certified public accountants, a copy of the most recent unaudited annual consolidated financial statements of Ascension Texas, which financial statements shall be accompanied by a letter addressed to Landlord and signed by the Chief Financial Officer of Ascension Texas, certifying that such financial statements shall have been prepared in accordance with U.S. generally accepted accounting principles, consistently applied. In the event Tenant is no longer included in the consolidated financial statements of Ascension Parent, then the requirements of subsections (1) and (2) of this Section 18.19 shall apply to Tenant. In addition, upon the written request of Landlord, Tenant shall deliver annually to Landlord separate unaudited statements of revenues and expenses of the Teaching Hospital.

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

[SIGNATURE PAGE FOLLOWS]

EXECUTED to be effective as of the date first written above.

LANDLORD:

TRAVIS COUNTY HEALTHCARE DISTRICT,
d/b/a Central Health, a political subdivision of the State of Texas,

By:_____
Name:_____
Title:_____

TENANT:

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

Approved as to Content:

BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM

By:_____
Name: Kirk S. Tames
Title: Executive Director of Real Estate
The University of Texas System

TENANT:

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

[UT SYSTEM CONSENT ON FOLLOWING PAGE]

Approved by UT System pursuant to the Ground Lease.

BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM

By: _____
Kirk S. Tames
Executive Director of Real Estate
The University of Texas System

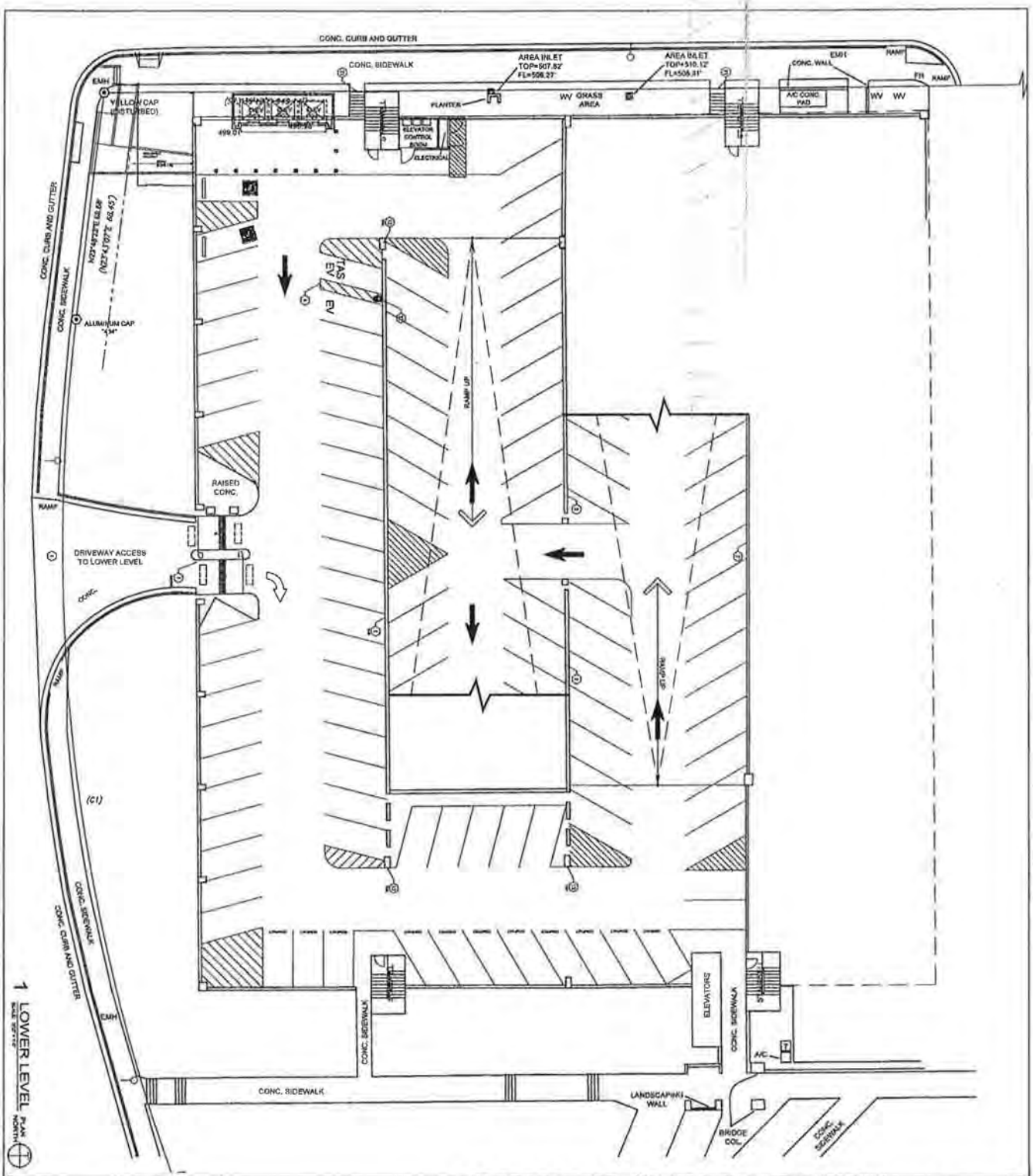
Approved as to Content:

The University of Texas at Austin

By: _____
Amy Wanamaker
Director of Real Estate

EXHIBIT A

BUILDING DIAGRAM



1 LOWER LEVEL PLAN
SCALE: 1/8"=1'-0"
NORTH

GENERAL NOTES

KEYED NOTES

A3.1

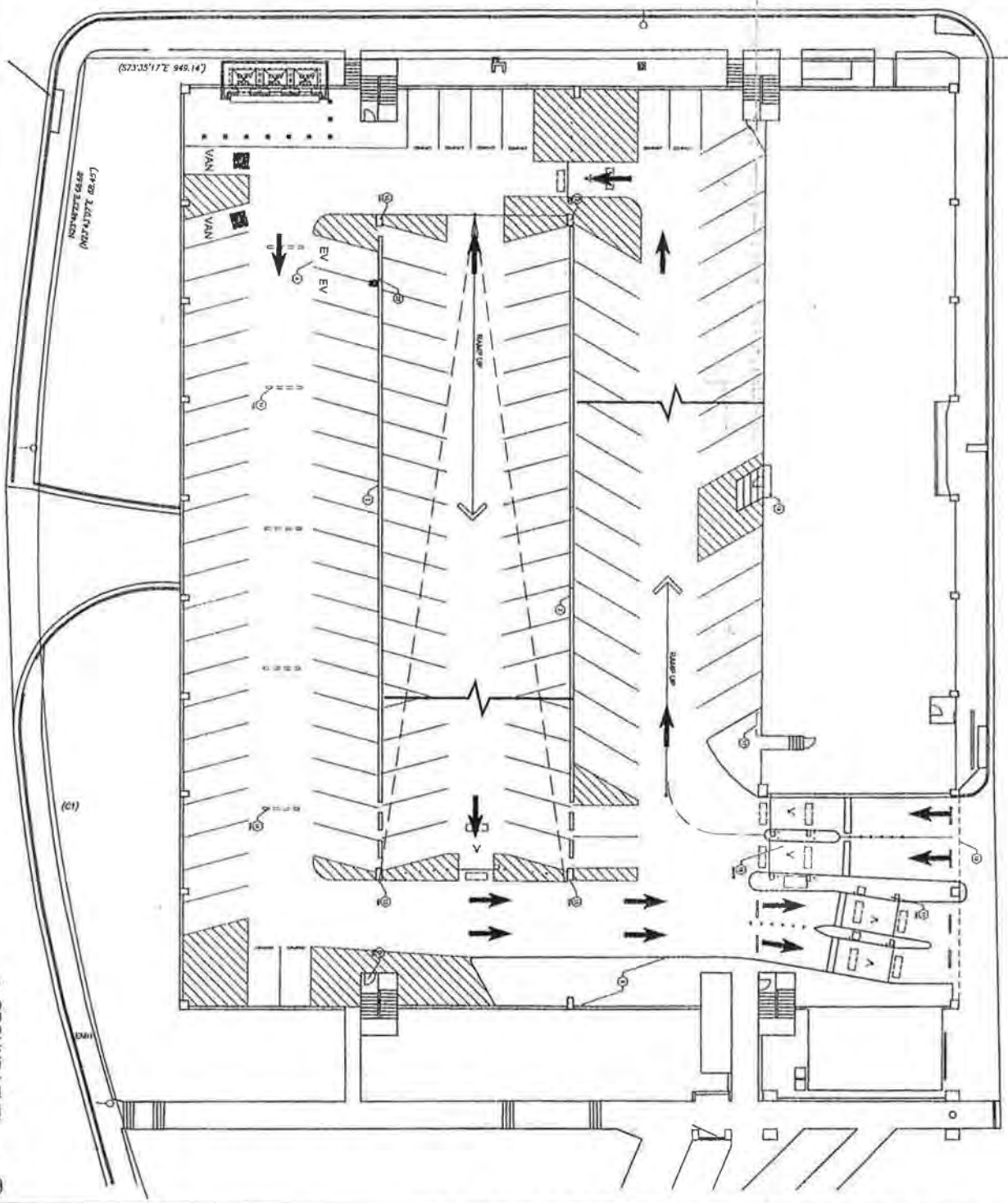
Parkinghorn Group Architects, Inc.
2401 WOODWARD STREET, SUITE B-501 AUSTIN TX. 78744
PHONE 512.537.4482 FAX 512.537.4482 E-MAIL pga@parkinghorn.com

06.12.2015

UMCB
PARKING GARAGE RENOVATIONS

601 EAST 16TH STREET

AUSTIN, TEXAS 78701



1 GROUND LEVEL

PLAN NORTH

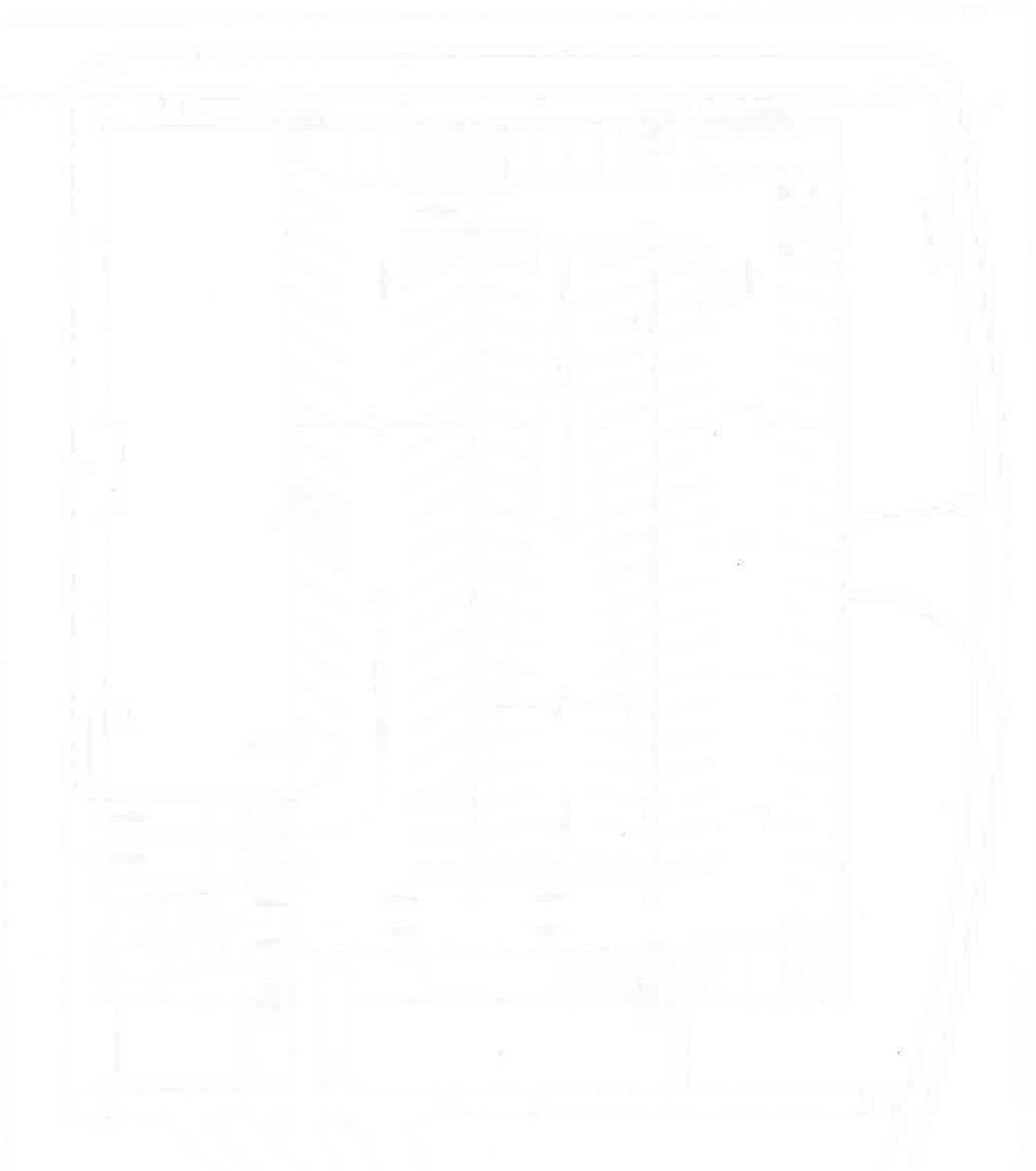
A3.2

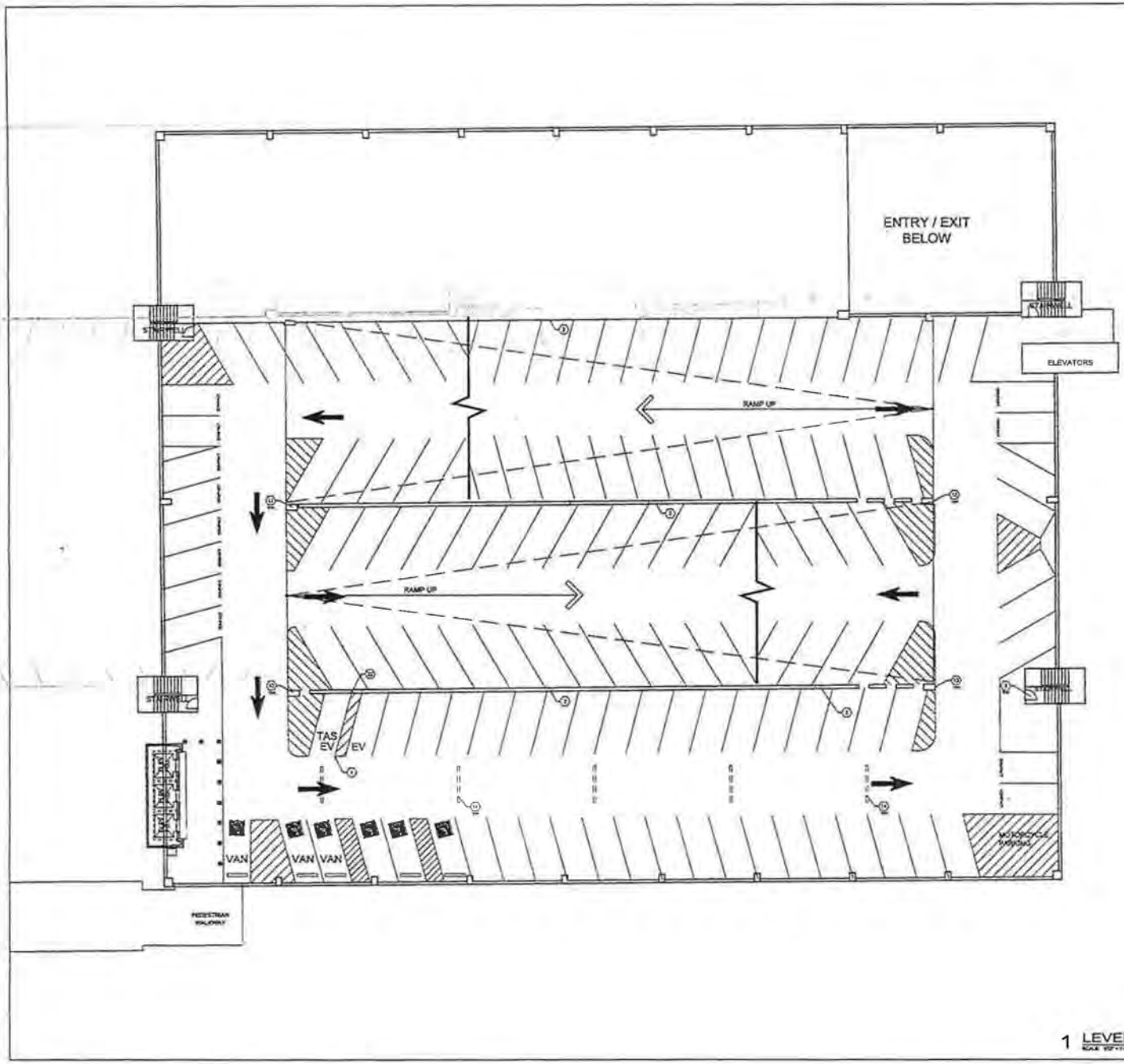
Parkinghorn Group Architects, Inc.

UMCB
PARKING GARAGE RENOVATIONS

601 EAST 15TH STREET

AUSTIN, TEXAS 78701





1 LEVEL 1 PLAN
NORTH

GENERAL NOTES

1. VERIFY THE ARCHITECT AND/OR OWNER OF ANY DISCREPANCIES AND/OR OMISSIONS PRIOR TO THE START OF WORK. WITHOUT NOTIFICATION, THE CONTRACTOR ASSUMES RESPONSIBILITY FOR ALL EXISTING CONDITIONS.
2. ALL PAINTED CONSTRUCTION MUST MEET ADA ACCESSIBILITY REQUIREMENTS.
3. REPAIR ALL DAMAGE CAUSED BY DEMOLITION AND/OR NEW CONSTRUCTION. REPAIR SURFACES TO MATCH ADJACENT FINISHES.
4. THE LOCATIONS OF EXISTING UTILITIES SHOWN ON THESE DRAWINGS WERE TAKEN FROM RECORDS AND MAY NOT BE CORRECT OR COMPLETE.
5. CONTRACTOR TO PROTECT ALL EXISTING SITE FEATURES TO REMAIN DURING CONSTRUCTION AND SHALL COORDINATE ANY RELOCATION WORK WITH OWNER'S REPRESENTATIVE AND MAINTENANCE STAFF.
6. ALL EXISTING TREES ARE TO BE PROTECTED.
7. ALL EXISTING PAINT STRIPES, SIGNS ARE TO BE REMOVED.

KEYED NOTES

1. EXISTING CONCRETE STRIPE TO REMAIN.
2. APPLY NEW COAT OF PAINT TO ALL CONCRETE WALLS THAT ARE PAINTED. PAINT COLOR SHALL BE WHITE.
3. PAINT STAIR DOORS AND FRAME, EACH FLOOR TO RECEIVE DIFFERENT ACCENT COLOR. PAINT COLOR TBD.
4. PAINT BACK OF EVE STALLS CONTRASTING ACCENT COLOR, DARKER FLOOR HUES TO BE PAINTED.
5. ALL EXISTING STRIPING TO REMAIN UNO. REFER TO PE SERIES FOR ADDITIONAL INSTRUCTIONS.
6. REPLACE WHEEL STOPS AS NEEDED.
7. REPLACE ALL EXISTING SIGNAGE. NEW SIGN TO BE PLACED IN SAME LOCATION AS EXISTING SIGN.
8. CLEAN AND REPAINT INTERIOR OF STAIRWELL STAIRS TO BE FIELD COLOR EXCEPT AT LANDINGS. A DIFFERENT ACCENT COLOR ON THE UNDER WALL SHALL BE USED.
9. REMOVE, MOVE AND/OR BACK, NEW DOORS TO COMPLY WITH ADA REGULATIONS.
10. REMOVE EXISTING ECCENTRIC SPIN.
11. NEW BOLLARDS, COORDINATE LOCATIONS AND QUANTITIES WITH PARKING COMPANY MANAGER.
12. TIRE CUT SLAB AS NEEDED FOR NEW PARKING EQUIPMENT. PATCH AND REPAIR AS NEEDED.
13. ALL EVE TAILGATE TO BE PAINTED ACCENT COLOR WITH CONTRASTING FLOOR NUMBER.
14. PAINT ACCENT COLOR FLOOR LEVEL ON STRUCTURAL TEE. SPACE PER 4 TO 5 EA EACH PERIMETER SIDE, NO. 4,10,1.
15. REPLACE ANY DAMAGED TEETH AS NEEDED. REPLACE ANY TEE SEGMENT AS NEEDED, TYP.
16. REPAINT YELLOW REFLECTIVE PAINT ON CURBS. REPAINT HANDICAP/MARSHAL ACCESS CURB.
17. REPLACE BENCH.
18. REPLACE OVERHEAD BOLLARD SIGN. PAINT SEGMENTS YELLOW FIELD COLOR.
19. EXISTING EXPIRY/EXIT SIGN SHALL TO LED NEW PAINT.
20. REPLACE EXISTING HANDICAP BARRIER AT ALL ARRIVAL BARRIERS. ARRIVAL SHALL BE 42" AND ADA BARRIER MUST COMPLY WITH ADC 2012 AND CBC SPECIFICATIONS.
21. REPLACE EXIT TO MATCH NEW MODEL AROUND SYSTEM.
22. PAINT ACCENT WALL AT CBC.
23. PROVIDE NEW SIGN AT CHECKERED WALL BOX, TYP.

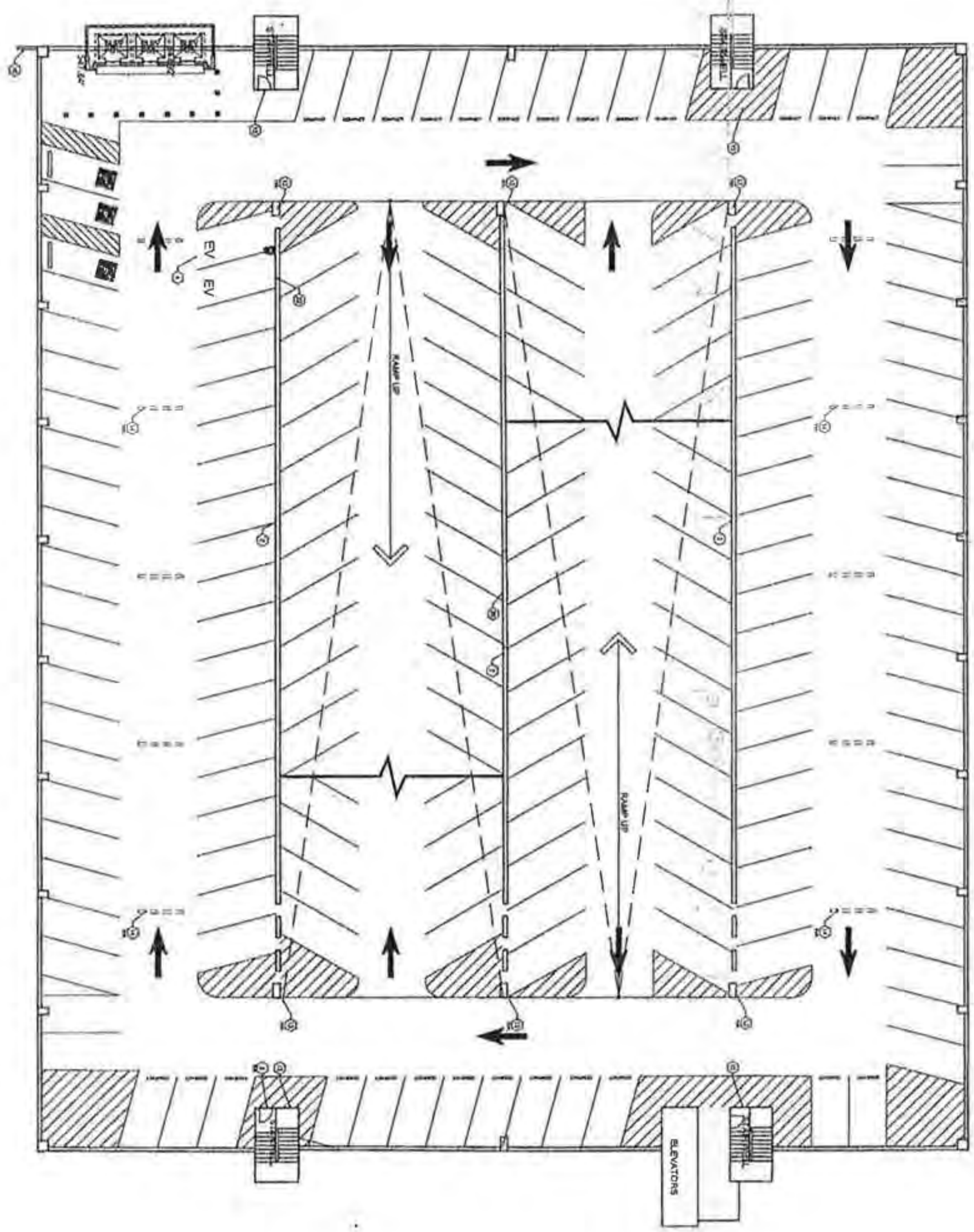
UMCB
PARKING GARAGE RENOVATIONS

601 EAST 15TH STREET
AUSTIN, TEXAS 78701

Date
DEC.12.2010

Project No.
1013
Sheet No.
A3.3
Sheet Title
Level 1

P. Kavanaugh Group Architects, Inc.
24 [illegible] SUITE B-201 AUSTIN TX. 78748
[illegible] 512.321.4455 E-MAIL pkga@pkgaarchitects.com



1 LEVEL 2 PLAN

GENERAL NOTES

KEYED NOTES

UMCB
PARKING GARAGE RENOVATIONS

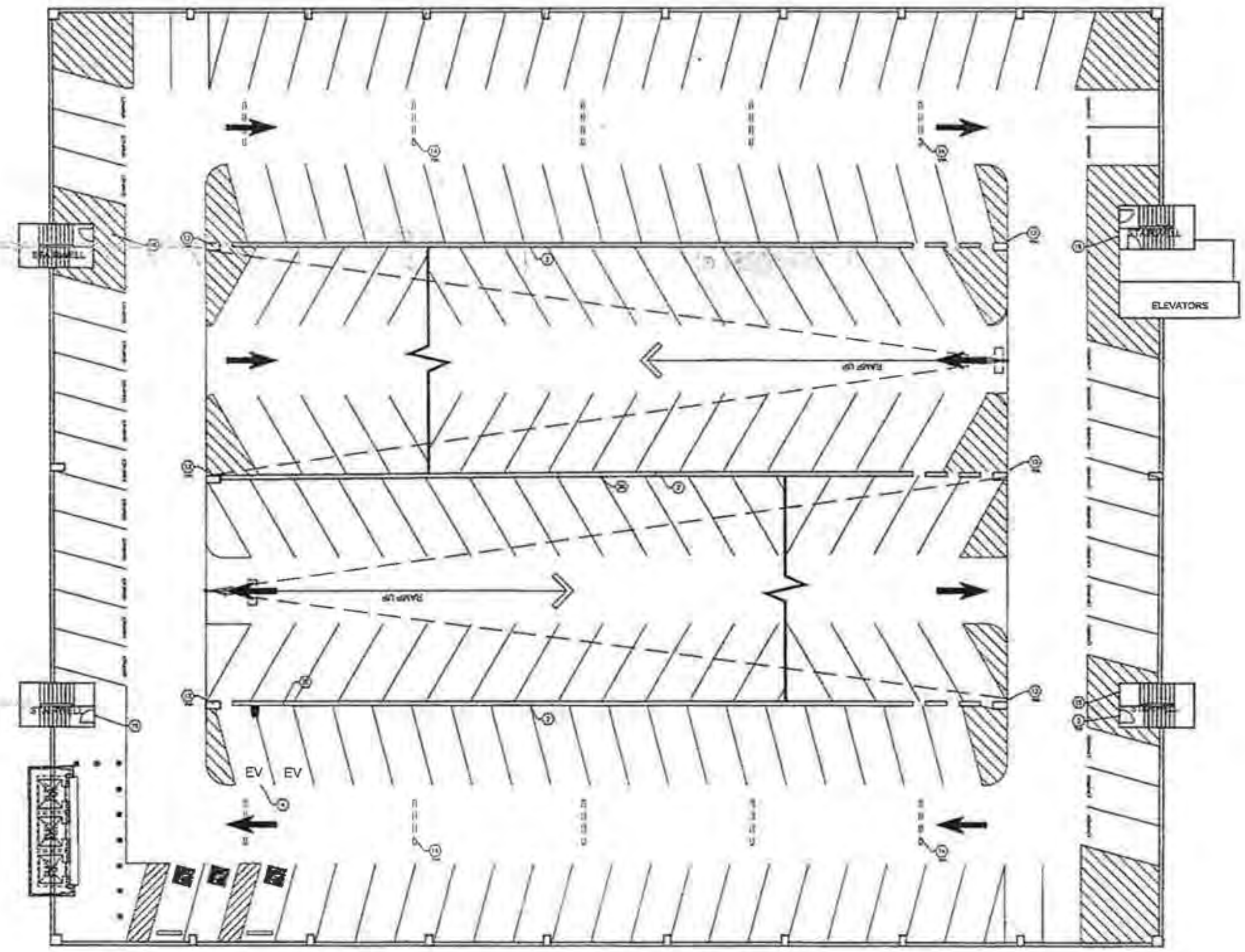
601 EAST 15TH STREET

AUSTIN, TEXAS 78701

06.12.2016

Pokorny Group Architects, Inc.

A3.4



1 LEVEL 3 PLAN NORTH

GENERAL NOTES

[illegible]

KEYED NOTES

[illegible]

UMCB
PARKING GARAGE RENOVATIONS

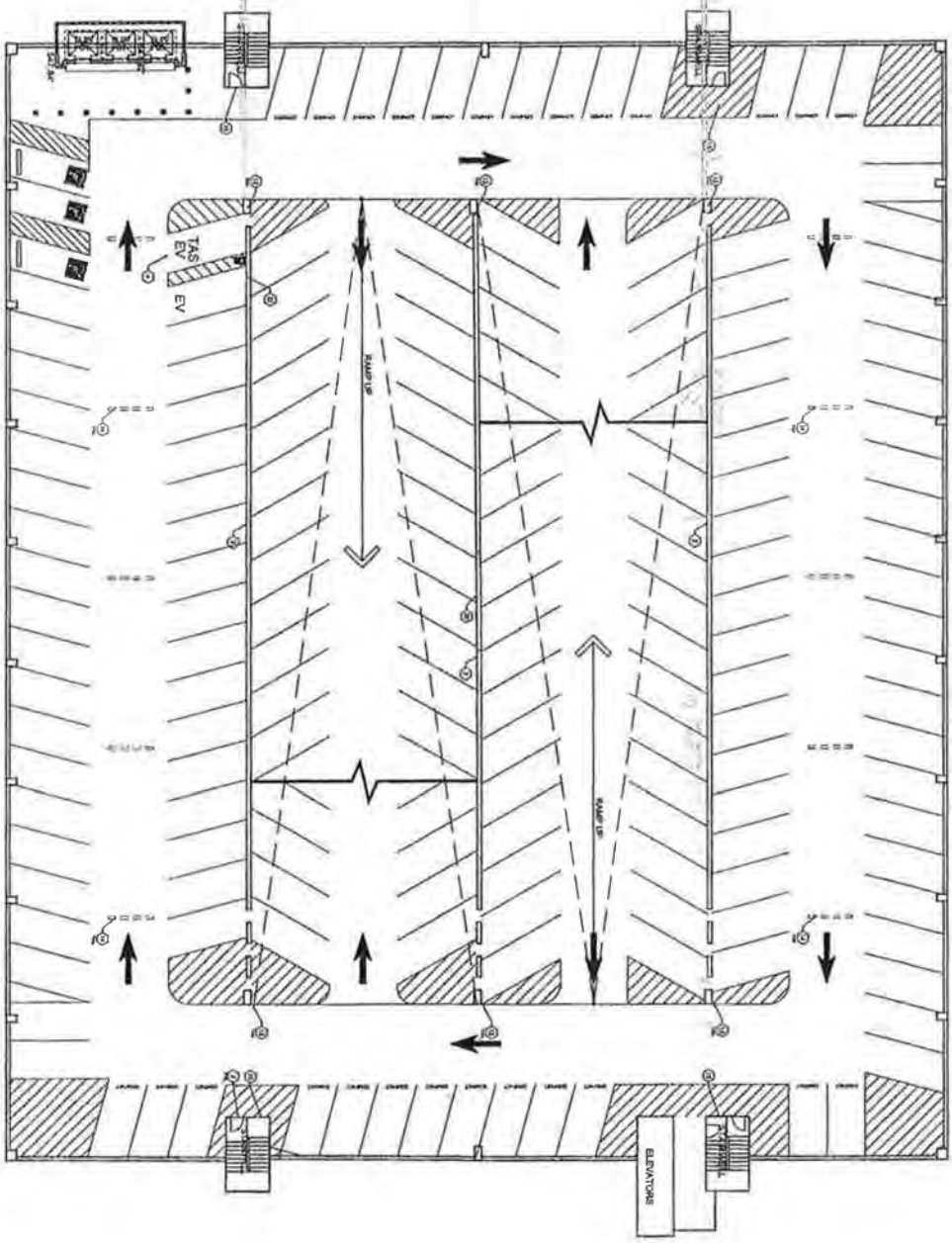
601 EAST 15TH STREET

AUSTIN, TEXAS 78701

Date
06.12.2018

Project No.
1613
Sheet No.
A3.5
Sheet Title
Level 3

Pokinghorn Group Architects, Inc.



1 LEVEL 4 PLAN
SCALE: 1/32"=1'-0"
NORTH

GENERAL NOTES

ISSUED NOTES

UMCB
PARKING GARAGE RENOVATIONS

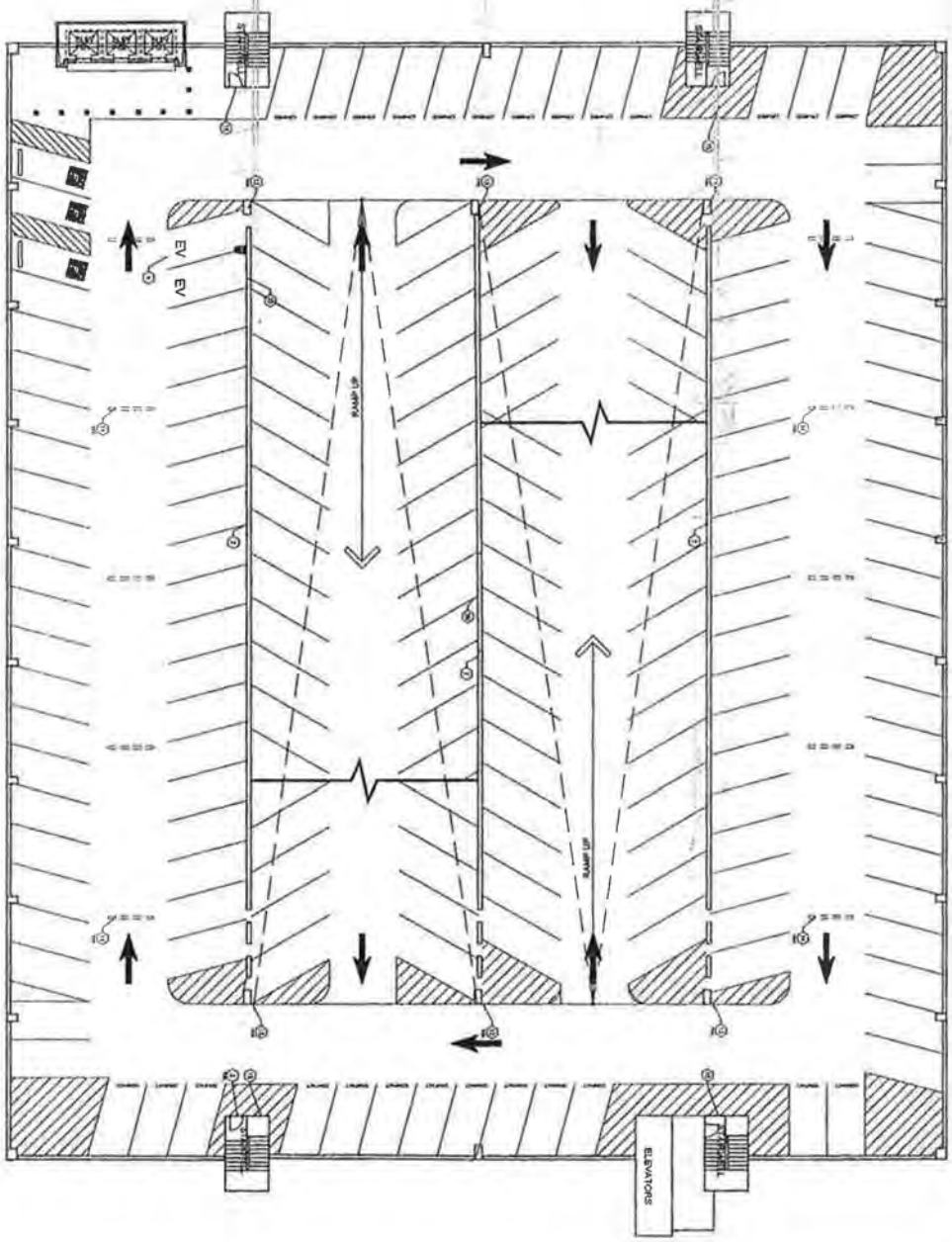
601 EAST 15TH STREET

AUSTIN, TEXAS 78701

Parkhorn Group Architects, Inc.

08.12.2016

A3.6



1 LEVEL 5 PLAN
SCALE: 1/8"=1'-0"

GENERAL NOTES

REVISED NOTES

1	
2	
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Parkinghorn Group Architects, Inc.

UMCB
PARKING GARAGE RENOVATIONS

601 EAST 15TH STREET

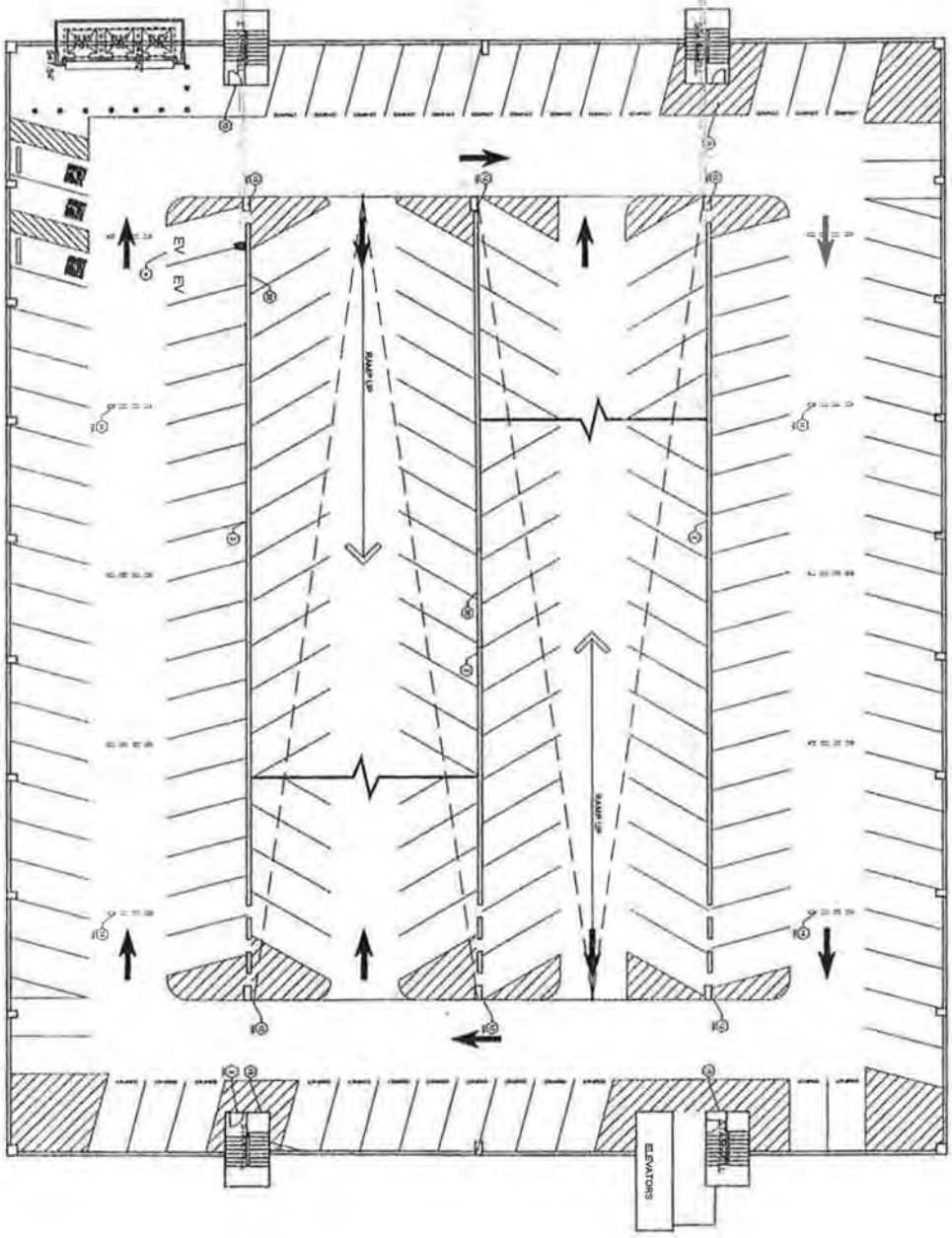
AUSTIN, TEXAS 78701

Level 5 A3.7

Project No. 1513

Sheet No.

Date 06.12.2016



1 LEVEL 6 PLAN
SCALE: 1/8"=1'-0" NORTH

GENERAL NOTES

KEYED NOTES

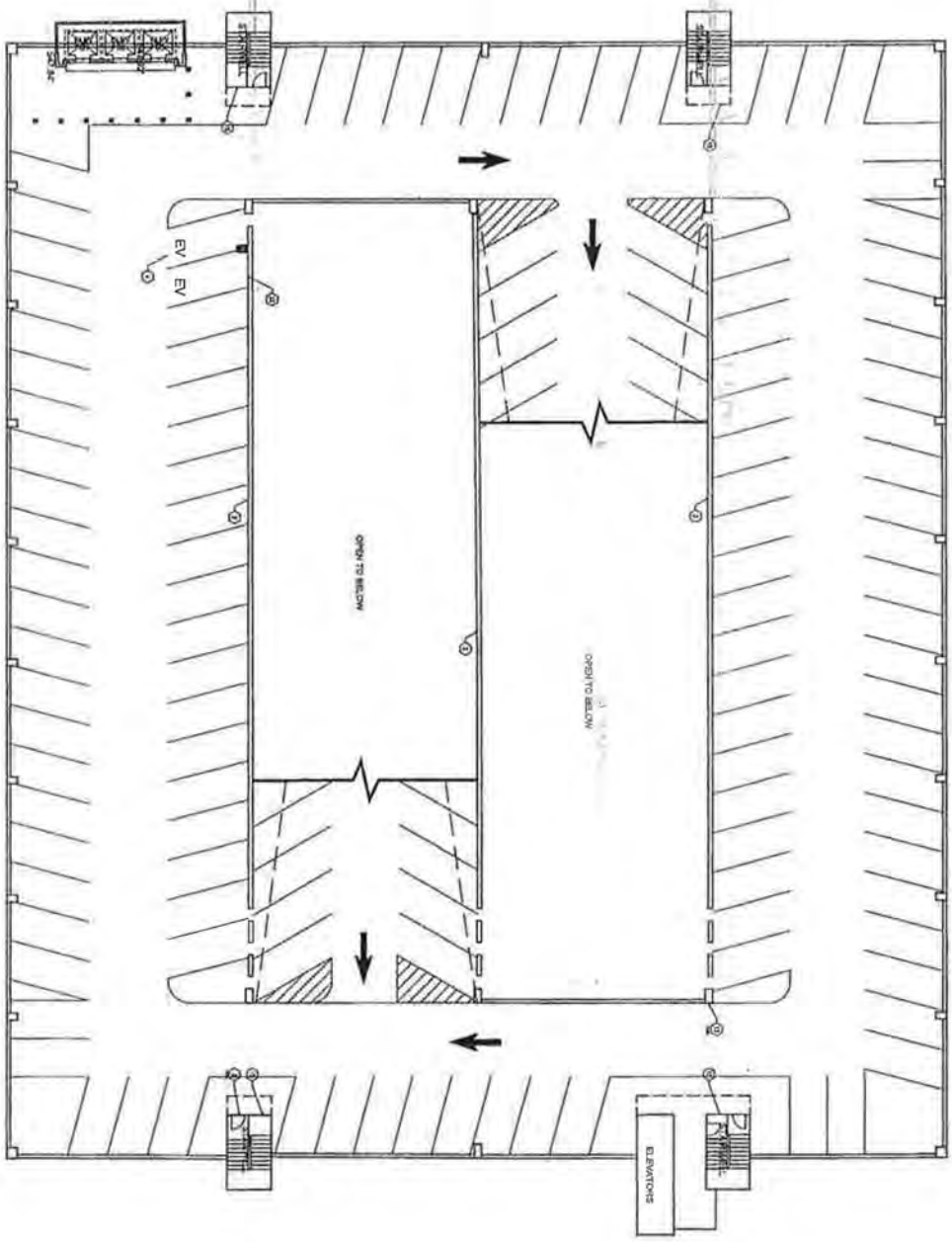
UMCB
PARKING GARAGE RENOVATIONS

601 EAST 15TH STREET AUSTIN, TEXAS 78701

Parkingham Group Architects, Inc.

Project No. 1515
Sheet No. A3.8
Level 6

Date 06.13.2016



1 LEVEL 7 PLAN
SCALE: 1/8" = 1'-0"

GENERAL NOTES

CITED NOTES

UMCB
PARKING GARAGE RENOVATIONS

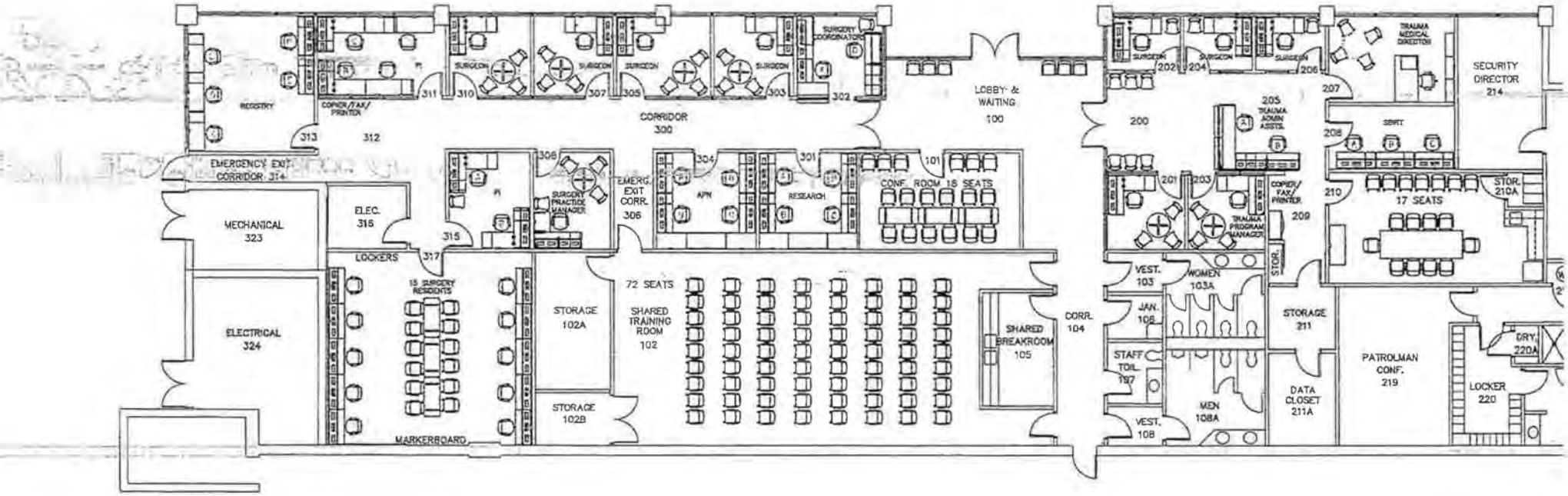
601 EAST 15TH STREET

AUSTIN, TEXAS 78701

Pelkington Group Architects, Inc.

A3.9

06.12.2018



UMCB ANNEX – 03/08/16

EXHIBIT A-1

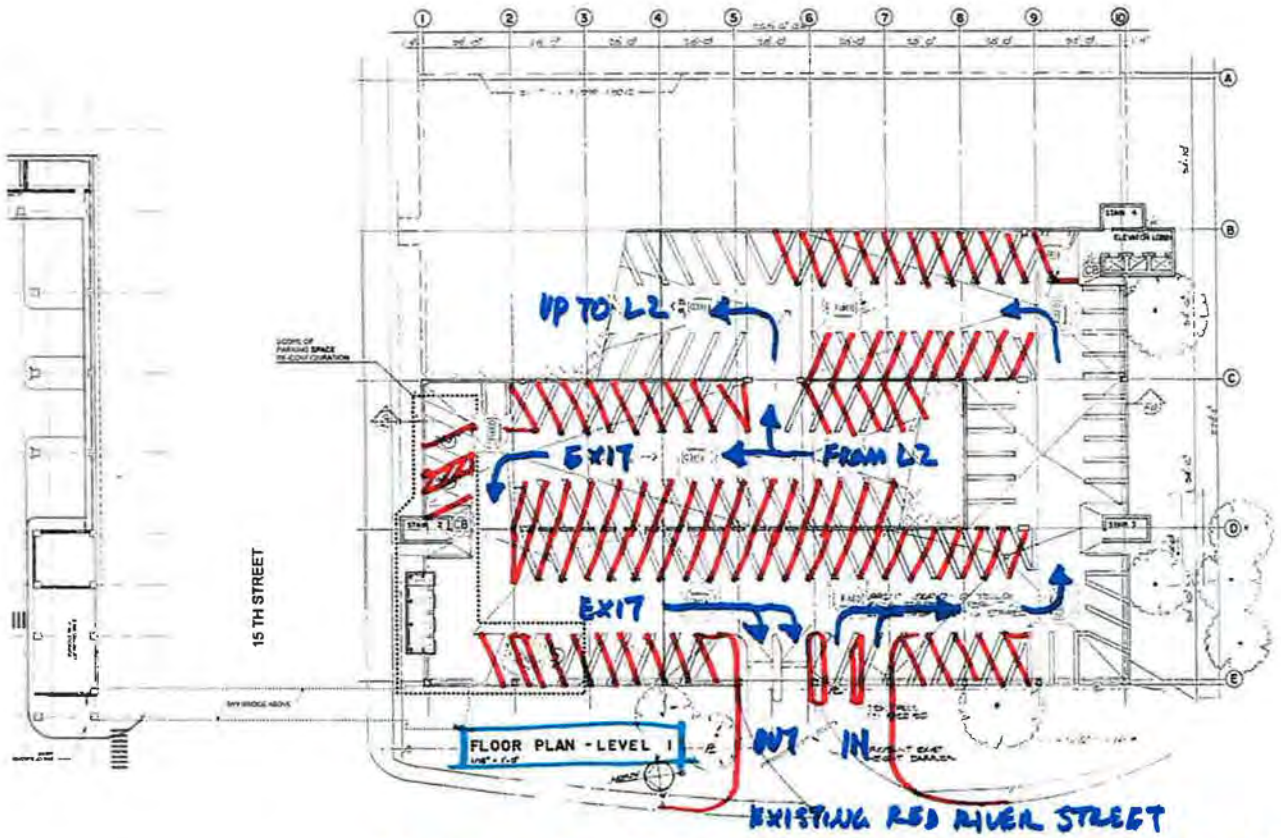
APPROVED GARAGE ENTRANCE/EXIT WORK

PARKING SPACE BREAKDOWN - LEVEL 01				
TYPE OF PARKING	NON-ADA	REQ'D. ADA	PROVIDED ADA	TOTALS
PHYSICIANS	112	5	4	117
EMERGENCY OUTPATIENT				
VISITORS				
STAFF				
POB				
HEALTH SOUTH				
ANNEX				117

PARKING ANALYSIS		
TYPE OF PARKING	STANDARD FOR NUMBER OF SPACES REQUIRED	NUMBER OF SPACES
HOSPITAL:		
VISITORS	TOTAL BEDS (PER TEXAS REGT.)	211
STAFF	DAY SHIFT EMPLOYEES (PER TEXAS REGT.)	700
PHYSICIANS	TOTAL NUMBER OF PHYSICIANS	135
E.D. & OUTPATIENTS	EMERGENCY DEPT. & OUTPATIENT VISITS	50
	SUB-TOTAL - PARKING SPACES NEEDED	1,096
NON-HOSPITAL:		
POB	EMPLOYEES AND VISITS	217
HEALTH SOUTH	EMPLOYEES	80
ANNEX	EMPLOYEES	58
	SUB-TOTAL - PARKING SPACES NEEDED	355
	TOTAL - PARKING SPACES NEEDED	1,451
	TOTAL - PARKING SPACES IN GARAGE	1,456
	TOTAL - PARKING SPACES UNCOMMITTED	5

Symbol Legend

- Exterior Ceiling Mounted Camera With Pendant Drop Mount
- Exterior Wall Mounted Camera With Pendant Mount
- Interior Ceiling Mounted Camera
- CB — Wall Mounted Call Box
- New Device or Change to Document (no cloud = existing device to remain)



PHASE 1 - CONSTRUCTION OF NEW RED RIVER STREET

HKS

Seton Family of Hospitals

SETON TEACHING HOSPITAL

INTERIM REVIEW ONLY

15877.000

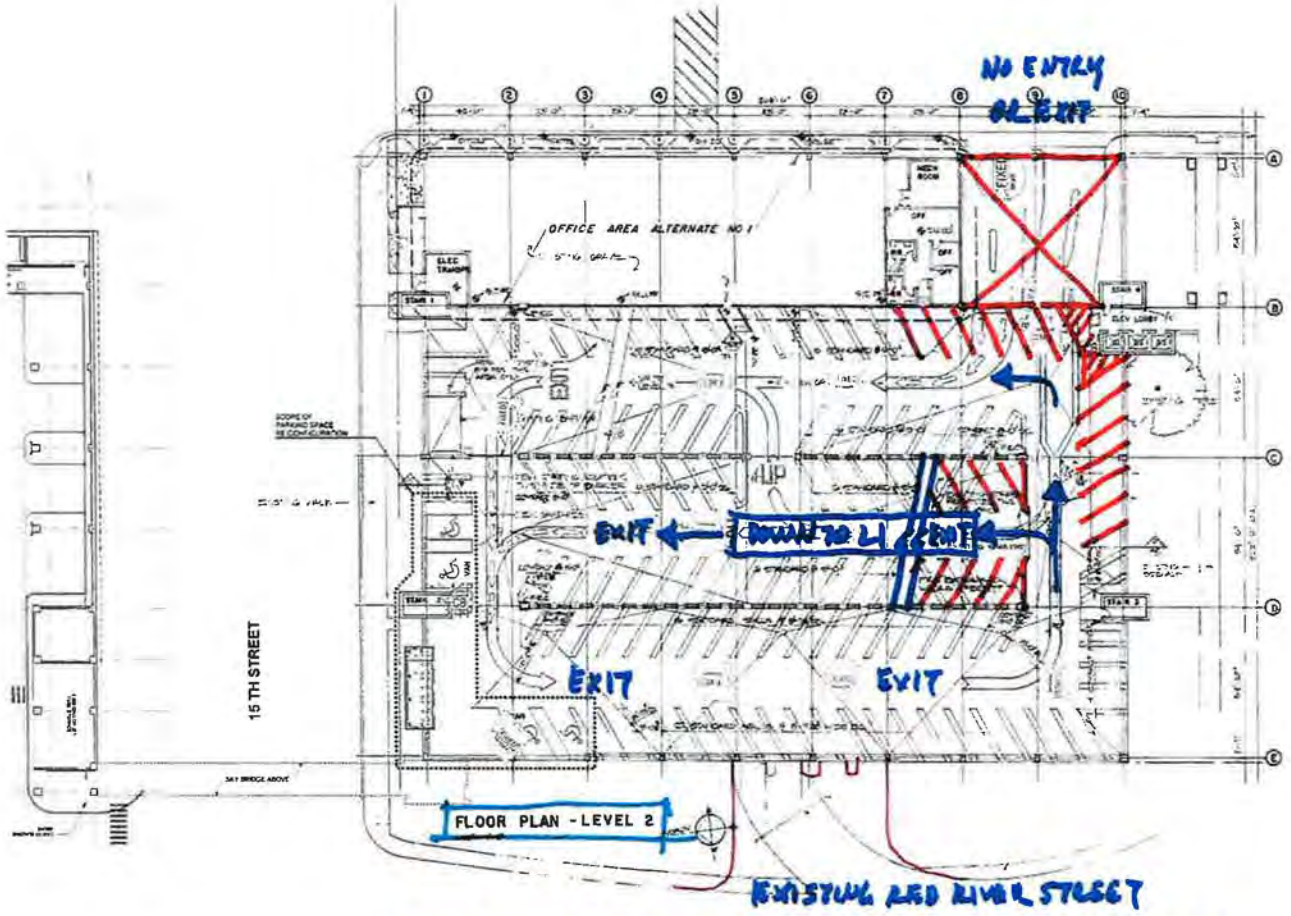
NOVEMBER 11, 2014

DESIGN DEVELOPMENT

EXISTING PARKING GARAGE PLANS

GA2.02

PARKING SPACE BREAKDOWN - LEVEL 02					
TYPE OF PARKING	NON-ADA	REQ'D. ADA	PROVIDED ADA	TOTALS
PHYSICIANS	10			10
EMERGENCY/ OUTPATIENT	30			30
VISITORS	42	3	4	46
STAFF				
POB				
HEALTH SOUTH				
ANNEX				118



PHASE 1 - CONSTRUCTION OF NEW RED RIVER STREET

HKS

SETON TEACHING HOSPITAL

Seton Family of Hospitals

INTERIM REVIEW ONLY

Development Review 11.03.2014

14077.000

NOVEMBER 11, 2014

DESIGN DEVELOPMENT

EXISTING PARKING GARAGE PLANS

GA2.03

PARKING SPACE BREAKDOWN - LEVEL 01				
TYPE OF PARKING	NON-ADA	REQ'D. ADA	PROVIDED ADA	TOTALS
PHYSICIANS	113	5	4	117
EMERGENCY/ OUTPATIENT				
VISITORS				
STAFF				
POB				
HEALTH SOUTH				
ANNEX				

PARKING ANALYSIS		
TYPE OF PARKING	STANDARD FOR NUMBER OF SPACES REQUIRED	NUMBER OF SPACES
HOSPITAL:		
VISITORS	TOTAL BEDS (PER TODAY'S REQT.)	211
STAFF	DAY SHIFT EMPLOYEES (PER TODAYS REQT.)	709
PHYSICIANS	TOTAL NUMBER OF PHYSICIANS	135
ED & OUTPATIENTS	EMERGENCY DEPT. & OUTPATIENT VISITS	50
	SUB-TOTAL - PARKING SPACES NEEDED	1,098
NON-HOSPITAL:		
POB	EMPLOYEES AND VISITS	217
HEALTH SOUTH	EMPLOYEES	80
ANNEX	EMPLOYEES	58
	SUB-TOTAL - PARKING SPACES NEEDED	355
	TOTAL - PARKING SPACES NEEDED	1,451
	TOTAL - PARKING SPACES IN GARAGE	1,458
	TOTAL - PARKING SPACES UNCOMMITTED	3

Symbol Legend

- (INCD) - Interior Ceiling Mounted Camera With Pendant Drop Mount
- (EXCD) - Exterior Wall Mounted Camera With Pendant Mount
- (VMD) - Interior Ceiling Mounted Camera
- CB - Wall Mounted Call Box
- New Device or Change to Document (no callout = existing device to remain)

NEW RED RIVER STREET

MAINTAIN STRIPED SPACES FROM PHASE I

UP TO L2 EXIT

FROM L2

NO ENTRY OR EXIT

15TH STREET

FLOOR PLAN - LEVEL 1

PHASE II - VACATION OF EXISTING RED RIVER STREET

HKS

Seton Family of Hospitals

SETON TEACHING HOSPITAL

10977.000

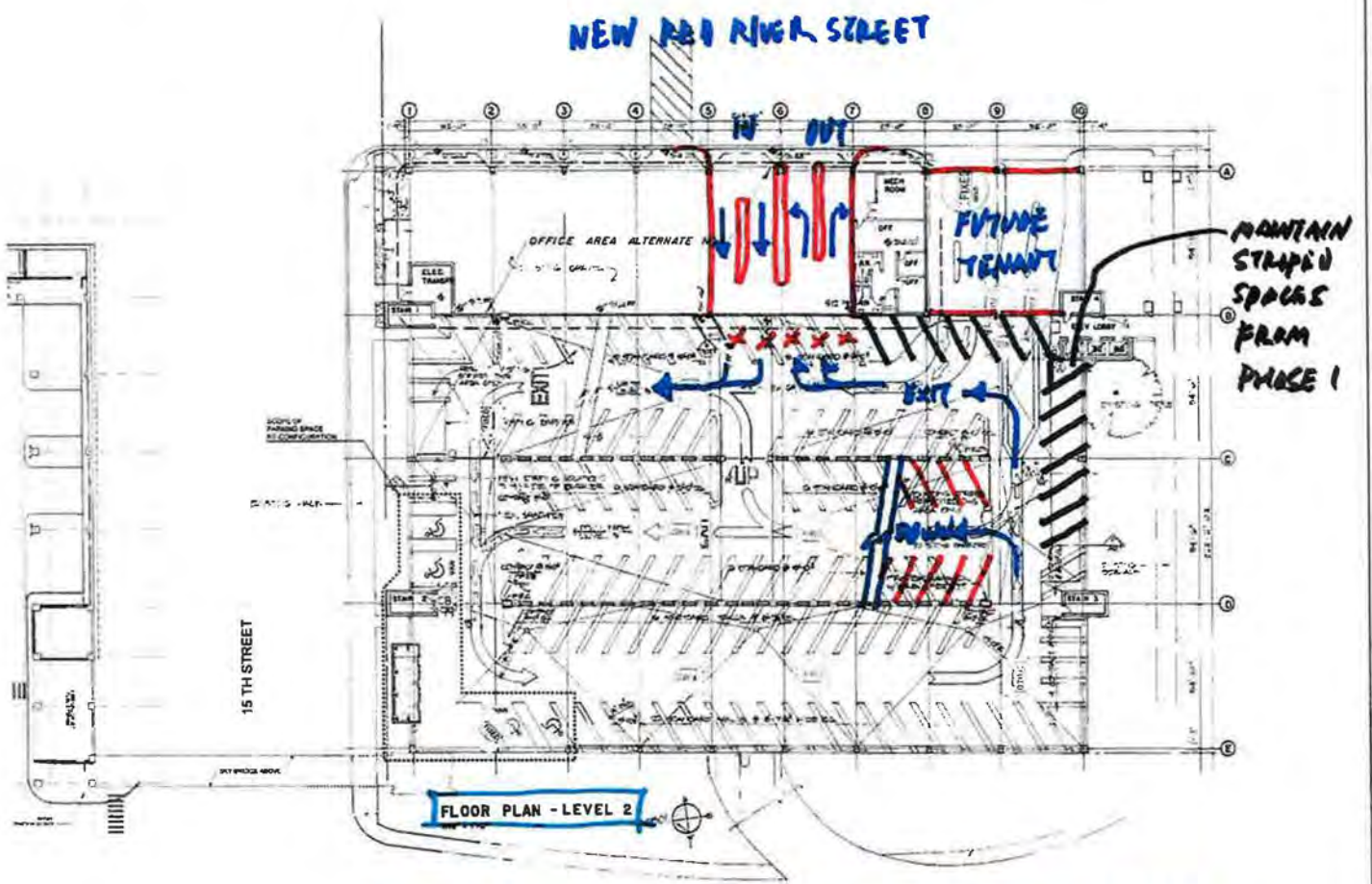
NOVEMBER 11, 2014

DESIGN DEVELOPEMENT

EXISTING PARKING GARAGE PLANS

GA2.02

PARKING SPACE BREAKDOWN - LEVEL 02				
TYPE OF PARKING	NON-ADA	REQ'D. ADA	PROVIDED ADA	TOTALS
PHYSICIANS	18			18
EMERGENCY OUTPATIENT	50			50
VISITORS	42	8	6	48
STAFF				
P.O.R.				
HEALTH SOUTH				
ANNEX				118



PHASE II - VACATION OF EXISTING RED RIVER STREET

HKS

CLIENT

ARCHITECT

INTERIOR DESIGN

STRUCTURAL ENGINEER

CIVIL ENGINEER

MEP ENGINEER

COMMUNICATION CONSULTANT

Seton Family of Hospitals

SETON TEACHING HOSPITAL

INTERIM DESIGN ONLY

NO.	DESCRIPTION	DATE
	Construction Revision #1	03.20.15

PROJECT NUMBER
15877.000
DATE
NOVEMBER 11, 2014
ISSUE
DESIGN DEVELOPEMENT
SHEET TITLE
EXISTING PARKING GARAGE PLANS
SHEET NO.
GA2.03

Exhibit "B"

Legal Description of Campus

EXHIBIT B

LEGAL DESCRIPTION OF THE LAND

LEGAL DESCRIPTION
LEGAL DESCRIPTION OF A 1.370 ACRE TRACT
BEING A PORTION OF THAT CERTAIN CALLED 14.343 ACRES
CONVEYED TO THE TRAVIS COUNTY
HOSPITAL DISTRICT, AS DESCRIBED IN DOCUMENT NO. 2005014435,
OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;
SAID 1.370 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED
BY METES AND BOUNDS AS FOLLOWS AND SHOWN ON
ATTACHED SKETCH:

BEGINNING, at a found ½ inch iron rod marking the intersection of the southerly right of way line of East 15th Street with the easterly right of way line of Red River Street, for the northwesterly corner of said 14.343 acre tract;

THENCE, South 73deg 35' 28" East, along the southwesterly right of way line of East 15th Street, a distance of 88.60 feet, to a point;

THENCE, leaving the southwesterly right of way line of East 15th Street, and into said 14.343 acre tract, the following courses:

South 16deg 22' 36" West, a distance of 7.20 feet, to a point;
South 73deg 34' 29" East, a distance of 98.39 feet, to a point;
North 16deg 22' 36" East, a distance of 7.23 feet, to a point in the southwesterly right of way line of East 15th Street;

THENCE, South 73deg 35' 28" East, along the southwesterly right of way line of East 15th Street, a distance of 10.48 feet, to a point;

THENCE, leaving the southwesterly right of way line of East 15th Street, and into said 14.343 acre tract, the following courses:

South 16deg 22' 36" West, a distance of 7.04 feet, to a point;
South 73deg 32' 32" East, a distance of 51.20 feet, to a point;
South 17deg 22' 13" West, a distance of 263.67 feet, to a point;
North 73deg 37' 32" West, a distance of 42.30 feet, to a point;
South 16deg 22' 28" West, a distance of 17.94 feet, to a point;
North 73deg 23' 50" West, a distance of 26.89 feet, to a point;
North 16deg 17' 49" East, a distance of 17.90 feet, to a point;
North 73deg 37' 32" West, a distance of 86.31 feet, to a point;
South 16deg 17' 49" West, a distance of 7.30 feet, to a point;
North 73deg 47' 35" West, a distance of 10.43 feet, to a point;
North 16deg 22' 28" East, a distance of 7.41 feet, to a point;
North 73deg 37' 32" West, a distance of 51.36 feet, to a point;

North 16deg 22' 36" East, a distance of 245.69 feet, to a point;
North 73deg 32' 51" West, a distance of 30.03 feet, to a point in the easterly right of way line of Red River Street;

THENCE, North 23deg 47' 02" East, along the easterly right of way line of Red River Street, a distance of 25.19 feet, to the **POINT OF BEGINNING** and containing 1.370 acres (59,660 square feet) of land, more or less.

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

James W. Russell 10/27/16

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

EXHIBIT C

PERMITTED EXCEPTIONS

a. 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.

b. 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.

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

d. 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. (Description recited therein includes Block 168.)

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

f. The terms, conditions and stipulations of that certain Aerial Bridge Easement Agreement dated October 17, 2014, recorded under Document No. 2014156413, as amended by instruments recorded under Document Nos. 2015102986, 2015202059, 2016097142 and 2016215341, all of the Official Public Records of Travis County, Texas.

g. The terms, conditions and stipulations of that certain Encroachment Agreement Between City of Austin, Texas and Seton Family of Hospitals dated October 23, 2015, recorded under Document No. 2015170719, as corrected by instrument recorded under Document No. 2017075749, both of the Official Public Records of Travis County, Texas.

h. INTENTIONALLY DELETED.

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

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

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

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

GUARANTY

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

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

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

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

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

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

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

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

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

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

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

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

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

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[SIGNATURE PAGE TO LEASE GUARANTY]

Executed to be effective as of January 1, 2018.

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

By:_____
Name: _____
Title: _____

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

By:_____
Name: _____
Title: _____

[SIGNATURE PAGE TO LEASE GUARANTY]

Executed to be effective as of January 1, 2018.

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

By: _____
Greg Hartman
Chief of External and Academic Affairs

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

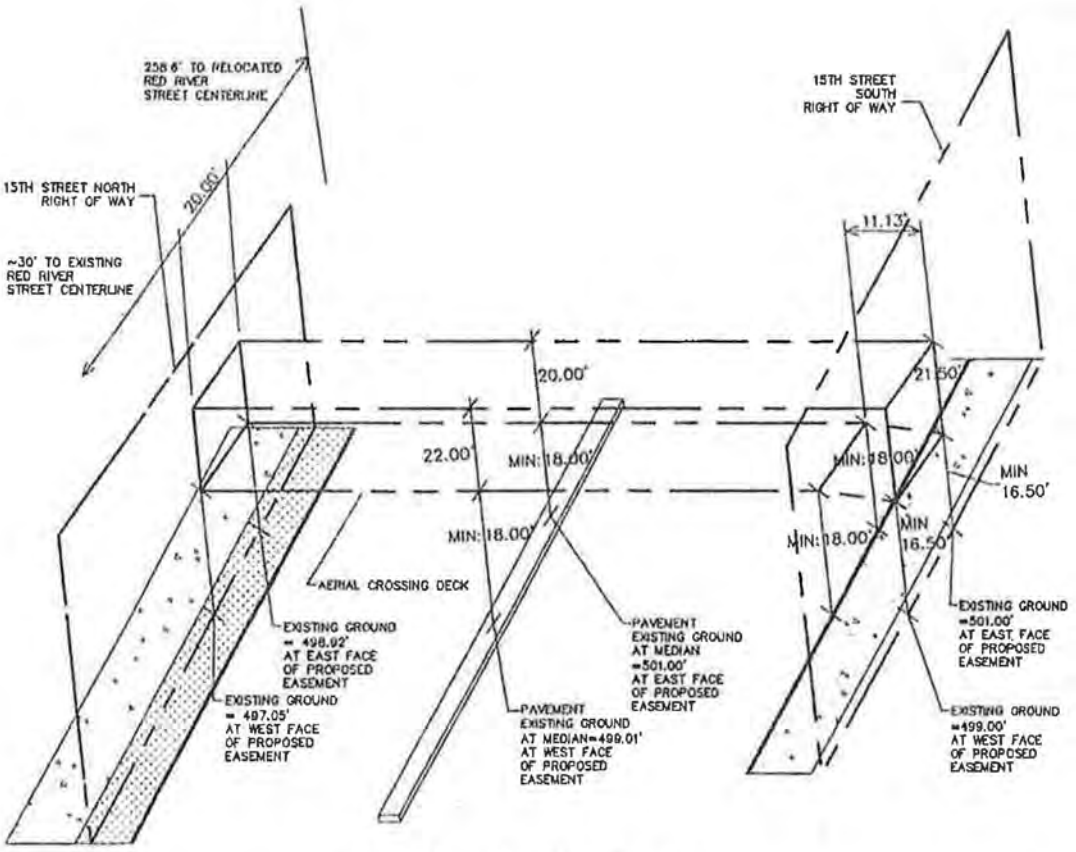
By: _____
Scott Herndon
Senior Vice President and Chief Financial Officer

EXHIBIT E

AERIAL BRIDGE IMPROVEMENTS

Exhibit "A"

Legal Description of the Land



3 DIMENSIONAL VIEW

NOT TO SCALE

15TH STREET

garzabury LLP
221 West Sixth Street, Suite 383
Austin, Texas 78701
TH (512) 298-3284 Fax (512) 298-3992
TBPE # F-14629 TBPLS # F-10193841

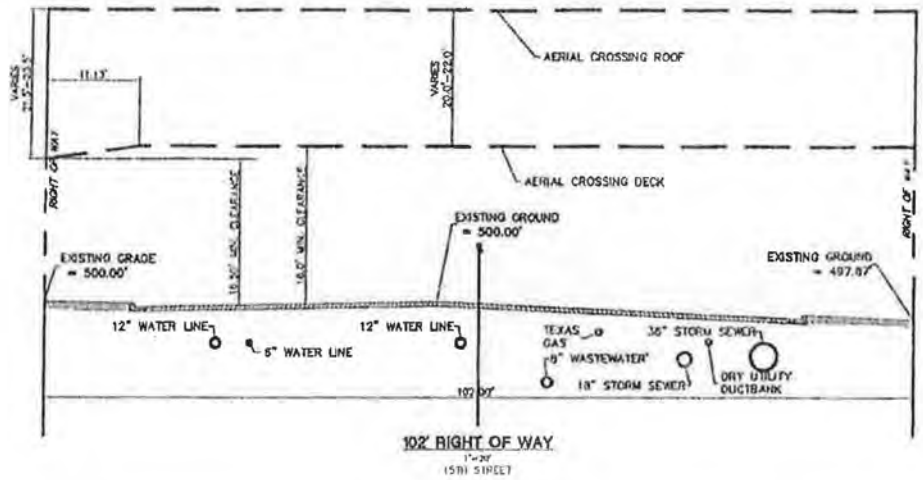
HKS
HKS, INC
350 N SAINT PAUL STREET SUITE 100
DALLAS, TX 75201-4240

SETON TEACHING HOSPITAL

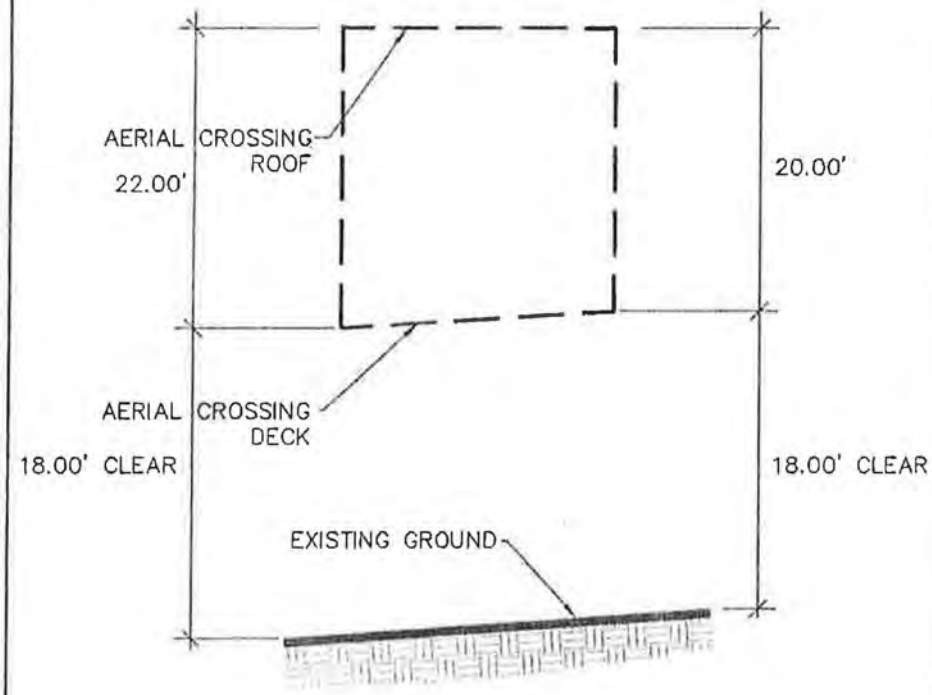
1500 RED RIVER STREET
AUSTIN, TEXAS

EXH A

DATE: 01/26/2016	SCALE: NTS	DRAWN BY: KEH	FILE: G:\101649\10013\EXHIBITS	PROJECT No. 101649-10013



102' RIGHT OF WAY
1"=20'
(5th STREET)



WALL SECTION AT 15TH STREET BRIDGE OVER STREET
NTS

garzabury
721 West Sixth Street, Suite 360
Austin, Texas 78701
Tel (512) 206-3284 Fax (512) 206-3592
TBPE # F-14022 TBPLS # F-10193911
Garzabury, LLC © Copyright 2016

HKS
HKS, INC
350 N SAINT PAUL STREET SUITE 100
DALLAS, TX 75201-4240

SETON TEACHING HOSPITAL

AERIAL CROSSING

EXH A

DATE: 01/26/2016	SCALE: 1" = 20'	DRAWN BY: KEH	G:\101649\10013\EXHIBITS	PROJECT No 101649-10013

Exhibit C

Improvements

EXHIBIT C

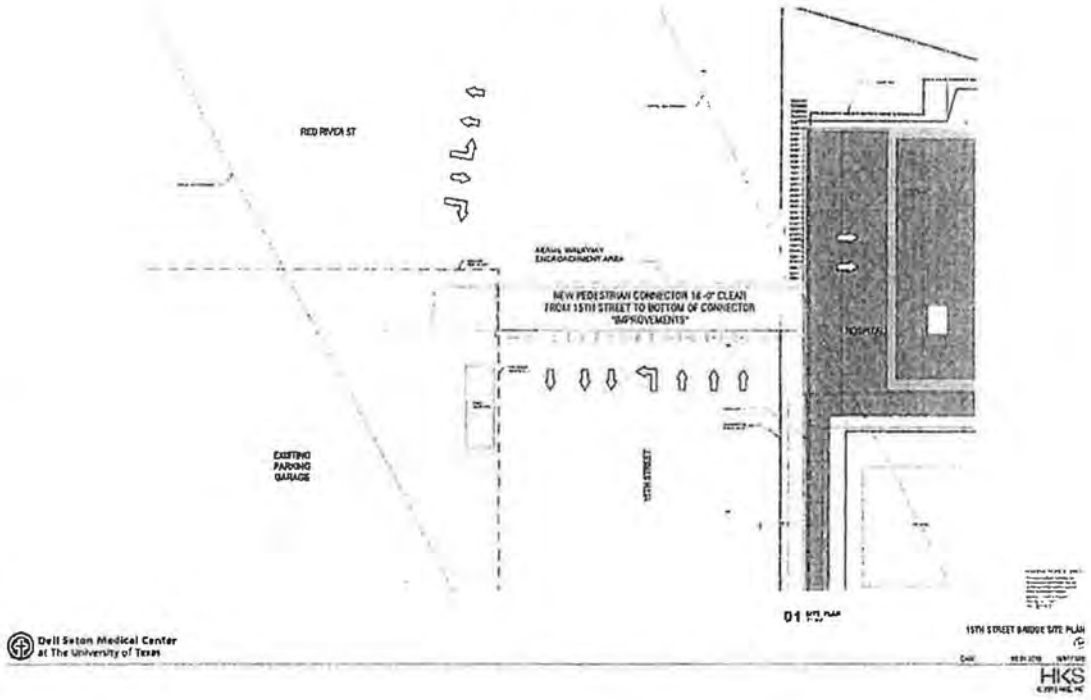


EXHIBIT F

MASTER PLAN

Gensler

CENTRAL HEALTH BRACKENRIDGE CAMPUS MASTER PLAN

JANUARY 27, 2016

CENTRAL HEALTH

BRACKENRIDGE CAMPUS

Introduction from Central Health

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

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

CENTRAL HEALTH

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

Jan. 27, 2016

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

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

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

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

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

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

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

Client Team

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

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

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

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

Consultant Team

Executive Campus Planner
Gensler

Urban Design & Planning
McCann Adams Studio

Real Estate Economics
Economic and Planning Systems

Public Relations & Community Outreach
Rifeline

Economic Strategy Advisors
TXP

Sustainability
Center for Maximum Potential Building Systems

Civil & Transportation Engineers
Kimley Horn

Structural Engineer
Walter P Moore

MEP Engineer
TTG Goetting

Cost Estimating
Faithful Gould

Government & Community Relations
Sheryl Cole

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1. INTRODUCTION: THE OPPORTUNITY

The Opportunity

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

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

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

10 Goals in 10 Years

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

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

(Note: Circled and bolded initiatives have begun.)

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

2. BRACKENRIDGE CAMPUS SITE AND BUILDINGS

The Site and its Context

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

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

The original, 1839 City Plan of Austin

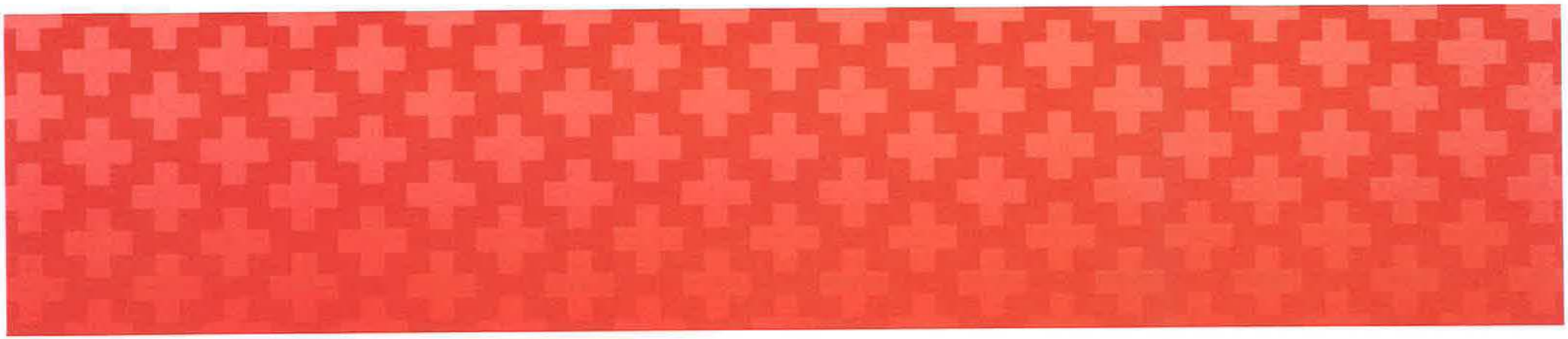
Existing aerial view identifying the Central Health Brackenridge Campus and block numbers

The Brackenridge Campus is located within the rapidly changing northeast quadrant of downtown Austin that is experiencing considerable public investment and private redevelopment. These include:

- The emerging University of Texas Medical District – immediately north of 15th Street – whose four, first-phase buildings are under construction: The Dell Seton Medical Center (the new teaching hospital), the Health Innovation Center, the Education and Administration Building, and the Research Building.
- The newly-completed Waller Creek Tunnel Project that will remove over 28 acres of downtown property along Waller Creek from the 100-year floodplain, allowing for these to be developed.
- The Waller Creek Conservancy's efforts to implement an ambitious vision for a series of parks, plazas, promenades and trails along the Creek, from Waterloo Park to Ladybird Lake.
- The development of an Innovation Zone which will serve as a catalyst for innovation and collaboration, support the advancement of health-related research and provide a vital community place for people to live, work and play together – stimulating innovation in the process.
- Capital Metro's Project Connect, that envisions rapid bus and urban rail, as well as local buses, that will interface with other modes and directly serve the Brackenridge Campus and Waterloo Park.
- The Texas Department of Transportation's (TxDOT's) planned improvements to the downtown segment of the I-35 corridor, that include depressing the freeway and "capping" it with surface-level parks and plazas, intended to remove barriers separating East Austin from downtown.
- The efforts of the Texas Facilities Commission (TFC) to consolidate State offices within new buildings to be located along Congress Avenue, which will be rebuilt as a greatly enhanced, mall-like promenade north of the Capitol building.

Future context

3. PLANNING PROCESS AND PUBLIC PARTICIPATION



The Planning Process and Public Participation

The Master Plan is the culmination of a two-phase, two-year effort to plan for the reuse and redevelopment of the 14-acre Brackenridge Campus. The Central Health planning team – comprised of consultants and Central Health staff – has been guided by a specially-designated ad hoc committee of the Central Health Board of Managers that oversees the process and the products of the master planning effort. The team also worked extensively with project stakeholders to understand their concerns, policies and plans, and to synchronize initiatives.

Since the inception of the Brackenridge Campus redevelopment project, Central Health has prioritized engagement with community members as a core component of the planning process. Community engagement efforts kicked off in June 2014 with a community open house to present initial information about the project. Since then, Central Health has engaged thousands of residents and solicited feedback using a variety of methods, including community forums, neighborhood and stakeholder meetings, surveys, and online updates via a dedicated website and e-newsletter.

Through this multi-pronged approach to community engagement, Central Health has allowed for inclusion of many voices and opinions, including those who are typically hard to reach. Community members expressed strong support for mixed-use development that would include space for medical research and innovation; spaces that create a sense of community; and uses that provide revenue for Central Health to carry out its mission. Much of the community feedback has been incorporated into the Master Plan framework, and Central Health intends to continue to engage the community throughout the life of the project.

Community Engagement Efforts to Date

	TYPE	DATE	PARTICIPANTS
Community Events	Community forum Open houses (3) Community workshop	June 2014 - October 2015	594 participants
Small Meetings	Community conversations	September 2014 - June 2015	454 participants
Surveys	Online / Telephone Neighborhood canvassing In-person at health centers	January - May 2015	1,769 participants
Online	Surveys Dedicated website Open house	July 2014 - present	5,600 visitors

8,417 TOTAL

Presentation to Hispanic Advocate Business Leaders of Austin (HABLA) May 2015

Discussion at a neighborhood association meeting - July 2015

A promotora and patient at the CommUnityCare North Central Health Center - February 2015

Meeting with the Tejano Democrats - September 2015

Community members and local leaders at a collaborative workshop - November 2014

4. THE GUIDING PRINCIPLES AND PLANNING PARAMETERS

The Guiding Principles and Planning Parameters

The Master Plan is guided by three, over-arching guiding principles developed and adopted by Central Health's Board of Managers at the outset of the planning process. These principles have been used to evaluate different scenarios for developing a "complete community" that could feature medical uses, housing needs, recreation and retail. The principles have also been used to formulate the 33 planning parameters listed on the following pages. The guiding principles are:

M MISSION

Advance Central Health's efforts to provide access to health care to those who need it most, and promote Travis County as a model healthy community.

S STEWARDSHIP

Promote uses and programs at the Central Health downtown campus that support the short- and long-term fiscal stability of Central Health and deliver returns for the citizens and taxpayers of Travis County.

P PARTNERSHIP

Strengthen and expand relationships with health and wellness providers, collaborate with other public-sector entities, and help advance the goals of the larger community.

The recommended planning parameters of the Master Plan are organized under each of the three foundational principles, and are labeled with a prefix of "M," "S" or "P" as appropriate. The text shown in bold denotes the Board-adopted language.

Attendees review the guiding principles at the Brackenridge Campus Open House – October 2015

MISSION: Advance Central Health's efforts to provide access to health care to those who need it most, and promote Travis County as a model healthy community.

M-1: HEALTH CARE USES
Consider programs and uses for existing and new buildings that advance Central Health's Strategic Plan and that make the best use of its downtown location.

M-1.1: Develop the Brackenridge Campus as a major, community oriented space that supports Central Health's mission to provide for access to health care that will improve health outcomes and overall community health.

M-1.2: Increase health equity and reduce health disparities for Central Health's constituency through thoughtful building and site design that organizes a synergistic mix of uses, throughout the Brackenridge Campus.

M-1.3: Provide opportunities for early term redevelopment by deconstructing certain buildings, such as the Professional Office Building (POB), the Helipad, the Hospital Tower and its South Wing. Relocate any medical office and clinical uses to remain on the Brackenridge Campus from the POB to the Clinical Education Center (CEC), or to facilities located within the UT Medical District or other locations, as appropriate.

M-1.4: In partnership with public, non-profit and/or private entities, develop a permanent, public market focused on healthy food and activities as a major community gathering space promoting healthy lifestyles for all in the Central Texas region.

M-2: CENTRAL HEALTH PRIORITIES
Sustain Central Health's commitment to enhance outpatient specialty care, cancer care, behavioral health services and women's health services throughout Travis County in the most appropriate locations.

M-2.1: In keeping with transforming best practices in health care delivery, distribute health care services in appropriate facilities and settings throughout Travis County that promote appropriate public access.

M-2.2: Focus any on-campus medical uses along East 15th Street, to take advantage of the proximity to the new Dell Seton Medical Center, the Dell Medical School and supporting facilities in the UT Medical District.

M-2.3: At the outset of more detailed planning for Phase 2 redevelopment (Block 166, 167 and the Original Hospital Block), conduct a programming process with health care providers and other Central Health partners to better determine such medical and health care uses prior to Phase 2 implementation. At this time, consider including a range of medical, health care and/or wellness-related uses that could be developed within mixed-use buildings.

M-2.4: Consider including uses that support and/or enhance health care and medical uses.

M-3: HEALTHY COMMUNITIES
Promote physical activity and improve health with comfortable and safe access to, within and through the site for people of all abilities – whether walking, biking, using transit or driving.

M-3.1: Realign Red River Street and generally reinstate the historic Waller Plan's grid. Develop streets in concert with the City of Austin, Capital Metro and others as "complete streets." These new streets and pathways will be walkable, bikeable and shaded streets that strive to reduce auto-dependency and to offer "active transportation" connections to adjacent areas – including downtown, the Capitol Complex, UT, Waller Creek and East Austin.

M-3.2: Participate in efforts to be led by the City of Austin and the Downtown Austin Alliance to create an area-wide, multi-modal transportation and parking management plan to provide employees, patients, residents and visitors convenient mobility choices, while helping reduce vehicle trips and improving air and water quality.


Health Care Uses


Central Health Priorities


Healthy Communities


Fiscal Responsibility


Meeting Community Needs


Sustainability

STEWARDSHIP: Promote uses and programs at the Central Health Brackenridge campus that support the short-and long-term fiscal stability of Central Health and deliver returns for the citizens and taxpayers of Travis County.

S-1: FISCAL RESPONSIBILITY

Optimize cash flow to Central Health, make wise and effective use of taxpayer dollars, and attract new revenue to support Central Health's mission.

S-1.1: Maintain maximum flexibility in both the zoning and the development itself to take advantage of unforeseen opportunities, as well to be better able to address unforeseen challenges – such as changing capital market dynamics and changing models of health care delivery.

S-1.2: Balanced with Central Health's mission, maximize the revenue-generating potential of each of the six redevelopment blocks to support Central Health's mission throughout Travis County, including that from existing buildings to remain on the campus during the first phase of redevelopment.

S-1.3: Keep the existing Main Parking Garage for the foreseeable future to maintain this revenue source to Central Health and to provide parking for the Dell Seton Medical Center. Enhance the Main Garage by constructing a new "liner" building on its west, Waterloo Park-facing façade that provides ground-floor, pedestrian-oriented uses with leaseable space above. Keep the existing CEC Building and the CEC Parking Garage during Phase 1 of the project, given their high functionality and their lease revenue.

S-1.4: Expedite the first phase of deconstruction and infrastructure construction to advance the redevelopment of the three Phase 1 blocks so that these buildings may begin generating lease revenue as soon as possible.

S-1.5: Pursue all forms of public, non-profit and private funding, financing and reimbursement for deconstruction, design, construction and maintenance of public streets, open spaces and infrastructure.

S-2: MEETING COMMUNITY NEEDS

Leverage Central Health's property assets to support ongoing efforts to address community health needs, close gaps in service delivery and achieve Central Health's priorities.

S-2.1: Collaborate with health care partners and the community to promote those uses to be developed in and around the Brackenridge Campus that can most benefit from their physical proximity to the new Dell Seton Medical Center and the Dell Medical School at The University of Texas at Austin.

S-2.2: Encourage opportunities for combining wellness and health care uses and programs along with other uses that can be located in mixed-use buildings, within and around the Brackenridge Campus.

S-2.3: Recognizing that healthy eating is essential to well-being, provide ground floor uses that feature healthy, affordable and local food within and outside the public market building and adjacent spaces.

S-2.4: Through partnerships with affordable housing providers, the development community and other stakeholders, consider a range of housing types in and around the proposed Innovation Zone, UT and/or the Brackenridge Campus.

S-3: SUSTAINABILITY

Promote efficient use of resources, energy and water; reduce auto dependency; and improve the natural and built environment at and around Central Health's downtown site.

S-3.1: Require best practices related to green building and natural resource protection – at both the overall campus or district-level and the individual block or building-level of development.

S-3.2: Coordinate the campus' watershed protection and water management efforts with the City of Austin, State, UT, Travis County, TxDOT, the Waller Creek Conservancy and others.

S-3.3: Develop the campus to maximize climate protection and resilience, leveraging the unique opportunity to plan at a district scale of 14 acres. Promote the use of district-scale systems to supply green energy, chilled and hot water, reclaimed water, solar energy, geothermal energy, etc.

S-3.4: Design the campus streets and public spaces to maximize the delivery of "ecosystem services," such as stormwater management, heat island mitigation, water conservation and reuse, soil and landscape restoration, wildlife habitat, as well as those that improve human health and happiness through contact with nature.

PARTNERSHIP: Strengthen and expand relationships with health and wellness providers, collaborate with other public-sector entities, and help advance the goals of the larger community.

P-1: STAKEHOLDERS
Ensure that the low-income, uninsured and underinsured individuals and communities whom Central Health serves continue to receive access to quality health care.

P-1.1: Continue with ongoing community engagement activities that keep neighbors, partners and elected officials informed about the ongoing planning and implementation of the Brackenridge Campus project.

P-1.2: Maintain and expand Central Health's partnerships with health care providers to ensure access to high-quality wellness and health care services, programs and education.

P-2: NEIGHBORS
Confer with East Austin residents and support downtown initiatives, including the University of Texas Medical District, the IH-35 Corridor Improvement Project, the Waller Creek and Waterloo Park projects, the proposed Innovation Zone, the State Capitol Complex Master Plan, and others.

P-2.1: Maximize accessibility – physically, socially and economically – to this new neighborhood, through building a community defined by landscaped, walkable streets and a central gathering space and a public market. Develop design guidelines to ensure that buildings and streetscapes are inviting, hospitable and beautiful.

P-2.2: Identify positive benefits that should be maximized during the Brackenridge Campus redevelopment – such as contributing to healthy air quality, clean water, active lifestyle, healthy food, low carbon, etc. – mitigate environmental and human health stressors associated with conventional development practices.

P-2.3: Work with TxDOT to enhance multi-modal connectivity across I-35 to East Austin, and to create frontage roads that look and feel like "urban boulevards" – with street side trees and wide sidewalks – consistent with the City of Austin's Downtown Great Streets Program and Complete Streets Policy.

P-2.4: Create a complementary and compatible edge along Waterloo Park that creates vital open space connections between Waller Creek and the Brackenridge Campus.

P-2.5: Promote a mix of uses that nurtures local economic development, enhances creativity and innovation, promotes a "culture of health," and creates a vibrant sense of place.

P-3: COLLABORATORS
Work with the Seton Healthcare Family, Dell Medical School, health care entities, wellness advocates, business partners and civic and public entities, including Travis County and the City of Austin.

P-3.1: Collaborate with the public, non-profit, and private sectors to attract, finance, and operate supportive and complementary uses within the Brackenridge Campus.

P-3.2: Collaborate with public, non-profit and private partners to support the proposed Innovation Zone by creating the kind of place that nurtures innovation focused on wellness and health care. Explore ways in which the uses in and around the public market can support wellness innovation.

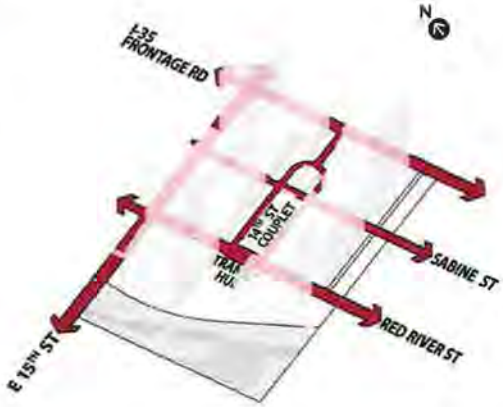
P-3.3: Collaborate with the private sector to implement the Brackenridge Campus Master Plan by launching a developer solicitation(s) that articulates Central Health's vision for the property, its goals, its "must-haves," and respective roles and responsibilities in what will become a public-private partnership.

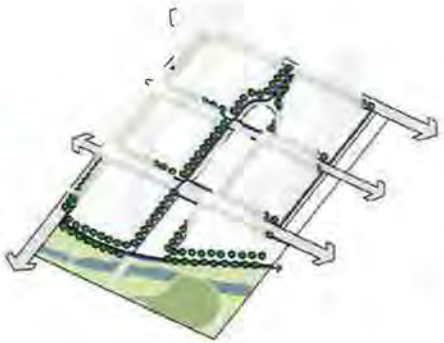

Stakeholders

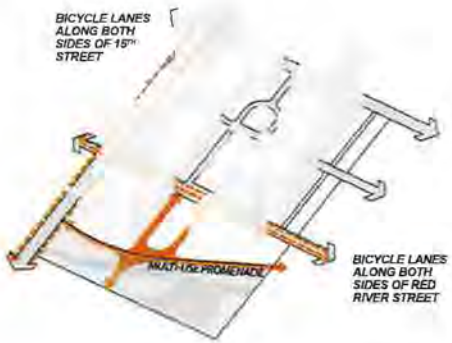

Neighbors


Collaborators

The Framework of Streets and Open Spaces







On the basis of the Planning Parameters enumerated previously – which themselves are based on community and stakeholder input – the Master Plan recommends a framework of streets, open spaces and other infrastructure to organize future development.

1. STREETS AND TRANSIT

Reinstate the original City Plan grid with a pedestrian-friendly network of streets, blocks and open spaces that are directly served by public transit.

The Master Plan establishes a framework of streets and open spaces that break up the large "superblock" of the Brackenridge Campus into new development and open space parcels, while connecting directly to the surrounding streets and districts. Six downtown-scaled blocks are created by: realigning Red River Street; creating a new 14th Street couplet; extending Sabine Street north to 15th Street; and improving 15th Street between Waller Creek and the I-35 southbound frontage road.

Capital Metro will enhance bus service along the new Red River Street, where a new bus plaza or hub located at the intersection with 14th Street will provide convenient access to all six blocks of the development, as well as to Waterloo Park, the UT Medical District and the Capitol Complex.

2. PEDESTRIANS

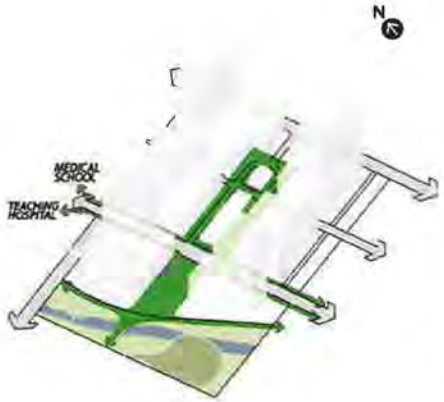
Create a continuous system of tree-lined sidewalks and promenades to make pedestrian mobility a comfortable, enjoyable and healthful experience.

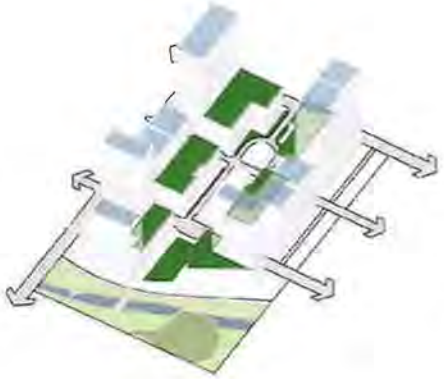
All streets and pathways are designed with generous, tree-lined sidewalks that link people to the six blocks of the Brackenridge Campus, as well as to Waterloo Park, the UT Medical District, the Capitol Complex and East Austin. The Waterloo Park Promenade will provide a wide, shaded pathway that will be shared by pedestrians, joggers, and recreational cyclists, and will be overlooked by a series of commercial-use terraces to be developed along this edge.

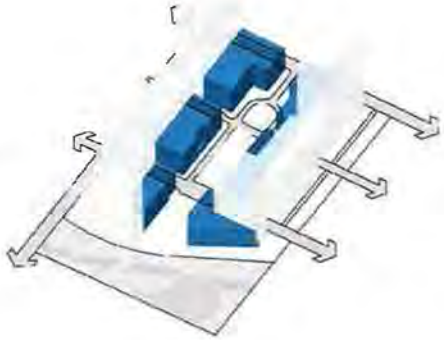
3. BICYCLES

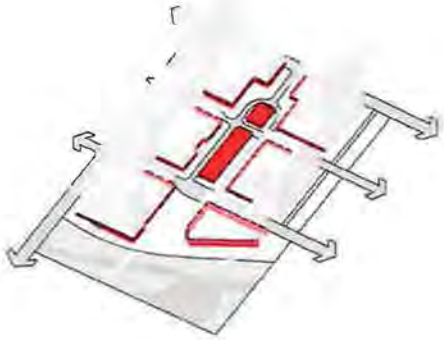
Introduce an attractive network of bicycle facilities designed for users of all ages and all abilities to promote active transportation.

Protected bike lanes, or "cycle tracks" are proposed along the new Red River Street and along the existing East 15th Street, as envisioned by the City of Austin's 2014 adopted Bicycle Master Plan Update. In addition, the Waterloo Park Promenade, to be constructed within the roadway of the existing Red River Street, is consistent with the City's Urban Trails Master Plan, also adopted in 2014. These improvements are part of the City's high priority network of on-street and off-street facilities to improve connectivity, air, and water quality, and increase community access to nature and physical activity.









4. GATHERING PLACES

Organize the Brackenridge Campus around a central open space with direct linkages to the Dell Medical School, the Teaching Hospital and Waller Creek, as well as to the natural environment.

Immediately west of the Central Plaza is the Waterloo Park Overlook, a hardscape terrace that will offer dramatic vistas to Waterloo Park and its planned amphitheater, as well as a direct connection to the Waterloo Park Promenade, which will be located along the former Red River Street right-of-way. The promenade extends south from 15th Street to 12th Street along the western edge of the Brackenridge Campus, creating a spectacular new frontage for future buildings on Blocks 164 and 168.

5. GREEN INFRASTRUCTURE

Introduce systems that capture and treat stormwater runoff, and promote efficient use of resources, while restoring as much as possible the natural ecosystem functions of the Waller Creek riparian zone.

Curbside raingardens along East 15th Street, the I-35 Southbound Frontage Road and Red River Street are planned to help treat stormwater runoff before it is directed to the stormwater system of Waller Creek. These new infiltration areas will improve runoff water quality, as well as nourish new street trees to be located within the raingardens.

6. BUILDING MASSING

Step buildings down in height along the Central Plaza and the Waller Creek Promenade.

The towers will generally be oriented in an east-west direction to allow for a clear visual and spatial connection between East Austin and Waterloo Park, as well as to optimize solar orientation.

7. HEALTHY FOOD

Introduce a permanent market and ground-level commercial spaces that offer healthy food, wellness and local businesses focused on health, while creating a sense of community and place.

The Central Plaza within the new, 14th Street couplet is planned as the setting for the proposed, Public Market building(s), which have footprints totaling about 25,000 square feet. The public market could be operated as a non-profit that supports Central Health's mission to create access to health and healthy lifestyles. The market should be operated and managed by an entity to be identified or created in the near future.

5. THE ILLUSTRATIVE PLAN

The Illustrative Plan

Within this framework of streets and open spaces, a diverse mix of uses is anticipated. Given the extended time frame for redevelopment, which could occur over 15 to 25 years, the Brackenridge Campus Master Plan allows for considerable flexibility when assigning land uses to each of the blocks. Market forces combined with Central Health's mission-driven programming, the financial requisites of the development and the framework of streets and open spaces will determine which types of uses and buildings are ultimately constructed on each block.

The Illustrative Plan (Page 26, right) serves as a preliminary hypothesis that allows Central Health to plan for and test – *but not determine* – a set of broad uses, such as residential, retail, hotel, office, entertainment, recreational, research and medical uses. As part of the planning process, the team has explored other development scenarios to understand the costs and revenue associated with a spectrum of possibilities. The Illustrative Plan is based on a development program (Page 26, left) and potential building massings. The Illustrative Plan describes one potential outcome of development, given the proposed framework of streets and open spaces. However, the final development could be more or less dense than what is depicted here, with lower or higher building masses on the six blocks.

The Illustrative Plan shown here represents a higher-density scenario, whose building heights and densities are limited primarily by the amount of parking that can reasonably be accommodated on each development block. A large amount of this parking (approximately 1,400 spaces) is leased to the Dell Seton Medical Center, located just outside the Brackenridge Campus.

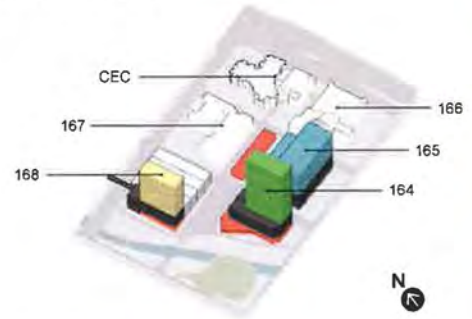
The Illustrative Plan depicts about 3.7 million square feet at the project's full-build-out, that is, once all six blocks have been redeveloped. The project, if built as depicted here, would have a floor area ratio (FAR) of 9.2, with buildings ranging from 35 to 40 floors, or about 400 to 450 feet.

The Brackenridge Campus Master Plan includes a broad range of uses, including retail, medical, office, residential, office and hotel. Each block will provide its own parking - both below-grade and in multi-level garages within each building or block. Generally, medical office uses will also be best located along 15th Street within easy reach of the new hospital and the UT Medical District, while residential and hotel uses will be best located along Waterloo Park and its promenade. The exact location of these uses remains flexible, however, active, pedestrian-friendly, and ground-level uses will be required at the base of all buildings that face the Central Plaza and the Waterloo Park Promenade.

Two basic phases are recommended for the development. Phase 1, which could begin as early as 2017, would complete most of the street and open space system, with a plan to retain the North Wing of the UMCB hospital, the CEC, the Central Plant, the Main Garage and the CEC Garage. New development will be focused on Blocks 164 and 165 and along the west edge of the Main Garage (Block 168) facing Waterloo Park in the form of a "liner building." The build-out of Phase 2 will likely begin after 2020.

PHASE 1 (initial build-out)

1.2 million gross square feet
3.0 : 1 floor area ratio



OFFICE
MEDICAL
HOSPITALITY
RETAIL
RESIDENTIAL
GROUND LEVEL COMMERCIAL
PARKING

PHASE 2 (full build-out)

3.7 million gross square feet
9.2 : 1 floor area ratio

OFFICE
MEDICAL
HOSPITALITY
RETAIL
RESIDENTIAL
GROUND LEVEL COMMERCIAL
PARKING

Potential phasing of development program

Illustrative Plan of full build-out of Master Plan (showing Waller Creek Conservancy design)

6. MASTER PLAN PHASING AND DESIGN GUIDELINES

Master Plan Phasing

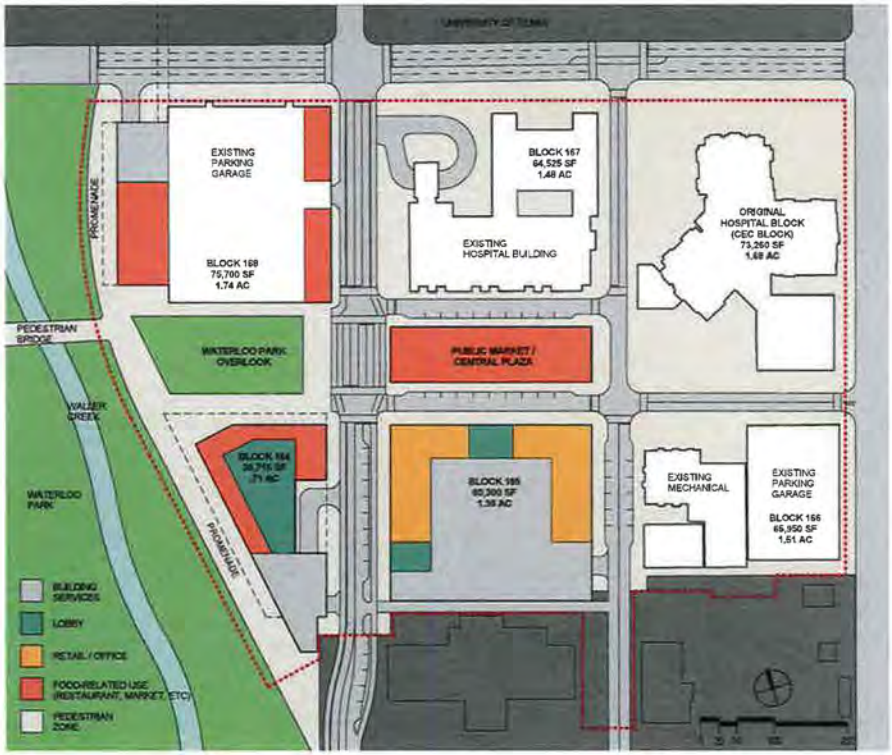
The Purpose and Intent of the Master Plan

Central Health staff, together with its consultants, Gensler + McCann Adams Studio (the Team) have developed this Master Plan under the guidance of Central Health's Board of Managers. It is intended to guide Central Health, its present and future partners and the community about the redevelopment of its landmark downtown property. It expresses a vision created and refined through a robust stakeholder and community engagement process, which is ongoing. The Brackenridge Campus Master Plan will be an evolving, long-term plan that establishes a basic site planning framework, as well as planning parameters for the property. The Master Plan is intended to synthesize Central Health's goals and aspirations with those of its partners, stakeholders and the broader community; give them form and organization; and define a realistic plan for implementation.

Recommended Project Development and Phasing

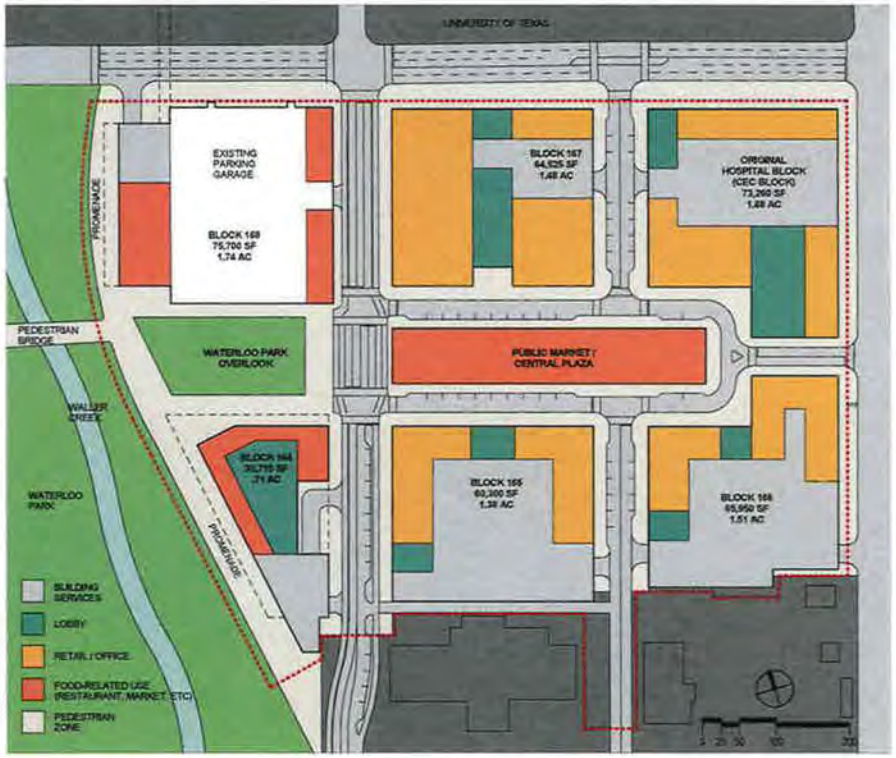
The Master Plan recommends three phases of development within the overall project, based on the Team's analysis and findings from the Phase 1 Master Plan Report (September 2014). The Plan calls for the near-term reuse of the more valuable buildings and for the immediate deconstruction of those that have little reuse value, relative to the revenue they could generate through the redevelopment of their sites.

Phase 1



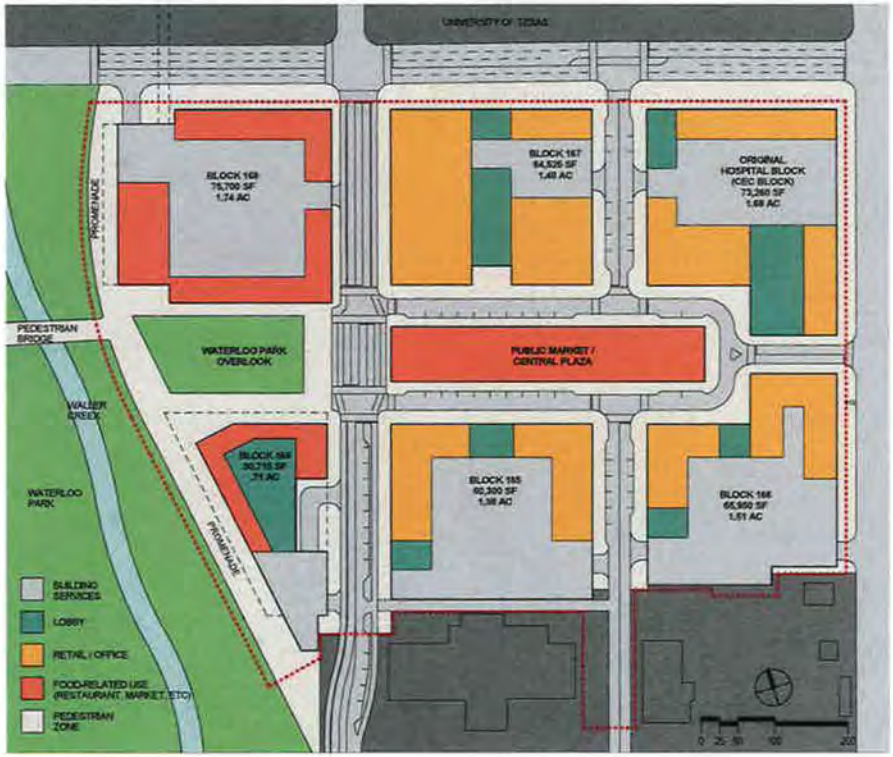
Phase 1 (2017 to ~2025) of the Project would deconstruct the Hospital Tower, its South Wing, the Professional Office Building (POB) and the Helipad. This would allow two new development blocks (blocks 164 and 165) to be created as soon as possible, as well as the first phase of new streets, public open spaces and infrastructure that define them. Also envisioned during this phase is the construction of a "liner" building that would be attached to – or line - the west façade of the Main Garage, creating a third development site during Phase 1.

Phase 2



Phase 2 (~2025 to ~2030) would deconstruct the Hospital Tower's North Wing, the CEC Building and the CEC Garage, thereby creating three more development blocks (blocks 166, 167 and CEC), as well as the second phase of streets and infrastructure.

Phase 3



Phase 3 (~2030 to ~2035) the final phase, would deconstruct the Main Parking Garage, creating the sixth of Central Health's full blocks (Block 168).

The Existing and Future Buildings

The following describes each of Central Health's existing buildings and identifies their locations using the original, 1839 Waller Plan block numbers. In addition, the phasing and future plans for each block are described.

Phase 1 (2017 to ~2025) Redevelopment Sites

Block 167 and the Old East 14th Street Right-of-Way: The UMCB Hospital Tower

The nine-story University Medical Center Brackenridge Hospital Tower is located on a portion of Block 167 and the former East 14th Street right-of-way. Constructed in phases from 1967 to 1974, the tower will remain in full operation until summer 2017, when hospital operations will move to the Dell Seton Medical Center. The Team investigated and concluded there is no viable re-use for the Hospital Tower, given its age, condition and upgrades needed. Therefore, it is recommended the Hospital Tower be deconstructed to make way for the Phase 1 infrastructure, and the creation of the Public Market/Central Plaza.

Block 165: The South Wing of the Hospital Tower

The single-story South Wing of the Hospital Tower, located mostly on Block 165, houses the operating rooms and "back-of-house" functions of UMCB. With the relocation of the hospital functions in 2017, the South Wing will no longer be needed, and should be deconstructed to make way for Phase 1 redevelopment.

Block 164: The Helipad and the Professional Office Building (POB)

This three-story 43,000-square-foot POB houses medical offices and clinical uses and today is in deteriorating condition. The Master Plan recommends that the building be deconstructed to make way for Phase 1 redevelopment. The uses currently housed in the POB will be relocated in a way that is best for patients. The Helipad and the POB are also recommended for demolition, since their function will be accommodated as part of the new Dell Seton Medical Center. Their removal will allow for the realignment of Red River Street through the Brackenridge Campus.

Block 168: The Main Parking Garage

This nine-level facility, with more than 1,400 parking spaces, is an important revenue generator for Central Health, as it will continue to be leased by Seton to support the Dell Seton Medical Center for the foreseeable future. Seton will construct a pedestrian bridge over East 15th Street connecting the Main Garage to the new hospital. As such, the Master Plan recommends the Main Garage remain until its redevelopment is economically and/or programmatically warranted. However, the Main Garage should be refurbished to address minor repair needs, as well as to improve its overall appearance and its ground-level functionality. In addition, the Master Plan recommends constructing a liner building attached to its west façade – such as a residential tower – which would have ground-level pedestrian oriented uses along the proposed Waterloo Park Promenade.

Phase 2 (~2025 to ~2030)
Redevelopment Sites

The Original City Hospital Block: The Clinical Education Center (CEC)

This block was designated in the original 1839 City Plan of Austin as the City Hospital Block and is currently occupied by the CEC. Constructed in the 1970s, this 200,000-square-foot building was home to the Children's Hospital until 2007, but is now used to train physicians and clinicians in best practices and procedures, with state-of-the-art equipment. Because this building was formerly a fully-equipped, functioning hospital, it provides a highly-realistic training setting, making it a valuable asset, which is in good condition and has been well-maintained. Given this, the Master Plan recommends that the CEC be kept during Phase 1, where it could continue functioning for education, as well as provide space for other health care-related uses that may need to be relocated there from other Brackenridge Campus buildings that will be deconstructed during Phase 1.

Block 166: The Clinical Education Center (CEC) Parking Garage

The CEC Garage is a four-level facility with more than 360 parking spaces in generally good condition. It has the capacity to support one more floor of parking, which would add about 100 parking spaces. The Master Plan recommends that this additional parking level be constructed during Phase 1, and that the CEC Garage remains in use throughout Phase 1 redevelopment. The Master Plan recommends that this structure be deconstructed during Phase 2 and developed as a mixed-use building or buildings.

Block 167: The North Wing of the Hospital Tower

The one-story Psychiatric Emergency Department building (Psych ED) occupies the northern portion of Block 167, and is physically connected to the Hospital Tower at its south edge. At this point in time it is assumed it will continue functioning as is throughout Phase 1. During Phase 2, the Master Plan recommends this block be redeveloped as a mixed-use building or buildings, possibly with uses that would support the UT Medical District and the Innovation Zone.

Phase 3 (~2030 to ~2035)
Redevelopment Site

Block 168: The Main Parking Garage

This nine-level facility, with more than 1,400 parking spaces, is an important revenue generator for Central Health, and it will continue to be leased by Seton to support the Dell Seton Medical Center. Seton will construct a pedestrian bridge over 15th Street connecting the Main Garage to the new hospital. As such, the Master Plan advises that the Main Garage remain until its redevelopment is economically and/or programmatically justified. However, as described previously, the Main Garage should be enhanced overall, including the construction of a new building fronting Waterloo Park.

Project Design Guidelines

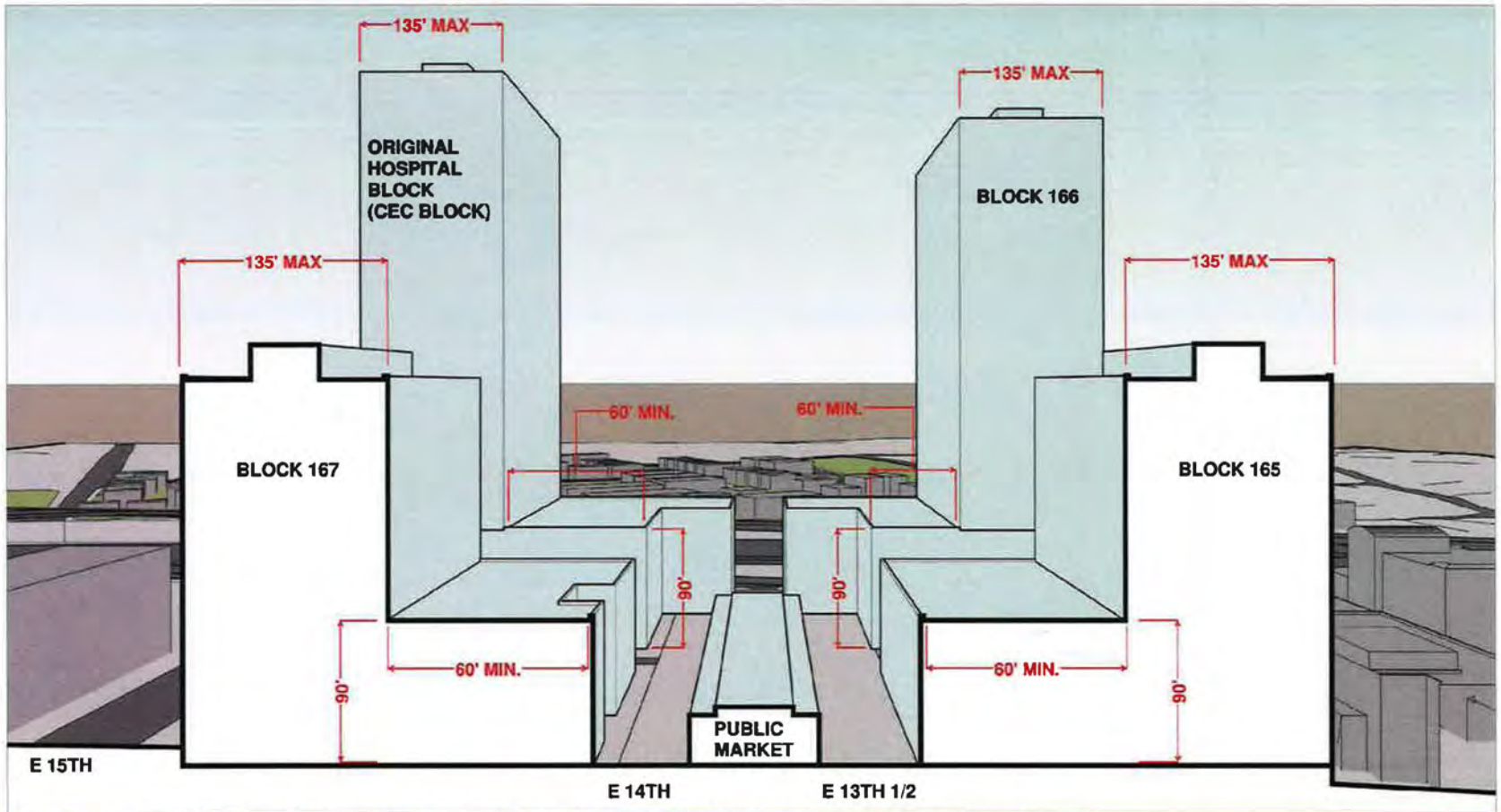
The goal of the Master Plan is to create a vibrant new district that can fulfill Central Health's commitment to creating a model healthy community, and in so doing reinvigorate the northeast quadrant of downtown Austin with a dynamic mix of uses and an engaging public realm. While the Master Plan's intent is to provide considerable flexibility for Central Heath and a future master developer to pursue opportunities as they arise over time, the following design guidelines govern the general design of all buildings and provide more specific guidelines for each of the six new blocks within the Brackenridge Campus in a way that will help achieve the long-term vision for the property.

Building Design

All buildings on the campus shall comply with the following:

- Where active ground level pedestrian-oriented uses are required (see below), the space shall have a minimum depth of 30 feet and a minimum floor-to-floor height of 18 feet.
- Except where specific setbacks are required, buildings should generally be built to the property line of the street or adjacent open space to provide spatial definition and an active pedestrian environment. Setbacks for plazas, courts or other, small open spaces along a street frontage are encouraged.
- Vehicular drop-offs that interrupt sidewalks along street frontages are discouraged, except as provided below.
- Service and loading areas shall be designed to have minimal impact on pedestrian areas and to be screened from predominant public view.
- The design of any parking garage shall be architecturally-integrated within the overall design and form of the building that it serves, utilizing the same cladding and materials as the remainder of the building. Views to cars or to garage lighting shall be screened.
- Upper-level, green roofs and roof terraces or gardens that are oriented to the park, Central Plaza and to the terraced open spaces are encouraged.
- All buildings shall achieve a minimum LEED rating of Silver.
- Rooftop mechanical equipment shall be architecturally-screened from view from all public spaces, including Waterloo Park.

Aerial view of full build-out, looking west



Design Guideline section, looking east. The Planning Parameters and the Design Guidlines call for future buildings to step down toward the public market.

Block 168 Liner Building

Block 168 in the northwest corner of the campus houses the Main Parking Garage, which will remain during Phase 1 and 2, as discussed previously. Thanks to the realignment of the existing Red River Street right-of-way, the Master Plan calls for the construction of a liner building against the west-facing façade of the existing parking structure. This building could be constructed during Phase 1 to visually screen the Main Garage and provide a more suitable edge to Waterloo Park. The Illustrative Plan depicts the building as a residential tower, benefitting from its adjacency to the open space, but other uses could also be considered.

- The liner building shall include active pedestrian-oriented ground level uses along at least 75 percent of the Waterloo Park Promenade frontage and the Overlook.
- Food-related uses that complement the Public Market with local businesses and healthy food options are encouraged along the Terraces.
- Parking and service access should be provided from East 15th Street and/or from the internal circulation areas within the Main Garage. No access will be permitted from either the Waterloo Park Promenade or Overlook.
- Improvements to the existing garage should include active pedestrian-oriented uses as possible, and cladding and/or landscaping that improves the appearance of the structure.

Block 168 Future Development

It is anticipated that the Main Garage will be redeveloped when it surpasses its useful life and/or as economics warrant. At this point in time, the replacement building could include an expansion of the residential liner building or be developed with medical uses that support the UT Medical District. Other uses could also be considered.

- Active pedestrian-oriented, ground level uses shall be located along at least 75 percent of the frontage adjacent to the Overlook and along the new Red River Street frontage. Food-related uses that complement the Public Market with local businesses and healthy food options are encouraged.
- Buildings shall be set back along Red River Street to provide a minimum sidewalk depth of 18 feet.

Block 164

This irregularly shaped block of approximately 0.71 acres, located in the southwest corner of the campus, will be bounded by Red River Street on the east, the Waterloo Park Promenade on the west, and the Waterloo Park Overlook on the north. It will be developed as part of Phase 1, following the deconstruction of the Helipad and Professional Office Building (POB). Because of its proximity to the amenity of Waterloo Park and Waller Creek, the Illustrative Plan depicts a mixed-use hotel building on this block, but the site could alternatively be developed with other uses. Regardless of the ultimate land use(s), the following shall guide the design of the block:

- Active pedestrian-oriented, ground-level uses (e.g., restaurants, retail shops, etc.) shall be located along at least 75 percent of the frontages facing the Waterloo Park Promenade and Overlook open spaces. Such uses are encouraged along all other street frontages.
- Along the Waterloo Park Promenade, outdoor cafes or terraces set back from the shared path are particularly encouraged.
- Food-related uses that complement the Public Market with local businesses and healthy options are encouraged along the Overlook.
- If a vehicular drop off or a hotel "porte-cochere" is required, it shall be accessed from Red River Street and (except for two driveway curb cuts across the sidewalk) located within the block and not in the public right-of-way. The drop-off shall be designed to minimize disruption to the sidewalk and cycle tracks along Red River Street.
- Parking access/egress, as well as loading and servicing, should be from Red River Street or from the drop-off area within the block.
- The southern edge of the block, with appropriate setbacks from the Promenade and Red River Street, is the preferred location for loading and servicing functions.

View of full build-out, facing east toward Public Market

Block 165

This block, bounded by 14th Street on the north, Red River Street on the west, Sabine Street on the east and the Health South complex to the south will be created in the first phase as a result of the deconstruction of the Hospital South Wing. The Illustrative Plan depicts it as an ideal location for office or medical office uses, but other uses could also be considered.

- Active ground level pedestrian-oriented uses should be located on at least 75 percent of the 14th Street frontage facing the Central Plaza and Public Market. Such uses are encouraged along all other street frontages.
- A rear service alley along the southern edge of the block between Red River and Sabine streets is encouraged. This alley could be shared with the City of Austin's Health South building, and as such, could be centered on the property line upon mutual agreement.
- Parking and service access should be provided from the Sabine Street frontage and/or from the rear service alley: no curb cuts will be permitted along East 14th, East 13½ or Red River streets.
- Upper portions of the building above 90 feet should step back from the Central Plaza by at least 60 feet.

Block 166

This block on the southeast corner of the campus currently houses the CEC Garage and the Central Health Central Plant. Redevelopment of the block will occur in Phase 2, when removal of the Garage is economically-warranted. A wide range of uses could be considered for the site, including commercial and medical uses.

- Along East 14th Street, the ground-floor frontage may be programmed with commercial office space, but the design of the space should also allow for active pedestrian-oriented uses.
- Upper portions of the building above 90 feet should step back from East 14th Street by at least 60 feet.
- Along the I-35 frontage road, the length of the building wall above 90 feet in height should not be greater than 135 feet.
- Parking and service access shall be from the Sabine Street frontage: no curb cuts will be permitted along East 14th Street.

View of full build-out, facing west

The Original City Hospital Block

Slated for Phase 2, redevelopment of this block in the northeast corner of the campus will require replacement of the CEC building, which for the time being will continue to function as a training facility with other medical uses. The block is well-situated for new medical uses and medical offices that could complement the UT Medical District across 15th Street. Other uses could also be considered. The redevelopment of the block should include extension of the 13 ½ and 14th Street couplet and the Central Plaza / Public Market eastward from Sabine Street with a single connection to the I-35 frontage road.

- Along East 14th and 15th streets, the ground floor frontage may be programmed with commercial office space, but the design of the space should also allow for active pedestrian-oriented uses.
- Upper portions of the building above 90 feet should step back from East 14th Street by at least 60 feet.
- Along the I-35 frontage road, the length of the building wall above 90 feet in height should not be greater than 135 feet.
- Parking and service access shall be from the Sabine Street frontage: no curb cuts will be permitted along East 14th Street.

Block 167

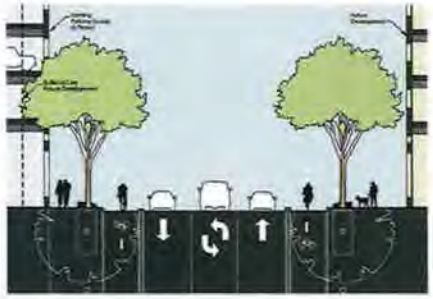
This block is bounded by Red River Street on the west, East 15th Street on the north, Sabine Street on the east and the 13½ /14th Street couplet on the south. Its redevelopment is recommended to start in Phase 2, with the deconstruction of the North Wing of the Hospital and replacement of the Psychiatric Emergency Department, as appropriate. While the Master Plan anticipates that this site would be suitable for medical uses to complement the UT Medical District across the street, other uses could also be considered.

- Active ground-level, pedestrian-oriented uses should be located on at least 75 percent of the East 14th Street frontage facing the Central Plaza and Public Market Hall. Such uses are encouraged along all other street frontages.
- Along the East 15th Street frontage, the building should be set back by at least 10 feet to allow for the preservation of existing live oak trees along the street. Active, pedestrian-oriented uses are encouraged along this frontage.
- Parking and service access should be provided from the Sabine Street frontage: no curb cuts will be permitted along either East 13 ½, 14th or Red River streets.
- Upper portions of the building above 90 feet should step back from 14th Street by at least 60 feet.

View of full build-out, facing east

7. NEXT STEPS: IMPLEMENTING ACTIONS

Implementation and Next Steps



Following adoption of the Master Plan, there are several recommended actions:

Continue the community conversation during the more detailed planning and implementation

Central Health, as discussed previously, is committed to an ongoing outreach effort with its stakeholders and the general community. There will be two upcoming studies led by the Downtown Austin Alliance and the City of Austin, involving a parking management plan and an area-wide, multi-modal transportation plan, respectively, that are opportunities to refine the Master Plan.

Design and construct streets, open spaces and other infrastructure

Work with the City of Austin to implement the proposed framework plan of streets, streetscapes and open spaces as shown in the Illustrative Plan (see Page 26) and begin their design and engineering as soon as possible – well in advance of the relocation of Seton's hospital operations in 2017.

To make way for the streets, open spaces and other infrastructure, plan for the deconstruction of the Hospital Tower, its South Wing, the Professional Office Building and the Helipad.

Finalize the project's development entitlements

Complete negotiations with the City of Austin to finalize the types of uses that will be permitted under the current P (Public) zoning, the standards that will govern development of the property, as well as other provisions that will become a part of an interlocal agreement between the two entities.

The process will involve a series of public hearings before City of Austin boards and commissions, and the City Council. These meetings will begin in early 2016.

Pursue a development partner or partners for the project

Prepare solicitation materials and undertake a national search for a master developer who can partner with Central Health to manage the phased implementation of the Brackenridge Campus Master Plan. The solicitation materials will be consistent with Central Health's contracting policy with Historically Underutilized Businesses (HUBs): The Central Health Board of Managers seeks to ensure that a good faith effort is made to assist certified HUB vendors and contractors in its award of contracts and subcontracts. Key responsibilities of a master developer generally include design, financing, marketing and construction of buildings and infrastructure.

Partner to create the Public Market

Conduct a feasibility study and develop a program and business plan for a health and wellness-oriented public market to be located on the Central Plaza and adjacent spaces. The Public Market should include uses and activities that promote innovation for the betterment of individual and community life. Also, there will need to be a feasibility, programming and business planning study to test alternatives for the public market concept and design these structures. Develop a governance structure for the planning, design, operations and maintenance of the public market and its associated spaces.

Collaborate in transportation and parking management planning

Participate in efforts to develop a sustainability oriented multi-modal transportation and parking management plan, that takes advantage of an array of innovative technologies to provide affordable access to the Brackenridge Campus and to reduce the demand for single-occupant vehicle travel and, therefore, on-site vehicle parking.

Continue to develop the Brackenridge Campus for health care uses

Continue to collaborate with Seton, The University of Texas and other health care partners to develop a viable program of health care uses for the property, including short and mid-term uses for the CEC Building and the North Wing of the UMCB Hospital Tower, which may stay in place during Phase 1 of the redevelopment to generate lease revenue.

For more information and news about the
Brackenridge Campus Master Plan, please visit:
www.centralhealthcampus.net

CENTRAL HEALTH
BRACKENRIDGE CAMPUS

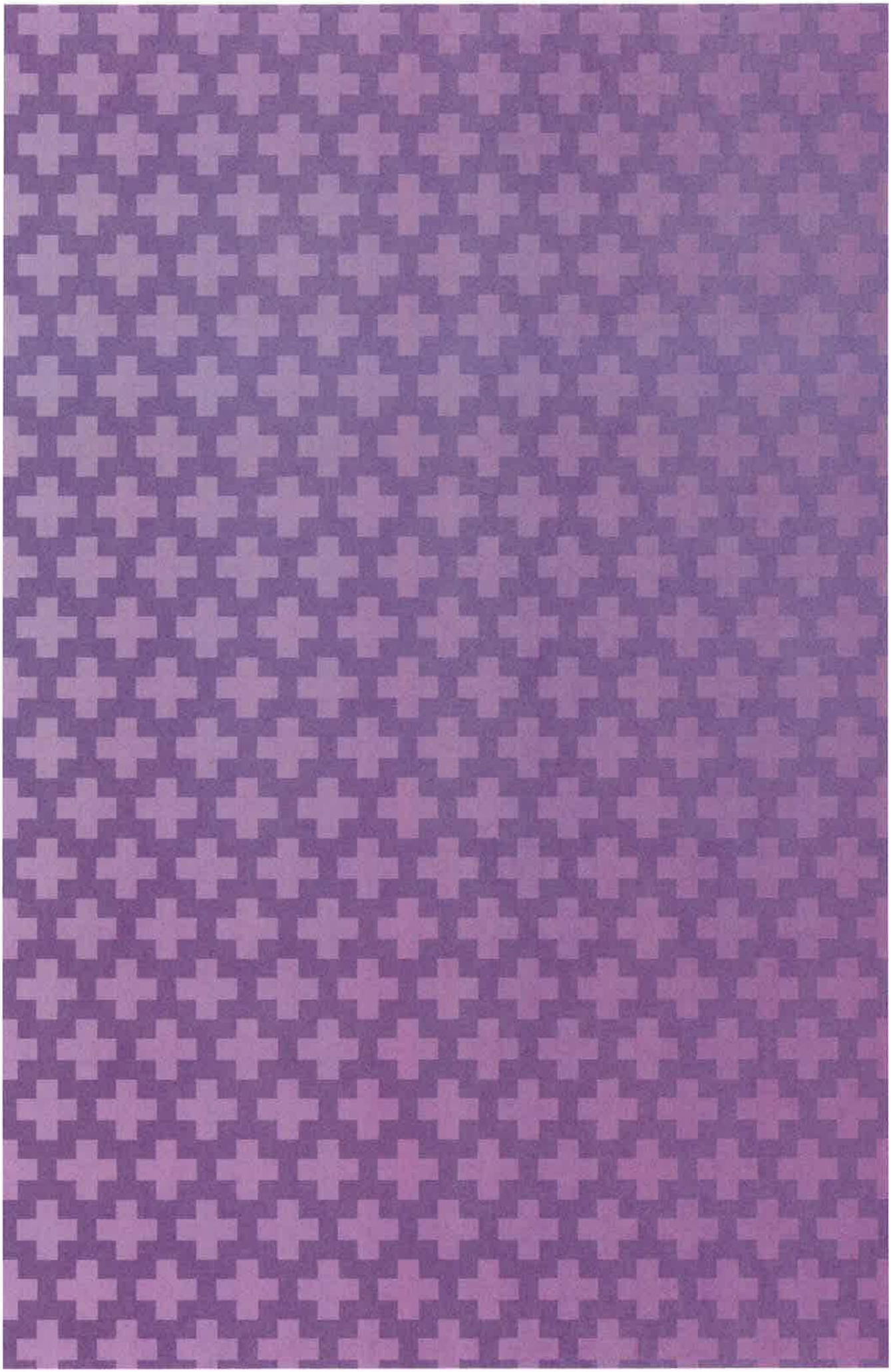


EXHIBIT G

MEMORANDUM OF LEASE

This Memorandum of Lease (this "**Memorandum**"), dated effective as of _____, 201__ (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 Parking Garage 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 concerning the Land more particularly described on the attached Exhibit "A" for an initial term commencing on _____, 201_ and ending on, unless sooner terminated as provided therein, _____, subject to the provisions of the Lease.

(b) The Lease grants Tenant certain rights on the terms set forth in the Lease, including the right to extend the term of the Lease for up to _____ periods of _____ years each.

(c) The Lease contemplates that Tenant's leased premises may be relocated to another location on the land described on Exhibit "B".

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, d/b/a Central Health, a political subdivision of the State of Texas

By:_____
Name:_____
Title:_____
Date:_____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this ____ day of _____, 201__ by _____, _____ of Travis County Healthcare District, doing business as Central Health, a political subdivision of the State of Texas, on behalf of the political subdivision.

_____
(SEAL) Notary Public Signature

[COUNTERPART SIGNATURE PAGE TO MEMORANDUM OF LEASE]

TENANT:

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By:_____
Name:_____
Title:_____
Date:_____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this ____ day of _____, 201_ by_____, of Seton Family of Hospitals, a Texas nonprofit corporation, on behalf of the corporation.

_____
(SEAL) Notary Public Signature