MASTER AGREEMENT

BETWEEN

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A
CENTRAL HEALTH

AND

SETON HEALTHCARE FAMILY

TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(continued)

Page

TABLE OF CONTENTS
(continued)

Page

SCHEDULES

ATTACHMENTS

MASTER AGREEMENT

This is a Master Agreement ("Agreement") between Travis County Healthcare District d/b/a Central Health ("Central Health") and Seton Healthcare Family ("Seton") (Central Health and Seton are also each individually referred to as "party" and collectively referred to as "parties"). The effective date of this Agreement is June 1, 2013 ("Effective Date").

RECITALS

Whereas, in 1995 Seton entered into an agreement ("Safety Net Agreement") with the City of Austin ("City") that created a public/private relationship to provide services to support the safety net population of Travis County;

Whereas, pursuant to the Safety Net Agreement, Seton leased the existing hospital facility ("Brackenridge Facility") from the City and assumed ownership of the hospital now called University Medical Center Brackenridge ("UMCB");

Whereas, pursuant to the Safety Net Agreement, Seton also agreed to provide certain hospital and outpatient services to the safety net population of Travis County;

Whereas, the public, by ballot election, created Central Health in 2004, which, by law, assumed the governmental responsibility to coordinate, process and provide health care services for the safety net population;

Whereas, Central Health, by law, at that time assumed ownership of the Brackenridge Facility and assumed from the City the role of public participant in this already existing public/private relationship;

Whereas, in 2004 Central Health and Seton entered into a revised Safety Net Agreement whereby Seton continued to operate the hospital and provide medical services to the safety net population of Travis County;

Whereas, since 1995, Seton has operated the Brackenridge Facility and UMCB as the safety net hospital and provided inpatient and outpatient services to the safety net population in Travis County;

Whereas, since 2004, Central Health and Seton have worked together in a public/private relationship to coordinate hospital, outpatient, and other health care services and, as a result, have kept the Central Health tax rate the lowest of any major or large urban hospital district or health care district tax rate in the State;

Whereas, despite the efforts of Central Health and Seton, the health care system in Travis County remains fragmented and uncoordinated;

Whereas, both Seton and Central Health agree that there is a need to create a formal legal relationship between themselves in order to more efficiently plan and effectively participate in efforts to seek to coordinate and improve health care services in Travis County for the safety net population;

Whereas, the payment methodologies and provider structures are changing because of the passage of the Affordable Care Act and modifications to the Medicaid system;

Whereas, the health care providers in Travis County must be more integrated and able to develop accountable care organization-like and family medical home entities to function in these new structures;

Whereas, Central Health and Seton now desire to create a new integrated health care delivery system to better and more effectively and efficiently serve the safety net population;

Whereas, Central Health and Seton believe and intend that the legal relationship created as a result of this Agreement will result in the development of a health care delivery system that will materially benefit the citizens of Travis County and in particular its safety net population;

Whereas, Seton has certain limitations regarding the types of medical services it may render and Central Health must be able to assure that such services are available to Travis County citizens;

Whereas, Seton and Central Health agree that this formal legal relationship will be enhanced by the inclusion of other major safety net providers in Travis County;

Whereas, Central Health believes that the execution and performance of this Agreement is consistent with and will further its constitutional and statutory duty to serve and benefit the public;

Whereas, Seton believes that the execution and performance of this Agreement is consistent with and will further its charitable purposes and will benefit the community that it serves; and

Whereas, each party freely enters into this relationship without any legal or financial pressure or coercion from the other party or from any other organization or entity;

Now, therefore, for and in consideration of the mutual covenants set forth herein, the parties agree as follows:

1. **DEFINITIONS.** For purposes of this Agreement, capitalized terms used in this Agreement shall have the following respective meanings unless otherwise specifically provided:

"Additional Term(s)" has the meaning set forth in Section 5.

"Adjusted Gross Margin" has the meaning set forth in Section 9.3.

"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.

"Agreement" means this Master Agreement, as later amended, supplemented, or modified from time-to-time in accordance with its terms.

"Ancillary Agreements" means the CCC/Seton Services Agreement, New UMCB Lease, and Teaching Hospital Lease.

"Annual Budget" has the meaning set forth in Section 4.1.

"Ascension" means Ascension Health.

"Brackenridge Facility" has the meaning set forth in the Recitals.

"CCC" means Community Care Collaborative, a tax-exempt Texas non-profit corporation established by Central Health and Seton as a component of the IDS.

"CCC Board" or "CCC Operating Board" means the Board of Directors of the CCC.

"CCC Bylaws" means the Bylaws of the CCC.

"CCC Governing Documents" means the Restated Certificate of Formation and Bylaws of the CCC.

"CCC Provider Network" has the meaning set forth in Section 4.9.

"CCC/Seton Services Agreement" has the meaning set forth in Section 4.6 and is incorporated as Attachment C.

"Central Health" means Travis County Healthcare District d/b/a Central Health.

"Central Health Board" means the Central Health Board of Managers.

"Central Health Event of Default" has the meaning set forth in Section 6.3.

"Central Health Board Representatives" has the meaning set forth in Section 3.5.

"City" means the City of Austin.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar import together with the regulations thereunder.

"Confidential Information" has the meaning set forth in Section 10.3.

"Consumer Price Index" means the Consumer Price Index for All Urban Consumers (all items), U.S. City Average, published by the United States Bureau of Labor Statistics or any analogous successor or replacement index.

"Contract" means any agreement, evidence of indebtedness, mortgage, deed of trust, note, bond, indenture, security agreement, commitment, instrument, understanding or other contract, obligation or arrangement of any kind; provided, however, that such term shall not include this Agreement or any other agreement to be executed and delivered pursuant to this Agreement.

"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 membership in the non-profit corporation, limited liability company, or partnership, appointment of the board of directors or trustees, ownership of voting securities, by Contract, as trustee or executor, or otherwise.

"Covered Population" means the population to be served by the IDS, through MAP or otherwise, as mutually determined by the parties.

"Dispute" has the meaning set forth in Section 7.1.

"DSRIP" means Delivery System Reform Incentive Payments.

"DSRIP Projects" means projects approved by HHSC and funded by DSRIP pursuant to the Medicaid 1115 Waiver Program, which are performed, overseen, or managed by the parties or the CCC.

"Effective Date means June 1, 2013.

"ERDs" has the meaning set forth in Section 4.7.

"Fiscal Year" means October 1 through September 30.

"First Year Budget" has the meaning set forth in Section 4.3.3.

"FQHCs" means CommUnityCare, Peoples Community Clinic, Lone Star Circle of Care, and any other federally qualified health center either operating in Travis County or under contract with Central Health immediately prior to the Effective Date.

"Funding Deadlock" has the meaning set forth in Section 6.9.

"Governance Deadlock" has the meaning set forth in Section 6.9.

"Governmental Authority" means: (i) any nation or government; (ii) any federal, state, county, province, city, town, municipality, local or other political subdivision thereof or thereto; (iii) any court, tribunal, department, commission, board, bureau, instrumentality, agency, council, arbitrator or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and (iv) any other governmental entity, agency or authority having or exercising jurisdiction over any party or relevant Person, item or matter.

"HHSC" means the Texas Health and Human Services Commission.

"IDS" means the provider network, clinical management, operational structure, data analysis structure, financial management system, and accountable care mechanisms developed by the parties pursuant to this Agreement.

"IDS Priority Objectives" has the meaning set forth in Section 4.13 and Schedule 4.13.

"IGT" means intergovernmental transfer payments.

"IRS" means the Internal Revenue Service.

"Initial Term" has the meaning set forth in Section 5.

"Laws" means (i) any and all laws, statutes, rules, regulations, ordinances, orders, writs, injunctions or decrees and other pronouncements having the effect of law of any Governmental

Authority and (ii) all Contracts with any Governmental Authority relating to compliance with the matters described in clause (i).

"MAP" means the Medical Access Program.

"Material Decisions has the meaning set forth in Section 3.9.

"Mediation Notice" has the meaning set forth in Section 7.3.1.

"Medicaid 1115 Waiver Program" means the waiver of the State Medicaid Plan as provided by Section 1115 of the Social Security Act, 42 U.S.C. § 1315, as manifested by the Texas Transformation and Quality Improvement Program 1115 Waiver, effective in 2012.

"Medical School" means the new Austin medical school to be owned and operated by UT.

"Members" or "members" means the parties and any other Persons added as Members pursuant to the governing documents of the CCC.

"New UMCB Lease" has the meaning set forth in Section 4.10 and as set forth in Attachment D.

"Notice of Breach" has the meaning set forth in Section 6.4.1.

"Option to Purchase" or "Option Agreement" has the meaning set forth in Section 4.15 and Attachment E.

"parties" means Central Health and Seton.

"Person" means any individual, company, body politic, body corporate, association, corporation, partnership, limited liability company, firm, joint venture, trust, Governmental Authority or similar entity.

"PIA" means the Texas Public Information Act as it may be later amended from time to time.

"Post-Termination Services" has the meaning set forth in Section 8.1.3.

"Post-Termination Services Period" has the meaning set forth in Section 8.1.3.

"Reinvestment Analysis" has the meaning set forth in Section 9.1.

"Reinvestment Payment" has the meaning set forth in Section 9.2.

"Reserved Powers" has the meaning set forth in Section 3.8.

"Safety Net Agreement" has the meaning set forth in the Recitals.

"Safety Net System" means that Seton shall provide inpatient care and related specialty services to the uninsured and other lower income people and shall maintain the following characteristics (subject to all applicable ERDs):

(a) Seton provides inpatient hospital services to all individuals regardless of their ability to pay;

(b) Seton provides a majority of the total amount of inpatient uncompensated care delivered by all acute care hospitals in Travis County;

(c) Seton provides a majority of the total amount of inpatient care to those persons under 200% of the federal poverty level;

(d) Seton provides charity care and community benefits equal to 5% of its net patient revenue as described in Section 311.045 of the Texas Health and Safety Code;

(e) Seton maintains a policy of providing culturally competent care, including linguistic competence, sufficient to meet the needs of Travis County's diverse population;

(f) Seton maintains a neonatal intensive care unit available to the Travis County population; and

(g) The Teaching Hospital complies with the Trauma Center Requirement described in Section 4.8 of the Agreement.

Uncompensated care is that care delivered to persons who have no source for payment except themselves. The parties agree that, in the calculation of "uncompensated care" described above, any lump sum payments received from any governmental program that are not specific fees for services provided to specific patients, including but not limited to monies received that relate to the Medicaid 1115 Waiver Program, the Medicaid disproportionate share hospital funding program, federal or state block grants, or other lump sums shall not be considered or counted as reimbursement or compensated care.

"Seton" means Seton Healthcare Family.

"Seton Board Representatives" has the meaning set forth in Section 3.5.

"Seton Event of Default" has the meaning set forth in Section 6.2.

"Seton Fiscal Year" means July 1 through June 30.

"State" means the State of Texas.

"Teaching Hospital" has the meaning set forth in Section 4.8.

"Teaching Hospital Lease" has the meaning set forth in Section 4.8.

"Teaching Hospital Requirement" has the meaning set forth in Section 4.8.

"Termination Date" has the meaning set forth in Section 6.4.4.

"Termination Notice" means the written notice by either party to the other that said party desires to terminate this Agreement pursuant to any provision of Section 6.

"Termination Notice Date" has the meaning set forth in Section 6.4.4.

"Transition Funds" has the meaning set forth in Section 4.4.

"Transition Period" shall mean the five year time period described in Section 4.4.

"Trauma Center Requirement" has the meaning set forth in Section 4.8.

"UMCB" is the University Medical Center Brackenridge hospital facility located at 601 East 15th Street, Austin, Texas 78701.

"UMCB Lease" is the lease between Central Health and Seton (or its Affiliate) relating to UMCB that terminates as of the Effective Date of this Agreement.

"UT" means The University of Texas at Austin.

2. REPRESENTATIONS AND WARRANTIES.

2.1 By Seton. Seton represents and warrants to Central Health that the following facts and circumstances are true and correct.

2.1.1 Corporate Capacity. Seton is now, and will remain during the term of this Agreement, a non-profit corporation duly organized, validly existing, and in good standing under the Laws of the State of Texas.

2.1.2 Tax Exempt. Seton is now, and will remain during the term of this Agreement, exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code; however, this provision shall not be applicable or in force or effect if the law changes such that hospital systems similar to Seton are not entitled to (or cannot qualify for) tax-exempt status and/or are subject to federal or state taxes.

2.1.3 Authorization of the Transaction. Seton has the requisite power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted.

2.1.4 Noncontravention. The execution, delivery, and performance of this Agreement by Seton and all other agreements referenced herein or ancillary hereto to which Seton is to become a party hereunder and the consummation of the transactions contemplated hereby:

(1) are within the corporate powers of Seton, do not contravene the terms of its governing documents, and have been approved by all requisite corporate action;

(2) except as specifically stated in this Agreement, do not require Seton to obtain any approval or consent of, or make any filing with, any Governmental Authority bearing on the validity of this Agreement which is required by Law or the regulations of any such Governmental Authority;

(3) will neither conflict with, nor result in, any breach or contravention of any commitment, Contract, lease, bond documents, or bond covenant to which Seton is a party or by which Seton is bound;

(4) will not violate any statute, Law, rule or regulation of any Governmental Authority to which Seton may be subject; and

(5) will not violate any judgment of any court or governmental authority to which Seton may be subject.

2.1.5 Binding Effect. This Agreement and all other agreements to which Seton will become a party hereunder are and will constitute the valid and legally

binding obligation of Seton and are and will be enforceable against Seton in accordance with the respective terms hereof and thereof, except as enforceability against Seton may be restricted, limited or delayed by applicable bankruptcy, insolvency or other Laws affecting creditors' rights and debtors' relief generally, and except as enforceability may be subject to general principles of equity.

2.2 By Central Health. Central Health represents and warrants to Seton that the following facts and circumstances are true and correct.

2.2.1 Public Entity. Central Health is a hospital district under State Law and has the power and authority to enter into and perform its obligations under this Agreement.

2.2.2 Corporate Powers, Consents, Absence of Conflicts With Other Agreement. The execution, delivery, and performance of this Agreement and all other agreements referenced in or ancillary hereto to which Central Health is to become a party and the consummation by Central Health of the transactions contemplated herein:

(1) are within its constitutional and statutory powers and are not in contravention or violation of the Law and have been approved by all requisite public action;

(2) do not require any approval or permit of, or filing or registration with, or other action by, any Governmental Authority bearing on the validity of this Agreement which is required by Law;

(3) will not conflict in any material respect with, or result in any violation of or any other legal obligation of Central Health; and

(4) are and will constitute the valid and legally binding obligation of Central Health and are and will be enforceable against Central Health in accordance with the respective terms hereof.

3. **INTEGRATED DELIVERY SYSTEM/COMMUNITY CARE COLLABORATIVE.**

3.1 Integrated Delivery System. The parties acknowledge and agree that they desire to coordinate all available health care resources in order to organize and implement an IDS to integrate the provision of health care services for the safety net population in Travis County consistent with the terms of this Agreement.

3.2 Formation of CCC. The parties acknowledge and agree that (i) they have established the Community Care Collaborative ("CCC") which is intended to function as a major component of the IDS and (ii) the parties will support the CCC and its IDS-related mission and purpose consistent with the terms of the Agreement.

3.3 Tax-Exemption. The parties intend that the CCC shall be exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code and, accordingly, they agree to make good faith, commercially reasonable joint efforts (and share equally in the costs and expenses) to apply for and obtain from the IRS such 501(c)(3) tax-exempt status.

3.4 Corporate Membership. Central Health shall have a 51% membership interest in the CCC, and Seton shall have a 49% membership interest in the CCC. The CCC Governing

Documents shall permit Central Health and Seton the authority and discretion by mutual agreement to add new members and/or new classes of members with governance rights as Central Health and Seton deem to be appropriate. The parties acknowledge and agree that any new member must (i) be wholly committed to the mission, purposes, and objectives of the CCC, including a substantial focus on developing projects that will transform the present delivery system and eliminate the present fragmented, non-collaborative structure, (ii) demonstrate a willingness and commitment to provide substantial charity care services and to provide services to the safety net population of Travis County without regard to payment, and (iii) accept and agree to an appropriate financial commitment and acceptance of financial risk to support the CCC commensurate with its membership interest as determined by Central Health and Seton.

3.5 Operating Board of Directors. The CCC shall initially have a five-person operating board of directors ("CCC Board" or "CCC Operating Board"), composed of three Central Health appointees ("Central Health Board Representatives") and two Seton appointees ("Seton Board Representatives"). Each party shall have the right to select, remove, and replace its Board appointees in its sole and exclusive discretion. The parties may mutually agree to change the size and composition of the CCC Board consistent with the terms of the CCC Governing Documents.

3.6 Central Health Unilateral Powers. The parties acknowledge and agree that, subject to the terms of this Agreement, Central Health retains the unilateral right in its sole and exclusive discretion to make the decisions set forth below:

(1) Funding of the IDS and the IGT as set forth in Section 4.2;

(2) Approval, support, and funding of women's health projects, or other projects, deemed necessary for the community by Central Health that Seton cannot participate in as a result of ERD restrictions;

(3) Determination of the matters set forth in Section 3.13(i); and

(4) Approval, support, and/or funding any type of project if Central Health as a hospital district is obligated by Law to provide such project and if the CCC is unable or unwilling to support or fund such project.

Such unilateral rights do not (i) affect or override Central Health's duty to comply with other terms of this Agreement and all Ancillary Agreements or (ii) preclude Seton from terminating this Agreement as specifically permitted by its terms.

3.7 Operating Board Decision-Making. The CCC Board shall have authority by majority vote to make all decisions and to take all actions for and on behalf of CCC except for (i) the Reserved Powers as set forth below in Section 3.8 and (ii) the Material Decisions set forth below in Section 3.9 which shall require a majority vote of the Central Health Board representatives and an affirmative vote of both Seton Board representatives at a meeting at which there is a quorum in order to become effective. In order for the CCC Board to maintain a quorum to meet, at least two Central Health Board representatives and one Seton Board representative must be present.

3.8 Reserved Powers. In their capacity as members of the CCC, Central Health and Seton shall have sole and exclusive power and authority by mutual agreement, following consultation with the CCC Board, to make the decisions and take the corporate actions (collectively referred to as the "Reserved Powers") for and on behalf of CCC as set forth below:

(1) Amendment or restatement of the CCC's Restated Certificate of Formation or Bylaws;

(2) Change in the tax-exempt status or purpose of the CCC;

(3) Admission of any new member to the CCC or any transfer by any member of its membership interest in the CCC;

(4) Capital contribution to the CCC (except as permitted or required by the Agreement) or assumption or guarantee of debt of the CCC by either member;

(5) Payment of monies or conveyance of assets by the CCC to any member or an Affiliate of a member;

(6) Any agreement (or amendment of an existing agreement) between the CCC and a member or an Affiliate of a member (except as permitted or required by the Agreement);

(7) Merger, acquisition, consolidation, reorganization of the CCC or, except for mandatory dissolution pursuant to Section 8.1.2 of the Agreement, dissolution as permitted by this Agreement;

(8) Creation of committees and appointment of officers and committee members in accordance with the CCC Governing Documents;

(9) Approval of the annual operating and capital budgets, the fiscal and purchasing policies, and any material deviation from the annual operating or capital budgets or fiscal and purchasing policies;

(10) Incurrence of debt over $25,000, excluding trade payables;

(11) Conveyance of any asset over $25,000;

(12) Adoption of the business and strategic plan of the CCC and the IDS;

(13) Determination of the Covered Population to be served by the IDS (including without limitation the population covered by MAP) as set forth in the CCC/Seton Services Agreement;

(14) Filing of any voluntary petition in bankruptcy or for the appointment of a receiver;

(15) Approval of any contract over $100,000 in value or that includes a term of greater than one year;

(16) Approval of future DSRIP Projects for or to be funded, managed, or implemented by the CCC;

(17) Filing of any voluntary petition in bankruptcy or for the appointment of a receiver;

(18) Election and removal of CCC officers and designation of titles for such officers; and

(19) Approval of the coordination and funding of the FQHCs as set forth in Section 4.5.

The Central Health Board, by resolution, will detail how Central Health's approval of any reserved power or unilateral right reserved to Central Health under this Agreement or Bylaws (including in its capacity as a member) will be obtained whether by vote of the Central Health Board or by approval of a Central Health officer; however, Seton may rely on any action approved in accordance with the CCC Bylaws, and any such action shall be considered to be a valid act of the CCC.

3.9 Material Decisions. The actions and decisions of the CCC set forth below (collectively referred to as the "Material Decisions") must be approved by both a majority of the Central Health Board Representatives and both of the Seton Board Representatives in order to become effective:

(1) Composition and selection of the CCC Provider Network and the form of the provider contracts;

(2) Benefit plan and care management approach to services to be offered by the CCC to the Covered Population (including without limitation the population covered by MAP);

(3) Approval of any application or request for any grants or awards, service agreements, or provider contracts; and

(4) Employment of any individual (including approval of any employment contract) or entering into any personal service contract not specifically contemplated in the Annual Budget.

The Central Health Board by resolution shall instruct the Central Health Board Representatives regarding their authority to vote on issues before the CCC Operating Board with or without Central Health Board approval; however, Seton may rely on any action approved in accordance with the CCC Bylaws, and any such action shall be considered to be a valid act of the CCC.

3.10 Community Services Committee. The CCC Bylaws will provide for the creation of a standing Community Services Committee to be appointed by the CCC Board that will be organized and function as follows: The Community Services Committee will be composed of an equal number of appointees designated by Central Health Board Representatives and appointees designated by Seton Board Representatives. The scope of authority of the Community Services Committee shall be to consider, adopt, and recommend to the CCC Board (i) a three-year rolling capital and o erating strategic plan and forecast, (ii) an annual capital budget and an operating budget, (iii) the DSRIP Projects and other projects to be funded, managed, or operated by the CCC, (iv) the proposed Covered Population, (v) the benefit plan to be provided to the Covered Population, (vi) the CCC Provider Network to carry out the approved projects and to provide services to the Covered Population, and (vii) the overall health care delivery system to be provided by the IDS. Such recommendations shall be forwarded to the CCC Board for its consideration, deliberation, possible modification, approval (subject to any modification), and inclusion in the Annual Budget.

3.11 CCC Governing Documents. The CCC Governing Documents are attached and incorporated by reference to this Agreement as Attachment A and Attachment B. The CCC Governing Documents may only be modified by mutual agreement of the parties pursuant to Section 3.8(1). The parties shall comply with the provisions of the CCC Governing Documents, and a failure to comply shall be considered a breach of this Agreement. In the event of a conflict between this Agreement and the CCC Governing Documents, the terms of this Agreement shall prevail.

3.12 Amendments. The parties, in their capacities as members of the CCC, acknowledge and agree that by mutual agreement they may amend, modify, or restate this Agreement and the CCC Governing Documents pursuant to Section 3.8(1) and Section 11.17.

3.13 Unilateral Rights. The parties acknowledge and agree that, notwithstanding the CCC Governing Documents and the Sections above (i) Central Health retains the unilateral right in its sole discretion to determine Seton's (or Seton Affiliate's) compliance with, and the unilateral right on behalf of the CCC as a third party beneficiary to enter into, modify, or enforce, the CCC/Seton Services Agreement or any other agreement between the CCC and Seton (or, as applicable, Affiliate of Seton) and (ii) Seton retains the unilateral right in its sole discretion to determine Central Health's (or Central Health Affiliate's) compliance with, and the unilateral right on behalf of the CCC as a third party beneficiary to enter into, modify, or enforce, any agreement between, the CCC and Central Health. In addition, except as may be specifically otherwise mutually agreed in writing by Seton and Central Health, Seton will have the unilateral right to determine the locations where it, directly or indirectly through other providers, will provide services to the Covered Population (including the population covered by MAP).

4. DUTIES AND OBLIGATIONS.

4.1 Annual Budget. The parties shall annually adopt a budget ("Annual Budget") for the CCC and shall determine how to fund the Annual Budget of the CCC and all services provided by Seton pursuant either to the CCC/Seton Services Agreement or any other agreement. The process to adopt the Annual Budget (including funding sources) is set forth below in Section 4.3.

4.2 Funding Obligation. The parties agree to collaborate to maximize the amount of state and federal funds that may lawfully be available to build and operate the IDS, including the funding of the IDS and CCC activities and operations, and to compensate providers within the CCC Provider Network, including Seton, for health care and other services to improve quality and access to health services for the Covered Population. The parties acknowledge and agree that each party maintains sole and exclusive discretion to determine the amount of money (if any) that it will fund or commit to fund the IDS or CCC each year as part of the Annual Budget, provided, however, that failure to reach agreement on such funding will entitle either party to declare a Funding Deadlock as described in Section 6.9.2.

4.3 Approval of Annual Budgets.

4.3.1 Process. Subject to Section 4.3.3, the parties acknowledge and agree that they will annually make good faith efforts to adopt by mutual agreement, pursuant to Section 3.8(9), no later than sixty days prior to the beginning of the next Fiscal Year an Annual Budget that also includes a three-year capital and operating projection for the CCC. No later than March 1 of each year during the term of this Agreement, the parties will commence discussions regarding the proposed Annual Budget (including funding

sources) for the next Fiscal Year and will make good faith efforts to complete and agree upon a proposed Annual Budget within sixty days. If the parties are unable to agree upon an Annual Budget (including the method for funding such Annual Budget), the most recent approved Annual Budget (including the method and sources for funding) shall remain in force and effect. The failure of the parties either to agree upon an Annual Budget (including funding sources) or the failure of the CCC Board to adopt an Annual Budget (including funding sources) shall constitute a Governance Deadlock and Funding Deadlock under Section 6.9.

4.3.2 Annual Determination of Covered Population and Related Benefit Plan. The parties acknowledge and agree that they shall agree upon and utilize a third party actuary or other qualified and appropriate third party expert to assist them in developing a three-year payment projection for the Covered Population based on funds available and subject to adjustment as appropriate. Each Annual Budget shall reflect a mutually agreeable benefit plan or plans applicable to the defined Covered Population, each of which may be modified only by mutual agreement of the parties from time to time (pursuant to the process set forth in the CCC/Seton Services Agreement) depending on available provider resources, provider schedules, projected provider compensation levels, and expected revenue commitments. The parties will reasonably and in good faith cooperate together to reconsider the Covered Population and benefit plan or plans, to

transition changes as appropriate, and to make any modifications to the process set forth in the CCC/Seton Services Agreement as necessary.

4.3.3 First Annual Budget. The parties will reasonably and in good faith work together to develop and agree upon within sixty days of the Effective Date both a start-up budget to cover the time period between the Effective Date and August 30, 2013 and the budget to be in effect between the Effective Date and August 30, 2014 ("First Year Budget"). The parties acknowledge and agree that the First Year Budget shall govern the activities of the IDS and CCC until modified or superseded by a new Annual Budget.

4.4 Transition Funds. The parties acknowledge and agree that Seton must invest significant direct and indirect costs and expenses relating to (i) new services, expanded access and the transition of its care model for the safety net population generally and for the Covered Population specifically and (ii) the transition to the new IDS. Accordingly, the parties agree that for a five year period ("Transition Period") Seton will use $20 million annually of its funds ("Transition Funds") to fund the transition to the IDS and a new care model for the safety net population rather than use such funds for other services for the Covered Population. Such funding will begin during the Seton Fiscal Year 2014.

4.5 FQHCs. The parties acknowledge and agree that the success of the IDS depends in large part on the overall effectiveness and efficiency of the primary care delivery system which in turn depends on the commitments, cooperation and support, and cost effectiveness and efficiencies from the FQHCs providing services to the Covered Population for and on behalf of the CCC. Accordingly, Central Health shall cooperate with Seton and the CCC to assist the CCC

in contracting directly with each of these FQHCs for the provision of services by the FQHCs to the Covered Population and Central Health shall work collaboratively with Seton and the CCC to determine the appropriate level of reimbursement for such contracted services for each FQHC. The parties will require that the FQHCs demonstrate and comply with productivity and quality standards to be developed by the CCC, upon which contractual reimbursement may be contingent. The inability of the parties to accomplish direct contracting, to determine appropriate reimbursement, or to develop appropriate standards as described above may constitute a Funding Deadlock pursuant to Section 6.9.2. Central Health and/or Seton may take such actions (including funding) to ensure that (i) Central Health's FQHC co-applicant status with CommUnityCare and its eligibility to receive funds under Section 330 of the Public Health Service Act are not placed in jeopardy and (ii) the expansion of any FQHC's operations into or within Travis County are not restricted or placed in jeopardy.

4.6 CCC/Seton Services Agreement. The parties acknowledge and agree that Central Health, the CCC, and Seton (or Affiliate of Seton) will execute the agreement set forth on Attachment C ("CCC/Seton Services Agreement") to be effective on the Effective Date of this Agreement, which will provide for the Covered Population and for the services to be provided by Seton (or Affiliate of Seton) pursuant to the IDS, the CCC, Seton's charity care program, MAP, and other applicable charity care programs. Seton (or Affiliate of Seton) agrees to perform the services provided for in the CCC/Seton Services Agreement, and Seton shall receive from the CCC the agreed upon value for such services as provided in such CCC/Seton Services Agreement.

4.7 ERDs. The parties acknowledge and agree that as a Catholic organization Seton must comply with the Ethical and Religious Directives ("ERDs") for Catholic Health Care

Service as promulgated by the United States Conference of Catholic Bishops or its successor organizations as such ERDs may be modified or supplemented from time to time or interpreted by the Bishop of the Diocese of Austin. The parties agree that the CCC will not take any action and the IDS will not operate in any way that would cause Seton to violate the ERDs. Seton shall notify Central Health if Seton determines that any provision of this Agreement or any Ancillary Agreement or any activity or service of the IDS would cause Seton to violate the ERDs. In such event the parties shall comply with Section 3.6.2 and, in addition, work cooperatively and in good faith to transition and transfer any such activity or service to Central Health or other third Persons.

4.8 Teaching Hospital. Subject to approval by Ascension Health ("Ascension"), Seton will design, develop, construct and equip for a cost not to exceed the amount approved by Ascension and then operate a hospital ("Teaching Hospital") that (a) will replace the Brackenridge Facility and the existing UMCB operation and (b) will function as the teaching hospital for the Medical School upon consummation of an affiliation agreement between Seton and UT and for so long as such affiliation agreement is in effect ("Teaching Hospital Requirement"), and (c) will function as part of the Safety Net System. In addition, Seton will take such action as is commercially reasonable to cause the Teaching Hospital to obtain certification to maintain a Level 1 trauma center and, if necessary, first take such action as is commercially reasonable to cause the Teaching Hospital to obtain certification as a Level 2 trauma center (or, in the alternative, maintain equivalent or comparable trauma facilities if such Level 1 and/or Level 2 designation is not available or does not exist) ("Trauma Center Requirement"). The parties acknowledge and agree that (i) Seton will need to find an acceptable location and to execute a mutually agreeable long-term ground lease ("Teaching Hospital

Lease") for the land where the Teaching Hospital will be located, (ii) the term of such Teaching Hospital Lease shall continue in force and effect according to its terms without regard to any termination of this Agreement, (iii) Central Health desires to own or to have a priority lease on the land where the Teaching Hospital will be located and the parties will work in good faith to achieve that result with a ground lease of such land to Seton, and (iv) the parties must negotiate and consummate a mutually agreeable contract relating to the termination or modification of the New UMCB Lease and the post-termination use of the UMCB property, facilities, services, and programs. The parties agree that the Teaching Hospital Lease shall including the following covenants:

4.8.1 Seton shall satisfy the Teaching Hospital Requirement as that term is defined above;

4.8.2 Seton shall satisfy the Trauma Center Requirement as that term is defined above;

4.8.3 Seton shall ensure that the Teaching Hospital shall, at all times when the Teaching Hospital Lease is in effect, be part of the Safety Net System; and

4.8.4 Seton shall ensure that the Teaching Hospital Lease shall be consistent with the terms of the Option to Purchase set forth in Attachment E and that Central Health will assume ownership of the Teaching Hospital and receive assignment of the Teaching Hospital Lease as permitted by the Option to Purchase.

4.9 CCC Provider Network. The parties acknowledge and agree that the composition and selection of those providers, organizations, individuals, facilities and other Persons that may contract with the CCC, provide services on behalf of the IDS, and participate in DSRIP Projects

and other IDS projects (collectively referred to as the "CCC Provider Network") is a Material Decision that must be approved in accordance with Section 3.9(1).

4.10 New UMCB Lease. The parties acknowledge and agree that Central Health and Seton (or, if applicable, an Affiliate of Seton) will execute as of the Effective Date of this Agreement a restatement of the UMCB Lease as set forth on Attachment D. ("New UMCB Lease").

4.11 Medical School. Central Health and Seton acknowledge and agree that (i) The University of Texas at Austin ("UT") intends to construct and operate a medical school ("Medical School") to be located at or near UMCB and (ii) they will reasonably and in good faith work together and cooperate with UT in the development of the Medical School.

4.12 Special Interim Alternative Structure. The parties acknowledge and agree that if either a change in the Law occurs as contemplated by Section 6.5 or legal jeopardy exists as contemplated by Section 6.6 that means that the CCC or IDS cannot be structured, organized, governed, funded, or operated as contemplated by this Agreement, the parties will reasonably and in good faith work together to seek to determine an alternative agreement, structure, relationship, arrangement, or affiliation to satisfy each party's objectives and goals.

4.13 IDS Priority Objectives. The parties acknowledge and agree that they desire for the IDS to fund and develop the objectives that further the provision of services for the safety net population of Travis County set forth on Schedule 4.13 ("IDS Priority Objectives") as soon as reasonably practicable. Further, the parties acknowledge and agree that they may modify Schedule 4.13 from time-to-time by mutual written agreement.

4.14 Compliance with Laws. The parties agree that nothing in this Agreement will (i) require Central Health to transfer funds through an IGT or (ii) commit either Central Health or

Seton to violate any regulation of HHSC, any requirement of the 1115 Medicaid Waiver Program, or any other Law.

4.15 Central Health Purchase Option. The parties acknowledge and agree that Seton has granted to Central Health the Option to Purchase set forth in Attachment E. This Section 4.15 and Attachment E shall, subject to Section 1.3 of Attachment E, survive any termination of this Agreement.

4.16 Seton Offset Right. Seton (or, as applicable, an Affiliate of Seton) may in its sole discretion offset and withhold any payments owed by Seton (or, as applicable, an Affiliate of Seton) to Central Health or to the CCC (or any monies that Seton or, as applicable, an Affiliate of Seton is obligated to contribute to the CCC) under this Agreement or any Ancillary Agreement if and to the extent that Seton does not receive monies or Central Health or the CCC fails to make a payment due to Seton (or, as applicable, an Affiliate of Seton) under this Agreement or any Ancillary Agreement.

4.17 Mutual Cooperation and Communication. The parties will in good faith cooperate and communicate with each other as reasonably necessary (and will respond to reasonable questions from the other party) regarding their operations and activities in the course of performing their duties contemplated by this Agreement. Seton shall inform Central Health about the relocation of any programs that principally serve MAP patients.

5. TERM. The Agreement shall take effect on the Effective Date. The initial term of the Agreement shall be twenty-five years from the Effective Date ("Initial Term"). The Agreement shall automatically renew for successive five-year terms ("Additional Terms") unless either party provides to the other party notice of non-renewal no less than one year prior to the expiration of the Initial Term or any Additional Term.

6. **TERMINATION**. This Agreement may be terminated as follows:

6.1 Mutual Agreement. The parties may terminate the Agreement by mutual Agreement.

6.2 Seton Events of Default. Central Health may terminate this Agreement immediately by Termination Notice if any one or more of the following events shall occur (individually a "Seton Event of Default"):

(1) Seton files a petition in bankruptcy;

(2) Seton admits in writing its inability to pay its debts generally as they come due or makes a general assignment of benefits for its creditors; or

(3) Seton consents to the appointment of a receiver of itself or of the whole or any substantial part of its property.

(4) Seton and, if applicable, the Affiliate of Seton that owns and operates the Teaching Hospital ceases to be a non-profit corporation and becomes or is determined to be a taxable entity under the United States Internal Revenue Service Rules; however, this provision shall not be applicable if the law changes such that hospitals similar to the Teaching Hospital are not entitled to (or cannot qualify for) tax-exempt status and/or are subject to federal or state taxes.

(5) Seton or any Affiliate controlling Seton shall offer to sell or transfer either the assets of the Teaching Hospital or 50 percent or more of the membership or ownership interests of any

entity controlling or owning the Teaching Hospital to a party that is not an Affiliate of Seton.

(6) Seton closes or otherwise abandons either (i) the Teaching Hospital or (ii) UMCB prior to the Teaching Hospital Commencement Date (as defined in the New UMCB Lease); or

(7) The Teaching Hospital (or, prior to the Teaching Hospital Commencement Date, UMCB) is no longer part of the Safety Net System (or the Safety Net System does not exist).

6.3 Central Health Events of Default. Seton may terminate this Agreement immediately by Termination Notice if any one or more of the following events (individually a "Central Health Event of Default") shall occur:

(1) Central Health files a petition in bankruptcy;

(2) Central Health admits in writing its inability to pay its debts;

(3) Central Health makes a general assignment of benefits for its creditors; or

(4) Central Health consents to the appointment of a receiver of itself or of the whole or any substantial part of its property.

6.4 Breach. Either party may terminate the Agreement as a result of a breach of this Agreement by the other party as follows:

6.4.1 Notice of Alleged Breach. If a party ("First Party") believes that the other party ("Second Party") has breached or is in breach of this Agreement, the

First Party shall provide to the Second Party a written notice of the alleged breach ("Notice of Breach"). If there is no Dispute (as defined below) regarding the alleged breach, the Second Party shall immediately cure or immediately initiate action that will cure the breach within sixty days. If there is a Dispute regarding the alleged breach, the Second Party will provide written notice stating such fact to the First Party within thirty business days of the receipt of the Notice of Breach, and the parties shall immediately initiate the dispute resolution process set forth in Section 7.1.

6.4.2 Dispute Resolution Process. Notwithstanding Section 6.4.1 above, if at the completion of a sixty-day time period following delivery of the Notice of Breach, a Dispute continues to exist between the parties regarding the alleged breach or cure of such breach and if the dispute resolution process has not already been commenced, the parties must initiate the dispute resolution process set forth in Section 7. The Agreement will continue in force and effect during the dispute resolution process and thereafter subject to the ultimate resolution of the Dispute.

6.4.3 Damages For Breach. The breaching party shall be liable to and shall pay the non-breaching party for all of its actual damages, costs, attorneys' fees, and expenses resulting from any such breach; however, the breaching party shall not be responsible for any punitive, special, indirect, exemplary, or consequential damages suffered by the non-breaching party. In addition to its other remedies, the non-breaching party may also be entitled to terminate this Agreement subject to the terms of this

Agreement. The parties acknowledge and agree that this Section 6.4.3 is subject to the equitable remedies that are permitted in Section 6.10.

6.4.4 Effective Date of Termination. Upon the failure to cure an undisputed breach or at the conclusion of the dispute resolution process, either party may terminate the Agreement by Termination Notice if the parties have been unable to resolve the Dispute. All termination notice periods required pursuant to the terms of this Section 6 shall begin from the date such written Termination Notice is received by the other party ("Termination Notice Date"). The effective date of termination is the date on which any notice period applicable to the grounds for termination expires after the Termination Notice Date ("Termination Date"). Any termination for breach of the Agreement shall be six months from the Termination Notice Date.

6.5 Change in the Law. If there is a change in (or new interpretation by an applicable Governmental Authority of) the Law that materially and adversely affects the fundamental legal relationship of or financial arrangement between the parties or the CCC, then the parties will negotiate i good faith to amend the Agreement. If the parties are unable within a six-month period to reach a new agreement, either party may, subject to Section 6.10, terminate the Agreement by giving the other party Termination Notice, in which event the Agreement will terminate six months after the Termination Notice Date. In such event, neither party shall be liable or responsible for any damages suffered by the other party as a result of a termination pursuant to this Section.

6.6 Legal Jeopardy. The parties acknowledge and agree that this Agreement is intended to comply with all state and federal laws and regulations, the parties' status as recipients of governmental or private funds for the provision of health care services, each party's status as either a tax-exempt organization or public entity, the parties' ability to issue tax-exempt bonds or other financial instruments and to maintain the tax-exempt status of any existing bonds or other financial instruments, and Seton's status as a Catholic healthcare organization. Either party shall have the right to terminate this Agreement without liability, if it reasonably and in good faith determines that the terms of this Agreement either more likely than not would be interpreted to violate any laws or regulations applicable to it or if, under the circumstances the terms of the Agreement present an unacceptable legal risk of or a material violation, which, in such event, would jeopardize its status as a recipient of governmental or private funds for the provision of health care services or its status as a tax-exempt organization or public entity, or its ability to issue tax-exempt bonds or to maintain the tax-exempt status of any existing bonds or other financial instruments, or Seton's status as a Catholic healthcare organization. Seton shall have the right to terminate the Agreement without liability if it reasonably and in good faith determines that the Agreement more likely than not violates the ERDs. Notwithstanding a party's right to terminate as set forth above, the party shall first use good faith efforts to amend this Agreement either only to the extent necessary to conform the potentially violative terms to the applicable law or regulation or ERD provision, and will only terminate this Agreement pursuant to this Section if it determines, in its reasonable and good faith judgment, that an amendment cannot be obtained or will not result in compliance. The parties will act in good faith to attempt to reach such mutual agreement. If a party in good faith withholds its consent to an amendment proposed pursuant to this Section, either party may terminate this Agreement by

Termination Notice. This Agreement shall terminate six months from such Termination Notice Date. The parties agree that a party's withholding of consent shall be deemed valid if the proposed amendment would result in a change to the Agreement that would be materially adverse to that party. In the event of termination under this Section, neither party is liable or responsible to the other for any damages, costs, or expenses resulting from such termination.

6.7 Special Termination Rights.

6.7.1 Seton Rights. Seton may, in its sole and exclusive discretion, terminate the Agreement if (i) Seton reasonably and in good faith determines that Central Health either has not transferred from reasonably available Central Health funds or has not funded the IDS and CCC in an amount adequate to support the mission and purpose of the IDS or the CCC, (ii) Central Health has exercised its unilateral right pursuant to Section 3.6(2) in such manner that Seton in good faith determines jeopardize its status as a Catholic healthcare organization, or (iii) Central Health and Seton have been unable to agree upon the Teaching Hospital Lease as set forth in Section 4.8. For purposes of this Section, the term "reasonably available Central Health funds" shall mean those monies reasonably available to Central Health excluding the total of (i) a reasonable amount of monies to cover Central Health internal costs and (ii) reserves established consistent with Central Health past practices. Such termination shall be accomplished by giving Termination Notice to Central Health and the Termination Date shall be one (1) year after the Termination Notice Date.

6.7.2 Central Health Rights. Central Health may, in its sole and exclusive discretion, terminate the Agreement (i) if Central Health reasonably and in good faith determines that Seton has not funded the CCC from funds received by Seton pursuant to Section 4.2 in an amount, subject to Section 4.4, adequate to support the CCC, (ii) if Seton fails to construct the Teaching Hospital as contemplated by Section 4.8 above within a reasonable period of time following the receipt of all necessary governmental permits and approvals as well as all approvals required by UT, or (iii) if Central Health and Seton have been unable to agree upon the Teaching Hospital Lease as set forth in Section 4.8. Such termination shall be accomplished by giving a Termination Notice to Seton, and the Termination Date shall be one year after the Termination Notice Date.

6.7.3 No Breach or Default. The parties acknowledge and agree that any exercise of a termination right either by Seton as permitted by Section 6.7.1 or by Central Health as permitted by Section 6.7.2 does not constitute a default or breach by such party.

6.8 Termination of Other Agreements. Either party may terminate this Agreement upon delivery of the Termination Notice to the other party if either party gives written notice to the other party that it is terminating the CCC/Seton Services Agreement, New UMCB Lease, or Teaching Hospital Lease, and such Termination Date shall be one year after the Termination Notice Date, subject to Section 8.

6.9 Deadlock.

6.9.1 Governance Deadlocks. At any time subsequent to January 1, 2015, either party may initiate the process as set forth below in Section 6.9.3 to terminate the Agreement as a result of a Governance Deadlock. The term "Governance Deadlock" means that the parties are unable to exercise a Reserved Power as contemplated by Section 3.8 or render a Material Decision as contemplated by Section 3.9 because of a disagreement or deadlock between them and such disagreement or deadlock remains continuously unresolved for a period of six months.

6.9.2 Funding Deadlocks. The term "Funding Deadlock" means that the parties are unable to agree upon either the funding of an Annual Budget or the other activities of the IDS as contemplated in Section 4.2 or the contracting, funding, or standards relating to FQHCs as contemplated in Section 4.5 and such deadlock remains continuously unresolved for a period of six months. If at any time subsequent to the Effective Date a Funding Deadlock exists, either party may initiate the process as set forth below in Section 6.9.3 to terminate the Agreement as a result of the Funding Deadlock.

6.9.3 Dispute Resolution and Termination Process. If a Governance Deadlock or Funding Deadlock exists, either party may initiate the dispute resolution process set forth in Section 7. If such Governance Deadlock or Funding Deadlock remains unresolved following the negotiation and mediation process set forth in Sections 7.2 and 7.3, either party may deliver a

Termination Notice to the other party and the Agreement shall terminate one year after the Termination Notice Date. The parties acknowledge and agree that a matter that results in a Governance Deadlock or Funding Deadlock or the dispute resolution process or a termination that results from a Governance Deadlock or Funding Deadlock does not constitute a breach or default under this Agreement or any Ancillary Agreement. The parties shall not be entitled to a judicial resolution of a Governance Deadlock or Funding Deadlock.

6.9.4 Change in Funding. If the Medicaid 1115 Waiver Program is discontinued, terminated, or materially modified (and is not replaced by a comparable funding program) so that the parties are unable to fund the IDS as contemplated by this Agreement or so as to ensure Seton's ability to receive federal funds, the parties will negotiate in good faith for six months to reach a new agreement. If the parties are unable within the six-month period to reach a new agreement, either party may deliver Termination Notice to the other party and the Agreement shall terminate six (6) months from the Termination Notice Date. In such event, neither party shall be liable or responsible for any damages suffered by the other party as a result of a termination pursuant to this Section.

6.10 Damages Resulting from Termination. Either party may terminate the Agreement if permitted by the terms of the Agreement and, in such event, such terminating party shall not be liable or responsible to the non-terminating party for any damages, costs, or expenses resulting from such termination; however, any party's termination of this Agreement (or attempt to

terminate this Agreement) that is not permitted by the Agreement shall be considered a breach of the Agreement and such terminating party shall be liable to the non-terminating party pursuant to Section 6.4. Notwithstanding the foregoing, the parties mutually agree that Seton's breach of its duties and obligations imposed under Section 8.1.3 and Section 8.1.4 related to Post-Termination Services would cause irreparable harm to the citizens of Travis County and Central Health that could not be fully remedied with money damages. Therefore, equitable relief, including specific performance and injunctive relief, is an appropriate remedy for any such breach. Such equitable relief will be in addition to and not in limitation of or substitution for any other remedies or rights to which Central Health may be entitled at law or in equity.

7. DISPUTE RESOLUTION.

7.1 Definition of Dispute. "Dispute" means any and all questions, claims, controversies, or disputes arising out of or relating to this Agreement or any other disagreements between the parties as set forth in the Agreement that occur after the Effective Date, including the validity, construction, meaning, performance, effect, or breach of this Agreement, unless specifically excluded by the terms of this Agreement.

7.2 Negotiation. In the event of any Dispute between the parties, the parties shall promptly, amicably, and in good faith attempt to resolve such Dispute through negotiations. A disputing party shall give written notice of the Dispute to the other party that shall contain a brief statement of the nature of the Dispute. The president of Seton and the president and CEO of Central Health shall meet as soon as reasonably possible to attempt in mutual good faith to resolve the Dispute. If the parties are unable to resolve the Dispute within thirty days of receipt by the adverse party of the written notice of Dispute, the parties shall submit the Dispute to mediation as set forth below.

7.3 Mediation. In the event negotiation is unsuccessful, Disputes shall be subject to mediation conducted as follows:

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

7.3.2 Conduct of Mediation. The mediation shall be conducted in Austin, Texas, and shall be non-binding. Any non-binding mediation conducted under the terms of this Section shall be confidential within the meaning of Texas Law. The cost of the mediation shall be borne equally by the parties. The mediation must be conducted and completed within 90 days of the date of the Mediation Notice.

7.4 Judicial Resolution. If there is a failure to resolve a Dispute relating to a breach or default through mediation as set forth above, either party may initiate appropriate proceedings to obtain a judicial resolution of the Dispute.

8. POST TERMINATION.

8.1 General Termination. Upon the Termination Date, the Parties are obligated as follows:

8.1.1 CCC Funds. All funds held by the CCC on the Termination Date shall be used to fulfill the outstanding obligations and responsibilities of the CCC. If any funds remain after such use, they shall be used to fund health care services to the Covered Population;

8.1.2 CCC Dissolution. Upon the final expenditure of all such CCC funds, the CCC will be dissolved, and Seton and Central Health shall receive equal shares by value of any personal property and each shall have joint and equal ownership of all intellectual property owned or controlled by the CCC, including, consistent with all applicable Laws, patient data.

8.1.3 Post-Termination Services—First Five Year Period. For a five-year period following the Termination Date ("Post-Termination Services Period"), Seton shall continue to provide (or arrange to provide) the same inpatient and outpatient health care services (including, if applicable, the operation of UMCB or the Teaching Hospital) as required by the CCC/Seton Services Agreement to the Covered Population that it served in the last full calendar year prior to the Termination Date ("Post-Termination Services"). Seton will be compensated for such Post-Termination Services pursuant to the same terms and conditions then existing and at the same annual level of funding that Seton received in the last full calendar year prior to the Termination Date; and, in addition, except as set forth

below, such funding to Seton shall include an annual increase to reflect inflation consistent with the Consumer Price Index. Such funding shall not include inflation if Seton terminated the Agreement for any reason other than default or breach by Central Health. Central Health may terminate the Post-Termination Services Period upon one year written notice.

8.1.4 Post-Termination Services—Second Five Year Period. On or before one year before the end of the Post-Termination Services Period, Central Health may give written notice to Seton that it would desire Seton to continue to provide such Post-Termination Services after the Post-Termination Services Period. The parties will then enter into negotiations to agree upon a new or extended agreement subject to the conditions set forth below and to determine the compensation level for such services. If the parties have agreed in writing on the terms of such agreement but cannot agree on the compensation level, either party may request that the compensation level be submitted to the Dispute Resolution Process provided for in Section 7 hereof. In the event that the parties cannot reach an agreement pursuant to this process, either party may give written notice to the other of its desire to have an appraisal of the fair market value for the Post-Termination Services ("Appraisal Process Notice"). The parties agree that the compensation will be no lower than the compensation level during the prior five year period and will include a reasonable and appropriate inflation factor. The parties will seek to agree to an appraiser

within 30 days of the Appraisal Process Notice. If the parties cannot agree to an appraiser, each party shall appoint an appraiser and these two appointees will appoint a third appraiser. Each appraiser shall determine the fair market value of the services to be provided and the fair market value to be paid for the Post-Termination Services shall be the valuation of the appraiser appointed by one of the parties that is closest to the valuation of the third appraiser appointed by the two party appraisers ("Fair Market Value"). If Central Health agrees to pay Fair Market Value, but Seton chooses not to provide the services, Central Health will have a right to exercise the Option to Purchase detailed in Attachment E. On the other hand, if Central Health does not agree to pay the Fair Market Value for such services, Seton's obligation to provide such Post-Termination Services shall terminate at the end of the Post-Termination Services Period and Central Health shall not have a right to exercise the option to purchase detailed in Attachment E based on the failure of Seton to perform such services; however, the Option to Purchase shall remain available to Central Health based on other grounds for the exercise of the Option to Purchase. Any such agreement between Seton and Central Health following the Post-Termination Services Period (i) shall include the same services previously provided by Seton except as mutually agreed upon by the parties; (ii) shall include a maximum five-year term; (iii) shall not require that Seton add costs and expenses to provide services unless the parties mutually agree on payment for such incremental costs and

expenses; (iv) shall not require that Seton violate the ERDs; and (v) shall not jeopardize Seton's non-profit or tax exempt status.

8.1.5 Offset Right. If such Termination Date occurs prior to the end of the Transition Period (unless such Termination results from an Event of Default or a breach by Seton as set forth in Section 6.2 or 6.4), Seton will remain entitled to the offset right established in Section 4.16 for the years remaining in the Transition Period.

8.1.6 Assumption of Duties. Central Health shall assume from the CCC (and be responsible for) all of the CCC's post-termination duties and obligations to Seton.

8.1.7 Effect of Termination. In the event Seton terminates this Agreement for a Central Health Event of Default as set forth in Section 6.3 or a breach as set forth in Section 6.4 and, in addition, Central Health, subsequent to the Termination Date, fails to fund a payment as required by Section 8.1.3 and Section 8.1.4 above (other than as a result of a breach of a post-termination duty by Seton) then, after having given Central Health sixty days prior written notice and opportunity to cure, Seton shall no longer be required to comply with the Post-Termination Services provisions of Sections 8.1.3 and 8.1.4 above.

9. DIRECTED TEACHING HOSPITAL REINVESTMENT.

9.1 Time Period. Beginning in the year that Seton commences construction on the Teaching Hospital, Seton will be subject to the directed reinvestment analysis ("Reinvestment Analysis") related to UMCB and the Teaching Hospital set forth below. The Reinvestment

Analysis will be conducted as soon as reasonably possible after the filing of the cost report for the prior Seton Fiscal Year a total of five times as described in this Section, with each year referred to herein being a full Seton Fiscal Year. The calculation base for comparison will be the UMCB Adjusted Gross Margin for the Initial Base Year or the Teaching Hospital Adjusted Gross Margin as defined and determined below. The Initial Base Year will be the last full Seton Fiscal Year prior to the year in which construction starts on the Teaching Hospital. The Reinvestment Analysis will be made based on the operations of the then-existing UMCB for each full year of normal operations during construction of the Teaching Hospital but will be abated once operations begin to be transitioned to the Teaching Hospital and for a period of three years thereafter in order to allow operations to stabilize at the Teaching Hospital. At the end of the three-year stabilization period, the Reinvestment Analysis will begin again with the calculation base being the Adjusted Gross Margin for the third full year of operations of the Teaching Hospital ("Subsequent Base Year"). By way of example, assume construction starts on the Teaching Hospital in Fiscal Year 2014. The calculation for the first analysis will be UMCB Adjusted Gross Margin for Fiscal Year 2013. Assuming normal operations begin at the Teaching Hospital prior to or at the beginning of Fiscal Year 2016, then the Reinvestment Analysis will have been conducted on the then-existing UMCB for Fiscal Years 2014 and 2015 using the Initial Base Year, and will be conducted on the Teaching Hospital for Fiscal Years 2019, 2020 and 2021 using the Subsequent Base Year.

9.2 Directed Reinvestment Trigger and Application. In the five years in which the Reinvestment Analysis applies, the Adjusted Gross Margin may increase by five percent for that Seton Fiscal Year over the applicable base year's Adjusted Gross Margin without triggering a reinvestment obligation; however, if the Adjusted Gross Margin in one of the Reinvestment

Analysis test years improves to a level that exceeds that amount, Seton will be obligated to transfer the lesser of $10 million or 50% of the excess improvement ("Reinvestment Payment") to the CCC. Schedule 9.2 hereto reflects examples of this methodology. The total amount of Reinvestment Payments will not exceed $50 million in the aggregate.

9.3 UMCB Adjusted Gross Margin Definition. The term "Adjusted Gross Margin" shall mean the net operating income from operations from UMCB or the Teaching Hospital, as applicable, calculated as shown on Schedule 9.2. The calculation will be based on the applicable Statement of Revenues and Expenses for UMCB or the Teaching Hospital. Upon request of Central Health, Seton shall provide to Central Health the UMCB Financial Statement for Seton Fiscal Year ended June 30, 2012, which will be the basis for subsequent years statements at either facility. The net operating income shall be adjusted by adding back (i) depreciation expense, (ii) the network overhead allocation and (iii) the indirect cost allocation and then further adjusted by subtracting (iv) any payments from Central Health, HHSC, or the CCC by IGT or otherwise, (v) the total of depreciation on UMCB for the initial base year or depreciation on both the Teaching Hospital and the portion of the then-existing UMCB facility used by Seton for operations related to the Teaching Hospital for the Subsequent Base Year, (vi) the most recently filed applicable Medicare/Medicaid home office cost report allocation, (vii) imputed cost of capital for the depreciable assets at Teaching Hospital and the then-existing UMCB facility multiplied by an implied interest rate equal to the prime rate as published in *The Wall Street Journal* Southwest Edition from time-to-time, and (viii) direct expenses relating to graduate medical education activities reduced by government reimbursement related to such activities. All allocation, income, and expense categories utilized in the calculation of Adjusted Gross

Margin shall be calculated and defined in the same manner in every year for which such calculation is made and reported as set forth above.

9.4 Transition Funds Retention. Seton shall have no obligation to make the Reinvestment Payment contemplated in Section 9.2 above if Seton is unable to retain all of the Transition Funds contemplated in Section 4.4 within the Transition Period due to the failure or inability of Central Health to adequately fund the IDS and CCC as set forth in Section 6.7.1(i) (regardless of whether Seton elects to terminate under such Section).

10. CONFIDENTIALITY.

10.1 Agreement. Subject to Section 10.4 and the laws of the State of Texas, the parties mutually agree to keep the contents of this Agreement confidential and not to disclose such contents either to any employee other than its senior management, Board members, and legal counsel or to any third party, unless required by law, without the written consent of the other party; however, either party may disclose to any third party that such Agreement exists or that a specific provision affects such third party and may disclose relevant parts of the Agreement to any of its employees, agents, representatives, advisers, and legal counsel when reasonably necessary to determine its rights and remedies under the Agreement or to carry out the terms of the Agreement or as required by law. In addition, either party may provide a copy of this Agreement to any entity, if required, for licensure, certification, accreditation, regulatory, or other public record regulations.

10.2 Public Announcements. The parties will mutually agree in advance upon any public announcements, advertising, marketing, and communications to the media regarding this Agreement or the relationship created by (or the services to be provided pursuant to) this Agreement.

10.3 Confidential Information. The parties acknowledge that in connection with the performance of the services under this Agreement, a party may be acquiring and making use of certain confidential information and trade secrets of the other party which may include management reports, financial statements, internal memoranda, reports, patient records and patient lists, confidential technology and other materials, records and/or information of a proprietary nature ("Confidential Information"). Therefore, in order to protect the Confidential Information, subject to Section 10.4, neither party shall, after the date hereof, use the Confidential Information of the other party except in connection with the performance of the services pursuant to this Agreement, or divulge the Confidential Information to any Person, unless the other party consents in writing or such use or divulgence or disclosure is required by law. In the event either party receives a request or demand for the disclosure of Confidential Information, the party receiving such request or demand shall immediately provide to the other party written notice of such request or demand, including a copy of any written element of such request or demand. Subject to Section 10.4 and the laws of the State of Texas, upon termination of this Agreement, neither party will take or retain, without prior written authorization from the other party, any papers, patient lists, fee books, patient records, files, or other documents or copies thereof or other Confidential Information of any kind belonging to the other party pertaining to patients, business, sales, financial condition, or products of the other party. Without limiting other possible remedies for the breach of this covenant, the parties agree that injunctive or other equitable relief shall be available to enforce this covenant, such relief to be without the necessity of posting a bond, cash or otherwise.

10.4 PIA/UT/Public Officials. The parties acknowledge and agree that (i) as a public institution, Central Health is subject to and is required by law to comply with the Texas Public

Information Act ("PIA"); (ii) third parties may from time-to-time request or demand pursuant to the PIA that Central Health provide access to or copies of certain Confidential Information owned or provided by Seton or Central Health or relating to the CCC, and (iii) in such event, upon receipt of such request or demand, Central Health will (a) provide oral and written notice of such request or demand to Seton as soon as reasonably possible and (b) if Seton desires to assert that any such Confidential Information should not be disclosed to such third party, Seton may in its discretion take appropriate legal action to oppose such request or demand and, in such event, Central Health will assist and cooperate with Seton to the maximum extent permitted by law. Either party may orally communicate with UT and state officials regarding this Agreement but may not provide any written information to UT or such state officials or disclose the terms of this Agreement without the approval of the other party.

10.5 Confidentiality and Medical Privacy Laws. Each party will ensure that it maintains the confidentiality of all of its records in accordance with all applicable federal and state confidentiality and medical privacy laws. Each party will reasonably and in good faith cooperate with the other party and execute any agreements with the other party necessary for either party to comply with any such laws.

10.6 Access to Books and Records. Each party agrees to comply with the following requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

10.6.1 Availability of Records. To the extent required by law, each party shall make available, upon written request of any Governmental Authority or any of its duly authorized representatives, this Agreement, and books, documents, and records of such party.

10.6.2 Subcontracts. If a party carries out any of the duties of this Agreement through a subcontract, as permitted under this Agreement, such subcontract shall contain a clause to the effect that, for so long as required by law, after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of a Governmental Authority or any of its duly authorized representatives, the subcontract, and books, documents, and records of such organization.

10.7 Notice of Request or Demand to Disclose Records. If a party receives a request or demand from a Government Authority to disclose any books, documents, or records relevant to this Agreement for the purpose of an audit or investigation, such party shall immediately (and no later than two business days after receipt of such request or demand) notify the other party in writing of the nature and scope of such request or demand and shall make available to the other party, upon written request of the other party, all such books, documents, or records produced to the Government Authority.

11. GENERAL PROVISIONS.

11.1 Schedules and Attachments. The Schedules and all Attachments and documents referred to in or attached to this Agreement, as well as the list of Definitions, are integral parts of this Agreement as if fully set forth herein and all statements appearing therein shall be deemed to be incorporated into and made part of this Agreement.

11.2 Expenses; Legal Fees and Costs. Except as otherwise expressly set forth in this Agreement, all expenses of the preparation of this Agreement and of the consummation of the transactions set forth herein, including, without limitation, counsel fees, accounting fees, investment advisor's fees and disbursements, and costs incurred in connection with obtaining

regulatory approvals shall be borne by the party incurring such expense, whether or not such transactions are consummated. In the event either party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial means, the prevailing party will be entitled to recover such legal expenses, including, without limitation, attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such party shall be entitled.

11.3 Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the Laws of the State of Texas without regard to its conflicts of Laws rules. Venue of any lawsuit relating to this Agreement shall be in Travis County, Texas.

11.4 Benefit/Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors and permitted assigns; provided, however, that no party hereto may assign this Agreement without the prior written consent of the other party. Upon such permitted assignment, the obligations, responsibilities, duties on limitation applicable to such party hereunder shall be applicable to and enforceable against both (or either) the assigning party and such permitted assignee.

11.5 No Third Party Beneficiary. The terms and provisions of this Agreement are intended solely for the benefit of Central Health and Seton and their respective permitted successors or assigns, and it is not the intention of the parties to confer third-party beneficiary rights upon any other person or entity; provided, however, that to the extent that the CCC is entitled to benefits or rights pursuant to this Agreement, it may exercise the rights of a third party beneficiary.

11.6 Waiver of Breach. The waiver by either party hereto of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of

any subsequent breach of the same or any other provision hereof. All remedies, either under this Agreement, or by Law or otherwise afforded, will be cumulative and not alternative.

11.7 Notices. Any notice, demand or communication required, permitted, or desired to be given hereunder shall be in writing and shall be deemed effectively given when personally delivered, when received by electronic means (including facsimile and email communication) (provided that the party giving the notice has confirmation of such delivery or sending), when delivered by overnight courier or five days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

If to Central Health

1111 E. Cesar Chavez
Austin, Texas 78702
Attn: President and CEO

With a copy to:

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

Travis County Attorney
314 West 11th Street, 4th Floor
Austin, Texas 78701

If to Seton

c/o Seton Administration Offices
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attn: President

With a copy to:

Seton General Counsel
c/o Seton Administration Offices
1345 Philomena Street, Suite 402
Austin, Texas 78723

or to such other address or number, and to the attention of such other person or officer, as any party hereto may designate, at any time, in writing in conformity with these notice provisions. Any notice given hereunder shall be deemed received five business days after it is mailed.

11.8 Severability. Subject to Section 6.5 and Section 6.6, if any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, and if

the rights or obligations of Central Health or Seton under this Agreement will not be materially and adversely affected thereby: (i) such provision will be fully severable; (ii) this Agreement will be construed and enforced as if the illegal, invalid or unenforceable provision had never comprised a part hereof; (iii) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom; and (iv) in lieu of the illegal, invalid or unenforceable provision, there will be added automatically as a part of this agreement a legal, valid and enforceable provision as similar in terms to the illegal, invalid or unenforceable provision as may be possible.

11.9 Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

11.10 Divisions and Headings. The Table of Contents, the divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

11.11 Drafting. No provision of this Agreement shall be interpreted for or against either party hereto on the basis that such party was the draftsman 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 Agreement.

11.12 Entire Agreement. This Agreement supersedes the UMCB Lease, the Mutual Collaboration and Confidentiality Agreement effective March 21, 2012, the Letter of Intent executed between the parties in April 2012, and all communications, agreements, and

understandings between the parties relating to the specific terms of this Agreement, each of which is hereby terminated, and no party hereto shall be entitled to benefits other than those specified herein. This Agreement does not supersede the subject matter covered by the Ancillary Agreements, the fee-for-service contracts referenced in the CCC/Seton Services Agreement, or any agreements assigned by Central Health to, or assumed by, the CCC. As between the parties, no oral statement or prior written material not specifically incorporated herein shall be of any force and effect. The parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement, and the agreements referenced herein, and no others. All prior representations or agreements, whether written or oral, not expressly incorporated herein are superseded unless and until made in writing and signed by all parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. No terms, conditions, warranties, or representations, other than those contained herein and no amendments or modifications hereto, shall be binding unless made in writing and signed by both parties

11.13 Relationship of Parties. In performing its responsibilities pursuant to this Agreement, it is understood and agreed that each party and its employees and representatives are at all times acting as independent contractors and that they are not partners, joint-venturers, or employees of the other party. It is expressly agreed that neither party nor any of its employees and representatives will for any purpose be deemed to be agents, ostensible or apparent agents, or servants of the other party and that this Agreement does not create any joint venture, joint enterprise, or partnership relationship between Central Health and Seton. The parties agree to

take any and all such action as may be reasonably necessary to inform the public and their patients of such fact.

11.14 Conformance with Law. The parties recognize that this Agreement is subject to, and agree to comply with all applicable Laws. Any provision of applicable Laws that invalidates any term of this Agreement, that are inconsistent with any term of this Agreement, or that would cause one or both of the parties hereto to be in violation of Law shall be deemed to have superseded the terms of this Agreement; provided, however, subject to Sections 6.5 and 6.6 that the parties shall use their best efforts to accommodate the terms and intent of this Agreement to the greatest extent possible consistent with the requirements of applicable Laws and negotiate in good faith toward amendment of this Agreement in such respect.

11.15 No Referral. Nothing contained in this Agreement shall require (directly or indirectly, explicitly or implicitly) any party to refer any patients to any other party or to use any other party's facilities as a precondition to receiving the benefits set forth herein.

11.16 Additional Documents. Each of the parties hereto agrees to execute any document or documents that may be requested from time-to-time by any other party to implement, carry out, or complete such party's obligations pursuant to this Agreement.

11.17 Amendment. This Agreement may only be amended or modified pursuant to the mutual written agreement of the parties.

11.18 Interpretation. In this Agreement, unless the context otherwise requires:

(1) References to this Agreement are references to this Agreement and to the Schedules and Attachments hereto;

(2) References to Articles and Sections are references to articles and sections of this Agreement;

(3) References to any party to this Agreement shall include references to its respective successors and permitted assigns;

(4) References to a judgment shall include references to any order, writ, injunction, decree, determination or award of any court or tribunal;

(5) The terms "hereof," "herein," "hereby," and any derivative or similar words will refer to this entire Agreement;

(6) References to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, notated or replaced by the parties from time to time;

(7) The word "including" shall mean including, without limitation; and

(8) References to time are references to Central Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein.

[Signature Page to Follow]

SCHEDULE 4.13

IDS Priority Objectives

1. Behavioral Health. Expansion of inpatient and outpatient behavioral health services

2. Outpatient Multispecialty Care. Development, operation and expansion of multi-specialty facilities and physician capacity for the safety net population. There is a significant lack of providers for specialty care referrals within Travis County. This has resulted in unacceptable delays in treatment in many specialties, including: cardiology, dermatology, otorhinolaryngology, ophthalmology, oncology, podiatry, neurology, orthopedics, urology, nephrology, and rheumatology. There are also gaps in specialty services such as multidisciplinary pain management, audiology, sleep studies, and PET studies. The DSRIP projects identified by the IDS are already anticipated to improve specialty care in gastroenterology, pulmonology, and physiatrist/musculoskeletal care. The IDS will focus on expanding the care in the other specialties as well.

3. Women's Services. Development of programs that seek to ensure that comprehensive health care services are provided to women in Travis County.

4. Health Information Technology. Development of communication and other information systems to promote patient navigation, provider coordination, data analytics, and related services to support risk-based provider compensation, accountable care and population health management concepts and tracking of quality and efficiency metrics.

5. Medical Education. Support medical education and research that increases access and quality of healthcare for the safety net population.

6. MAP. Expand the MAP benefit plan to a wider range of the safety net population, including the chronically ill, as resources allow.

7. FQHCS. Create more collaborative and coordinated FQHC operations in Travis County to increase primary and urgent care access and provide medical homes for the safety set population.

8. Dental. Increase dental services for the safety net population.

9. Mental Health. The IDS will have as a priority objective the improvement of crisis psychiatric care in Travis County. The plans for the new Teaching Hospital, the development of the Medical School, the Medicaid 1115 Waiver Program and specific DSRIP Projects, and the CCC are already focused on expanding the delivery of behavioral health services and increasing provider capacity. These transformative events will impact the behavioral health landscape in both Travis County and the surrounding counties. The IDS will evaluate the impact of these new services and opportunities to identify the many gaps in services and developing the need for additional inpatient psychiatric services. The CCC and its members will work together to maintain and expand availability of services that address the needs of individuals experiencing concerns in psychiatric crisis.

SCHEDULE 9.2

Reinvestment Payment Methodology

Schedule 9.2

Illustration of Directed Reinvestment Trigger and Application

Step One - Calculate the Adjusted Gross Margin (AGM - shown here in thousands)	[Projected] Seton FY 21	Seton FY 22	Seton FY [illegible]	Seton FY 24
Net operating income	(27,693)	(30,973)	5,670	13,355
Plus UMCB depreciation	5,928	5,525	6,319	6,240
Plus network allocation	42,735	43,424	0	0
Plus enrollment allocation	n/a	n/a	n/a	n/a
Less payments from Central Health, seton, CDC whether from UT or otherwise	n/a	n/a	n/a	n/a
Subgross income from operations before home office allocation and depreciation	20,969	18,008	9,897	19,595
Depreciation of new facility and existing UMCB facility leased by Seton	(5,928)	(5,525)	(6,319)	(6,240)
Medicare/Medicaid Home Office Cost Report allocation	(43,434)	(45,534)	(43,434)	(43,434)
Cost of capital for new facility and existing UMCB facility used by Seton for operations related to new UMCB, at an agreed to interest rate	(3,827)	(3,676)	(3,527)	(3,681)
Direct expenses of GME, reduced by government reimbursement	(40,434)	(45,108)	(39,711)	(38,000)
UMCB Adjusted Gross Margin	(71,855)	(83,935)	(87,966)	(84,900)

Step Two - Compare the AGM to the applicable base year, either the initial base year or the subsequent base year

37,755,434	37,755,434	43,000,000	106,307,066	15,426,137
3.25%	3.25%	3.25%	3.25%	3.25%
3,827,052	3,827,052	3,675,807	3,326,503	4,003,424

Step Three - Calculate the reinvestment payment, if any

UMCB Adjusted Gross Margin / Reinvestment Analysis	Year 3 Teaching Hospital (Yr 5 DRTA) 2023	Year 7 Teaching Hospital (Yr 9 DRTA) 2027	Year 1 Teaching Hospital (Yr 3 DRTA) 2029	Shared - Reinvestment Base Year 2018	Shared 2018	First full Yr open - Shared 2017	Construction-Opening 2026	Construction (Yr 7 DRTA) 2015	Construction (Yr 1 DRTA) 2014	Initial Base Year 2013
UMCB Adjusted Gross Margin (AGM)	(20,000,000)	(43,000,000)	(42,000,000)	43,000,000	(55,000,000)	(0)	(52,000,000)	55,000,000	(27,000,000)	77,000,000
UMCB AGM Inc/(Dec) over Ap Flexible Base Year (A8)	14,000,000	7,000,000	3,000,000					17,834,536	15,834,536	
UMCB AGM (%Inc/(Dec)) over ABY	28.00%	14.29%	6.38%					24.48%	21.76%	
Threshold (incremental 5% increase)	5.00%	5.00%	5.00%					5.00%	5.00%	
UMCB AGM increase > Threshold	23.00%	9.29%	1.38%					19.48%	16.76%	
Reinvestment Payment Analysis										
UMCB AGM increase over applicable base year	14,000,000	7,000,000	3,000,000					17,834,536	15,834,536	
Threshold amount per applicable base year	12,190,000	12,190,000	12,190,000					14,641,270	14,641,270	
Excess Improvement	1,810,000	4,810,000	190,000					3,193,266	1,193,266	
	50.00%	90.37%	50.00%					50.00%	90.00%	
Reinvestment Payment Amount at 50% of excess improvement	5,775,000	2,405,000	1,595,000	-	-			7,096,633	1,096,633	
Maximum reinvestment payment amount $10,000,000	10,000,000	10,000,000	10,000,000					10,000,000	10,000,000	
Reinvestment Payment (lesser of 50% $10mm)	5,775,000	2,375,000	1,595,000					7,096,633	1,096,633	

Attachment A

ATTACHMENT A

CCC Restated Certificate of Formation

RESTATED
CERTIFICATE OF FORMATION
OF
COMMUNITY CARE COLLABORATIVE

The Board of Directors of Community Care Collaborative ("Board of Directors), acting under and in accordance with the Business Organizations Code of the State of Texas (the "TBOC"), hereby adopts the following Restated Certificate of Formation.

ARTICLE I
NAME

The name of the corporation (the "Corporation") is Community Care Collaborative.

ARTICLE II
NONPROFIT STATUS

The Corporation is a nonprofit corporation.

ARTICLE III
DURATION

The period of the Corporation's duration is perpetual.

ARTICLE IV
PURPOSES

The Corporation is formed and organized and shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any subsequent United States tax laws (hereinafter referred to as the "Code"). Further, the Corporation is a public charity classified as such under Sections 509(a)(1) and 170(b)(1)(A)(iii) of the Code.

ARTICLE V
POWERS

In furtherance of the foregoing purposes, the Corporation shall have and may exercise all the powers specified in the TBOC.

ARTICLE VI
RESTRICTIONS ON THE APPLICATION AND USE OF NET EARNINGS AND NET INCOME OF THE CORPORATION

No part of the net earnings of the Corporation shall inure to the benefit of any director or officer of the Corporation, or any private individual; provided, however, that reasonable compensation may be paid for services rendered to or for the Corporation and expenses may be reimbursed or paid in furtherance of one or more of its purposes, reasonable interest may be paid

on any outstanding liability owed by the Corporation to any director or officer of the Corporation or any private individual, and the Corporation may indemnify its directors, officers, and employees with respect to actions taken in their capacities as such to the extent permitted under the TBOC, this Certificate of Formation, the Bylaws of the Corporation, and the Code. Subject to Article 4 hereof, the net income of the Corporation shall be applied in accordance with the Bylaws of the Corporation and/or certain operating principles to be adopted from time to time by the Directors.

ARTICLE VII
POLITICAL ACTIVITIES

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Code Section 501(h), and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

ARTICLE VIII
MEMBERSHIP

The Corporation shall have members with such membership rights in the Corporation as provided for in the Bylaws of the Corporation, subject to amendments thereof from time to time.

ARTICLE IX
CHARITABLE STATUS

Notwithstanding any other provision of this Certificate of Formation, the Corporation shall not carry on, conduct, engage, participate, or intervene in (a) any activity or transaction not permitted to be conducted or carried on by an organization exempt from taxation under Code Sections 501(c)(3) and 509(a)(1) and the regulations thereunder or by any organization, contributions to which are deductible under Code Sections 170(a)(1) and 170(c)(2) and the regulations thereunder, or (b) any activity or transaction which would result in the loss by the Corporation of its status as an exempt organization under the provisions of Code Sections 501(c)(3) and 501(a). The use, directly or indirectly, of any part of the Corporation's assets in any such activity or transaction is hereby expressly prohibited.

ARTICLE X
DISSOLUTION

Upon the dissolution of the Corporation, the disposition of all the assets of the Corporation shall be in a manner as provided by the Board of Directors in accordance with the following:

(i) The paying of or the making of provision of the payment of all of the liabilities, direct or indirect, contingent or otherwise, including without limitation, all liabilities evidenced in all outstanding loan agreements, credit agreements, master indentures and other similar documents.

(ii) Subject to compliance with any agreements between Travis County Health Care District d/b/a Central Health ("Central Health") and Seton Healthcare Family ("Seton"), all assets remaining after the payment of all of the liabilities of the Corporation shall be distributed to Seton or such other exempt organization(s) under Section 501(c)(3) of the Code as shall be determined by the governing board of Seton and to Central Health or such other public entity determined by the governing board of Central Health.

(iii) Any other assets not so disposed of shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction in Travis County, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

No director or officer of the Corporation and no private individual shall be entitled to share in the distribution of any assets of the Corporation (other than the payment of any outstanding liability owed to such person by the Corporation) in the event of its dissolution.

ARTICLE XI
BOARD OF DIRECTORS

The Board of Directors (i) shall be the governing body of the Corporation and (ii) shall direct and govern the affairs of the Corporation and the disposition of its property. The number of directors, the manner of their appointment or election, and the duration of their term shall be set forth in the Bylaws of the Corporation and may be changed from time to time by amendment to, or in the manner provided in, the Bylaws, but in no event shall there be less than three directors. The number of directors constituting the initial Board of Directors is five.

The names and addresses of the persons constituting the Board of Directors are as follows:

_____

_____

_____

_____

[Need list of directors]

ARTICLE XII
LIMITATION ON LIABILITY OF DIRECTORS

A director of the Corporation is not personally liable to the Corporation for monetary damages for acts or omissions arising by the director, in the director's capacity as a director; provided, however, that this provision shall not apply to the following:

(1) a breach of a director's duty of loyalty to the Corporation;

(2) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation, or involves intentional misconduct or a knowing violation of the law;

(3) a transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's duties; or

(4) an act or omission for which the liability of a director is expressly provided for by statute.

If the TBOC or any other statute of the State of Texas is amended to authorize the further elimination or limitation of the liability of directors of the Corporation, then the liability of a director of the Corporation shall be limited to the fullest extent permitted by the statutes of the State of Texas, as so amended, and such elimination or limitation of liability shall be in addition to, and not in lieu of, the limitation on the liability of a director of the Corporation provided by the foregoing provisions of this Article 12. Any repeal of or amendment to this Article 12 shall be prospective only and shall not adversely affect any limitation on the liability of a director of the Corporation existing at the time of such repeal or amendment.

ARTICLE XIII
REGISTERED OFFICE AND AGENT

The street address of the registered office of the Corporation is [211 E. 7th Street, Suite 620, Austin, TX 78701-3218,] and the name of its registered agent at such address is [Corporation Service Company d/b/a CSC Lawyers Incorporating Service Company.]

ARTICLE XIV
INDEMNIFICATION

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Corporation as provided by the provisions of the TBOC governing indemnification. As provided in the Bylaws of the Corporation, the Board of Directors shall have the power to define the requirements and limitations for the Corporation to provide indemnification.

IN WITNESS WHEREOF, the undersigned has executed on behalf of the Board of Directors this Restated Certificate of Formation as of the ____ day of ____, 2013.

_____
David W. Hilgers, Organizer

Attachment B

ATTACHMENT B

CCC Bylaws

BYLAWS

OF

COMMUNITY CARE COLLABORATIVE

BYLAWS
OF
COMMUNITY CARE COLLABORATIVE

ARTICLE 1
NAME AND PURPOSE

1.1 Name. The name of the corporation is Community Care Collaborative (the "Corporation").

1.2 Principal Office. The principal office of the Corporation shall be located at 1111 East Cesar Chavez Street, Austin, Texas 78702, or at such other place(s) within the City of Austin, Texas, as the board of directors (the "Board of Directors") of the Corporation may determine to be in the best interest of the Corporation.

1.3 Purpose. The Corporation is formed and organized exclusively for any and all purposes permitted by the Texas Business Organizations Code ("TBOC"), and is organized exclusively for charitable, scientific, and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions hereafter in effect (the "Code"). Further, the Corporation is a public charity classified as such under Sections 509(a)(1) and (170(b)(1)(A)(III) of the Code.

No part of the Corporation's net earnings shall inure to the benefit of, or be distributable to, any director, officer or other private person, provided, that the Corporation shall be authorized and empowered to pay reasonable compensation and to reimburse for reasonable expenses for services rendered and to make payments and distributions in furtherance of such purposes. No substantial part of the activities of the Corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, and it shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

Notwithstanding any other provisions of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on: (a) by a Corporation exempt from Federal income tax under Section 501(c)(3) of the Code; or (b) by a Corporation, contributions to which are deductible under Section 170(c)(2) of the Code. The Corporation shall not engage in

activities or use its assets in manners that are not in furtherance of one or more exempt purposes, as set forth above and defined by the Code and related regulations, rulings, and procedures, except to an insubstantial degree. The Corporation shall not carry on an unrelated trade or business except as a secondary purpose related to the Corporation's primary, exempt purposes.

1.4 Agreement. Travis County Healthcare District d/b/a Central Health ("Central Health"), Seton Healthcare Family ("Seton"), and the Corporation are parties to a Master Agreement effective June 1, 2013 ("Master Agreement") and Central Health, Seton Family of Hospitals, and the Corporation are parties to an Omnibus Healthcare Services Agreement effective June 1, 2013 ("Services Agreement"). The provisions of these Bylaws are subject to the terms of the Master Agreement and to the Services Agreement. If there is any inconsistency between these Bylaws and the Master Agreement or Services Agreement, the Master Agreement and/or Services Agreement (in that order) will prevail and the Bylaws will be deemed automatically amended to be consistent with the Master Agreement or Services Agreement, as applicable.

ARTICLE 2
MEMBERS

2.1 Classes of Members. The Corporation shall have members ("Members"). The Members of the Corporation shall be divided into membership classes. Initially, the Corporation shall have only Class A Members. By mutual agreement of the Class A Members, the Corporation may (a) increase the number of Class A Members and (b) create one or more additional classes of Members. Any additional Members shall (i) be wholly committed to the mission, purposes, and objectives of the Corporation, including a substantial focus on developing projects that will transform the present delivery system and eliminate the present fragmented, non-collaborative structure, (ii) demonstrate a willingness and commitment to provide substantial charity care services and to provide services to the safety net population of Travis County without regard to payment, and (iii) accept and agree to an appropriate financial commitment and acceptance of financial risk to support the Corporation commensurate with its membership interest as determined by the Class A Members.

2.2 Class A Members. The Class A Members of the Corporation are Central Health and Seton.

2.3 Class A Membership Interests. Central Health will maintain a fifty-one percent Class A membership interest in the Corporation, and Seton will maintain a forty-nine percent Class A membership interest in the Corporation.

2.4 Powers and Duties. The Members of the Corporation shall exercise such rights and perform such duties as required or permitted by law, the Certificate of Formation of the Corporation (the "Certificate of Formation"), and these Bylaws.

2.5 Annual Meeting. The Members may in their discretion hold an annual meeting at such date and time as may be designated from time to time by the Members to transact any business as may lawfully come before the meeting.

2.6 Special Meetings. The Members may call in their discretion special meetings.

2.7 Action Reserved to the Class A Members. The following matters are reserved solely to the Class A Members and, following consultation with the Board of Directors, shall require the affirmative action of all of the Class A Members to be effective:

2.7.1 Amendment or restatement of the Corporation's Certificate of Formation or Bylaws;

2.7.2 Change in the tax-exempt status or purpose of the Corporation;

2.7.3 Admission of any new Member to the Corporation or any transfer by any Member of its membership interest in the Corporation;

2.7.4 Capital contribution to the Corporation (except as permitted or required by the Master Agreement) or assumption or guarantee of debt of the Corporation by either Member;

2.7.5 Payment of monies or conveyance of assets by the Corporation to any Member or an Affiliate (as defined in Section 9.6) of a Member (except as permitted or required by the Master Agreement and law);

2.7.6 Any agreement (or amendment of an existing agreement) between the Corporation and a Member or an Affiliate of a Member;

2.7.7 Merger, acquisition, consolidation, or reorganization of the Corporation or, except for mandatory dissolution pursuant to Section 8.1.2 of the Master Agreement, dissolution of the Corporation;

2.7.8 Creation of committees in addition to those specifically provided for in the Bylaws and appointment and removal of all committee chairs and, with the exception of the Community Services Committee, all committee members;

2.7.9 Approval of the annual operating and capital budgets and any material deviation from the annual operating or capital budgets;

2.7.10 Incurrence of debt over $25,000, excluding trade payables;

2.7.11 Conveyance of any asset over $25,000;

2.7.12 Approval of fiscal policies that will provide for approval of variations in the annual budget and capital budget;

2.7.13 Adoption of the business and strategic plan of the Corporation;

2.7.14 Determination of the covered population to be served by the Corporation as set forth in the Services Agreement;

2.7.15 Filing of any voluntary petition in bankruptcy or for the appointment of a receiver;

2.7.16 Approval of any contract over $100,000 in value or that includes a term of greater than one year;

2.7.17 Approval of future Delivery System Reform Incentive Payments projects for or to be funded, managed, or implemented by the Corporation;

2.7.18 Filing of any voluntary petition in bankruptcy or for the appointment of a receiver;

2.7.19 Election and removal of officers and designation of titles for such officers; and

2.7.20 Approval of the coordination and funding of the federal qualified health centers as set forth in the Master Agreement.

2.8 Action of the Class A Members. Any action reserved to the Class A Members requires their unanimous approval, and such action may be taken at a meeting of the Members or, in the alternative, by unanimous written consent of the Class A Members setting forth the action to be taken.

2.9 Non-Liability of Member. No Member shall be individually liable for the debts, liabilities, or obligations of the Corporation.

ARTICLE 3
BOARD OF DIRECTORS

3.1 Number and General Powers. Except as provided by applicable law, the Certificate of Formation, or in these Bylaws, and subject to the reserved powers set forth in Section 2.7 of these Bylaws, the direction and governance of the affairs of the Corporation and the control and disposition of its properties and funds shall be vested in its Board of Directors ("Board"), which shall initially consist of five persons. The Board may from time to time also be referred to as the "Operating Board" or "Operations Board." By mutual agreement, the Class A Members may increase the size of the Board. The Board may make appropriate delegations of authority to the officers of the Corporation as permitted by the Bylaws, and may authorize one or more additional committees to act on it behalf under a specific written delegation of authority.

3.2 Composition. The Class A Members will appoint all individuals to the Board (each of these individuals is referred to as "Director" and collectively referred to as "Directors"), as follows: Central Health will in its sole and exclusive discretion appoint three individuals to the Board ("Central Health Appointees"), and Seton will in its sole and exclusive discretion appoint two individuals to the Board ("Seton Appointees"). By unanimous agreement, the Class A Members may (i) provide for additional Board members or (ii) provide for non-voting advisory Board members.

3.3 Terms, Vacancies, and Appointment. All Central Health Appointees will serve terms as determined by Central Health, and all Seton Appointees will serve terms as determined by Seton. A vacancy will be declared in any seat on the Board upon the death or resignation of a Director or upon removal by the Member that appointed such Director. Any vacancy occurring in the Board shall be filled in accordance with the following procedure: (i) if the

vacancy has occurred among the Central Health Appointees, Central Health will select and appoint an individual to become the replacement Director; and (ii) if the vacancy has occurred among the Seton Appointees, Seton will select and appoint an individual to become the replacement Director.

3.4 Resignation of Directors. Each Director shall have the right to resign at any time upon written notice thereof to the Member that appointed him or her and to the president or secretary of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

3.5 Removal of Directors. Central Health may remove a Central Health Appointee from the Board, and Seton may remove a Seton Appointee from the Board at any time, each with or without cause, in the sole and exclusive discretion of Central Health and Seton, respectively.

3.6 Annual Meeting. The annual meeting of the Board for the election of officers consistent with the Bylaws and the transaction of such other business as may lawfully come before the meeting shall be held at such time and on such day as established from time-to-time by the Board. The chair of the Board or the secretary of the Corporation shall give a minimum of ten days notice of such meeting to each Director, either personally or by mail, telecopy, or electronic communication.

3.7 Regular and Special Meetings. Regular meetings of the Board shall be held no less than quarterly, and additional special meetings shall be held whenever called by any Member or the chair of the Board of the Corporation or upon written request of any two Directors. The chair of the Board or the secretary shall give at least three days notice of any such regular meeting and twenty-four hours notice of any such special meeting, either personally or by mail, telecopy, electronic communication.

3.8 Public Meetings. Members of the public may attend public meetings of the Board. Public meetings shall be conducted at least every other month and notice shall be posted on the Corporation website.

3.9 Quorum for Meetings. A majority of the Directors (including at least two Central Health Appointees and one Seton Appointee) shall constitute a quorum for the transaction of business at all meetings convened according to these Bylaws.

3.10 Voting. The affirmative vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, except as set forth below or as may be otherwise specifically provided by law or these Bylaws.

3.10.1 Material Decisions. The actions and decisions of the Corporation set forth below must be approved by both a majority of the Central Health Appointees and both of the Seton Appointees in order to become effective:

(1) Composition and selection of the Corporation provider network and the form of the provider contracts;

(2) Benefit plan and care management approach to services to be offered by the Corporation to the covered population (including without limitation the population covered by the Medical Access Program);

(3) Approval of any application or request for any grants or awards, service agreements, or provider contracts;

(4) Employment of any individual (including approval of any employment contract) or entering into any personal service contract not specifically contemplated in the annual budget; and

(5) Approval of any contributions to the Class A Members as set forth in Section 3.14 of these Bylaws.

3.10.2 Reciprocal Unilateral Voting Rights. The Central Health Appointees shall retain the unilateral right in their sole discretion to determine Seton compliance with, and the unilateral right on behalf of the Corporation as a third party beneficiary to enter into, modify, or enforce, any agreement between the Corporation and Seton. The Seton Appointees shall retain the unilateral right in their sole discretion to determine Central Health compliance with, and the unilateral right on behalf of the Corporation as a third party beneficiary to enter into, modify, or enforce, any agreement between the Corporation and Central Health.

3.11 Proxies. A Director may vote at a meeting of the Board by proxy executed in writing by the Director and delivered to the secretary of the Corporation at or prior to such meeting; however, a Director present by proxy at any meeting of the Board may not be counted to determine whether a quorum is present at such meeting. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

3.12 Action by Written Consent. Any action required to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Directors as would be necessary to take that action at a meeting at which all of the Directors were present and voted, provided such consent is in the form provided for and such action is taken in accordance with the Certificate of Formation and these Bylaws.

3.13 Conference Telephone or other Remote Communications Technology. Directors may participate in a meeting through use of (a) a conference telephone or similar communications equipment so long as all participants in such a meeting can hear one another; or (b) another suitable electronic communications system, including video conferencing technology or the Internet, only if (i) each Director entitled to participate in the meeting consents to the meeting being held by means of that system; and (ii) the system provides access to the meeting in a manner or using a method by which each Director participating in the meeting can communicate concurrently with each other participant.

3.14 Contributions.

(a) Subject to applicable provisions of the TBOC, Section 3.10.1(5) of these Bylaws, the Master Agreement, and applicable contractual restrictions on the Corporation, the Board, upon a reasonable and good faith determination that the Corporation has adequate cash reserves to fund capital and operating needs and contingencies of the Corporation, may approve contributions to each of the Class A Members, provided that such Class A Member is at the time of such contribution either an organization described in section 501(c)(3) of the Code or a public institution.

(b) Subject to applicable provisions of the TBOC, Section 3.9.1(5) of these Bylaws, the Master Agreement, and applicable contractual restrictions on the Corporation, from time-to-time, upon the approval of the Board, upon a reasonable and good faith determination that the Corporation has adequate cash reserves to fund capital and operating needs and contingencies of the Corporation, the Board may declare and cause property of the Corporation other than cash to be contributed to the Members, which contributions may be made subject to existing liabilities and obligations, provided that each such Member is at the time of such contribution either an organization described in Section 501(c)(3) of the Code or a public institution.

ARTICLE 4
NOTICES

4.1 Form of Notice. Whenever under the provisions of these Bylaws, notice is required to be given to any Member, Director, or committee member, and no provision is made as to how such notice shall be given, such notice may be given personally, including, but not limited to, telephone, facsimile, or electronic communication, or such notice may be given in writing, by mail, postage prepaid, addressed to the Member or to such Director or committee member, as the case may be, at such address as appears on the books of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be given three days following the postmark of the letter.

4.2 Waiver. Whenever any notice is required to be given to any Member, Director or committee member under the provisions of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a Director or committee member at any meeting shall constitute a waiver of notice of such meeting, except where a Director or committee member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE 5
GENERAL OFFICERS

5.1 Number, Election and Tenure, Resignation, and Removal.

(a) Number. The officers of the Board shall be a Chair and, in the discretion of the Board, one or more Vice Chairs as may be determined by the Board from time to time. The officers of the Corporation shall be a President and a Secretary and such other officers as may be determined by the Board of Directors from time to time.

(b) Election and Tenure. At each annual meeting of the Board, the Board shall elect in accordance with Section 2.7.19 of the Bylaws a Chair and one or more Vice Chairs (if any), President, Secretary, and all other officers of the Corporation (if any) to succeed any of such officers whose terms of office have expired or are about to expire. Each officer so elected or appointed shall take office on the next October 1 following the date of his or her election or appointment as an officer of the Board or Corporation unless otherwise designated by the Board or President, as applicable, and shall hold such office for one calendar year thereafter, and until his or her successor shall have been duly elected or appointed and qualified, or the date such officer dies, resigns or is removed. Any officer whose term of office shall have expired may be elected to succeed himself or herself, provided that the Chair may not succeed himself or herself for more than three consecutive terms. Any two or more offices may be held by the same person, except that the offices of President and Secretary may not be held by the same person. The Chair shall be a Central Health Appointee.

(c) Resignation. Any officer may resign at any time by giving written notice thereof to the Chair or President of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof, and the acceptance of such resignation shall not be necessary to make it effective.

(d) Removal. Any officer elected by the Board may be removed at any time by the Class A Members with or without cause, pursuant to Section 2.7.19. Any removal of an officer shall not prejudice the contract rights, if any, of such officer.

5.2 Attendance at Meetings. The Chair, or in his or her absence the Vice Chair, if any or if no Vice-Chair, such other Director named by the Board, shall call meetings of the Board to order, and shall act as chair of such meetings, and the Secretary of the Corporation shall act as Secretary of all such meetings, but in the absence of the Secretary, the chair of the meeting may appoint any person present to act as secretary of the meeting.

5.3 Duties. The principal duties of the several officers are as follows:

(a) Chair. The Chair, if present, shall preside at all meetings of the Board, shall be the principal officer of the Board and shall perform such other duties as may be assigned to him or her by the Board.

(b) Vice Chair. If there is to be one or more Vice Chairs, during the time of any vacancy in the office of Chair or in the event of the Chair's absence or disability for any cause whatever, the Vice Chair, in order of seniority as an officer, shall have the duties and powers of the Chair. The Vice Chair shall perform such additional duties as may be prescribed from time to time by the Board.

(c) President. The President shall be the chief executive officer of the Corporation and shall have general charge and supervision of the business, property, and affairs of the Corporation. The President shall see that all orders and resolutions of the Board are carried into effect, shall sign and execute all legal documents and instruments in the name of the Corporation when authorized to do so by the Board, and shall perform such other duties as may be assigned to him or her from time-to-time by the Board. The President may maintain such other title(s) as the Class A Members may determine in accordance with Section 2.7.19 of the Bylaws.

(d) Secretary. The Secretary shall (i) have charge of the records and correspondence of the Corporation under the direction of the president, (ii) take and keep true minutes of all meetings of the Board of which, ex officio, he or she shall be the secretary, and (iii) shall perform such other duties as may be assigned to him or her from time-to-time by the Board. The Board may delegate all or part of these duties to the Corporation's management.

5.4 Vacancies. Whenever a vacancy shall occur in the office of Chair, Vice Chair (if any), President, Secretary, or any other corporate officer, such vacancy shall exclusively be filled by the Board by the election of a new officer who shall take office on the effective date of his or her election and shall hold such office until the next October 1 following the date of his or her election, and until his or her successor shall have been duly elected and qualified, or the date such officer dies, resigns or is removed.

ARTICLE 6
APPOINTIVE OFFICERS AND AGENTS

6.1 Appointive Officers and Agents. The Class A Members may in accordance with Section 2.7.19 of the Bylaws appoint such officers and agents in addition to those provided for in Article 5 of these Bylaws, as they may deem necessary. Such persons shall be appointed for such terms not exceeding three (3) years and shall have such authority and perform such duties as shall from time to time be prescribed by the Board. All appointive officers and agents shall hold their respective offices or positions at the pleasure of the Board, and may be removed from office or discharged at any time with or without cause; provided that removal without cause shall not prejudice the contract rights, if any, of such officers and agents.

ARTICLE 7
STANDING AND SPECIAL COMMITTEES

7.1 Standing Committees. Subject to approval of all of the Class A Members, the Board may designate one or more standing committees as are necessary and which are not in conflict with other provisions of these Bylaws, and the authority and duties of any such standing committees shall be prescribed by the Board upon their designation. Each such standing

committee shall consist of two or more persons, who may, but need not be, limited to the Directors of the Corporation.

7.2 Community Services Committee. There shall be a standing Community Services Committee. The Community Services Committee will be composed of an equal number of Central Health designees and Seton designees. The Central Health Appointees shall appoint one-half of the individuals who will serve on the Community Services Committee, and the Seton Appointees shall appoint one-half of the individuals who will serve on the Community Services Committee. The scope of authority of the Community Services Committee shall be to consider, adopt, and recommend to the Board (i) a three-year rolling capital and operating forecast and strategic plan, (ii) the DSRIP Projects and other projects to be funded, managed, or operated by the Corporation, (iv) the population to be served by the Corporation, (v) the benefit plan to be provided to the covered population, (vi) the provider network to carry out the approved projects and to provide services to the covered population, and (vii) the overall health care delivery system to be provided by the IDS. Such recommendations shall be forwarded to the Board for its consideration, deliberation, possible modification, approval (subject to any modification), and inclusion in the annual budget of the Corporation.

7.3 Special Committees. Subject to approval of all of the Class A Members, the Board may designate one or more special committees as are necessary and which are not in conflict with other provisions of these Bylaws, and the authority and duties of any such special committees shall be prescribed by the Board upon their designation. Each such special committee shall consist of two or more persons appointed by the Chair of the Board, and approved by the Board and by the Class A Members, who may, but need not be, Directors of the Corporation. A special committee shall limit its activities to the accomplishment of the tasks for which it is designated and shall have no power to act except as specifically conferred by action of the Board. Upon the completion of the tasks for which designated, such special committee shall stand dissolved.

7.4 Peer Review Committee. The Board is authorized to create by resolution a committee to serve as a medical peer review committee to act in accordance with the applicable provisions of the Texas Medical Practice Act, Tex Occ. Code §151.002(a)(8) and §160.001-160.015, and the Health Care Quality Improvement Act, 42 U.S.C. Section 11101, *et seq.*

7.5 Terms of Appointment. An individual appointed to a standing or special committee shall serve either a one-year term of office or until the special committee is dissolved, whichever occurs first.

7.6 Committee Chairs. Unless otherwise provided for in these Bylaws, the Chair of the Corporation will designate a member of each standing or special committee to serve as its chair. An individual appointed as chair shall serve a one year term of office.

7.7 Qualifications, Appointment and Removal. Except as otherwise provided in these Bylaws, each member of each standing and special committee shall be appointed by the Board, subject to approval of the Members, shall serve at the pleasure of the Board and may be removed at any time by the Board, with or without cause. Except as otherwise provided in these Bylaws, the Board shall have the power at any time, subject to approval of the Class A Members, to fill vacancies and to change the membership of or to dissolve any standing or special committee.

7.8 Meetings. Meetings of a standing or special committee may be called at any time by the Chair, the Vice Chair (if any) or the President of the Corporation or the chair of such committee on not less than five business days advance notice to each member of such committee, given orally or in writing. All meetings of a standing or special committee shall be held at the principal office of the Corporation or at such other place as the chair of such committee shall designate.

7.9 Limitations on Authority. No standing or special committee shall have or assume, and there is hereby retained and reserved to the Board, any and all powers and duties vested in the Board which, under applicable law or any provision of the Certificate of Formation or these Bylaws, may not be delegated.

7.10 Quorum and Voting. Unless otherwise provided for in the Bylaws, a majority of the members of any committee shall constitute a quorum for the transaction of business at any meeting of such committee and the act of a majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

7.11 Action by Written Consent. Any action required or permitted to be taken at any meeting of a committee may be taken without a meeting if a consent in writing, setting forth the

action to be taken, shall be signed by all members of the committee and such consent shall have the same force and effect as a unanimous vote at a meeting.

7.12 Subcommittees. A committee may create one or more subcommittees to consider certain matters and make reports and recommendations to the committee. A majority of the members of each subcommittee must be members of the committee.

ARTICLE 8
INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.1 Right to Indemnification. The Corporation shall indemnify Directors, officers, employees, and agents of the Corporation ("Indemnitees") to the fullest extent required by Texas law and to the extent such Indemnitees are eligible for permissive indemnification under Texas law, shall indemnify such persons to the fullest extent permitted by Texas law, subject in each case to restrictions, if any, in the Certificate of Formation. The Corporation shall have the power to purchase and shall purchase and maintain at its cost and expense insurance on behalf of such persons to the extent permitted by Texas law.

8.2 Reimbursement of Expenses. Subject to any restrictions in the Certificate of Formation, reasonable expenses incurred by an Indemnitee who is or is threatened to be made a named defendant or respondent in a proceeding may be paid or reimbursed by the Corporation in advance of the final disposition of the proceeding after (a) the Corporation receives a written affirmation by the Indemnitee of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article and a written undertaking by or on behalf of the Indemnitee to repay the amount paid or reimbursed if it is ultimately determined that he or she has not met those requirements and (b) a determination that the facts then known to those making the determination would not preclude indemnification under this Article.

8.3 Appearance as a Witness. Notwithstanding any other provisions of this Article, the Corporation may pay or reimburse expenses incurred by a Director or others in connection with his appearance as a witness or other participation in a proceeding at a time when such Director is not a named defendant or respondent in the proceeding.

8.4 Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article shall not be exclusive of any other right which a Director or other individual Person indemnified pursuant to this Article may have or hereafter

acquire under any law (common or statutory), provision of the Certificate of Formation or these Bylaws, agreement, vote of the disinterested Directors, or otherwise.

8.5 Insurance. The Corporation may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, manager, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, manager, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic company, corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such individual Person against such expense, liability or loss under this Article.

8.6 Savings Clause. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each Director or any other individual person indemnified pursuant to this Article as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE 9
GENERAL PROVISIONS

9.1 Fiscal Year. The fiscal year of the Corporation shall begin on the 1st day of October and end on September 30 of each calendar year.

9.2 Audit. The financial records of the Corporation shall be audited not less than annually by an independent accounting firm appointed by the Board and such firm shall provide a report to the Board.

9.3 Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the meetings of the Board and the Board's committees. The Corporation shall provide to and allow the Class A Members complete access to all books and records of the Corporation.

9.4 Seal. The Board may adopt a corporate seal to be in such form and to be used in such manner as the Board shall direct.

9.5 Policies, Rules and Regulations. The Board may, from time to time, make and promulgate such policies, rules and regulations as it may deem necessary.

9.6 Definitions. The following definitions shall apply to this Agreement:

(a) The term "Affiliate" shall mean a Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, another Person.

(b) The term "Control" shall mean (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 membership in the non-profit corporation, limited liability company, or partnership appointment of the board of directors or trustees, ownership of voting securities, by contract, as trustee or executor, or otherwise.

(c) The term "Person" shall mean any individual, company, body politic, body corporate, association, corporation, partnership, limited liability company, firm, joint venture, trust, governmental entity or similar entity.

9.7 Headings. The headings used in these Bylaws are for reference purposes only and do not affect in any way the meaning or interpretation of these Bylaws.

ARTICLE 10
AMENDMENTS

The power to alter, amend, or repeal these Bylaws shall be vested exclusively in the Class A Members as set forth in Section 2.7 of the Bylaws.

ARTICLE 11
CONFLICT OF INTEREST POLICY

The Board shall adopt and maintain a Conflict of Interest Policy.

CERTIFICATE

I, the undersigned officer of Community Care Collaborative, a Texas non-profit corporation (the "Corporation"), do hereby certify that the foregoing Bylaws were duly adopted as the Bylaws of the Corporation on _____, 2013 pursuant to the requirements of the Bylaws.

Dated: _____.

By: _____
Name: _____
Title: _____

Attachment C

ATTACHMENT C

CCC/Seton Services Agreement

OMNIBUS HEALTHCARE SERVICES AGREEMENT

DATED AS OF JUNE 1, 2013,

BY AND AMONG

TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH,
COMMUNITY CARE COLLABORATIVE

AND

SETON FAMILY OF HOSPITALS

TABLE OF CONTENTS

Page

OMNIBUS HEALTHCARE SERVICES AGREEMENT

This Omnibus Healthcare Services Agreement, dated as of June 1, 2013 ("Agreement"), is by and among the Travis County Healthcare District d/b/a Central Health, a hospital district created under Chapter 281 of the Texas Health and Safety Code ("Central Health"), Community Care Collaborative, a Texas non-profit corporation ("CCC") and Seton Family of Hospitals, a Texas non-profit corporation ("Seton").

WHEREAS, Central Health desires to provide, in accordance with the terms and subject to the conditions set forth in this Agreement, the healthcare services described herein to eligible residents of Travis County, Texas;

WHEREAS, such healthcare services cannot be provided by Central Health using Central Health or CCC staff;

WHEREAS, Seton is engaged in the business of providing such healthcare services; and

WHEREAS, Central Health desires to contract with Seton to provide such healthcare services, and Seton desires to provide such healthcare services, in accordance with the terms and subject to the conditions set forth herein;

WHEREAS, Central Health and Seton intend to engage in discussions, as a result of which it is anticipated that Seton will provide (or arrange for the provision of) such other services hereunder (which other services may include administrative services, information technology services and other healthcare services), as shall be mutually agreed in writing from time to time by Central Health and Seton; and

WHEREAS, this Agreement is intended to incorporate the current levels of healthcare services provided by Seton to eligible residents of Travis County enrolled in the Medical Access Program and Charity Care Program and to establish a process by which changes to such healthcare services are agreed upon in the future;

WHEREAS, Seton Healthcare Family and Central Health are contemporaneously entering into a Master Agreement to facilitate the development of an integrated delivery system ("IDS"), and this Agreement is an essential portion of the IDS;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the amount and sufficiency of which are hereby acknowledged, Central Health and Seton agree as follows:

ARTICLE I.
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. For the purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, the following terms shall have the meanings set forth as follows:

"Access to Care Report" shall have the meaning provided in Section 2.14 of this Agreement.

"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 a non-profit corporation, appointment of a majority of the board of directors or trustees, or ownership of a majority of the voting securities.

"Amendment Notice" shall have the meaning provided in Section 5.10.3 of this Agreement.

"Ancillary Agreements" shall mean the Master Agreement, New UMCB Lease, and the Teaching Hospital Lease (each as defined in the Master Agreement).

"Applicable Laws" shall mean any law, treaty, statute, ordinance, code, rule or regulation of a Governmental Authority or judgment, decree, order, writ, award, injunction or determination of an arbitrator or court or other Governmental Authority, applicable to a party hereto or to which the assets, business or operations of a party hereto may be subject.

"Attorney General" shall have the meaning provided in Section 5.12 of this Agreement.

"Baseline Charity Enrollees" shall have the meaning provided in Section 4.5 of this Agreement

"Baseline MAP Enrollees" shall have the meaning provided in Section 4.6 of this Agreement

"Baseline Program Period" shall have the meaning provided in Section 4.1(b) of this Agreement.

"Baseline Program Period Amount" shall have the meaning provided in Section 4.1(b) of this Agreement.

"CCC" shall mean the Community Care Collaborative, a Texas nonprofit corporation.

"Central Health Board of Managers" shall mean the Board of Managers of the Travis County Healthcare District d/b/a Central Health.

"Charity Care Patients" shall mean such persons who shall be residents of Travis County, Texas, who shall be either "*financially indigent*" or "*medically indigent*", within the meanings assigned to such terms in the Seton Charity Care Policy, and who shall receive treatment by Seton or a Seton Provider at a Seton-Sponsored Facility pursuant to the provisions of this Agreement.

"Charity Care Program" shall mean the charity care program sponsored by the Seton pursuant to which Seton shall provide (or shall arrange for the provision of) the Charity Care

Healthcare Services to Charity Care Patients in accordance with the provisions of this Agreement, which charity care program shall be administered by Seton in accordance with the terms and subject to the conditions set forth in the Seton Charity Care Policy, a copy of which is attached hereto as **Annex A**.

"Charity Care Healthcare Services" shall mean the following healthcare services, to the extent – and only to the extent – that such services would be included in the scope of covered services under the Texas Medical Assistance Program (sometimes referred to as the Medicaid State Plan for the State of Texas or as "Medicaid"), specifically, Chapter 32 of the Texas Human Resources Code Annotated, and 1 TEX. ADMIN. CODE §§ 354.1072, 354.1073:

> (a) inpatient hospital services, as defined in the Social Security Act §1861(b), 42 U.S.C. § 1395x(b);
>
> (b) outpatient hospital services, as defined in the Social Security Act §1861(s)(2)(B), (C), and (D), 42 U.S.C. § 1395x(s)(2)(B), (C), and (D); and
>
> (c) such other healthcare services as Seton and Central Health may mutually agree in writing from time to time.

"Clinical Quality and Patient Satisfaction Addendum" shall have the meaning provided in Section 5.2 of this Agreement.

"Clinical Quality and Patient Satisfaction Report" shall have the meaning provided in Section 2.14(c) of this Agreement.

"Clinical Quality and Patient Satisfaction Standards" shall mean such standards as shall be developed jointly by Seton and the CCC and approved by Central Health for the purpose of measuring: (a) the clinical quality of the Covered Healthcare Services provided by Seton to Covered Beneficiaries pursuant to the terms of this Agreement. and (b) the extent to which Covered Beneficiaries shall be satisfied with the Covered Healthcare Services provided by Seton pursuant to the terms of this Agreement.

"Chosen Courts" shall have the meaning provided in Section 8.13(b) of this Agreement.

"Comptroller General" shall have the meaning provided in Section 8.20(a) of this Agreement.

"Coordination of Benefits" shall mean those provisions by which providers seek to recover costs of an incident of sickness or accident of a Covered Beneficiary from another government payor, insurer, service plan, third-party payor, or other organization that may provide coverage or benefits to a Covered Beneficiary, subject to any limitations imposed by a group contract or medical plan preventing such recovery.

"Co-payment" shall mean that portion of the cost of MAP Healthcare Services retained by Seton that a MAP Enrollee is required to pay under MAP.

"Covered Beneficiaries" shall mean, collectively, the MAP Enrollees and Charity Care Patients.

"Covered Healthcare Services" shall mean, collectively, the MAP Healthcare Services and Charity Care Healthcare Services.

"CPI-Medical Care" shall mean the *Consumer Price Index – Medical Care – for All Urban Consumers for the U.S. City Average, (1982-84=100)*, as published by the Bureau of Labor Statistics, United States Department of Labor.

"Definitive Amendment" shall have the meaning provided in Section 5.10.4 of this Agreement.

"Dispute" shall have the meaning provided in the Master Agreement.

"DSH" shall mean the Disproportionate Share Hospital Program.

"DSH/UC Monies" shall have the meaning set forth in Section 4.2.1.

"Effective Date" shall mean June 1, 2013.

"Eligibility Database" shall have the meaning provided in Section 3.1.2 of this Agreement.

"Ethical and Religious Directives" or "ERDS" shall mean 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.

"Federal Privacy Regulations" shall have the meaning provided in Section 5.7 of this Agreement.

"Federal Security Regulations" shall have the meaning provided in Section 5.7 of this Agreement.

"Fee-Based Contracts" shall have the meaning provided in Section 2.6 of this Agreement.

"Governmental Approvals" means any and all licenses, permits, certificates, authorizations or other forms of approval required from any Governmental Authority.

"Governmental Authority" means any government or political subdivision or department thereof, any governmental or regulatory body, commission, board, bureau, agency or instrumentality, or any court or arbitrator or alternative dispute resolution body, in each case whether federal, state, county, local or foreign, which shall have jurisdiction or authority over the transactions that are the subject of this Agreement.

"HIPAA" shall have the meaning provided in Section 5.7 of this Agreement.

"HITECH" shall have the meaning provided in Section 5.7 of this Agreement.

"Initial Program Period Amount" shall have the meaning set forth in Section 4.1(a).

"Initial Term" shall have the meaning provided in Section 6.1 of this Agreement.

"Lease Agreement" shall mean that certain Lease Agreement, dated as of June 1, 2013, by and between Central Health and Seton.

"Level of Service Report" shall have the meaning provided in Section 2.14(b) of this Agreement.

"Liabilities" shall mean any and all debts, obligations and commitments of whatever nature, whether known or unknown, asserted or unasserted, fixed, absolute or contingent, matured or unmatured, accrued or unaccrued, liquidated or unliquidated or due or to become due, and whenever or however arising (including those arising out of any contract or tort, whether based on negligence, strict liability or otherwise) and whether or not the same would be required by generally accepted accounting principles to be reflected as a liability in financial statements or disclosed in the notes thereto, including, without limitation, any and all debts, obligations and commitments arising out of or related to death, personal injury or property damage.

"Long-Term Goals" shall have the meaning provided in Section 5.10 of this Agreement.

"MAP" shall mean Central Health's Medical Access Program, as described in **Annex B** hereto, as the same may be amended from time to time by Central Health, with the prior written consent of Seton. **Annex B** sets forth: (a) the policies governing the eligibility for participation in MAP, which must be satisfied prior to the enrollment of any person in MAP, and the policies governing the continuation of coverage and eligibility thereunder, and (b) the amount of each Co-payment that each MAP Enrollee shall be required to pay in consideration for the MAP Healthcare Services provided thereunder.

"MAP Enrollee" shall mean any person who is enrolled in MAP and who is eligible to receive MAP Healthcare Services from Seton or any Seton Provider under this Agreement as a result of his or her enrollment therein.

"MAP Healthcare Services" shall mean the physician services, inpatient and outpatient hospital, diagnostic and surgical services and procedures, and the other services, procedures and supplies described in **Annex C** hereto, which the parties acknowledge is the level of services that Seton is contractually obligated to provide immediately prior to the Effective Date of this Agreement by Seton to MAP Enrollees ("Current Level of MAP Services").

"MAP Plan Document" shall mean the MAP Handbook, in the form published from time to time by Central Health, which specifies the healthcare services and providers available to MAP Enrollees.

"Master Agreement" shall mean that certain Master Agreement, dated as of June 1, 2013, by and between Central Health and Seton Healthcare Family.

"New Program Period" shall have the meaning provided in Section 5.10.5 of this Agreement.

"New Teaching Hospital" shall have the meaning as identified in the Master Agreement.

"Noncompliance Notice" shall have the meaning provided in Section 5.8.3 of this Agreement.

"Payment Period" shall have the meaning set forth in Section 4.2.

"Performance Standards" shall have the meaning set forth in Section 5.8.1.

"PIA" shall have the meaning provided in Section 5.12 of this Agreement.

"Program Amount" shall have the meaning set forth in Section 4.1(c).

"Program Amount Monies" shall have the meaning set forth in Section 4.2.1.

"Proposed Amendment" shall have the meaning provided in Section 5.10.3 of this Agreement.

"Program Period" shall mean each twelve-month period, which shall commence on October 1 and expire on September 30, occurring during the Term of this Agreement.

"Protected Health Information" shall have the meaning provided in Section 5.7.2 of this Agreement.

"Secretary" shall have the meaning provided in Section 8.20(a) of this Agreement.

"Seton Affiliated Providers" shall mean those Seton Providers that are either facilities owned and operated by Seton (or an Affiliate of Seton) or individuals that are employed by Seton (or an Affiliate of Seton).

"Seton Charity Care Policy" shall mean Seton's Charity Care (Uncompensated Services) Policy, a copy of which is attached hereto as **Annex A**, as such policy may be amended by Seton from time to time. The Seton Charity Care Policy sets forth the eligibility criteria that must be satisfied in order for any person to receive the Charity Care Healthcare Services described herein, and the amount, if any, that each Charity Care Patient shall be required to pay in consideration for the Charity Care Healthcare Services provided hereunder.

"Seton" shall mean Seton Healthcare Family, a Texas non-profit corporation.

"Seton-Sponsored Facility" shall mean any licensed hospital facility, outpatient primary care or specialty care clinic or other healthcare facility located within Travis County, or located within the portions of the City of Austin not located within Travis County, that is: (a) owned or operated by Seton or an Affiliate of Seton; or (b) owned or operated by a Seton Provider, at which such Seton Provider shall have agreed to provide Covered Healthcare Services to the Covered Beneficiaries pursuant to the provisions of this Agreement.

"Seton Providers" shall mean such physicians, physician associations or other healthcare providers (and any associated outpatient primary care or specialty care clinics operated thereby), with which Seton shall have entered into contracts, or with which Seton shall have established other arrangements, in connection with which any such physicians, physician associations or other healthcare providers (or any such associated outpatient primary care or specialty care clinics operated thereby) shall provide Covered Healthcare Services to the Covered Beneficiaries pursuant to the provisions of this Agreement.

"Subsequent Program Period" shall mean each Program Period that shall commence after the expiration of the Baseline Program Period.

"Subsequent Program Period Amount" shall mean the agreed upon value of the Covered Healthcare Services provided by Seton during each Subsequent Program Period as determined pursuant to Section 4.1.

"Teaching Hospital Lease Agreement" shall have the meaning provided in Section 4.8 of the Master Agreement.

"Term" has the meaning provided in Section 6.1 of this Agreement.

"UC" shall mean the Uncompensated Care Program.

"UMCB Lease Agreement" shall have the meaning provided in Section 1 of the Master Agreement.

"Unique Charity Care Patient" shall have the meaning provided in Section 4.5 of this Agreement.

"Unique MAP Enrollee" shall have the meaning provided in Section 4.4 of this Agreement.

"UMCB" shall have the meaning as identified in the Master Agreement.

Section 1.2 Incorporation of Definitions from the Master Agreement. Unless otherwise stated or defined in this Agreement, all defined terms identified in the Master Agreement shall have the same meaning applied in this Agreement. If there is a conflict between a definition in the Master Agreement and a definition in this Agreement, the definition in this Agreement shall prevail.

Section 1.3 Interpretation. In this Agreement, unless the context otherwise requires:

(a) references to the term "this Agreement" are references to this Agreement and to the annexes hereto;

(b) references to the terms "Articles" and "Sections" are references to the articles and sections of this Agreement unless otherwise specifically differentiated;

(c) references to any "party" to this Agreement shall include references to its legal representatives, successors and permitted assigns;

(d) references to the terms "hereof," "herein," "hereby," and any derivative or similar words, are references to this entire Agreement;

(e) references to any particular document (including this Agreement) are references to that document, as amended, modified or supplemented by the parties thereto from time to time; and

(f) the term "including" shall mean "including, without limitation,".

ARTICLE II.
COVENANTS OF SETON

Section 2.1 MAP. In accordance with the terms and subject to the conditions set forth in this Agreement, commencing on the Effective Date and continuing throughout the Term of this Agreement, Seton shall provide (or shall arrange for the provision of) the MAP Healthcare Services to the MAP Enrollees. Seton shall provide MAP Healthcare Services at the Current Level of MAP Services to MAP Enrollees. Access to MAP Healthcare Services shall continue at the current level of MAP Healthcare Services unless a change is agreed upon pursuant to Section 5.5 of the Agreement.

Section 2.2 Charity Care Program. In accordance with the terms and subject to the conditions set forth in this Agreement, commencing on the Effective Date and continuing throughout the Term of this Agreement, Seton shall provide (or shall arrange for the provision of) the Charity Care Healthcare Services to the Charity Care Patients.

Section 2.3 Availability of Services. Seton shall not discriminate against any Covered Beneficiary because of race, color, religion, sex, national origin, disability or sexual orientation.

Section 2.4 Licensure and Certification. Seton agrees that, during the term of this Agreement, it shall maintain all licenses and certifications necessary for Seton to provide the Covered Healthcare Services that shall be provided by Seton hereunder and for Seton to perform its other obligations, as specified herein. Seton further agrees that it shall comply with all Applicable Laws required to perform its obligations hereunder.

Section 2.5 Other Seton Obligations. Seton agrees that each Seton Affiliated Provider shall (i) obtain and maintain all licenses, certificates, and permits necessary for such facility or individual to provide Covered Healthcare Services and (ii) comply with all applicable laws, regulations, certifications, and accreditation standards in the providing of Covered Healthcare Services.

Section 2.6 Fee-Based Contracts. Upon execution of this Agreement, Seton shall enter into the following contracts with the CCC for the provision of services as contemplated thereby ("Fee Based Contracts"):

(a) Agreement for Insure-A-Kid Support Services by and between the Community Care Collaborative and Seton Family of Hospitals;

(b) Agreement for Internal Medicine Services among Community Care Collaborative, Seton/UT Southwestern University Physicians Group, Inc. d/b/a Austin Medical Education Program, and Seton Family of Hospitals;

(c) Agreement for Family Medicine Services by and between Community Care Collaborative and Seton/UT Southwestern University Physicians Group d/b/a Austin Medical Education Program;

(d) Agreement for Specialty Care Services between the Community Care Collaborative and Seton Family of Hospitals; and

(e) Collaboration Agreement for Mammography Equipment by and between Community Care Collaborative and Seton Family of Hospitals.

Section 2.7 Records Maintenance and Access. Seton will maintain medical and billing records of Covered Beneficiaries in accordance with all Applicable Laws, including all Applicable Laws governing confidentiality of patient records. Seton will provide to Central Health and CCC access to medical and billing records in accordance with Applicable Laws and as may be needed to assure the utilization and quality of care and claims auditing rendered to such Covered Beneficiaries.

Section 2.8 Insurance.

2.8.1 General Requirements.

(a) Seton shall, at a minimum, carry insurance or self-insurance in the types and amounts indicated below during the Term of this Agreement.

(b) Seton shall forward certificates of insurance with the endorsements required below, or proof of self-funded liability coverage, as the case may be, to Central Health as verification of coverage within 14 calendar days after the Effective Date, unless otherwise specified in writing by Central Health. Seton shall provide new certificates or proof within 30 business days of any renewal of this Agreement.

(c) Seton shall not commence work until the required insurance is obtained and has been reviewed by Central Health. Nothing in this Agreement is intended to and shall not relieve or decrease the liability of Seton hereunder and shall not be construed to be a limitation of liability on the part of Seton.

(d) Seton's insurance coverage shall be provided through a funded self-insurance program or written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with an A.M. Best financial performance rating of at least B+ and a financial size category of at least VIII.

(e) If insurance policies are written for less than the amounts specified below, Seton shall carry umbrella or excess liability insurance for any differences between the amounts specified and the actual coverage amounts. If excess liability insurance is provided, it shall follow the form of the primary coverage.

(f) Seton shall not cause any insurance required by this Agreement to be canceled nor permit any insurance to lapse during the Term of this Agreement.

(g) Seton shall be responsible for premiums, deductibles, and self-insured retentions, if any, stated in the policies.

(h) Should any of the described policies be cancelled before the expiration date hereof, notice will be delivered in accordance with the policy provisions.

2.8.2 Specific Requirements.

2.8.2.1 Commercial General Liability Insurance or Program of Self Insurance. Bodily injury and property damage coverage, with a minimum limit of $1,000,000 and minimum general aggregate limit of $3,000,000 per occurrence covering Seton for claims, lawsuits or damages arising out of its performance under this Agreement, and any negligent or otherwise wrongful acts or omissions by Seton or any officer, director, employee, contractor or agent of Seton, with Central Health listed as an additional insured as its interest may appear. The policy shall contain blanket contractual liability coverage for liability assumed under this Agreement.

2.8.2.2 Professional Liability. Seton shall provide professional liability coverage at a minimum limit of $1,000,000 per occurrence and $3,000,000 annual aggregate coverage to pay on behalf of the assured all sums that the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement. If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincide with the Effective Date of this Agreement, and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the expiration (or earlier termination) of this Agreement.

2.8.2.3 Worker's Compensation Insurance. Worker's Compensation insurance or any alternative plan or coverage as permitted or required by applicable law.

Section 2.9 Quality of Services; Compliance with Applicable Laws. All Covered Healthcare Services provided by Seton pursuant to the provisions of this Agreement shall be provided in a competent, efficient and professional manner, and shall be provided in full compliance with all Applicable Laws. In addition, Seton shall provide all such Covered Healthcare Services in accordance with the current and approved standards, practices and

guidelines promulgated by The Joint Commission and all other applicable accrediting bodies, as well as in compliance with all applicable Seton policies, procedures, and protocols.

Section 2.10 Ethical and Religious Directives.

(a) Central Health acknowledges that Seton is subject to the official teachings of the Roman Catholic Church and the Ethical and Religious Directives. Any provision contained in this Agreement to the contrary notwithstanding, in no event shall Seton be required to engage in any conduct, or provide or perform any procedures, in connection with its obligations under this Agreement, in violation of the Ethical and Religious Directives.

(b) In the event that, during the Term of this Agreement, Seton shall be asked to engage in any conduct, or provide or perform any procedures in connection with its obligations under this Agreement or any of the Fee-Based Contracts, the conduct of which or the provision or performance of which shall be determined by Seton, in the exercise of its absolute discretion, to be in violation of the Ethical and Religious Directives, Seton may refuse to engage in any such conduct, or provide or perform any such procedures. Seton will not approve, condone, recommend or interfere with any such procedures being provided or performed by Central Health or CCC, or provided or performed by one or more other healthcare providers selected by Central Health or CCC for such purpose.

Section 2.11 Additional Provisions Relating to MAP.

(a) Seton acknowledges that MAP is a component of Central Health's commitment to provide access to healthcare for all of the residents of Travis County. The objective of MAP includes reducing the cost of healthcare services for the residents of Travis County who would otherwise receive free or subsidized care under the Charity Care Program.

(b) During the Term of this Agreement, Seton shall provide (or arrange for the provision of) the MAP Healthcare Services on a nondiscriminatory basis to the MAP Enrollees.

(c) Except in instances in which emergency treatment shall be required by a MAP Enrollee, the MAP Healthcare Services shall be provided to the MAP Enrollees by Seton or one or more of the Seton Providers at any Seton-Sponsored Facility as shall be designated from time to time by Seton, after giving due consideration to the standards specified in Section 5.8 of this Agreement.

(d) In providing the MAP Healthcare Services pursuant to the provisions of this Agreement, Seton may establish such pre-certification or other prior authorization policies and procedures as shall be necessary to qualify persons to receive such services under MAP; provided, however, that such policies and procedures shall not conflict with the eligibility or other requirements of MAP Program set forth or described in **Annex B** hereto. Nothing in this Agreement shall restrict Seton's ability to establish such medically necessary

hospital admissions policies and procedures as Seton, in the exercise of its reasonable discretion, shall deem to be appropriate in connection with the provision of the MAP Healthcare Services described herein.

Section 2.12 Additional Provisions Relating to the Charity Care Program.

(a) During the Term of the Agreement, Seton will provide (or shall arrange for the provision of) the Charity Care Healthcare Services on a non-discriminatory basis to all residents of Travis County, without regard to their ability to pay.

(b) Except in instances in which emergency treatment shall be required by a Charity Care Patient, the Charity Care Healthcare Services shall be provided to the Charity Care Patients by Seton or one or more of the Seton Providers at any Seton-Sponsored Facility as shall be designated from time to time by Seton, after giving due consideration to the standards specified in Section 5.5 of this Agreement.

(c) In providing the Charity Care Healthcare Services pursuant to the provisions of this Agreement, Seton may establish such pre-certification or other prior authorization policies and procedures as shall be necessary to qualify persons to receive such services under the Charity Care Program; provided, however, that such policies and procedures shall not conflict with the eligibility or other requirements of the Charity Care Program set forth or described in **Annex A** hereto. Nothing in this Agreement shall restrict Seton's ability to establish such medically necessary admissions policies and procedures as Seton, in the exercise of its reasonable discretion, shall deem to be appropriate in connection with the provision of the Charity Care Healthcare Services described herein.

Section 2.13 Payment of Taxes. Seton acknowledges and agrees that no federal, state, or local income taxes, nor payroll taxes of any kind, will be withheld or paid by Central Health on behalf of Seton or its employees in connection with this Agreement. Neither Seton nor its employees will be treated as Central Health employees with respect to the services performed by Seton under the terms and conditions of this Agreement for federal, state and local income tax purposes. Seton accepts responsibility for the compensation of its employees, withholding and payment of taxes, and for purchasing any liability, disability, or health insurance coverage deemed necessary by Seton. Seton understands that it is responsible for paying, according to the law, its federal, state and local income taxes.

Section 2.14 Reports. Seton agrees to provide the following periodic reports to Central Health:

(a) a report ("Access to Care Report") that shall set forth, for the period covered thereby, the number of Covered Beneficiaries that shall have been treated by Seton pursuant to the terms of this Agreement, the number and type of written complaints, if any, that shall have been received by Seton from Covered Beneficiaries regarding access to the Covered Healthcare Services provided by

Seton at the Seton-Sponsored Facilities, and a description of any written comments that Seton shall have received from the public with regard to the delivery of the Covered Healthcare Services described herein;

(b) a report ("Level of Services Report") that shall set forth, for the period covered thereby, the level of Covered Healthcare Services that shall have been provided to Covered Beneficiaries by Seton in satisfaction of its obligation to provide the Covered Healthcare Services; and

(c) a report ("Clinical Quality and Patient Satisfaction Report") that shall describe, for the period covered thereby, the extent to which Seton shall have achieved (or shall have failed to achieve) the Clinical Quality and Patient Satisfaction Standards.

The foregoing reports shall be submitted by Seton to Central Health is such form, in such detail and at such times as shall be mutually agreed in writing by Central Health and Seton.

ARTICLE III.
COVENANTS OF CENTRAL HEALTH

Section 3.1 Eligibility.

3.1.1 Eligibility Determination. Central Health, CCC and Seton shall jointly agree on the procedures pursuant to which each person who shall apply to receive the MAP Healthcare Services described herein shall be screened for eligibility and pursuant to which a final determination of each such person's eligibility therefor shall be made.

3.1.2 Eligibility Database. Throughout the Term of this Agreement, Central Health shall maintain, or cause to be maintained), and shall grant Seton and each of the Seton Providers uninterrupted access to, an on-line eligibility database ("Eligibility Database"), on which the name and other pertinent identifying information of each MAP Enrollee shall be set forth, in order that Seton and each Seton Provider may verify, at any time or from time to time, the then-current enrollment in MAP, as the case may be, of any person who may request the MAP Healthcare Services described herein.

3.1.3 Enrollee Reports. Throughout the Term of this Agreement, the CCC shall provide (or cause to be provided), to Seton, on a monthly basis, or in accordance with such other periodic or recurring schedules as Seton may reasonably request, an electronic report that shall reflect, as of the close of business on the date of such report the name and enrollment/identification number of each MAP Enrollee who shall be entitled to receive the MAP Healthcare Services described herein.

Section 3.2 Orientation/In-services. Central Health may provide or arrange for the provision of orientation and educational materials to MAP Enrollees to encourage appropriate and efficient utilization of benefits. Central Health may also provide or arrange to have provided in-service sessions for selected Seton personnel regarding MAP at times convenient to both parties.

Section 3.3 Distribution of Tobacco Settlement Proceeds. As soon as practicable, and no later than March 20 of each year during the Term hereof, Seton shall provide to the District information summarizing, evidencing, and supporting the unreimbursed cost of charity care, representing the expenditures encompassed by Section 5.B(4) of the Agreement Regarding Disposition of Settlement Proceeds entered in Cause No. 5-96CV-91 in the United States District Court for the Eastern District of Texas, Texarkana Division, dated July 18, 1998 (the "Tobacco Settlement"), provided by Seton for the previous calendar year. The District will include that information in its annual expenditure statement as required by Title 25, Part One, Section 102.3 of the Texas Administrative Code, or in any successor claim form (the "Tobacco Claim") unless the District, in good faith, determines that the information submitted by Seton is misleading, inaccurate, or incomplete. The District will, within thirty (30) days of receipt of any funds delivered by the Comptroller pursuant to the Tobacco Agreement, remit to Seton a pro rata amount of such funds, the amount of which will be based on the percentage that Seton's unreimbursed cost of charity care comprised of the District's total submitted Tobacco Claim.

ARTICLE IV.
AGREED VALUE FOR SERVICES

Section 4.1 Agreed Value for Covered Healthcare Services. In consideration of the Covered Healthcare Services provided by Seton in accordance with the terms of this Agreement:

(a) The parties agree that the agreed value to be received by Seton in exchange for Seton providing the Covered Healthcare Services from the Effective Date through September 30, 2013 ("Initial Program Period Amount") will be determined no later than November 30, 2013 by the mutual agreement of Seton and Central Health, each acting reasonably and in good faith and each agreeing to make the determination based on (and consistent with) the Baseline Program Period Amount (as defined below) and the methodology used to determine such Baseline Program Period Amount.

(b) The parties further agree that the agreed value to be received by Seton in exchange for Seton providing the Covered Healthcare Services during the Program Period that shall commence on October 1, 2013 and expire on September 30, 2014 ("Baseline Program Period") shall be $73,600,000 ("Baseline Program Period Amount"). The Baseline Program Period Amount shall continue in force and effect for each Subsequent Program Period unless and until modified pursuant to (c) below.

(c) With regard to each Subsequent Program Period that shall commence after the expiration of the Baseline Program Period, in exchange for the Covered Healthcare Services provided by Seton during each such Subsequent Program Period, the value to be received by Seton shall be (i) such Subsequent Program Period Amount as shall be set forth in the Definitive Amendment, if any, that shall have been executed and delivered by the parties hereto with regard to such Subsequent Program Period, in accordance with the provisions of Section 5.10.4, below; or (ii) in the event that no such Definitive Amendment shall have been executed and delivered by the parties hereto with regard to such Subsequent

Program Period, such Subsequent Program Period Amount as shall be determined in accordance with the provisions of Section 5.10.5, below.

(The terms "Initial Program Period Amount," "Baseline Program Period Amount," and "Subsequent Program Period Amount" are collectively referred to as the "Program Amounts" and from time to time individually referred to as the "Program Amount.")

Section 4.2 Terms of Payment. Seton shall receive from the CCC (subject to Section 4.2.1) during each Program Period or within a year of the expiration of such Program Period (this two-year period shall be referred to as the "Payment Period") monies ("Program Amount Monies") equal to the applicable Program Amount due for that Program Period. If at the end of any Payment Period, Seton has not received such Program Amount Monies in full equal to such applicable Program Amount, Seton may in its sole and exclusive discretion, in addition to its other rights and remedies under this Agreement, either exercise the offset rights set forth in Article VII or defer receipt of payment to the next Payment Period.

4.2.1 Program Amount Monies. The parties acknowledge and agree that (i) Seton (or one or more Affiliates of Seton) may from time to time receive monies relating to the Disproportionate Share Hospital Program ("DSH") and/or the Uncompensated Care Program ("UC") relating to Travis County (collectively referred to as "DSH/UC Monies"), (ii) Seton shall apply the DSH/UC Monies to (and deduct such DSH/UC Monies from) the Program Amount Monies, (iii) Seton's right to receive Program Amount Monies from the CCC during any Payment Period shall be reduced by the amount of DSH/UC Monies received by Seton (or an Affiliate of Seton) during the same Payment Period, and (iv) monies relating to DSRIP Projects (as defined in the Master Agreement) will not be considered (or counted as) DSH/UC Monies.

Section 4.3 Annual Certification. Upon request of Central Health, Seton will certify annually following expiration of the Program Period, whether it received from the CCC for the immediately prior Program Period an amount of money equal to the Program Amount then in effect. Any disagreement or dispute between the parties regarding this annual certification, including but not limited to a dispute as to whether Seton in fact received or should have received an adequate amount money to equal the Program Amount then in effect and/or whether Seton's certification is correct, shall be deemed to be a Dispute (as defined in the Master Agreement) and shall be subject to the alternative dispute resolution set forth in Section 7 of the Master Agreement. In addition, Central Health shall annually attest in a separate certification to Seton whether to the best of its knowledge Seton (and as applicable an Affiliate of Seton) is in compliance in all material respects with this Agreement and all Ancillary Agreements.

Section 4.4 Limited Number of MAP Enrollees. Unless otherwise agreed to pursuant to Section 5.4, Seton shall provide MAP Healthcare Services to an annual average of no more than 25,000 Unique MAP Enrollees ("Baseline MAP Enrollees"). A "Unique MAP Enrollee" shall mean, with regard to any calendar month occurring during the Term of this Agreement, each person who was, at any time during the month, a MAP Enrollee.

Section 4.5 Charity Care Patients. Unless otherwise agreed to pursuant to a Definitive Amendment, Seton shall provide Charity Care Healthcare Services an annual average of no more

than 28,000 Unique Charity Care Patients ("Baseline Charity Enrollees"). A "Unique Charity Care Patient" shall mean, with regard to any calendar month occurring during the Term of this Agreement, each person who shall have been provided, at any time during any such calendar month, the Charity Care Healthcare Services described herein by Seton or a Seton Provider.

Section 4.6 Baseline MAP Enrollees. The CCC Board will monthly review and consider the then current number of Unique MAP Enrollees. If the total number of Unique MAP Enrollees then in existence exceeds the number of Baseline MAP Enrollees, Central Health, the CCC, and Seton will immediately (individually, jointly, and collectively as appropriate) take all actions reasonably necessary to reduce as soon as reasonably possible the number of Unique MAP Enrollees to a number that is equal to or less than the number of Baseline MAP Enrollees or, in the alternative, by mutual agreement, to increase the number of Baseline MAP Enrollees, adjust and increase the Program Amount to Seton, modify the benefit plan, and/or take other actions. Such reduction-related actions shall include but are not limited to (i) modifying or reducing the eligibility criteria and standards set forth in Annex B, (ii) imposing modifications and limits on enrollment standards and determinations, and/or (iii) causing each of its employees, agents, and representatives to take all such actions on behalf of such party that are reasonably necessary to carry out and implement the reduction efforts contemplated by this Section 4.6. Further, the parties acknowledge and agree that Seton is not obligated under this Agreement to provide Covered Healthcare Services to any Unique MAP Enrollee in excess of the number of Baseline MAP Enrollees or to any Unique Charity Care Enrollee in excess of the number of Baseline Charity Care Enrollees.

Section 4.7 Program Amount Increase. Commencing on the earlier of October 1, 2019 or October 1 of the Seton Fiscal Year in which Seton is not able to retain the full amount of Transition Funds as contemplated in the Master Agreement, and annually thereafter, the Program Amount then in effect shall be increased for the next Program Period by multiplying that Program Amount number by a fraction (which in no event shall be less than 1/1), the numerator of which shall be the CPI-Medical Care, as published in September of the calendar year in which such new Program Period begins, and the denominator of which shall be the CPI-Medical Care, as published in September of the calendar year immediately preceding. For example, in calculating the increase in the Program Amount, if any, that shall be received by Seton for the new Program Period that shall commence on October 1, 2019 and expire on September 30, 2020, the numerator shall be the CPI-Medical Care, as published for the month of September 2019, and the denominator shall be the CPI-Medical Care, as published for the month of September 2018.

ARTICLE V.
MUTUAL COVENANTS OF CENTRAL HEALTH AND SETON

Section 5.1 Intentionally Left Blank.

Section 5.2 Clinical Quality and Patient Satisfaction Addendum. Upon the written request of Central Health or CCC, the parties hereto agree to engage through their representatives on the CCC Board as described below, in reasonable negotiations, conducted in good faith, with the view to adopting a mutually agreeable written addendum ("Clinical Quality and Patient Satisfaction Addendum") to this Agreement, which shall set forth: (a) the Clinical Quality and Patient Satisfaction Standards; (b) the indicators (including the criteria and the

methodology for the development of such indicators) on which such Clinical Quality and Patient Satisfaction Standards shall be based; and (c) the methodology (which may include the identification and application of measurable clinical quality metrics, based on recognized clinical quality studies or guidelines, and the conduct of patient satisfaction surveys and the establishment of appropriate patient satisfaction baselines) by which the achievement of the Clinical Quality and Patient Satisfaction Standards shall be evaluated. The parties acknowledge and agree that the adoption of this Clinical Quality and Patient Satisfaction Addendum shall be made on behalf of the parties by the CCC Board and shall be considered a Material Decision (as defined in the Master Agreement) of the Board

Section 5.3 Financial Responsibility of Covered Beneficiaries. Subject to the provisions of Section 5.8, below, and except for the amounts, if any, that Charity Care Patients shall be required to pay for the Charity Care Healthcare Services described herein, as described in **Annex A** hereto, and the Co-payments described in **Annex B** bereto, Seton hereby agrees that in no event shall Seton or any Seton Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Covered Beneficiary for any Covered Healthcare Services provided by Seton or any Seton Provider pursuant to this Agreement. Seton further agrees that this provision shall survive the termination of the Agreement regardless of the cause giving rise to termination and shall be construed to be for the benefit of the Covered Beneficiaries.

Section 5.4 Denial of Coverage Due to False Information. If Central Health or CCC, as applicable, determines that any MAP Enrollee was given any MAP Healthcare Services as a result of false or incorrect information, Central Health will deny coverage effective as of the date such determination is made and shall provide Seton immediate written notification of any such determination.

Section 5.5 Amendment or Modification of MAP or the Charity Care Program. Central Health and Seton acknowledge and agree that the intent of this Agreement is to memorialize the current contractual arrangement between the parties regarding the scope, availability and current value of Covered Healthcare Services currently provided by Seton to Covered Beneficiaries. The parties agree that any changes to this Agreement shall be made in accordance with the provisions in the Master Agreement and as specified in Section 5.10.3 of this Agreement.

Section 5.6 Delivery of Covered Healthcare Services. Central Health and Seton agree that:

(a) Seton may deliver or cause the delivery of the Covered Healthcare Services described herein either directly or indirectly, through the use of one or more of the Seton Providers; and

(b) except in instances in which emergency treatment shall be required by a MAP Enrollee or a Charity Care Patient, Seton may deliver or cause the delivery of the Covered Healthcare Services described herein at any Seton-Sponsored Facility as Seton may deem to be appropriate from time to time, in order to best serve the interests of each of the Covered Beneficiaries who shall

receive such Covered Healthcare Services, after considering community needs and the prevailing standards of medical care, including developments in medical technology.

Section 5.7 HIPAA and HITECH Compliance.

5.7.1 Federal Privacy Laws and Regulations. Central Health and Seton agree to comply with the applicable provisions of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), and the Health Information Technology for Economic and Clinical Health Act, as amended ("HITECH"), and the requirements of any regulations promulgated thereunder, including, without limitation, the federal privacy regulations as contained in 45 C.F.R. Part 160, 162, and 164 (the "Federal Privacy Regulations") and the federal security standards as contained in 45 C.F.R. Part 164 (the "Federal Security Regulations").

5.7.2 Protected Health Information. The parties agree not to use or further disclose any protected health information, as defined in 45 C.F.R. § 164.501, or individually identifiable health information, as defined in 42 U.S.C. § 1320d (collectively, the "Protected Health Information"), concerning a patient other than as permitted by this Agreement and the requirements of HIPAA and HITECH or regulations promulgated under HIPAA and HITECH, including, without limitation, the Federal Privacy Regulations and the Federal Security Regulations. The parties hereto will implement appropriate safeguards to prevent the use or disclosure of a patient's Protected Health Information other than as provided for by this Agreement.

5.7.3 Reporting of Violations. Central Health and Seton agree to promptly report to the other parties hereto any use or disclosure of a patient's Protected Health Information not provided for by this Agreement or in violation of HIPAA, HITECH, the Federal Privacy Regulations, or the Federal Security Regulations, of which the reporting party becomes aware. In the event any party hereto contracts with any agents to whom the party provides a patient's Protected Health Information, the party shall include provisions in such agreements whereby the party and agent agree to the same restrictions and conditions that apply to the party with respect to such patient's Protected Health Information.

5.7.4 Internal Books and Records. The parties hereto will make their respective internal practices, books, and records relating to the use and disclosure of a patient's Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with HIPAA and HITECH. Notwithstanding the foregoing, no attorney-client, accountant-client, or other legal privilege shall be deemed waived by any of the parties hereto by virtue of this Section.

Section 5.8 Public Accountability.

5.8.1 Performance Standards. The Central Health Board of Managers shall be entitled to monitor, on behalf of the residents of Travis County, the performance of Seton

under this Agreement, by reference to the following performance standards (collectively, the "Performance Standards"):

5.8.1.1 Access to Care. The access to the Covered Healthcare Services that shall be provided by Seton to Covered Beneficiaries pursuant to the terms of this Agreement shall be evaluated from time to time by the Central Health Board of Managers, based on its review of the Access to Care Reports submitted by Seton to Central Health pursuant to the provisions of Section 2.14(a), above;

5.8.1.2 Level of Services. The level of the Covered Healthcare Services that shall be provided by Seton to Covered Beneficiaries pursuant to the terms of this Agreement shall be evaluated from time to time by the Central Health Board of Managers, based on its review of the Level of Services Reports submitted by Seton to Central Health pursuant to the provisions of Section 2.17(b), above; and

5.8.1.3 Clinical Quality and Patient Satisfaction. The extent to which Seton shall have achieved (or shall have failed to achieve) the Clinical Quality and Patient Satisfaction Standards established from time to time by Seton, the CCC, and Central Health shall be evaluated from time to time by the Central Health Board of Managers, based on its review of the Clinical Quality and Patients Satisfaction Reports submitted by Seton to Central Health pursuant to the provisions of Section 2.17(c), above.

5.8.2 Compliance with Performance Standards. In determining whether Seton shall have satisfied the Performance Standards, the Central Health Board of Managers shall apply the following criteria:

5.8.2.1 Access to Care. Seton shall be deemed to have satisfied the foregoing Performance Standards relative to access to care, unless: (a) the information set forth in the Access to Care Reports shall reflect that Seton's average initial response time to patient complaints from Charity Care Patients regarding access to care at Seton-Sponsored Facilities is longer than two weeks following the date of receipt of any such complaint; (b) Seton does not accept for admission, treat, or refer all Charity Care Patients in a similar manner without regard to ability to pay; or (c) subject to Section 4, Seton does not continue to treat monthly at Seton-Sponsored Facilities at least the average monthly number (or such other statistical measure of patient volume on which the parties hereto may mutually agree) of MAP Enrollees and Charity Care Patients as required by the Baseline MAP Enrollees or Baseline Charity Enrollees, or other numbers as have been agreed upon in a Definitive Amendment.

5.8.2.2 Level of Services. Seton shall be deemed to have satisfied the foregoing Performance Standards relative to level of services, unless Seton shall have significantly and materially limited on a long-term basis or ceased to provide one or more of the Covered Healthcare Services, without obtaining a Definitive Amendment. In considering whether to grant or withhold any such approval, the

Central Health Board of Managers shall consider economic factors, as well as the convenience of the public.

5.8.2.3 Clinical Quality and Patient Satisfaction. Seton shall be deemed to have satisfied the foregoing Performance Standards relative to clinical quality and patient satisfaction, unless the Clinical Quality and Patient Satisfaction Reports shall reflect a recurring and material and adverse significant deviation from the Clinical Quality and Patient Satisfaction Standards.

5.8.3 Authority of Board of Managers.

(a) In the event that the Central Health Board of Managers shall reasonably determine that Seton shall have failed to comply, in any material respect, with any of the Performance Standards, Central Health shall provide Seton a written notice ("Noncompliance Notice") thereof. Any such Noncompliance Notice shall identify the particular Performance Standard with which Seton shall have failed to comply and shall set forth a recommended plan of action designed to cure any such noncompliance by Seton.

(b) Seton shall have sixty (60) days from the receipt of any such Noncompliance Notice to either adopt such recommended plan of action or present an alternative plan of action designed to cure such noncompliance.

(c) In the event the Central Health Board of Managers and Seton shall not be able to agree on any plan of action that shall be designed to cure any such noncompliance, such disagreement shall be deemed to be a Dispute for the purposes of this Agreement and shall be subject to the alternative dispute resolution provisions set forth in Section 7 of the Master Agreement.

(d) In the event such Dispute cannot be remedied, Central Health may pursue all remedies provided in this Agreement for breach of the Agreement.

Section 5.9 Subrogation/Lien/Assignment/Reimbursement. Central Health and Seton agree that MAP, and the Charity Care Program, and the Covered Healthcare Services provided to the MAP Enrollees and the Charity Care Patients hereunder and thereunder, shall be administered consistent with the provisions set forth in this Section 5.9.

In the event that Seton shall pay for or provide any Covered Healthcare Services with regard to any illness or injury that shall be suffered by a Covered Beneficiary, which illness or injury shall be caused by any other person or entity, Seton shall be subrogated to all rights of recovery of any such Covered Beneficiary to the extent of any such Covered Healthcare Services or the reasonable value of any such Covered Healthcare Services. Upon receiving any such Covered Healthcare Services from Seton, a Covered Beneficiary shall be deemed to have assigned his or her rights of recovery from any source to Seton, to the extent of the reasonable value of any such Covered Healthcare Services provided. By providing any such Covered Healthcare Services to a Covered Beneficiary, Seton acquires the right to be reimbursed for the reasonable value of any such Covered Healthcare Services provided.

Each Covered Beneficiary shall be required to cooperate with Seton and its authorized representatives and provide to Seton and its authorized representatives the name of each individual or entity against whom the Covered Beneficiary may have a claim, as well as the facts associated with any such claim. By accepting any such Covered Healthcare Services, each Covered Beneficiary shall be deemed to have authorized Seton and its authorized representatives to obtain and share such medical information regarding the Covered Beneficiary as shall be necessary for Seton and its authorized representatives to investigate, pursue, sue, compromise and/or settle any such claim.

Seton shall not be responsible for any expenses, fees, costs or other moneys incurred by an attorney for a Covered Beneficiary. Seton shall have the right to be repaid 100% first from any settlement, judgment, remuneration, insurance proceeds or other source of funds that a Covered Beneficiary may receive as a result of any such claim. By accepting any such Covered Healthcare Services, each Covered Beneficiary shall be deemed to have agreed that his or her legal representatives, heirs, successors and assigns, and his or her estate, shall be bound by the provisions of this Section 5.9.

The parties agree that the provisions of this Section 5.9 shall be set forth in the MAP Plan Document.

Section 5.10 Long-Term Goals; Annual Evaluations; Etc.

5.10.1 Long-Term Goals. The parties hereto agree that, over the Term of this Agreement, as resources permit, the parties shall attempt:

(a) to expand the inpatient and outpatient behavioral health services that shall be afforded to the safety net population of Travis County;

(b) to develop, operate and expand multi-specialty facilities and provide additional associated physician capacity for such safety net population;

(c) to expand programs that seek to ensure that comprehensive health care services are provided to women in Travis County;

(d) to develop communication and other information systems to promote patient navigation, provider coordination, data analytics, and related services to support risk-based provider compensation, accountable care and population health management concepts and tracking of quality and efficiency metrics;

(e) to support medical education and research that increases access and quality of healthcare for such safety net population;

(f) to expand the MAP Healthcare Services provided hereunder, so that such MAP Healthcare Services shall be provided to a wider range of persons within such safety net population, including the chronically ill;

(g) to create more collaborative and coordinated operations among the various Federally Qualified Health Centers providing healthcare services in Travis County, in order to increase primary and urgent care access and provide medical homes for such safety set population; and

(h) to increase the dental services that shall be afforded to such safety net population (collectively, the "Long Term Goals").

5.10.2 Annual Evaluations. Beginning as soon as reasonably practicable, but no later than July 1, 2014, with regard to the Subsequent Program Period that shall commence on October 1, 2014 and expire on September 30, 2015, and continuing no later than 90 days prior to the commencement of each Subsequent Program Period occurring thereafter, the designated representatives of each of the parties hereto shall meet and confer jointly for the purpose of evaluating:

(a) the terms and conditions of MAP, including, without limitation, the eligibility criteria that must be satisfied prior to the enrollment in MAP and the criteria for the continuation of coverage and eligibility thereunder, the amount of each Co-payment that each MAP Enrollee shall be required to pay in consideration of the MAP Healthcare Services provided thereunder, and any limitation that shall apply to the maximum number of MAP Enrollees that shall be allowed to enroll in MAP;

(b) the terms and conditions of the Charity Care Program, including, without limitation, the eligibility criteria that must be satisfied in order for any person to receive the healthcare services described thereunder and the criteria for the continuation of coverage and eligibility thereunder, and the amount, if any, that each Charity Care Patient shall be required to pay in consideration of the Charity Care Healthcare Services provided thereunder;

(c) the composition and scope of the MAP Healthcare Services that shall be provided to the MAP Enrollees by Seton pursuant to the provisions hereof;

(d) the composition and scope of the Charity Healthcare Services that shall be provided to the Charity Care Patients by Seton pursuant to the provisions hereof;

(e) the delivery system through which the Covered Healthcare Services described herein shall be provided to the MAP Enrollees and the Charity Care Patients;

(f) the valuation of any changes to the Covered Healthcare services described in this Agreement;

with the view to identifying such amendments to the provisions of this Agreement as may be necessary or appropriate for the purpose of achieving one or more of such Long Term Goals over the course of such Subsequent Program Period.

5.10.3 Amendment Notice; Proposed Amendment. Following the conclusion of each such annual evaluation, but in no event later than 30 days prior to the commencement of such Subsequent Program Period, any party hereto may submit, by written notice ("Amendment Notice") delivered to the other parties hereto, a proposed amendment ("Proposed Amendment") to this Agreement, which shall be designed to achieve one or more of such Long Term Goals over the course of such Subsequent Program Period, and which shall set forth, with regard to such Subsequent Program Period, such party's initial proposal as to the agreed value of the Covered Healthcare Services for the Subsequent Program Period.

5.10.4 Definitive Amendment. Upon receipt of any such Proposed Amendment, the parties hereto shall engage in reasonable negotiations, conducted in good faith, with the view to executing and delivering, prior to the commencement of such Subsequent Program Period, an amendment ("Definitive Amendment") to this Agreement with regard to such Subsequent Program Period, which: (a) shall evidence the provisions of any such Proposed Amendment, with such modifications, if any, thereto as shall be mutually acceptable to the parties; (b) shall specify, with regard to such Subsequent Program Period, the Subsequent Program Period Amount of agreed value and (c) shall take effect on the commencement of such Subsequent Program Period.

5.10.5 Absent Any Such Definitive Amendment. Until such time as each of the parties hereto shall execute and deliver any such Definitive Amendment with regard to such Subsequent Program Period, the terms and conditions of this Agreement shall remain in full force and effect; provided, however, that, absent any such Definitive Amendment:

(a) the Subsequent Program Period Amount for the Subsequent Program Period that shall commence on October 1, 2014 and expire on September 30, 2015 shall equal the Baseline Program Period Amount; and

(b) the Subsequent Program Period Amount relating to each Subsequent Program Period that shall commence on or after October 1, 2015 (each such Subsequent Program Period, a "New Program Period") [shall be equal to] at the Subsequent Program Period Amount for the Subsequent Program Period immediately preceding such New Program Period. [Open]

Section 5.11 Compliance with Federal, State, and Local Laws. In performing its duties and obligations under this Agreement, each party hereto shall comply with the Constitutions of the United States and the State of Texas and with all Applicable Laws, including, but not limited to: Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; the Americans With Disabilities Act of 1990, as amended, HIPAA and HITECH. No party hereto shall discriminate against any employee, applicant for employment, or any Covered Beneficiary based on race, religion, color, gender, national origin, age, sexual orientation or handicapped condition. In performing its duties and obligations under this Agreement, each party hereto will comply with all applicable state and federal licensing and certification requirements, health and safety standards, and regulations prescribed by the U. S.

Department of Health and Human Services, the Texas Department of State Health Services, or any other federal or state regulatory agency.

Section 5.12 Public Information Act.

(a) The parties acknowledge that Central Health is subject to the provisions of the Texas Public Information Act, as amended ("PIA"). Central Health shall notify Seton of the receipt of a request for information under the PIA relating to Seton within one business day of Central Health's receipt of such request. Seton authorizes Central Health to submit any information provided under this Agreement or otherwise requested to be disclosed, including information that Seton has labeled as confidential or proprietary, to the Open Records Division of the Office of the Attorney General of Texas ("Attorney General") for a determination as to whether any such information is excepted from public disclosure under the PIA. Central Health shall have no obligation or duty to advocate the confidentiality of Seton's material to the Attorney General or to any other person or entity, but Central Health agrees to cooperate with Seton's reasonable requests to submit disputed information to the Attorney General on a timely basis as required by the PIA. It is Seton's responsibility and obligation to make any legal argument to the Attorney General or court of competent jurisdiction regarding the exception of the information in question from disclosure. Seton waives any claim against and releases from liability Central Health, its officers, board members, employees, agents, and attorneys with respect to disclosure of information determined by the Attorney General or a court of competent jurisdiction to be subject to disclosure under the PIA. This section shall survive the termination of this Agreement.

Section 5.13 Coordination of Benefits. Central Health and Seton agree to cooperate and use reasonable efforts to accomplish Coordination of Benefits with other payors or carriers consistent with standard industry practices, including using reasonable efforts to secure the required information to implement such coordination.

ARTICLE VI.
TERM AND TERMINATION OF AGREEMENT

Section 6.1 Term. This Agreement shall remain in force and effect during the period that shall commence on the date hereof and shall expire on September 30, 2038 ("Initial Term"). This Agreement shall automatically renew for five (5) successive five-year terms (each, an "Additional Term"), unless any party hereto provides the other parties hereto written notice of termination no less than year prior to the expiration of the Initial Term or any such Additional Term. The Initial Term and any such Additional Term are sometimes referred to herein collectively as the "Term". This Agreement is subject to earlier termination pursuant to the provisions set forth in Section 6.2, below.

Section 6.2 Termination of Agreement. Subject to the provisions of Section 6.4 hereof, this Agreement may be terminated by notice in writing delivered at any time prior to the expiration of the Term hereof:

6.2.1 by Central Health and Seton. Either Central Health or Seton may terminate the Agreement if:

(a) both Central Health and Seton mutually agree in writing to terminate the Agreement; or

(b) the Master Agreement or an Ancillary Agreement is terminated; provided, however that neither party may terminate this Agreement upon termination of the Lease Agreement if the Teaching Hospital Lease Agreement has been executed.

6.2.2 by Central Health:

(a) if there shall have been a material breach by Seton of any material representation, warranty, covenant or agreement of Seton contained in this Agreement or a termination of any Ancillary Agreement due to a breach of such Ancillary Agreement by Seton, which breach shall have not been cured by Seton within 90 days following receipt by Seton of written notice from Central Health of such breach; provided, however, that if any such breach can be cured but by its nature cannot be cured within such 90-day period, and if Seton has commenced curing such breach within such time period and thereafter diligently and with continuity pursues such cure to completion, such 90-day period shall be extended for the period of time reasonably necessary for Seton to cure any such breach; or

(b) if there shall have been a breach by the CCC of any material representation, warranty, covenant or agreement of the CCC contained in this Agreement or in any of the Ancillary Agreements, which breach shall have not been cured by the CCC within 90 days following receipt by the CCC of written notice from Central Health of such breach; provided, however, that if any such breach can be cured but by its nature cannot be cured within such 90-day period, and if the CCC has commenced curing such breach within such time period and thereafter diligently and with continuity pursues such cure to completion, such 90-day period shall be extended for the period of time reasonably necessary for Seton to cure any such breach; or

6.2.3 by Seton:

(a) if Central Health or the CCC shall fail to pay any sum payable by Central Health or the CCC to Seton under this Agreement on the date upon which the same is due to be paid, and such default continues for 10 days following receipt by Central Health or the CCC, as applicable, of a written notice from Seton specifying such default; or

(b) if Seton fails to receive Program Amount Monies in full; or

(c) if there shall have been a material breach by Central Health of any other material representation, warranty, covenant or agreement of Central Health contained in this Agreement or a termination of any Ancillary Agreement due to a

breach by Central Health of such Ancillary Agreement, which breach shall not have been cured by Central Health within 90 days following receipt by Central Health of written notice from Seton of such breach; provided, however, that if any such breach can be cured but by its nature cannot be cured within such 90-day period, and if Central Health has commenced curing such breach within such time period and thereafter diligently and with continuity pursues such cure to completion, such 90-day period shall be extended for the period of time reasonably necessary for Central Health to cure any such breach; or

(d) if there shall have been a breach by the CCC of any other material representation, warranty, covenant or agreement of the CCC contained in this Agreement or in any of the Ancillary Agreements, which breach shall not have been cured by the CCC within 90 days following receipt by the CCC of written notice from Seton of such breach; provided, however, that if any such breach can be cured but by its nature cannot be cured within such 90-day period, and if the CCC has commenced curing such breach within such time period and thereafter diligently and with continuity pursues such cure to completion, such 90-day period shall be extended for the period of time reasonably necessary for the CCC to cure any such breach; or

6.2.4 by CCC:

(a) if there shall have been a breach by Central Health of any material representation, warranty, covenant or agreement of Central Health contained in this Agreement or in any of the Ancillary Agreements, which breach shall not have been cured by Central Health within 90 days following receipt by Central Health of written notice from the CCC of such breach; provided, however, that if any such breach can be cured but by its nature cannot be cured within such 90-day period, and if Central Health has commenced curing such breach within such time period and thereafter diligently and with continuity pursues such cure to completion, such 90-day period shall be extended for the period of time reasonably necessary for Central Health to cure any such breach; or

(b) if there shall have been a breach by Seton of any material representation, warranty, covenant or agreement of Seton contained in this Agreement or in any of the Ancillary Agreements, which breach shall not have been cured by Seton within 90 days following receipt by Seton of written notice from CCC of such breach; provided, however, that if any such breach can be cured but by its nature cannot be cured within such 90-day period, and if Seton has commenced curing such breach within such time period and thereafter diligently and with continuity pursues such cure to completion, such 90-day period shall be extended for the period of time reasonably necessary for Seton to cure any such breach; or

6.2.5 If there is a Dispute (as defined in the Master Agreement) regarding an alleged breach, any party may initiate the Dispute Resolution Process set forth in the Master Agreement.

6.2.6 The party initiating the Termination ("First Party") shall give written notice of the termination to the other party ("Second Party"). Subject to the condition set forth below, the Agreement shall terminate one (1) year after (i) the Termination Notice Date or (ii) the completion of the Dispute Resolution Process, whichever is later ("Termination Date"). The one year termination notice period shall be in effect until the New Teaching Hospital commences operation. Following commencement of operations of the New Teaching Hospital, the termination notice period shall be sixty days.

6.2.7 Notwithstanding any other provision including the termination provided for in Section 6.2.3(a) or Section 6.2.3 (b) due to the non-receipt of the agreed value or compensation due to Seton in the event that the Master Agreement is terminated and the Post-Termination Period in invoked pursuant to either Section 8.1.2 or 8.1.4 of the Master Agreement, this Agreement shall not terminate, but its term shall be extended until the end of the Post-Termination Periods are completed.

Section 6.3 Termination Due to Change in Applicable Laws. In the event that there shall occur any change in any Applicable Laws, or any change in the application, interpretation or enforcement of any Applicable Laws by any Governmental Authority that shall be charged with the enforcement and administration thereof, that:

(a) shall have the legal effect of materially altering the terms and conditions of this Agreement; or

(b) shall materially and adversely affect the rights, duties or obligations of any of the parties hereto, including, without limitation:

(i) any material change in the value of Covered Healthcare Services hereunder;

(ii) any material change in the scope or composition of the Covered Healthcare Services that Seton shall be obligated to provide hereunder; or

(iii) any other material change in the obligations of Seton to provide the Covered Healthcare Services described herein;

then, in any such event, any party hereto that shall be materially and adversely affected thereby may propose, by written notice to the other parties hereto, an amendment to this Agreement that shall contain provisions designed to ameliorate, in all material respects, the adverse effect of any such change in Applicable Laws or of any such change in the application, interpretation or enforcement thereof by any such Governmental Authority.

If the parties hereto shall be unable to agree on the terms of any such amendment, after engaging in reasonable negotiations, conducted in good faith, with respect thereto within 90 days after the receipt of any such notice, then such disagreement shall be deemed to be a Dispute (as defined herein) and shall be subject to the alternative dispute resolution provisions set forth in Section 7 (Dispute Resolution) of the Master Agreement. If no agreement is reached through the

dispute resolution process, either party may terminate the Agreement. Section 6.2.6 shall apply to the Termination Date resulting from any change in laws.

Section 6.4 Legal Jeopardy. The parties acknowledge and agree that this Agreement is intended to comply with all state and federal laws and regulations, the parties' status as recipients of governmental or private funds for the provision of health care services, each party's status as either a tax-exempt organization or public entity, the parties' ability to issue tax-exempt bonds or other financial instruments and to maintain the tax-exempt status of any existing bonds or other financial instruments, and Seton's status as a Catholic healthcare organization. Any party shall have the right to terminate this Agreement without liability, if it reasonably and in good faith determines that the terms of this Agreement either more likely than not would be interpreted to violate any laws or regulations applicable to it or if, under the circumstances the terms of the Agreement present an unacceptable legal risk of or a material violation, which, in such event, would jeopardize its status as a recipient of governmental or private funds for the provision of health care services or its status as a tax-exempt organization or public entity, or its ability to issue tax-exempt bonds or to maintain the tax-exempt status of any existing bonds or other financial instruments, or Seton's status as a Catholic healthcare organization. Seton shall have the right to terminate the Agreement without liability if it reasonably and in good faith determines that the Agreement more likely than not violates the ERDs. Notwithstanding a party's right to terminate as set forth above, the party shall first use good faith efforts to amend this Agreement either only to the extent necessary to conform the potentially violative terms to the applicable law or regulation or ERD provision, and will only terminate this Agreement pursuant to this Section if it determines, in its reasonable and good faith judgment, that an amendment cannot be obtained or will not result in compliance. The parties will act in good faith to attempt to reach such mutual agreement. If a party in good faith withholds its consent to an amendment proposed pursuant to this Section, either party may terminate this Agreement by Termination Notice. This Agreement shall terminate six months from such Termination Notice Date. The parties agree that a party's withholding of consent shall be deemed valid if the proposed amendment would result in a change to the Agreement that would be materially adverse to that party. In the event of termination under this Section, neither party is liable or responsible to the other for any damages, costs, or expenses resulting from such termination.

Section 6.5 Effect of Termination. If this Agreement is terminated in accordance with Section 6.3 hereof, this Agreement shall become null and void and of no further force and effect, except that:

(a) the provisions of this Agreement specified in Section 8.22, below, shall remain in full force and effect, shall survive any such termination and shall continue for the maximum period of time permitted by Applicable Laws;

(b) no such termination of this Agreement shall relieve any party hereto from any Liabilities for any breach of its obligations hereunder; and

(c) no such termination of this Agreement shall modify, alter or otherwise affect any of the rights, duties or obligations of the parties hereto set forth or described in or arising under Section 8 (Post-Termination) of the Master

Agreement or specifically the obligation to Seton to provide Post-Termination Services as required by Sections 8.3 and 8.4 of the Master Agreement.

Section 6.6 **DAMAGES FOR BREACH. IN THE EVENT OF ANY BREACH OF THE PROVISIONS OF THIS AGREEMENT, THE BREACHING PARTY SHALL BE LIABLE TO AND SHALL PAY EACH OF THE NON-BREACHING PARTIES FOR ANY AND ALL ACTUAL DAMAGES, COSTS, ATTORNEYS' FEES, AND EXPENSES THAT SHALL BE INCURRED OR SUFFERED BY EACH SUCH NON-BREACHING PARTY AS A RESULT OF ANY SUCH BREACH. THE BREACHING PARTY SHALL NOT BE RESPONSIBLE FOR ANY PUNITIVE, INDIRECT, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES SUFFERED BY THE NON-BREACHING PARTIES; PROVIDED, HOWEVER, THAT NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, INCLUDING THIS SECTION 6.6, IT IS THE AGREEMENT OF THE PARTIES THAT CENTRAL HEALTH SHALL BE ABLE TO RECOVER THE COSTS AND EXPENSES IT INCURS IN PROVIDING OR ARRANGING FOR THE PROVISION OF SERVICES THAT SETON IS OBLIGATED TO PROVIDE BY THIS AGREEMENT BUT FAILS TO PROVIDE.**

Section 6.7 Equitable Relief. Notwithstanding Section 6.6 above, the parties mutually agree that Seton's breach of its duties imposed under this Agreement would cause irreparable harm to the citizens of Travis County and Central Health that could not fully be reconciled with money damages. Therefore, equitable relief, including specific performance and injunctive relief, is an appropriate remedy for any such breach. Such equitable relief shall be in addition to and not in limitation of or substitution for any other remedies to which Central Health may be entitled to at law or in equity.

ARTICLE VII.
RIGHT OF OFFSET

Any provision contained herein to the contrary notwithstanding, if at any time or from time to time during the Term of this Agreement, Seton does not receive monies as contemplated by Section 4.2 or the CCC shall fail to pay (or cause to be paid) any amount that shall be payable by the CCC to Seton, in accordance with the terms and subject to the conditions set forth herein, Seton (or, as applicable an Affiliate of Seton) shall be entitled to offset any such amount against the payment of any amount that shall be due and payable by Seton (or as applicable an Affiliate of Seton) to Central Health or the CCC (or any of their respective Affiliates), including but not limited to any monies that Seton (or, as applicable, an Affiliate of Seton) is obligated to contribute to the CCC, pursuant to the provisions of this Agreement or any Ancillary Agreement.

ARTICLE VIII.
MISCELLANEOUS

Section 8.1 Use of Seton Name and Logo. Central Health shall not use Seton names, logos, trademarks, addresses and information in any educational and patient materials pertaining to the Covered Healthcare Services without obtaining the prior written consent of Seton.

Section 8.2 Force Majeure. If a party hereto, because of Force Majeure (as hereinafter defined), is rendered unable to perform any of its obligations under this Agreement (other than its obligation to pay when due the monetary sums payable hereunder), and such party gives prompt (but no later than two business days after such party knows or reasonably should have known of the event constituting such Force Majeure) written notice of the occurrence of such Force Majeure to the other parties hereto, then the obligations of such party will, so far as they are affected by the Force Majeure, be suspended, subject to the following conditions: (a) the Force Majeure was not attributable, in whole or in part, to the negligence or misconduct of such party; (b) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure; (c) no obligations of such party that arose before the occurrence of the Force Majeure are excused as a result of the occurrence; (d) such party uses its best efforts to remedy its inability to perform as expeditiously as possible; and (e) any suspension due to Force Majeure will not extend the term of the Agreement.

As used herein, the term "Force Majeure" means an event or force beyond the reasonable control of the party that materially and adversely affects such party's ability to perform its obligations under this Agreement and that, by the exercise of due diligence of such party, could not have been reasonably avoided, including, without limitation, acts of God, acts of public enemy, terrorism, wars, riots and civil disturbances, floods, heavy rains, transportation delays or interruptions, casualties, explosions, damage by third parties, whether negligently or intentionally caused, strikes, work stoppages, work-to-rule actions, picketing, lockouts and/or any other concerted action by any employees or any labor organization, epidemics, natural disasters, fires, vandalism and governmental interference; provided, however, that the term "Force Majeure" does not include: (x) any event or force resulting from any delays in the issuance of any necessary Governmental Approvals to such party or any adverse government actions taken against any such party by any Governmental Authority as a result of the actions or omissions of such party; (y) any economic hardship or changes in market conditions; or (z) any inability on the part of any such party to pay when due the monetary sums payable hereunder.

Section 8.3 Gender and Number. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

Section 8.4 Ancillary to Master Agreement. This Agreement is entered into by the parties hereto pursuant to the terms of and is ancillary to the Master Agreement. In the event that any of the provisions of this Agreement shall conflict with any of the provisions of the Master Agreements, the provisions of the Master Agreement shall control.

Section 8.5 Entire Agreement. Except as provided below: (a) this Agreement, the annexes incorporated herein and the Ancillary Agreements supersede all previous contracts and constitute the entire agreement among the parties hereto with regard to the subject matter hereof; (b) no party hereto shall be entitled to any benefits with regard to the subject matter hereof, other than those specified herein or the Ancillary Agreements; (c) as among the parties, no oral statements or prior written material not specifically incorporated herein or in the Ancillary Agreements shall be of any force and effect; (d) the parties specifically acknowledge that in entering into and executing this Agreement, the parties are relying, with regard to the subject matter hereof, solely upon the representations and agreements contained in this Agreement and

the Ancillary Agreements and no others; (e) all prior representations or agreements, whether written or verbal, not expressly incorporated herein or in the Ancillary Agreements with regard to the subject matter hereof, are superseded; and (f) no changes in or additions to this Agreement or the Ancillary Agreements shall be recognized unless and until made in writing and signed by all of the parties hereto or thereto.

For the avoidance of doubt, the parties hereto agree that: (y) the agreements set forth or described on **Annex D** hereto are hereby terminated and that, except as expressly set forth therein with regard to the survival of any rights, duties or obligations thereunder, none of the parties hereto shall have any further rights, duties or obligations thereunder; and (z) the Fee-Based Contracts shall be executed concurrently with the execution of the Agreement.

Section 8.6 Notices. Any notice provided for or permitted to be given hereunder must be in writing and may be given by (a) depositing same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth in this Section 8.6; or (b) 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 hereto shall, until changed, be as follows:

To Central Health:	Travis County Healthcare District 1111 East Cesar Chavez Street Austin, TX 78702 Attention: President and Chief Executive Officer
With a copy (which shall not constitute notice) to:	Travis County Attorney's Office 314 W. 11th Street, 4th Floor Austin, TX 78701 Attention: Beth Devery Brown McCarroll, L.L.P. 111 Congress Avenue, Suite 1400 Austin, TX 78701-4093 Attention: David W. Hilgers
To Seton:	Seton Family of Hospitals 1345 Philomena Street, Suite 402 Austin, TX 78723 Attention: President
With a copy (which shall not constitute notice) to:	Seton Family of Hospitals 1345 Philomena Street, Suite 402 Austin, TX 78723 Attention: General Counsel

The parties hereto shall have the right from time to time to change their respective addresses for purposes of notice hereunder to any other location within the continental United States by giving ten (10) days advance notice to such effect in accordance with the provisions of this Section 8.6. Any such notice given by counsel or authorized agent for a party shall be deemed to have been given by such party.

Section 8.7 Seton's Indemnity. With respect to claims asserted prior to, on, or after the Effective Date, by third parties against Central Health relating to the provision of Seton Services, Seton and Landlord agree as follows:

Seton shall indemnify, protect, defend, and hold harmless Central Health and Central Health's agents , officials, representatives, employees, invitees, contractors, and assignees (each a "Central Health Party") from and against any and all claims, demands, suits, and causes of action and any and all liabilities, costs, damages, expenses, and judgments incurred in connection therewith (including but not limited to reasonable attorneys' fees and court costs) (collectively, "Claims"), whether arising in equity, at common law, or by statute, including the Texas Deceptive Trade Practices-Consumer Protection Act or similar statute of other jurisdictions, or under the law of contracts, torts (including, without limitation, negligence and strict liability without regard to fault) or property, and arising in favor of or brought by third parties who are not Affiliates of Central Health against Central Health, based upon, in connection with, relating to, or arising out of, or alleged to be based upon, be in connection with, relate to, or arise out of Seton's provision of the Covered Healthcare Services, on or after October 1, 1995. The foregoing indemnification does not and shall not cover any Claims to the extent resulting from the negligence or willful misconduct of Central Health or any other Central Health Party. With respect to any Claim, the Central Health Party seeking indemnity shall provide Seton with written notice of such Claim with reasonable promptness after such Claim is received by the Central Health Party seeking indemnity. Seton shall thereafter have the right to direct the investigation, defense, and resolution (including settlement) of such third-party Claim, so long as the Central Health Party seeking indemnity is allowed to participate in the same (at its own expense). Seton shall not settle a Claim without such Central Health Party's consent, which shall not be unreasonably withheld.

Section 8.8 Attorneys' Fees. Should any party to this Agreement commence legal proceedings against any of the other parties hereto to enforce the terms and provisions of this Agreement, the party (or parties) losing in such legal proceedings shall pay the reasonable attorneys' fees and expenses of the party (or parties) prevailing in such legal proceedings as determined by the court.

Section 8.9 Relationship of Parties. This Agreement does not create any agency, partnership, joint venture or employment relationship among the parties. The relationship of the parties shall be solely that of independent contractors. Each party shall be solely responsible for the conduct of its respective officers, agents, subcontractors and employees.

Section 8.10 Amendment; Waiver. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by each of the parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or

privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

Section 8.11 Third Party Beneficiary. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and permitted assigns. No party to this Agreement may assign any of its rights or transfer or delegate any of its obligations under this Agreement, by operation of law or otherwise, without the prior written consent of the other parties hereto; provided, however, that Seton may assign any of its rights and may transfer or delegate any of its obligations under this Agreement to any Affiliate of Seton, without the consent of the other parties hereto. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than Central Health, CCC and Seton, and their respective successors, legal representatives and permitted assigns, any rights or remedies under or by reason of this Agreement.

Section 8.12 Expenses. Except as otherwise expressly provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the party incurring such costs and expenses.

Section 8.13 Governing Law; Submission to Jurisdiction; Selection of Forum; Waiver of Trial by Jury.

(a) **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAWS OF THE STATE OF TEXAS.**

(b) Each party hereto agrees that it shall bring any action or proceeding in respect of any Dispute arising out of or related to this Agreement, or the transactions contained in or contemplated by this Agreement or the relationships among the parties hereto exclusively in the United States District Court for the Western District of Texas or any Texas State District Court sitting in Austin, Texas (collectively, the "Chosen Courts"). Each party hereto irrevocably (i) submits to the exclusive jurisdiction of the Chosen Courts, (ii) waives any objection to laying venue in any action or proceeding in the Chosen Courts, and (iii) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any party hereto.

Section 8.14 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same Agreement.

Section 8.15 Headings. The heading references herein are for convenience purposes only, and shall not be deemed to limit or affect any of the provisions hereof.

Section 8.16 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the

application thereof to any person or any circumstance, is invalid or unenforceable: (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision; and (b) the remainder of this Agreement and the application of any such provision to other persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of any such provision, or the application thereof, in any other jurisdiction.

Section 8.17 No Bond or Other Security. If any Chosen Court determines that temporary or permanent award or injunctive, mandatory or other equitable relief is an appropriate remedy, the parties waive any requirement for security or the posting of any bond or other surety in connection with any such temporary or permanent award or injunctive, mandatory or other equitable relief.

Section 8.18 Audit. In order to assure compliance with the terms of this Agreement (including confirmation of appropriate quality assurance and regulatory compliance), Seton shall maintain accurate documentation relating to the Covered Healthcare Services provided pursuant to this Agreement. At any time during or after the Term of this Agreement, all books, documents, and records of Seton relating to its performance under this Agreement shall be available for reasonable inspection by Central Health at any time during normal business hours, upon no less than 10 days prior written notice to Seton. Central Health shall have the right to audit, or direct an auditor to audit, such books, documents and records upon no less than 30 days prior written notice to Seton. In addition, Seton shall cooperate with Central Health and any other licensing, regulatory, or accreditation agency, including, without limitation, the Texas Department of State Health Services and The Joint Commission and any other applicable agency, in all respects to confirm compliance with the applicable requirements of such regulatory or accreditation agency or to assist Central Health in any administrative or judicial proceeding brought by any governmental agency or other third party.

Section 8.19 Books and Records. Each of the parties hereto shall comply with all laws, regulations, rules, ordinances, and orders now in effect or hereafter adopted regarding the retention and availability of its books and records. Such compliance shall include, without limitation, compliance with the provisions of Section 1861(v)(1)(I) of the Social Security Act, as amended, from time to time, as more particularly provided under Section 8.20 hereof.

Section 8.20 Compliance With Social Security Act. For the purpose of implementing Section 1861(v)(1)(I) of the Social Security Act, as amended, and any written regulations promulgated pursuant thereto, the parties agree to comply with the following statutory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(a) until the expiration of 4 years after the furnishing of all Covered Healthcare Services pursuant to this Agreement, the parties shall make available, upon written request, to the Secretary of the Department of Health and Human Services ("Secretary"), or upon request to the Comptroller General, of the United States ("Comptroller General"), or any of their duly authorized representatives,

this Agreement, and books, documents and records that are necessary to certify the nature and extent of such costs, and

(b) if Seton carries out any of the duties of the Agreement through a subcontract with a value or cost of Ten Thousand Dollars ($10,000) or more over a twelve (12) month period, with a related organization, as that term is defined by regulation, such subcontract shall contain a clause to the effect that until the expiration of 4 years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs rendered under the subcontract.

Section 8.21 Annexes. he terms and conditions set forth in the annexes to this Agreement are incorporated herein by reference and made a part hereof. Capitalized terms used in such annexes but not otherwise defined therein shall have the meanings assigned to such terms in this Agreement.

Section 8.22 Survival. The provisions of this Article VIII and the provisions of Section 2.8 (Insurance), Section 5.3 (Financial Responsibility of Covered Beneficiaries), Section 5.7 (HIPAA and HITECH Compliance), Section 5.9 (Subrogation/Lien/Assignment Reimbursement), Section 5.12 (Public Information Act) Article VII (Right of Offset) of this Agreement, and the rights, duties and obligations of Central Health, CCC and Seton hereunder and thereunder, shall survive the expiration of the Term of this Agreement, or the earlier termination of this Agreement pursuant to the provisions of Section 6.2 hereof, and shall continue in effect for the maximum period of time permitted by Applicable Laws.

Section 8.23 Guaranty. Seton Healthcare Family shall unconditionally guarantee all of Seton's performance obligations under this Agreement, as evidenced by Seton Healthcare Family's execution and delivery of the form of Guaranty attached hereto as **Annex E**.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

TRAVIS COUNTY HEALTHCARE DISTRICT

By: _____
Patricia Young Brown
President & CEO

SETON FAMILY OF HOSPITALS

By: _____
Jesus Garza
President and Chief Executive Officer –
Seton Healthcare Family

COMMUNITY CARE COLLABORATIVE

By: _____
Larry Wallace
Executive Director

[Signature Page for Omnibus Healthcare Services Agreement, dated as of June 1, 2013, by and among Travis County Healthcare District d/b/a Central Health, Community Care Collaborative and Seton Family of Hospitals]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

TRAVIS COUNTY HEALTHCARE DISTRICT

By: _____
Patricia Young Brown
President & CEO

SETON FAMILY OF HOSPITALS

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

SETON FAMILY OF HOSPITALS

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

COMMUNITY CARE COLLABORATIVE

By: _____
Name: _____
Title: _____

Annex A
Seton Charity Care (Uncompensated Services) Policy

Policy Number: 4000.04
Category: Finance System
Origination Date: 07/01/76
Approved by PCaRT: 2/28/11
Approved By: Charles J. Barnett, President and CEO

I. POLICY

Consistent with the mission of Seton and as an Ascension Health sponsored health care organization, Seton will provide medically necessary services within a defined benefit structure to eligible patients who are financially or medically indigent. The amount of charitable services provided will be subject to Seton's financial ability to absorb the cost of such services, while simultaneously ensuring financial viability. Every effort will be made to educate professional and medical staff and the public, as to the criteria and processes followed in the application of this policy. Seton will seek assistance in funding charitable services from available sources.

Texas State Law requires nonprofit hospitals to have policies and procedures in place for the admission of financially indigent and medically indigent persons. Seton may determine that a person is financially or medically indigent after health care services have been provided. The statute defines financially indigent and medically indigent as follows:

> "Financially indigent" means an uninsured or underinsured person who is accepted for care with no obligation or a discounted obligation to pay for the services rendered, based on the network's eligibility system.
>
> "Medically indigent" means a person whose medical or hospital bill after payment by third-party payers exceeds a specified percentage of the patient's annual gross income, in accordance with the network's eligibility system, and the person is financially unable to pay the remaining bill.

Seton's eligibility process includes income levels and means testing indexed to the federal poverty guidelines. Seton's established eligibility system sets the income criteria for charity care at or above that required by counties under the Indigent Health Care and Treatment Act. The policy is in accordance with the laws of the State of Texas.

Seton may:

- Specify and/or limit services that are subject to charity care through a defined benefit structure
- Restrict the provision of non-emergency charity care to patients residing in the defined service area
- Provide medical case management to ensure that services requested under the provisions of this policy are medically necessary.

- Determine eligibility for patients who are in the defined geographic service area on temporary or immigration visas consistent with the terms of the patient's visa.

Financial eligibility may be determined by obtaining a Patient Account Rank Order (PARO) score, by patient application and proof of income, or by proof of participation in/eligibility for public benefit programs such as Medicaid, County Indigent Health Program (CIHP), Temporary Assistance for Needy Families (TANF), Women in Community Service (WICS), Children's Health Insurance Program (CHIP), Austin Travis County Medical Assistance Program (MAP), Federally Qualified Health Clinics (FWHC's), etc.

An income tax return from the most recent year is the preferred supporting documentation for proof of income. In circumstances where an income tax return is not applicable, the following may substitute:

- Pay stubs from the three most recent pay periods for each working family member
- IRS Form W2
- Letter from employer on company letterhead verifying compensation
- Notification of Unemployment Benefits
- Proof of Social Security Income
- Proof of regular withdrawals from trusts or other retirement income
- Letter of support from family member (such as parent of adult child or adult child of unemployed parent/disabled sibling, etc.)

For purposes of determining eligibility for financial assistance, income includes total annual/monthly cash receipts before taxes from all sources, including but not limited to:

- Monetary wages and salaries before any deductions
- Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses)
- Net receipts from non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expenses)
- Social Security
- Railroad retirement
- Unemployment compensation
- Strike benefits from union funds
- Workers' compensation
- Veterans Benefits
- Public Assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income, etc.)
- Training stipends
- Alimony or child support
- Military family allotments or other regular support from an absent family member or someone not living in the household
- Pensions (private, government, military retirement, annuities)
- College or University scholarships, grants, fellowships and assistantships

- Dividends and interest
- Rental income
- Periodic receipts from estates or trusts
- Net gambling or lottery winnings

For purposes of determining financial eligibility, income does not include non-cash benefit programs such as food stamps, school lunches, and housing assistance.

Assets essential for daily living, including primary residence, automotive vehicles utilized for routine transportation, retirement funds, and college tuition savings will be

Excluded from consideration. Cash and/or other assets that can be converted to cash will be considered when assessing eligibility, including but not limited to:

- Checking, savings and money market accounts
- Stocks, bonds, and other non-retirement investments
- Summer/vacation/lake homes or other "secondary residences"
- Collector automobiles
- Boats, campers, and other similar assets above and beyond those required to support a socially just lifestyle

Requests/Consideration for charity assistance may occur:

a. Prior to or at the time of treatment (so long as treatment is not inappropriately delayed)
b. Subsequent to treatment and/or at any point during the revenue cycle process

II. PROCEDURE

A. PHILOSOPHY

1. Patients are expected to apply and receive a determination for any publicly funded programs or other third party payment sources for which they are potentially eligible prior to final charity care/financial assistance determination.

2. Seton utilizes the Federal Poverty Income Level (FPIL) guidelines to determine financial eligibility. Co-pays and deductibles are due prior to or at the time of service for non-emergent services. Emergency Medical Treatment and Active Labor Act (EMTALA) requirements and related governmental guidance shall be followed for the collection of co-pays and deductibles for non-admitted Emergency Room (ER) visits.

a. Patients with income levels up to 250% of the FPIL will be asked to pay a co-payment for services received.
b. Patients with income levels above 250% and below 375% of the FPIL will be expected to pay a sliding fee scale deductible.
c. Uninsured patients with income levels above 375% of the FPIL will receive an uninsured discount consistent with Ascension Health's Policy 16 and will be

expected to satisfy their remaining financial obligation to Seton Healthcare Network in full as outlined in Patient Financial Policy 4000.09, unless they qualify for medical indigence assistance. Uninsured patients who satisfy their financial obligation in full at or prior to service will may be eligible for an additional prompt payment discount.

3. The amount a family can contribute toward its hospital bill will vary based on two factors:

a. Total gross family income from all sources; and

b. Number of family members, calculated as follows:
- Adults - include the patient, the patient's spouse, and any dependents
- Minors - include the patient, the patient's mother, dependents of the patient's mother, the patient's father, and dependents of the patient's father

As income increases, a family can contribute a larger amount of its income toward its hospital bill.

4. The guidelines and documentation requirements will be consistent within the network. Brackenridge Financial Assistance Plan (BFAP) will be utilized for those patients who reside in the City of Austin/Travis County, as determined by defined zip codes. Seton Charity Program (SCP) will be utilized for all other patients requiring financial assistance as well as for Austin/Travis County residents who do not qualify for 100% BFAP.

5. Assumed Seton Charity Program (Assumed SCP) may be applied when insufficient documentation exists but the information gathered supports indigence (e.g., undocumented migrant workers, patients who expire with no estate, Medicaid exhausted days/benefits, homeless, etc.).

6. Accounts of patients who expire and are found in the collection process to have no estate from which to collect and no resources for lien attachment will be processed for financial eligibility determination purposes based on zero annual income.

7. If a determination is made that a patient has the ability to pay the remainder of the bill, that determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation and/or a change in circumstances.

8. During the verification process, Seton may treat an account under consideration for charity as a self-pay account in accordance with established procedures.

9. Seton may elect to run a credit report and/or assets check to verify available resources and/or assets, consistent with applicable laws.

10. Falsification of information may result in denial of the financial assistance request. If, after a patient has been granted charity care, Seton finds material provision(s) of the application to be untrue, charity care status may be revoked and full collections may ensue.

11. Appeals and/or extenuating circumstances may be reviewed for consideration by the Vice President of Finance, Chief Financial Officer (CFO), and Mission Affairs.

B. DETERMINATION OF FINANCIAL INDIGENCE

1. Patient Access and/or Patient Financial Service Representatives will utilize internally developed tools to calculate a family's obligation for its hospital bill, based on the following:

1. Total gross monthly/annual family income from all sources, with supporting documentation as outlined above
2. Number of family members

2. Upon completion of the interview/review of documentation, the employee will calculate income as a percentage of the FPIL. Once this percentage has been determined, the employee will calculate the family's personal obligation for the hospital bill. The charity level determination will be documented in the Patient Accounting system. The patient's obligation will be notated in the Admission or Collection Notes screen to indicate that full or partial charity has been approved.

3. The Chief Financial Officer will define charity approval levels for Revenue Cycle associates, managers, and leaders.

4. Patients will be notified in writing upon determination of the decision. Decisions should be made within two weeks after receipt of a complete application unless there are extenuating or unusual circumstances. This written notification will delineate both the amount of financial assistance approved as well as any remaining balance for which the patient may be responsible.

C. DETERMINATION OF MEDICAL INDIGENCE

1. Patients with income above 375% of the FPIL may request and/or be evaluated for financial assistance based on medical indigence. To be considered for medical indigence assistance, the amount owed by the patient (after payment by any/all third-party payers) must exceed fifty percent (50%) of the patient's annual income.

2. To ensure that medical indigence assistance does not subsidize lifestyle choices, standard allowances consistent with federal and state financial means testing guidelines for clothing, food, housing, utilities and transportation will be utilized to calculate disposable income.

3. Authorization and notification processes outlined for financial indigence will be likewise followed for medical indigence.

III. ACCOUNTABILITY AND CONTROL

1. The Chief Financial Officer or designee is responsible for the financial administration of this policy.

2. Seton Health Plan Case Management is responsible for administering the benefit design and clinical decision-making components of this policy.

3. Decisions regarding limitations of charity care services are made by the Seton President & CEO or designee.

4. Senior Leadership Team (SLT) and Leadership Team (LT) members are responsible for the operational management of the charity care program, in accordance with Seton's policy and approved operating budget limitations, as delegated by the network President & CEO.

5. The Directors of Patient Access and Patient Financial Services are responsible for maintaining the internally developed tools to reflect current FPIL values, and for ensuring that the tools are utilized and applied appropriately and that current information is posted in all patient access and other appropriate public areas.

Related Policies:

Patient Financial Responsibility Policy # 4000.09

Scheduling of Elective Services Policy # 4000.19

Annex A
Seton Charity Care (Uncompensated Services) Policy

Policy Number: 4000.04
Category: Finance System
Origination Date: 07/01/76
Approved by PCaRT: 2/28/11
Approved By: Charles J. Barnett, President and CEO

I. POLICY

Consistent with the mission of Seton and as an Ascension Health sponsored health care organization, Seton will provide medically necessary services within a defined benefit structure to eligible patients who are financially or medically indigent. The amount of charitable services provided will be subject to Seton's financial ability to absorb the cost of such services, while simultaneously ensuring financial viability. Every effort will be made to educate professional and medical staff and the public, as to the criteria and processes followed in the application of this policy. Seton will seek assistance in funding charitable services from available sources.

Texas State Law requires nonprofit hospitals to have policies and procedures in place for the admission of financially indigent and medically indigent persons. Seton may determine that a person is financially or medically indigent after health care services have been provided. The statute defines financially indigent and medically indigent as follows:

> "Financially indigent" means an uninsured or underinsured person who is accepted for care with no obligation or a discounted obligation to pay for the services rendered, based on the network's eligibility system.
>
> "Medically indigent" means a person whose medical or hospital bill after payment by third-party payers exceeds a specified percentage of the patient's annual gross income, in accordance with the network's eligibility system, and the person is financially unable to pay the remaining bill.

Seton's eligibility process includes income levels and means testing indexed to the federal poverty guidelines. Seton's established eligibility system sets the income criteria for charity care at or above that required by counties under the Indigent Health Care and Treatment Act. The policy is in accordance with the laws of the State of Texas.

Seton may:

- Specify and/or limit services that are subject to charity care through a defined benefit structure
- Restrict the provision of non-emergency charity care to patients residing in the defined service area
- Provide medical case management to ensure that services requested under the provisions of this policy are medically necessary.

- Determine eligibility for patients who are in the defined geographic service area on temporary or immigration visas consistent with the terms of the patient's visa.

Financial eligibility may be determined by obtaining a Patient Account Rank Order (PARO) score, by patient application and proof of income, or by proof of participation in/eligibility for public benefit programs such as Medicaid, County Indigent Health Program (CIHP), Temporary Assistance for Needy Families (TANF), Women in Community Service (WICS), Children's Health Insurance Program (CHIP), Austin Travis County Medical Assistance Program (MAP), Federally Qualified Health Clinics (FWHC's), etc.

An income tax return from the most recent year is the preferred supporting documentation for proof of income. In circumstances where an income tax return is not applicable, the following may substitute:

- Pay stubs from the three most recent pay periods for each working family member
- IRS Form W2
- Letter from employer on company letterhead verifying compensation
- Notification of Unemployment Benefits
- Proof of Social Security Income
- Proof of regular withdrawals from trusts or other retirement income
- Letter of support from family member (such as parent of adult child or adult child of unemployed parent/disabled sibling, etc.)

For purposes of determining eligibility for financial assistance, income includes total annual/monthly cash receipts before taxes from all sources, including but not limited to:

- Monetary wages and salaries before any deductions
- Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses)
- Net receipts from non-farm self-employment (receipts from a person's own unincorporated business, professional enterprise, or partnership, after deductions for business expenses)
- Social Security
- Railroad retirement
- Unemployment compensation
- Strike benefits from union funds
- Workers' compensation
- Veterans Benefits
- Public Assistance (including Aid to Families with Dependent Children or Temporary Assistance for Needy Families, Supplemental Security Income, etc.)
- Training stipends
- Alimony or child support
- Military family allotments or other regular support from an absent family member or someone not living in the household
- Pensions (private, government, military retirement, annuities)
- College or University scholarships, grants, fellowships and assistantships

- Dividends and interest
- Rental income
- Periodic receipts from estates or trusts
- Net gambling or lottery winnings

For purposes of determining financial eligibility, income does not include non-cash benefit programs such as food stamps, school lunches, and housing assistance.

Assets essential for daily living, including primary residence, automotive vehicles utilized for routine transportation, retirement funds, and college tuition savings will be

Excluded from consideration. Cash and/or other assets that can be converted to cash will be considered when assessing eligibility, including but not limited to:

- Checking, savings and money market accounts
- Stocks, bonds, and other non-retirement investments
- Summer/vacation/lake homes or other "secondary residences"
- Collector automobiles
- Boats, campers, and other similar assets above and beyond those required to support a socially just lifestyle

Requests/Consideration for charity assistance may occur:

a. Prior to or at the time of treatment (so long as treatment is not inappropriately delayed)
b. Subsequent to treatment and/or at any point during the revenue cycle process

II. PROCEDURE

A. PHILOSOPHY

1. Patients are expected to apply and receive a determination for any publicly funded programs or other third party payment sources for which they are potentially eligible prior to final charity care/financial assistance determination.

2. Seton utilizes the Federal Poverty Income Level (FPIL) guidelines to determine financial eligibility. Co-pays and deductibles are due prior to or at the time of service for non-emergent services. Emergency Medical Treatment and Active Labor Act (EMTALA) requirements and related governmental guidance shall be followed for the collection of co-pays and deductibles for non-admitted Emergency Room (ER) visits.

a. Patients with income levels up to 250% of the FPIL will be asked to pay a co-payment for services received.
b. Patients with income levels above 250% and below 375% of the FPIL will be expected to pay a sliding fee scale deductible.
c. Uninsured patients with income levels above 375% of the FPIL will receive an uninsured discount consistent with Ascension Health's Policy 16 and will be

expected to satisfy their remaining financial obligation to Seton Healthcare Network in full as outlined in Patient Financial Policy 4000.09, unless they qualify for medical indigence assistance. Uninsured patients who satisfy their financial obligation in full at or prior to service will may be eligible for an additional prompt payment discount.

3. The amount a family can contribute toward its hospital bill will vary based on two factors:

a. Total gross family income from all sources; and

b. Number of family members, calculated as follows:
- Adults - include the patient, the patient's spouse, and any dependents
- Minors - include the patient, the patient's mother, dependents of the patient's mother, the patient's father, and dependents of the patient's father

As income increases, a family can contribute a larger amount of its income toward its hospital bill.

4. The guidelines and documentation requirements will be consistent within the network. Brackenridge Financial Assistance Plan (BFAP) will be utilized for those patients who reside in the City of Austin/Travis County, as determined by defined zip codes. Seton Charity Program (SCP) will be utilized for all other patients requiring financial assistance as well as for Austin/Travis County residents who do not qualify for 100% BFAP.

5. Assumed Seton Charity Program (Assumed SCP) may be applied when insufficient documentation exists but the information gathered supports indigence (e.g., undocumented migrant workers, patients who expire with no estate, Medicaid exhausted days/benefits, homeless, etc.).

6. Accounts of patients who expire and are found in the collection process to have no estate from which to collect and no resources for lien attachment will be processed for financial eligibility determination purposes based on zero annual income.

7. If a determination is made that a patient has the ability to pay the remainder of the bill, that determination does not preclude a re-assessment of the patient's ability to pay upon presentation of additional documentation and/or a change in circumstances.

8. During the verification process, Seton may treat an account under consideration for charity as a self-pay account in accordance with established procedures.

9. Seton may elect to run a credit report and/or assets check to verify available resources and/or assets, consistent with applicable laws.

10. Falsification of information may result in denial of the financial assistance request. If, after a patient has been granted charity care, Seton finds material provision(s) of the application to be untrue, charity care status may be revoked and full collections may ensue.

11. Appeals and/or extenuating circumstances may be reviewed for consideration by the Vice President of Finance, Chief Financial Officer (CFO), and Mission Affairs.

B. DETERMINATION OF FINANCIAL INDIGENCE

1. Patient Access and/or Patient Financial Service Representatives will utilize internally developed tools to calculate a family's obligation for its hospital bill, based on the following:

1. Total gross monthly/annual family income from all sources, with supporting documentation as outlined above
2. Number of family members

2. Upon completion of the interview/review of documentation, the employee will calculate income as a percentage of the FPIL. Once this percentage has been determined, the employee will calculate the family's personal obligation for the hospital bill. The charity level determination will be documented in the Patient Accounting system. The patient's obligation will be notated in the Admission or Collection Notes screen to indicate that full or partial charity has been approved.

3. The Chief Financial Officer will define charity approval levels for Revenue Cycle associates, managers, and leaders.

4. Patients will be notified in writing upon determination of the decision. Decisions should be made within two weeks after receipt of a complete application unless there are extenuating or unusual circumstances. This written notification will delineate both the amount of financial assistance approved as well as any remaining balance for which the patient may be responsible.

C. DETERMINATION OF MEDICAL INDIGENCE

1. Patients with income above 375% of the FPIL may request and/or be evaluated for financial assistance based on medical indigence. To be considered for medical indigence assistance, the amount owed by the patient (after payment by any/all third-party payers) must exceed fifty percent (50%) of the patient's annual income.

2. To ensure that medical indigence assistance does not subsidize lifestyle choices, standard allowances consistent with federal and state financial means testing guidelines for clothing, food, housing, utilities and transportation will be utilized to calculate disposable income.

3. Authorization and notification processes outlined for financial indigence will be likewise followed for medical indigence.

III. ACCOUNTABILITY AND CONTROL

1. The Chief Financial Officer or designee is responsible for the financial administration of this policy.

2. Seton Health Plan Case Management is responsible for administering the benefit design and clinical decision-making components of this policy.

3. Decisions regarding limitations of charity care services are made by the Seton President & CEO or designee.

4. Senior Leadership Team (SLT) and Leadership Team (LT) members are responsible for the operational management of the charity care program, in accordance with Seton's policy and approved operating budget limitations, as delegated by the network President & CEO.

5. The Directors of Patient Access and Patient Financial Services are responsible for maintaining the internally developed tools to reflect current FPIL values, and for ensuring that the tools are utilized and applied appropriately and that current information is posted in all patient access and other appropriate public areas.

Related Policies:

Patient Financial Responsibility Policy # 4000.09

Scheduling of Elective Services Policy # 4000.19

Annex B

Medical Access Program Eligibility and Copayments

1. See Central Health Eligibility Policies dated June 1, 2013, in the form attached to this Annex B.

2. Copayments for MAP Healthcare Services

PHYSICIAN SERVICES.....	$10 Co-payment per visit
• Primary and preventive care (Primary Care Provider, PCP)	
• Specialty physician	
• Urgent Care	
HOSPITAL IN-PATIENT SERVICES.....	$30 Co-payment per visit
Note - May require prior authorization	
• Hospital room	
• Operating room/recovery room	
• X-ray, laboratory, diagnostic, and therapeutic services	
• Medications	
• Intensive care/coronary care	
• Physician hospital visits and care	
• Surgery services	
OUTPATIENT SERVICES	
Note – May require prior authorization	
• Surgery services *(including Day Surgery)*.....	$10 Co-payment per visit
• Occupational therapy *(co-payment for therapy is a one-time charge per incident that covers all visits in the treatment plan)*.....	$10 Co-payment per incident
• Physical therapy *(co-payment for therapy is a one-time charge per incident that covers all visits in the treatment plan)*.....	$10 Co-payment per incident
• Speech therapy *(co-payment for therapy is a one-time charge per incident that covers all visits in the treatment plan)*.....	$10 Co-payment per incident

DIAGNOSTIC X-RAYS AND LABORATORY..... Note – Advanced radiological services may require prior authorization	$0 Co-payment per visit
HOME HEALTH SERVICES, LIMITED MEDICAL EQUIPMENT and MEDICAL SUPPIES..... • Requires prior authorization	$0 Co-payment per visit
EMERGENCY CARE..... Includes emergency and urgent dental services	$25 Co-payment per visit
TRANSPORTATION SERVICES..... • Non-emergent transport between Seton facilities only	$0 Co-payment per visit
HOMELESS ENROLLEES	$0 Co-payment for all services

Central Health

Eligibility Policies

June 1, 2013

Eligibility Services Policy Manual

Program Description

Central Health's Medical Access Program offers healthcare services to eligible residents of Travis County. Eligibility guidelines are in accordance with the Texas Department of State Health Services County Indigent Health Care Program requirements as well as policies established by the Central Health Board of managers.

Please reference the State Health Services County Indigent Health Care Program at: http://www.dshs.state.tx.us/cihcp/cihcp_program_handbook.shtm

This manual describes the policy established for Central Health Eligibility Services in determining eligibility for the Medical Access Program.

Travis County Residency Policy

Purpose: To define the qualifications for Travis County residency and the type of required proof.

I. Definition of Travis County Residency

A. A resident is an individual who physically lives within Travis County at the time of application. The most recent Polyguide will be used to verify if an address is located within the Travis County boundaries. Including, homeless individuals who:

1. Live outdoors (e.g., in a car, under a bridge, in the woods, etc.),

2. Reside in a homeless shelter (e.g., ARCH and Salvation Army Transient Dorm), or

3. Stay at various places less than 1 month at a time

B. Persons are eligible for MAP

C. if they maintain a residence in Travis County yet temporarily reside outside of Travis County with the intent to return to their residence.

D. A person is not required to live in Travis County for a specific period prior to declaring residency. Individuals who declare they have moved to Travis County for the sole intent of receiving Central Health medical services are not eligible for coverage for 6 months from the time of their statement. After the 6-month time period has passed, the client may reapply.

II. Proof Required

A. All MAP clients, except those who are homeless, must provide current documentation of Travis County residency. The documentation must be dated within approximately 30 days of the application or within the most current billing cycle not exceeding 45 days. The proof must contain the name of one of the family members. The client may provide one of the following documents as proof of Travis County residency.

1. Current State of Texas driver's license/identification card

2. Mexican Consulate identification card

3. Rent receipt or printout

4. Lease agreement

5. Mortgage card

6. T.V. cable bill

7. Supplemental Security Income (SSI) letter

8. Tax receipt

9. Personal mail

10. Gas bill

11. Electric bill

12. Telephone bill

13. Social Security receipt

14. Written statement from a known agency Manager's/landlord statement

15. Social Security letter

16. Medicaid Letter

B. The Program Representative may request more than one proof of residency if they believe additional proof is warranted.

III. Special Conditions or Exceptions

A. If a client does not have one of the required documents and the Program Representative is unable to verify the information by telephone or fax, the client can do one of the following:

1. Submit one of the documents listed in Section II A which may be addressed to another person at the client's residence (e.g., landlord, parent, etc.). These acceptable documents must accompany a written statement from that addressee confirming the client's residency.

2. Complete a Residence and/or Financial Support Statement.

3. Complete a non-notarized affidavit.

B. Upon subsequent certifications using the same address, the client will be required to present one of the documents listed in Section II A of this policy with their name and Travis County address.

C. All exceptions made must be noted in the eligibility database in the Notes section.

IV. Homeless

A. Homeless clients may fill out an Applicant Residency Statement as proof of Travis County residency. The address on the Applicant Residency Statement must be a specific location (e.g., intersection of IH-35 and Cesar Chavez, the woods at Town Lake and IH-35, and under the bridge on 7th St.) in which the client slept the night before. The address cannot be a non-specific location (e.g., the woods).

Eligibility Services Policy Manual

Identification Policy

Purpose: To assist the Program Representative in determining the identification of the client and to reduce the potential misuse or fraudulent use of identification assigned to current clients.

I. Identification Requirements

A. In order to qualify for MAP, the following family members must provide picture identification as verification of their identity.

1. Adult family members

2. Emancipated minors

3. Minors who apply without an adult (The picture identification does not need to be current unless it is used to verify that the client resides in Travis County.)

B. Program Representatives must request to see a form of identification. The Program Representative may accept other forms of verification that contain the same information requested on the forms. The following picture identifications are acceptable:

1. Any state-issued driver's license/identification card

2. Passport

3. Mexican Consulate identification card

4. Mexican identification

5. INS document with picture (e.g., Forms I-86, I-94, I-551, etc.)

6. School or employment identification with a picture

7. Foreign national document with a picture

8. Any picture identification issued by a business or agency except identification issued through a flea market (e.g., Capital Metro, Sam's Warehouse, Money Box Store, etc.)

II. Special Conditions or Exceptions

A. Program Representatives may make one-time-basis (OTB) exceptions for clients who are unable to secure the required documentation.

B. The following documents can be accepted on a one-time-basis to meet the identification requirement.

1. Adult's birth certificate

2. Immunization records

3. Letter from an agency or a professional that has a working knowledge of the Client

4. Marriage license

5. Non-notarized affidavit issued through Eligibility Services

6. Printout from the Social Security Administration

7. School records

8. Social Security card

9. Texas temporary driver's license

10. Voter's registration card

C. The Program Representatives must inform clients they can only accept the abovementioned documents once. At the client's next visit, one of the required documents listed in Section I B must be presented to a Program Representative.

D. One of the following documents will be accepted on an on-going basis for clients who are unable to obtain identification as a result of their U.S. residency status

1. An Eligibility Services Identification Form that reflects the client's name, date of birth, and parent(s) name.

2. Child's birth certificate (or other document, which identifies the name of the client as parent).

E. All exceptions must be noted in eligibility database in the Notes section.

Eligibility Services Policy Manual

United States Residency Policy

Purpose: To determine United States citizenship or Legal Permanent Resident (LPR) status for appropriate eligibility screening for MAP.

I. United States Citizen, Legal Permanent Resident (LPR) or Conditional Permanent Resident

A. A client who lives within Travis County boundaries may be considered eligible for MAP services if he/she fits one of the following criteria:

1. U.S. citizen by birth or naturalization

2. Legal Permanent Residency (LPR) status

3. Individual has been granted NACARA 203 Relief.

4. Have Conditional Permanent Residency for spouses of U.S. citizens married less than 2 years and their eligible minor step-children

II. "Undocumented" Non-citizen, "Qualified" Immigrant, Temporary Protective Status, Victim of Trafficking or Crime, or Citizen of Federated States of Micronesia, the Republic of Palau or the Republic of Marshall Islands

A. A client who lives within Travis County boundaries may be considered eligible for MAP services based on the income guideline if he/she qualifies as one of the following:

1. "Undocumented" Non-citizen:

a) A person with an expired Non-Immigrant Visa, I-94, Conditional I-551 or other USCIS document or a Border Crossing Card.

b) An undocumented non-citizen residing in the United States who avoided inspection at a border and entered without necessary documents.

2. "Qualified" Immigrant- A person with a valid I-94, I-688A, I-688B, I-766 or other immigration document indicating any of the following "Qualified" immigrant categories:

a) Abused spouse or children, parents of abused children, or children of abused spouse

b) Afghan and Iraqi Special Immigrant

c) Conditional Entrant (Refugee)

d) Asylee

e) NACARA 203 Relief

f) Cuban/Haitian Entrant

g) Person granted withholding of deportation or removal

h) Parolee

i) Refugee

j) Person pending adjustment of status under Section 245 of the INA

B. An individual with Temporary Protected Status from a country designated by Secretary of Homeland Security when he/she determines there is an ongoing armed conflict, an environmental disaster or other extraordinary circumstance that poses a serious threat to the person's safety if they return to their home country.

C. Non-Immigrants who can show they are: Victims of Trafficking ("T Visa") or Victims of Crime ("U Visa")

D. Permanent Non-Immigrants residing in the U.S. who can show they are: Citizens of the Federated States of Micronesia, the Republic of Palau or the Republic of Marshall Islands

III. Temporary Visitors and Foreign Students

A. Individuals with an I-94 having a temporary non-immigrant code and an unexpired duration of stay date or unexpired Non-Immigrant Visa (with the exception of Victims of Trafficking or Crime) are not eligible for MAP. This includes temporary visitors for pleasure or business purposes and foreign students with an indefinite duration of stay. (Note: An individual with a Border Crossing Card who indicates they are NOT residents of Travis County are NOT MAP eligible.)

IV. Proof Required

All family members, except for homeless and adult "undocumented" non-citizen residents (as listed in Section II.A. of this policy), must provide one of the following to verify eligibility for MAP services:

A. Arrival and Departure Record (I-94) stamped to show temporary evidence of LPR or "I-551" status

B. Baptismal certificate for adults

C. Birth certificate

D. Certificate of Birth Abroad

E. Certificate of Naturalization (The Program Representative staff should not copy the papers but create a note in the eligibility database noting the certificate number, name, date of birth, and date received.)

F. Certification Letter for Victim of Trafficking

G. HHS Certification Letter for Victim of Trafficking

H. Hospital Birth Record

I. Medicaid Letter

J. Medicare Card

K. Memorandum of Creation of Lawful Permanent Residence with approval stamp (I-181)

L. Military discharge papers (DD-214)

M. Notice of Action (I-797) referencing pending I-360, I-485 or other application for adjustment of status to LPR

N. Order issued by the USCIS, an immigration judge, the Board of Immigration Appeals (BIA) or a federal court granting registry, suspension of deportation, cancellation of removal, or adjustment of status

O. Passport from the Federated States of Micronesia, Republic of Palau or Republic of the Marshall Islands P. Permanent Resident Card (I-551) or Resident Alien Card (I-151)

Q. Reentry Permit (I-327)

R. Refugee Travel Document (I-571)

S. U.S. Passport or Passport Card

T. Voter Registration Card

In order to prove Legal Permanent Resident (LPR) or Conditional Permanent Resident status, one of the following documents is required of all adult family members:

U. Permanent Resident Card ("Green Card") (Form I-551) or Alien Registration Card (Form I-151, no longer issued)

V. Arrival/Departure Record (Form I-94) stamped to show temporary evidence of LPR or "I-551" status

W. Memorandum of Creation of Lawful Permanent Residence with approval stamp (I-181)

X. Order issued by the USCIS, an immigration judge, the Board of Immigration Appeals (BIA) or a federal court granting registry, suspension of deportation, cancellation of removal, or adjustment of status and Legal Permanent Resident (LPR) status

Y. Reentry Permit (I-327)

V. Use of Systematic Alien Verification for Entitlements (SAVE) Program Verification Information System (VIS) (https://save.uscis.gov/web) for MAP Applicants. The Program Representatives will utilize the SAVE VIS to verify an applicant's immigration status and sponsorship for MAP applicants only and in the following situations: The applicant presents an unexpired Form I-327-Reentry Permit, or Form I-151-Resident Alien Card, or I-551-Legal Permanent Resident Card issued within the last 3 years and does not have a code that indicates a sponsor's income is exempt (refer to Income, Section III.A). The applicant presents an expired or unexpired I-94-Arrival and Departure Record. If the results from the SAVE VIS inquiry are not immediately available, the Program Representative will make an eligibility determination based on the information available. If the results from the SAVE VIS inquiry indicate that an applicant was given coverage to which they were not entitled, their coverage will be changed or

terminated and the client will be notified by phone or mail of such action. All information obtained through the SAVE VIS Program must be kept confidential and utilized only for the purposes outlined by Central Health Eligibility Services. An employee who violates SAVE Program policy or procedures may be subject to disciplinary action up and including termination of employment.

VI. Special Conditions or Exceptions

A. The Program Representative may make exceptions for clients who are unable to secure the required documentation. The following documents can be accepted to meet the U. S. residency requirement:

1. Affidavit (1 year exception) on a one-time-basis

2. Notarized Affidavit (on-going) when all other options have been exhausted

B. All exceptions must be noted in the eligibility database in the Notes Section.

Eligibility Services Policy Manual

Determination of Family Size Policy

Purpose: To appropriately determine family size for eligibility purposes for the Medical Access Program (MAP).

I. Definition of Family Unit

A. Family of One

1. An adult living alone.

2. An emancipated minor. The emancipated determination is a legal process in which a judge can decide that a minor has the same legal rights as an adult and covers a person who is under age 18, has been married and the marriage has not been annulled.

3. An adult living with others who are not legally responsible for the adult's support.

4. A minor child living alone or with others who are not responsible for the child's support.

5. A pregnant minor child living alone or with others, including the minor's parent(s). The minor's parents' ('s) family size excludes the pregnant minor.

B. Two or More

1. Two or more persons living together, except for temporary absences, who are legally responsible for the support of the other person. Legally responsibility for support exists between:

a) Persons who are legally married, including minors

b) Persons who are in a legal, informal marriage (a.k.a. common-law marriage). In a legal informal marriage, both parties must (1) live together in Texas; (2) represent to the public that they are husband and wife; and (3) be free to marry.

c) One or both legal parents, including minors, and their legal minor children

d) A legal guardian, a minor child, and the legal guardian's spouse and other legal minor children, if any.

e) One or both adult caretakers of minors and the caretaker's legal minor children. Note: A caretaker is one or both adult(s) who perform parental functions for a minor. Parental functions are the provision of food, clothing, shelter, and supervision of the minor.

C. Additionally count the following:

1. Minor children who are siblings

2. An unborn child if proof of pregnancy is provided and the individual is not seeking a pregnancy termination

II. Proof Required

A. The following documentation serves dual purposes for minors, U.S. residency and familial relationship, except where noted:

1. Birth certificate
2. Hospital birth record
3. Medicaid letter
4. Internal guardianship letter*
5. Child Protective Services (CPS) documentation*
6. School records*
7. Notarized statement from parent releasing the child to other individuals*
8. Court documents
9. Baptismal certificate

*Proof of familial relationship only.

III. Special Conditions or Exceptions

A. Program Representatives may make an exception for clients who are unable to secure the required documentation. The following document can be accepted on a one-time-basis to meet the familial relationship requirement.

1. Affidavit (Exception valid for 1 year)
2. All exceptions must be noted in the eligibility database in the Notes Section.

Assets/Resources Policy

Purpose: To appropriately determine assets/resources for eligibility purposes for the Medical Access Program (MAP).

To qualify for MAP, a client and his/her family must have assets less than or equal to the allowable limit:

Allowable Asset/Resource Limit

Family Size	Asset(s)/Resources Limit
1	$5,000
2	$6,000
3	$7,000

4	$8,000
5	$9,000
6+	10,000

I. Counted Assets/Resources

The following assets/resources are counted:

A. Real property unless:

1. It annually produces income consistent with its fair market value

2. The household is making a good effort to sell it

3. It is jointly owned with other individuals not applying for or receiving benefits and the property cannot be divided

B. Accessible liquid resources such as checking or savings accounts, certificates of deposit (CDs), notes, stocks or bonds

C. Lump sum payments that are deposited into any accessible liquid resource account (i.e. insurance or lawsuit settlements, lump sum retirement benefits, retroactive lump-sum RSDI dividends, royalties, mineral rights, mileage reimbursement payments, refunds from security deposits on rental property or utilities, etc.)

D. Lump sum child support payments in the month received unless the child receives Medicaid

E. Income-producing property unless essential for the household member's employment or self-employment

II. Exempt Assets/Resources

The following assets/resources are exempt:

A. Tax exempt retirement accounts or plans established under Internal Revenue Code of 1986 (i.e. 401(k), Keogh plan, Roth IRA, Simple IRA, Simplified Employer Plan (SEP) and a pension or traditional benefit plan

B. Burial plots

C. Vehicles

D. Income-producing property that is essential to a household member's employment or self-employment (e.g. tools of a trade, farm machinery, stock and inventory) or annually produces income consistent with its fair market value

E. Homesteads

1. A homestead is the household's usual residence and surrounding property that is not separated by property owned by others. Surrounding property that is separated by public rights of way such as roads is considered as part of the homestead.

2. If a homestead, located in Travis County, is unoccupied because of employment, training for future employment, illness (including health care treatment), casualty (fire, flood, state of disrepair, etc.,), or natural disaster, exempt if the client intends to return.

3. Families that do not currently own a home but own or are purchasing a lot on which they intend to build or are building a permanent home, receive an exemption for the lot and, if partially completed, for the home.

F. Irrevocable trust funds

G. Property in probate

H. Security deposits on rental property and utilities

I. Cash value in burial or life insurance policies

J. Jointly Owned Property

1. If the property is jointly owned by the household and other owners and the household proves that:

a) The property cannot be sold or divided without the other owner's consent, and

b) The other owners will not sell or divide the property

K. Personal possessions

L. Lump sum child support payments for a child that receives Medicaid

M. Federal Income Tax Refunds

III. Verification of Assets/Resources

The following may be used to verify assets/resources:

A. Checking and savings accounts monthly statements

B. Certificate of Deposit last statement or report within a 3-month period prior to the initial appointment date

C. A tax receipt or appraisal on any property that is not the homestead

D. Verification of a loan/lien used to determine the equity value if the client claims that the family retains an existing loan/lien on real property

E. Self-declaration of the value of their assets if the value places them over the allowable limit

IV. Liquidation of Assets

A. If a client is denied because he/she exceeds the assets/resources limit, the client must be informed that in order to qualify for MAP at a future date, he/she must provide receipts for the amount exceeding the allowable limit. (e.g., if a Client has $6,000 in assets, he/she must provide $1,000 in receipts)

B. If the client cannot supply receipts, the Program Representative should review the client's monthly expenses to project the amount of time his/her expenses would eliminate the assets/resources exceeding the allowable limit (e.g., if an Client has $6,000 in assets and $500 in monthly expenses, the client may reapply in 2 months if he/she cannot secure receipts).

Eligibility Services Policy Manual

Income Policy

Purpose: To determine income for eligibility purposes for the Medical Access Program (MAP).

I. MAP Income Guidelines

II. Clients may be eligible for MAP based on the income guidelines and situations listed below:

A. Up to 100% of the Federal Poverty Guideline

1. Travis County residents who meet the U. S. Residency Policy

B. Up to 200% of the Federal Poverty Guideline

1. Travis County residents who meet one of the following criteria:

a) Have been determined disabled through the Social Security Administration including the homeless; or

b) Meet the U. S. Residency Policy and are elderly (67 years or older); or

c) Are undocumented and elderly (67 years or older) and can show 20 continuous years of residency in the United States.

C. Unemployed and approximately 21% of the Federal Poverty Guideline or employed and approximately 35%-48% of the Federal Poverty Guideline

1. Travis County residents who are undocumented.

III. Sponsor's Income Requirements

A. If a client presents a Permanent Resident Card (I-551) received within the last 3 years and was sponsored into the United States, count both the client's and sponsor's earned and unearned income unless one of the following exceptions applies:

1. The sponsor receives SSI or TANF and also has Medicaid.

B. The individual's Permanent Resident Card (I-551) has a code that indicates the individual is in one of the following immigrant categories:

1. Abused spouse or children, parents of abused children, or children of abused spouse

2. Afghan and Iraqi Special Immigrant

3. Conditional Entrant (Refugee)

4. Asylee

5. Cuban/Haitian Entrant

6. Conditional Permanent Resident

7. Parolee

8. NACARA 203 Relief (Immigrant under Nicaraguan Adjustment and Central American Relief Act, Section 203)

9. Victim of Trafficking or Crime

10. Refugee

C. The individual claims to be a victim of battery, abuse, or cruelty from their sponsor and he/she is no longer living with that sponsor:

1. Example A: Client X applies for MAP and presents a Permanent Resident Card. In addition to other documentation, she is asked to produce a statement from her sponsor regarding his income. The client states that the sponsor is her uncle and he works as a gardener. However, she is unable to ask for a statement from him because she called the police and charged him with assault.

Assuming the client meets all other criteria and she states she no longer lives with her sponsor, the client would be exempt from providing a statement from her sponsor, and determined eligible for the MAP Program.

2. Example B: Client Z applies for MAP and presents a Permanent Resident Card. In addition to other documentation, she is asked to produce a statement from her sponsor regarding his income. The Client states that her sponsor was her mother but she is now dead. As a result, she is not able to provide a statement regarding her sponsor's income. While examining her Permanent Resident Card, the interviewer notices a code on her card identifies her sponsor as a sibling. The client admits that the sponsor is her brother and that he works as a gardener. However, she is unable to ask for a statement from him because she called the police and charged him with assault.

Assuming the Client meets all other criteria, the interviewer will also ask for information regarding her brother's arrest. In this case, a police report. Only after this criterion is met will the client be determined eligible for MAP. The client misrepresented who her sponsor was and now must provide evidence of abuse.

IV. Income Frequency and Multipliers

MAP eligibility is based on the last 4 weeks of income including the day of their appointment and is determined by the frequency with which the client receives the income.

A. Weekly

1. The last 4 weeks of income including income received the day of their appointment (e.g., if the client is paid every Friday and the initial appointment is Wednesday, the 4-week period would begin with the last Friday the client received income).

2. The weekly income multiplier is 4.33.

B. Bi-weekly/Every Two Weeks

1. The last 2 payments the client received including payment received the day of their appointment.

2. The bi-weekly/every two weeks income multiplier is 2.17.

C. Semi-monthly

1. The last 2 payments the client received including payment received the day of their appointment.

2 .The semi-monthly income multiplier is 2.

D. Monthly

1. The last payment the client has received including payment the day of their appointment.

V. Counted Income

A. The following income should be counted:

1. Wages, salaries and commissions for each household member unless otherwise exempted

2. Income from loans received on a regular monthly or weekly basis

3. Earned income received by a student on a regular monthly or weekly basis except for income received from a work-study program

4. Child support payments after deducting up to $75 from the total monthly child support payments the household receives

5. Long and Short-Term Disability Insurance payments

6. Social Security Disability Income (SSDI) (exclude income for individuals with both SSDI and SSI as they are eligible for Medicaid)

7. Workforce Investment Act (WIA) On-the-Job (OJT) Program payments to adults (Note: payments to a child under 19 are exempt)

8. Military pay minus pay withheld to fund education under the G.I. Bill

9. Pension or retirement benefits

10. Retirement, Survivors, and Disability Insurance (RSDI) benefit amount including Survivors payments for a child not on Medicaid minus any amount being recouped for prior overpayment

11. Regular trust fund income

12. Tip income

13. Unemployment Compensation Payments minus any amount being recouped for prior overpayment

14. Veteran's Administration Payments minus any amount being recouped for prior overpayment

15. Workers' Compensation Payments except for payments paid to reimburse the household for out-of-pocket health care expenses

16. Dividend, interest and royalty income

B. Lump sum payments will be considered under the Assets/Resources policy.

VI. Exempt Income

A. The following income should not be counted:

1. Crime Victim's Compensation payments

2. Federal Income Tax Returns

3. Mileage Reimbursement

4. Energy Assistance payments

5. Earned income received by a family member under 18 years of age if the minor is enrolled in school full or part-time (e.g., high school, GED, or any vocational institution). Verification of school attendance is not required.

6. A client's income that ceases during the four week period

7. Educational assistance (i.e. work-study income and loans, scholarships, and grants received in a lump sum payment, to the institution or student)

8. Child support payments for a child that is also receiving Medicaid

9. Adoption payments

10. Foster care payments

11. Government disaster payments

12. In-kind income (i.e. clothing, public housing, food, etc.)

13. Workforce Investment Act (WIA) On-the-Job Program payments to a child under 19

14. Income from an individual receiving both RSDI and Social Security Income (SSI) or SSDI and SSI, only SSI or TANF (Note: These individuals also receive Medicaid.)

15. RSDI survivor's benefit amount for a child on Medicaid

16. Money received that is intended and used for the maintenance of a person who is not a member of the household

17. Amounts being recouped for prior overpayments for RSDI, unemployment compensation, VA and worker's compensation payments.

18. Payments made under any of the following programs:

    a) AmeriCorps

    b) Food Stamp Program, Supplemental Nutrition Assistance Program (SNAP)

    c) Foster Grandparents

    d) Learn and Serve

    e) National Senior Services Corps (Senior Corps)

    f) Nutrition Program for the Elderly (Title III, Older American Act of 1965)

    g) Senior Companion Program

    h) Volunteers in Service to America (VISTA)

    i) Women, Infants, and Children (WIC) Program

VII. Additional Considerations in Counting Income

A. If a client recently began employment (verification not required) use the rate of pay and the number of hours to be worked per week to calculate the monthly income.

B. If a client receives sporadic income from any source (excluding mileage reimbursement), the average weekly amount will be converted to a monthly figure.

C. Seasonal workers such as teachers or school employees and agricultural workers will have their annual income from this source divided by 12 to determine average monthly income. Verification of seasonal income includes:

1. Telephone verification

2. Employment Verification Form

3. IRS document

VIII. No Income

Clients are not allowed to self-declare they have no income. Clients who declare they have no income must complete and sign a Zero Income Statement.

IX. Self-Employment

Self-employment income is earned or unearned income (i.e. rental income) available from one's own business, trade, or profession rather than from an employer. In addition, if an employer does not withhold FICA of income taxes, even if required to do so by law, the person is considered self-employed (i.e. day laborer, house cleaning, etc.). Self-employment income is calculated on a monthly basis, using the monthly income calculation. The client completes an Applicant Statement of Self-Employment form and provides verification of income (e.g., checks, income log generated by the client). Receipts for allowable

expenses must be provided for 30 days prior to the date of the interview if the client wishes to deduct allowable expenses. Listed below are the allowable and unallowable expenses.

A. Allowable Expenses

1. Labor

2. Fuel for equipment (e.g., lawn mowers and chain saws)

3. Machinery/ equipment repairs

4. Lease or rent for office space and utilities (business use only)

5. Supplies (e.g., paint brush, shovels, hammer, food for business purposes only)

6. Transportation costs

a) The client may choose to use the IRS mileage rate per business use mile or keep track of expenses. Mileage logs indicating all business related mileage is counted at 100% but no other vehicle expenses will be deducted (e.g., insurance, repairs, or fuel). The log must have the following information: date of trip, number of miles driven, and the purpose of the trip. Example: If the client presents a mileage log that states 500 miles were driven for business only expenses, then multiply the number of miles and the IRS mileage rate to determine the allowable expense.

b) Repairs, insurance, and fuel are prorated on the percent of the time that the client states that the vehicle is used for business- related activities.

7. Example: If the client states that the vehicle is used 60% of the time for business purposes, then 60% of the total of the business vehicle expense receipts will be counted as an expense.

8. Business travel related expenses (e.g., parking and hotels)

9. Communication devices (e.g., pagers and cell phones)

a) Prorate bills on the percent of the time that the Client states the device is used for business-related activities. Example: If the client states that the device is used 50% of the time for business purposes, then 50% of the bill/receipt will be counted as an expense.

10. Capital asset improvements

11. Capital asset purchases such as real property, equipment, machinery and other durable goods expected to last at least 12 months (e.g., vehicle, lawn mower, and refrigerator)

12. Identifiable costs of seed and fertilizer

13. Insurance premiums

14. Interest from and principal payments for business loans on income producing property

15. Linen service

16. Property tax

17. Raw materials

18. Sales tax

19. Utilities

20. Credit card charges for any of the above

B. Unallowable Expenses

21. Primary residence mortgage/lease

22. Primary residence utilities

23. Meals

24. Recreational expenses

25. Costs related to producing income gained from illegal activities such as prostitution and the sale of illegal drugs

26. Depreciation

C. The allowable/unallowable expense list above is not all-inclusive and each case may be reviewed on a case-by-case basis. All allowable expenses listed as deductions, must be verified by a receipt.

X. Required Documentation

One of the following is required for income documentation to verify each source of income received by all family members:

Frequency of Income/ Type of Income	**Required Documentation**	**Agency to Supply Documentation**
1. Weekly income	The last 4 weeks including pay received the day of their appointment for which the Clients have received payment (e.g., if the Client is paid every Friday and the initial appointment is Wednesday, the 4-week period would begin with the last Friday the Client received income).	Client's employer
2. Biweekly/Every two weeks	The last 2 payments the Client income has received including pay received the day of their appointment.	Client's employer

3. Semi-monthly income	The last 2 payments the Client has received including pay received the day of their appointment.	Client's employer
4. Monthly income	The last payment the Client has received including pay received the day of their appointment.	Client's employer
5. If the Client cannot provide any of the above documentation, the Client's employer may complete a Central Health Employment Verification Form	---------	Client's employer
6. Central Health Applicant Statement of Self-Employment Form	Checkbook(s)/ check register is not considered proof of income or expenses. Receipts for allowable expenses must be provided for the 30 days prior to the date of the interview if the Client wishes to deduct allowable expenses. Please see list of allowable/unallowable expenses listed in Section IX.A and B.	Client
7. Child support	Printout, receipts or a letter from ex-spouse paying child support or any documentation that substantiates the amount and frequency received from the ex - spouse	The Office of Attorney General or documentation from ex -spouse
8. V.A. Benefits	Benefits letter	Veteran's Administration
9. Retirement Benefits	Benefits letter	Client's retirement program
10. Bank statements (for interest payments)	Bank statement(s)	Client's bank
11. Retirement, Survivor's, Disability Insurance Benefits	RSDI benefits letter	Social Security Administration
12. If the Client is being supported by someone else, the Client can provide a written statement from the person supporting them or the supporter can complete a Central Health Residence and Financial Support Statement	Central Health Residence and Financial Support Statement	Client's supporter

13. Worker's Compensation	Worker's Compensation Benefits letter	Texas Department of Insurance Division of Workers' Compensation
14. Unemployment Benefits	Unemployment Benefits letter or check stubs	Texas Workforce Commission
15. Day laborer income	Affidavit	
16. Workforce Investment Act (WIA) On-the-Job Training Program payments	Copy of WIA OJT acceptance letter and/or training plan	Texas agency case managing participant
17. Zero Income	Signed Zero Income Statement	Client

Eligibility Services Policy Manual

Similar Benefits Policy

Purpose: To determine the appropriate eligibility funding source for the Medical Access Program when other alternatives exist.

Central Health is the payer of last resort. Therefore, all clients are screened for other coverage/benefits. Those who have or are potentially eligible for similar benefit(s) are considered for MAP as follows:

I. Active Similar Benefits

A client who has any of the below active coverage does not qualify for MAP:

A. Supplemental Security Income (SSI) with Medicaid

B. Temporary Assistance for Needy Families (TANF) with Medicaid

C. Medicaid

D. Medicare

E. Children's Health Insurance Program (CHIP)

F. Children with Special Healthcare Needs (CSHCN)

G. Private or employer-sponsored health insurance coverage

H. Veteran's Administration

If a client has been previously denied for Medicaid or CHIP for a valid reason (i.e. noncompliance is not a valid reason), they will be allowed to reapply for MAP if the denial letter is less than 60 days old and there have been no changes in status. If the denial letter is more than 60 days old and they again screen eligible for Medicaid or CHIP, they will be denied for MAP and again referred to Medicaid and CHIP. They may reapply for Medicaid or CHIP at any time.

II. Potentially Eligible for Similar Benefits

A client who is determined to be potentially eligible for a similar benefit will be considered for MAP as follows:

A. Temporary Assistance to Needy Families (TANF) with Medicaid

1. If the client is potentially eligible for TANF/Medicaid and does not currently receive benefits, they would be denied for MAP and a Medicaid application would be submitted on the client's behalf.

2. If a client has been previously denied for TANF/Medicaid for a valid reason (i.e. non-compliance is not a valid reason), they will be allowed to reapply for MAP if the denial letter is less than 60 days old. If the denial letter is more than 60 days old and they again screen eligible for TANF/Mediciaid, they will be denied for MAP and a Medicaid application would be submitted on the client's behalf.

B. Supplemental Security Income (SSI) with Medicaid

1. Clients determined to be potentially eligible for SSI/Medicaid may be eligible for MAP with limited benefits.

C. Veteran's Administration Coverage

1. Clients determined to be potentially eligible for medical services through the Veteran's Administration may be issued coverage for dental benefits through MAP.

III. Documentation Required

A. Medicaid Letter

B. Medicare Card proof from HHSC

C. CHIP Card proof from HHSC

D. CSHCN Letter

E. Private Insurance Card

F. V.A. Card

G. TANF/ Medicaid Denial Letter

Eligibility Services Policy Manual

Length of Issuance Policy

Purpose: To assist Program Representatives in determining the length of issuance for MAP

I. Definition of Issuance

Length of issuance refers to the specific time period a client may have MAP coverage. A client may be eligible for coverage over a period spanning:

A. One to six months

B. Up to one year, or

C. Up to two years.

A length of issuance for any program must not be terminated on a holiday or weekend.

II. Lengths of Issuance by Status

A client should be considered for the appropriate length of issuance based on their status as determined during the eligibility interview. MAP coverage should be issued based on the following criteria:

A. General Public

1. All individuals, including those whom receive Workers' Compensation or unemployment benefits or those who report no income, will be issued MAP coverage for 6 months. The criterion does not apply to individuals who fit the guidelines listed in Section II B through E of this policy.

2. If the family has had 2 consecutive MAP coverage periods without changes in family status and do not have minors over the age of 15 in the household, they may be eligible for a 1 year issuance. Program representatives should also check if these individuals fit the criteria listed under Sections II C through E of this policy prior to making a final determination on the length of issuance.

B. Disabled and/or Elderly

1. All family members may be eligible for a 1 year issuance if they meet all of the following criteria:

a) They are elderly or disabled as evident by retirement or disability benefits (other than Social Security), and

b) They will not be eligible for other benefits (i.e., Medicare or Medicaid) within the 1 year issuance.

C. Individuals Ages 65 Years and Older

1. Family MAP issuances should be terminated on the last day of the month prior to a family member's 65th birthday because the family member may qualify for Medicaid or Medicare coverage. The family may re-apply for coverage to reassess their benefit level.

D. Homeless Individuals

1. Individuals who meet the definition of homeless may be issued coverage not to exceed 6 months (including individuals who are homeless and disabled and eligible for up to 200% of FPIG).

E. Social Security Disability Insurance (SSDI)/ Retirement Survivors Disability Insurance (RDSI)

1. Family MAP issuances that include individuals whose sole income is SSDI or RSDI for a disability should be terminated on the last day of the month prior to their Medicare eligibility date. This guideline does not apply to families with minors over the age of 15 in the household. In these cases, refer to Section II of this policy.

III. Other Factors Affecting Length of Issuance

There may be multiple factors that may affect a client's eligibility for MAP coverage. These factors include, but are not limited to:

A. Moving outside the Travis County limits (coverage should expire the day of the expected change).

B. Changes in family size (coverage should expire the day prior to the expected change of status).

C. Changes in income, resources, or assets (coverage should expire the day prior to the expected change of status).

Annex C

Annex C
MAP Healthcare Services

Services Facility/Technical and Professional unless otherwise noted	Inpatient includes all services, supplies and testing	Ambulatory	ER	Notes
Medically necessary comprehensive inpatient hospital Covered Healthcare Services, including specialty care services	X			
Allergy Testing (Skin), serums/injections in office		X		Seton Facilities only and subject to internal coverage guidelines
Needles, syringes for allergy injections		X		If injections to be given at home.
AMNIOCENTESIS and laboratory studies	X	X		When incident to services at a Seton facility.
ANGIOGRAPHY NON-CARDIAC & CARDIAC	X	X		
AUDIOLOGY	X	X		Seton Facilities Only
BLOOD & BLOOD PRODUCTS	X	X		
CARDIAC REHABILITATION	X	X		Not to exceed 36 visits
CHEMOTHERAPY - ONCOLOGY - includes drugs	X	X		
CIRCUMCISION	X	X		If covered by MAP
EMERGENT AND URGENT DENTAL	X	X	X	
DETOXIFICATION/DRUG REHABILITATION When Associated With Acute Medical/Surgical Treatment	X			
DIALYSIS - HEMODIALYSIS/PERITONEAL DIALYSIS	X			When incident to services at a Seton facility.
GENETIC TESTING		X		Prior authorization required
HEALTH EDUCATION/NUTRITIONAL COUNSELING	X			When incident to services at a Seton facility.
HYPERBARIC	X	X		
IMMUNIZATIONS	X	X	X	When incident to services at a Seton facility.
INJECTED & INTRAVENOUS MEDICATION	X	X	X	When incident to services at a Seton facility.
LASER TREATMENT NON-COSMETIC	X	X		When incident to services at a Seton facility.

LITHOTRIPSY (ESWL)	X	X		
MAMMOGRAPHY	X	X		When incident to services at a Seton facility or not available at PCP office.
NUCLEAR MEDICINE DIAGNOSTICS	X	X	X	
RADIOLOGY SERVICES	X	X	X	
LABORATORY SERVICE	X	X	X	When incident to services at a Seton facility or not available at a PCP office.
ENDOSCOPIC STUDIES	X	X		
Other DIAGNOSTIC SERVICES PERFORMED	X	X		When not available at a PCP office
Intraocular lens (Incident to Cataract\Corneal Surgery)	X	X		When incident to services at a Seton facility.
Medically Necessary Ophthalmology Care (including YAG, retinal procedures etc)	X	X		
Surgical Services	X	X		
Surgically Implanted Prosthetics	X	X		When incident to services at a Seton facility.
PLASTIC & RE-CONSTRUCTIVE SURGERY	X	X		When incident to services at a Seton facility.
Professional services	X	X	X	When incident to services at a Seton facility.
NON-ONCOLOGY RADIATION THERAPY	X	X		Professional and technical services
ONCOLOGY RADIATION THERAPY	X	X		Technical services only
REHABILITATION SHORT TERM (ie. PT, OT, SPEECH, COGNITIVE)	X	X		
RESPIRATORY THERAPY	X	X	X	
SLEEP STUDY		X		
EMERGENCY ROOM CARE IN - AREA AT A SETON FACILITY			X	
HOME BASED SERVICES				Prior authorization required
SUPPLIES - DISPOSABLE				
REHABILITATION SHORT TERM (ie. PT, OT, SPEECH)				
Infusion Therapy (ie. IV antibiotics, IV hydration, TPN, pain management and enteral nutrition)				
Drug delivery, administration, supplies & applicable training				
IV Chemo (Includes drugs)				
Nursing Assessment & Care				
DURABLE MEDICAL EQUIPMENT				
ORTHOTICS as defined by HCPCS				Custom orthotics not included
Splints and Braces				Custom splints and braces not

		included
PROSTHETICS as defined by HCPCS		Custom prosthetics not included. This includes prosthetic limbs.
Supplies – disposable		
Insulin pump supplies		

OUTPATIENT SPECIALTY CARE SERVICES

Specialist Physician Care Services:
Covered specialists are listed below and are limited to general specialty services.

- Allergy work-up
- Anesthesiology
- Cardiology Services
- Cardio-Thoracic Surgery
- Colon/Rectal Surgery
- Dermatology
- Emergency Medicine
- Endocrinology
- Gastroenterology
- General Surgery
- Gynecology Oncology
- Hand Surgery
- Hematology/Oncology
- Infectious Disease
- Nephrology
- Neurology
- Neurosurgery
- Ophthalmology
- Orthopedics
- Otolaryngology
- Pain Management - Limited coverage of acute conditions only and subject to MAP guidelines and exclusions.
- Pathology
- Plastic Surgery
- Podiatry
- Pulmonary
- Radiology
- Rheumatology
- Urology
- Vascular Surgery

Includes the following services:

- Office visits
- Office diagnostic procedures
- Office surgical procedures
- Outpatient hospital diagnostic or medical and surgical procedures
- Inpatient diagnostic and medical and surgical procedures
- Hospital visits
- Disposable medical supplies and medications routinely provided during an office visit
- Routine laboratory services as ordered by the specialist

The following services and related items are excluded from coverage:

Services not provided by Seton or Seton providers.

Services that not medically necessary, which are not incident to and necessary for the treatment of an injury or illness.

Reproductive Related Procedures

Diagnostic testing for infertility.

Reversal of sterilization procedures and concurrent or subsequent related expenses.

Care for sexual dysfunction unrelated to organic disease.

Any other procedure that is in contravention to the Ethical and Religious Directives for Catholic Health Care services, which include but not limited to the following:

- Devices or drugs used for the purpose of contraception
- Infertility treatment. Among the procedures not covered are:
    - Drug therapy
    - Lab and radiology services and physician office visits related to infertility diagnosis and treatment
    - Artificial insemination
    - Costs associated with donation, preservation, preparation, analysis and storage of sperm, eggs or embryos.
    - Embryo transplants
    - In vitro fertilization, including implantation of fertilized egg or embryo
    - Low tubal transfers
    - Gonadotropins and other drugs used to induce ovulation
    - Ultrasound monitoring for the evaluation or treatment of infertility
- Abortions by any technique, i.e. insertion of laminaria (except to initiate labor in case of intrauterine death of fetus), intra-amniotic injection for abortion of a living fetus, hysterectomy, dilatation and curettage of uterus, aspiration curettage of menstrual extraction or regulation, or any medical or surgical termination of an intact, intrauterine pregnancy prior to viability.
- Expenses incurred for voluntary sterilization by any technique.

- Any costs related to surrogate parenting.
- Any assisted reproductive technology or related treatment that is not specified elsewhere in this agreement.
- Surgical procedures consisting of sex reassignment or sex change and related treatment including hormone therapy and medical or psychological counseling.
- Amniocentesis for the sole purpose of fetal sex determination.

All other exclusions:

1. All services that have been denied through pre-authorization by the CCC or Seton;
2. Services, supplies and equipment provided or primarily utilized outside the boundaries of Travis County unless provided under an agreement between Seton and the provider;
3. Services and supplies for persons whose primary residence is outside the boundaries of Travis County;
4. Services and supplies to any individual who is a resident or inmate in a public institution;
5. In-patient hospital and related services for a patient in an institution for tuberculosis, mental disease, or a nursing section of a public institution for the mentally retarded;
6. Services provided for any work-related illness, injury or complication thereof arising out of the course of employment for which Worker's Compensation Benefits or any other similar regulation of the United States are provided or should be provided according to the laws of the state, territory or subdivision thereof governing the employer under which such illness or injury occurred;
7. Services or supplies provided in connection with cosmetic surgery except as required for the repair of accidental injury if the initial treatment is received within 12 months of the accident in which the injury was sustained, or for improvement of the functioning of a malformed body member, or when prior authorization is obtained for other medically necessary purposes;
8. Services, supplies and medications for which benefits are available under a manufacturer's Patient Benefit Program, or any other contract policy or insurance which would have been available in the absence of coverage;
9. Services payable by any health, accident, or other insurance coverage; or by any private or other governmental benefit system, or any legally liable third party;
10. Services, supplies or medications considered experimental or investigational, i.e., services and items which have not been approved for marketing by the Food and Drug Administration Services;
11. Supplies or medication related to infertility;

12. Any services to include, but not be limited to, drugs, surgery, medical or psychiatric care or treatment for transsexualism, gender dysphoria, sexual re-assignment or sex change;

13. Procedures that relate to obesity, obesity therapy and/or special diets (including medically supervised fasting and liquid nutrition) related to weight reduction whether necessitated by surgery or a specifically identified medical condition;

14. Services provided by an interpreter;

15. Services provided by a relative of the enrollee or a member of his or her household;

16. Services and supplies that are provided under any governmental plan or law under which the individual is or could be covered (e.g., Victims of Crime, Texas Rehabilitation Commission, Veteran's Benefits, Medicare, Medicaid, TRICARE, CHAMPUS, etc.);

17. Co-insurance fees and deductibles;

18. Charges for services not medically necessary, which are not incident to and necessary for the treatment of an injury or illness;

19. Charges for acute hospital services and supplies provided as an inpatient to the extent that it is established upon review of the claim submitted that the enrollee's condition did not require a hospital level of care and could have been provided safely at a lesser level of care;

20. Charges for hospital care and services rendered after the patient has been discharged from the hospital by the attending physician, or for hospital care and services when a registered bed patient is absent from the hospital;

21. Charges resulting from or in connection with the commission of any illegal act, occupation or event (including the commission of a crime or violation of conditions of probation) if the covered individual is incarcerated;

22. Charges resulting from or in connection with any acts of war, declared or undeclared, or any type of military conflict, charges incurred due to diseases contracted or injuries sustained in any country while such country is at war or while en route to or from any such country at war, charges resulting from illness/injuries incurred while engaged in military services;

23. Inpatient and Intensive outpatient rehabilitation;

24. Charges for custodial or sanitaria care, rest cures, or for respite care;

25. Charges for care and treatment of mental and/or nervous disorders, psychiatric treatment or individual, family, or group counseling services unless as a co-morbidity or secondary diagnosis during an inpatient stay;

26. Charges for treatment programs for substance abuse and/or detoxification.

27. Charges for non-emergency air transport;

28. Charges for private room except when appropriate documentation of medical necessity is provided;

29. Charges for Chiropractic services/treatment;

30. Charges for Rolfing;

31. Charges for acupuncture, acupressure, or biofeedback;

32. Charges for services rendered by a massage therapist;

33. Charges for hypnosis;

34. Charges for eye refractions, eye glasses, eye exercises, contact lenses, or other corrective devices, including materials and supplies, or for the fitting or examinations for prescribing, fitting or changing of these items;

35. Charges for whole blood or packed red cells that are available at no cost to the client;

36. Charges for autologous blood donations;

37. Charges for blood clotting factors;

38. Charges for luxury/entertainment items (e.g., TV, video, beauty aids, etc.);

39. Charges/fees for completing or filing required forms/pre-authorizations;

40. Charges which accumulate during any period of time in which the client removes rental equipment from the delivery site and fails to immediately notify Seton of the new location;

41. Autopsies;

42. Cellular Therapy;

43. Chemolase injections (Chemodiactin, Chymopapain);

44. Chemonucleolysis intervertebral disc;

45. Dermabrasion;

46. Dialysis (in-patient or out-patient) or supplies related to dialysis, except for acute conditions not related to chronic renal failure while in the inpatient setting;

47. Educational counseling;

48. Ergonovine provocation test;

49. Fabric wrapping of abdominal aneurysms;

50. Hair analysis;

51. Histamine therapy - intravenous;

52. Professional component of Hospice Services

53. Hyperactivity testing;

54. Hyperthermia;

55. Immunotherapy for malignant disease;

56. Immunizations required for travel outside the United States;

57. Implantations (e.g., silicone, saline, penile, etc.);

58. Joint sclerotherapy;

59. Laetrile therapy;

60. Organ transplants, medications and/or treatments associated with the transplant;

61. Orthodontic treatment, crown, and bridge procedures;

62. Specialized pain management programs and/or treatment designed to provide chronic pain care unless provided through contracted MAP providers

63. Prosthetic eye or facial quarter;

64. Radial and hexagonal keratotomy or refractive surgeries; keratoprosthesis/refractive keratoplasty;

65. Routine circumcision for clients one year of age or older;

66. Sterilization reversal;

67. Tattooing and/or tattoo removal;

68. Thermogram;

69. TORCH screen;

70. Adaptive equipment for daily living such as eating utensils, reachers, handheld shower extensions, etc.;

71. Admission kits;

72. Air cleaners/purifiers;

73. Any equipment, supplements, or supplies not ordered by a physician or provider and/or not considered appropriate and necessary to treat a documented medical condition/disease process;

74. Augmentive communication devices, e.g., TTY device, artificial voice box, and machinery of this nature;

75. Bed cradles;

76. Bladder stimulators (pacemakers);

77. Car seats;

78. Cervical pillows;

79. Electric wheelchairs or scooters (outpatient);

80. Enuresis monitors;

81. Equipment or services not primarily and customarily used to serve a medical purpose (e.g., an air conditioner might be used to lower room temperature to reduce fluid loss in a cardiac patient or a whirlpool bath might be used in the treatment of osteoarthritis, however because the primary and customary use of these items is a non-medical one, they cannot be considered as medical equipment);

82. Evaluations for learning disabilities;

83. Feeding supplements (e.g., Ensure, Osmolyte) and supplies for long-term use;

84. Hearing aids;

85. Home and vehicle modifications, including ramps, tub rails/bars;

86. Humidifiers, except when used with respiratory equipment (e.g., oxygen concentrators, CPAP/BIPAP, nebulizers, or for clients with a tracheostomy ;

87. Implantable medication pumps and related supplies;

88. Over bed tables;

89. Prosthetic breasts and mastectomy bras;

90. Thermometers;

91. Vocational, educational, exercise, and recreational equipment;

92. Waist/gait belts;

93. Whirlpool baths and saunas;

94. Treatment or correction of temporomandibular joint (TMJ) dysfunction;

95. Refills or prescriptions in excess of the number specified by the Doctor, or refills dispensed one year or more after the date of the Doctor's original order.

Annex D

Annex D
Terminated Agreements

(1) Amended and Restated Lease Agreement, entered into as of October 27, 2006, by and between Travis County Healthcare District and Seton Family of Hospitals (f/k/a Daughters of Charity Health Services of Austin), as amended by: (a) Letter Agreement effective as of November 1, 2006, which was terminated effective as of July 1, 2008; (b) Letter Agreement effective as of July 1, 2008; (c) Letter Agreement effective as of September 30, 2008; (d) First Amendment to the Amended and Restated Lease Agreement dated as of October 1, 2010; and (e) Second Amendment to the Amended and Restated Lease Agreement dated effective as of July 1, 2012, which was rescinded by Landlord and Tenant in its entirety with effect as of such date, together with all amendments and supplements thereto and restatements thereof, executed and delivered by the parties thereto or their respective legal representatives, successors and assigns.

(2) Provider Agreement, effective as of March 1, 2006 or April 1, 2006, by and between the Travis County Healthcare District and Seton Family of Hospitals (f/k/a Daughters of Charity Health Services of Austin), together with all amendments and supplements thereto and restatements thereof, executed and delivered by the parties thereto or their respective legal representatives, successors and assigns.

(3) Agreement for Primary Care Services, effective as of August 1, 2010, by and between Travis County Healthcare District and Seton Family of Hospitals (f/k/a Seton Healthcare), together with all amendments and supplements thereto and restatements thereof, executed and delivered by the parties thereto or their respective legal representatives, successors and assigns.

(4) Agreement for Insure-A-Kid Support Services by and between Travis County Healthcare District and Seton Healthcare, effective as of December 1, 2010.

(5) Agreement for Internal Medicine Services among Travis County Healthcare District, the University of Texas Medical Branch at Galveston, and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of August 1, 2008.

- First Renewal and Amendment of Agreement for Internal Medicine Services among Travis County Healthcare District, the University of Texas Medical Branch at Galveston, and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of August 1, 2009.

- Second Amendment and Second Renewal of Agreement for Internal Medicine Services among Travis County Healthcare District, the University of Texas Medical Branch at Galveston, and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of October 26, 2010.

- Third Amendment and Third Renewal of Agreement for Internal Medicine Services among Travis County Healthcare District, the University of Texas Medical Branch at Galveston, and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of August 1, 2011.

(6) Agreement for Family Medicine Services by and between Travis County Healthcare District and CTMF, Inc. d/b/a Austin Medical Education Program, effective as of December 1, 2008.

- First Amendment and Renewal of the Agreement for Family Medicine Services by and between Travis County Healthcare District and CTMF, Inc. d/b/a Austin Medical Education Program, effective as of December 1, 2009.

- Second Amendment of the Agreement for Family Medicine Services by and between Travis County Healthcare District and CTMF, Inc. d/b/a Austin Medical Education Program, effective as of June 1, 2010.

(7) Agreement for Specialty Care Services between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of February 1, 2009.

- First Amendment to the Agreement for Specialty Care Services between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of June 15, 2009.

- First Renewal to the Agreement for Specialty Care Services between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of February 1, 2010.

- Second Renewal and Second Amendment to the Agreement for Specialty Care Services between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of February 1, 2011.

- Third Renewal and Third Amendment to the Agreement for Specialty Care Services between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of October 1, 2011.

- Fourth Renewal and Fourth Amendment to the Agreement for Specialty Care Services between the Travis County Healthcare District and Daughters of Charity Health Services of Austin d/b/a University Medical Center at Brackenridge, effective as of October 1, 2012.

(8) Collaboration Agreement for Mammography Equipment, effective as of October 1, 2011, by and between Travis County Healthcare District and Seton Healthcare Family.

Annex E

Annex E

GUARANTY

As a material inducement to **TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH**, a political subdivision of the State of Texas ("**Central Health**"), and Community Care Collaborative, a Texas nonprofit corporation ("**CCC**"), to enter into the foregoing Omnibus Healthcare Services Agreement, dated June 1, 2013 (the "**Agreement**"), among Central Health, CCC and **SETON FAMILY OF HOSPITALS**, a Texas nonprofit corporation ("**Seton**"), **SETON HEALTHCARE FAMILY**, a Texas nonprofit corporation ("**Guarantor**"), hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Seton (and any assignee) under the Agreement and any extensions or renewals of and amendments to the Agreement. This Guaranty is an absolute, primary, and continuing, guaranty of payment and performance and is independent of Seton's obligations under the Agreement. Guarantor shall be primarily liable, jointly and severally, with Seton and any other guarantor of Seton's obligations under the Agreement. Guarantor waives any right to require Central Health or CCC to (a) join Seton with Guarantor in any suit arising under this Guaranty, (b) proceed against or exhaust any security given to secure Seton's obligations under the Agreement, or (c) pursue or exhaust any other remedy in Central Health's or CCC's power under the Agreement.

Until all of Seton's obligations to Central Health and CCC have been discharged in full, Guarantor shall have no right of subrogation against Central Health or CCC. Central Health and CCC 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 Agreement by amendment, novation or otherwise (including a new agreement, to the extent a court of competent jurisdiction determines any of the foregoing constitutes a new agreement). Without limiting the generality of the foregoing, if Seton elects to extend or renew the term of the agreement, or otherwise expand Seton's obligations under the Agreement, Seton's execution of such documentation shall constitute Guarantor's consent thereto (and such increased obligations of Seton under the Agreement shall constitute a guaranteed obligation hereunder); Guarantor hereby waives any and all rights to consent thereto. 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 Seton to Central Health or CCC. 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 Seton's obligations under the Agreement. The liability of Guarantor under this Guaranty will not be affected by (1) the release or discharge of Seton from, or impairment, limitation or modification of, Seton's obligations under the Agreement 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 Agreement in any such proceeding; or (3) the cessation from any cause whatsoever of the liability of Seton under the Agreement.

Guarantor shall not, without the prior written consent of Central Health and CCC, 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 Central Health or CCC specifying such violation or default, Central Health or CCC, after providing Guarantor with reasonable written notice of any such violation and after affording Guarantor the reasonable right to cure the same to Central Health's or CCC's reasonable satisfaction, shall have all available remedies at law and in equity against Guarantor and Seton. Without limiting the generality of the foregoing, Central Health or CCC may (i) declare an Event of Default under the Agreement, (ii) require Guarantor and/or Seton (at Central Health's or CCC's election) to deliver to Central Health and CCC additional security for the obligations of Seton and Guarantor under the Agreement and this Guaranty, respectively, which additional security may be in the form of an irrevocable letter of credit in form and substance reasonably satisfactory to Central Health and CCC, and in an amount to be determined by Central Health and CCC in their reasonable discretion. Any and all remedies set forth in this Guaranty: (a) shall be in addition to any and all other remedies Central Health and CCC may have at law or in equity, (b) shall be cumulative, and (c) may be pursued successively or concurrently as Central Health and CCC may elect. The exercise of any remedy by Central Health or CCC shall not be deemed an election of remedies or preclude Central Health or CCC from exercising any other remedies in the future.

Guarantor represents and warrants, as a material inducement to Central Health and CCC to enter into the Agreement, 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 Seton's financial success.

Guarantor shall pay to Central Health and CCC all reasonable costs incurred by Central Health or CCC in enforcing this Guaranty (including, without limitation, reasonable attorneys' fees and expenses). The obligations of Seton under the Agreement, 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 Central Health or CCC in accordance with the terms of the Agreement however, any such estoppel certificate to be provided by Guarantor shall be with respect to this Guaranty rather than certifications regarding the Agreement. This Guaranty shall be binding upon the heirs, legal representatives, successors and assigns of Guarantor and shall inure to the benefit of Central Health's and CCC's successors and assigns.

Any notice provided for or permitted to be given to Guarantor hereunder must be in writing and may be given by (a) depositing the same in the United States Mail, postage prepaid,

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

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

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

Guarantor shall have the right from time to time to change its address for purposes of notice hereunder to any other location within the continental United States by giving ten (10) days advance notice to Central Health and CCC 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 of Texas. The proper place of venue to enforce this Guaranty will be Travis County, Texas. 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 of Travis County, Texas; (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 Central Health and CCC have been properly notified in writing, and (b) nothing herein will affect Central Health's or CCC'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 Agreement 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 Central Health and CCC. The words "Guaranty" and "guarantees" will not be interpreted to modify Guarantor's primary obligations and liability hereunder.

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

[SIGNATURE PAGE TO GUARANTY]

Executed to be effective as of June 1, 2013.

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

By:_____
Jesus Garza
President and Chief Executive Officer

Executed to be effective as of June 1, 2013.

SETON HEALTHCARE FAMILY

Charles J. Barnett
Executive Board Chair

SETON HEALTHCARE FAMILY

Jesus Garza
President and Chief Executive Officer

Attachment D

ATTACHMENT D

New UMCB Lease

LEASE AGREEMENT

between

TRAVIS COUNTY HEALTHCARE DISTRICT
D/B/A
CENTRAL HEALTH

as Landlord

and

SETON FAMILY OF HOSPITALS

as Tenant

Effective as of June 1, 2013

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

LEASE AGREEMENT

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

RECITALS:

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

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

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

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

WHEREAS, the Board of Managers of Landlord has approved and authorized the transaction described in this Lease and Landlord's execution, delivery, and performance of this Lease, and has made a finding that all of the property, both real and personal, being leased to Tenant pursuant to this Lease is necessary and convenient for the operations of University Medical Center Brackenridge presently being operated on the Premises; and

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

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

AGREEMENTS

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

ARTICLE 1
DEFINITIONS

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

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

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

"**Affiliate**" means a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another Person. "**Control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, whether through majority membership in the non-profit corporation, appointment of a majority of the board of directors or trustees, or ownership of a majority of the voting securities. For the avoidance of doubt: (a) CCC shall be considered an "Affiliate" of Landlord for the purposes of this definition; and (b) CommUnityCare shall not be considered an "Affiliate" of Landlord for the purposes of this definition.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Hazardous Materials**" means any material, substance or waste that is or has the characteristic of being hazardous, toxic, ignitable, reactive or corrosive, including, without limitation, petroleum (when released into the environment), PCBs, asbestos, and those materials, substances and/or wastes, including infectious waste, medical waste, and potentially infectious biomedical waste, which are regulated by any Governmental Authority, including but not limited to, substances defined as "hazardous substances," "hazardous materials," "toxic substances" or hazardous wastes" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, *et seq.*\ the Hazardous Materials Transportation Act,

49 U.S.C. § 1801, *et seq.*\ the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.;* all analogous State of Texas and local Statutes, ordinances and regulations, including without limitation any dealing with underground storage tanks; and in any other law, regulation or ordinance relating to the prevention of pollution or protection of the environment (collectively, "**Hazardous Materials Laws**").

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Person**" means any individual, corporation, partnership, limited liability company or other entity of any kind.

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

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

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

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

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

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

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

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

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

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

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

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

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

"**Tenant Party**" has the meaning set forth in Section 10.6(b).

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

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

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

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

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

"**Tenant's Personal Property**" means the Equipment and all machinery, movable walls or partitions, computers or trade fixtures, and all other tangible and intangible personal property (other than the Inventory) then-owned by Tenant and located at the Premises or used in connection with the operation of the Premises. The term "**Tenant's Personal Property**" expressly excludes the Inventory.

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

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

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

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

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

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

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

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

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

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

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

1.2 **Terminology**□The terms defined in Section 1.1 shall apply throughout this Lease.

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

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

1.4 **Condition of Premises**. Except as expressly set forth in this Lease, Tenant acknowledges that it is leasing the Premises "**AS IS, WHERE IS, WITH ALL FAULTS**" and that Landlord makes no representations or warranties of any nature, express or implied, concerning the Premises, including any representation or warranty concerning (i) the physical condition of the Premises, (ii) the suitability of the Premises for Tenant's intended use, (iii) the environmental condition of the Premises or (iv) compliance of the Premises with any Applicable Laws. Tenant has had adequate opportunity to inspect, conduct tests and other due diligence and otherwise evaluate the Premises.

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

ARTICLE 2
LEASE OF PREMISES

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

ARTICLE 3
TERM

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

ARTICLE 4
PAYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

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

shall include an allowance for contractual allowances, discounts, bad debt and charity care amounts.

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

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

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

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

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

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

ARTICLE 5
IMPOSITIONS; UTILITIES

5.1 **Impositions Defined**. The term "**Impositions**" shall mean all taxes, assessments, use and occupancy taxes, water and sewer charges, rates and rents, charges for public utilities, excises, levies, license and permit fees, and other charges by any public authority, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may during the Term be assessed, levied, charged, confirmed or imposed by any

municipality, county, state, the United States of America, or any other governmental body, subdivision, agency, or authority (each a "**Governmental Authority**" and collectively, "**Governmental Authorities**") upon or accrued or become a lien on (i) the Premises, the Leasehold Estate, the Clinic (subject to the provisions of Section 5.2), Tenant's Personal Property, the Inventory, all other property of Tenant used on the Land, or any part thereof; (ii) the rent and income received by or for the account of Tenant from any sublessees or for any use or occupancy of the Premises or Tenant's Personal Property or the Inventory; (iii) such franchises, licenses, and permits as may be pertinent to the use of the Premises or Tenant's Personal Property or the Inventory; or (iv) any documents to which Tenant is a party creating or transferring an interest or estate in the Premises or Tenant's Personal Property or the Inventory. Impositions shall include: (x) all taxes, utilities, and insurance arising out of or related to Tenant's lease, ownership, use, and operation of the Premises, the Clinic (subject to the provisions of Section 5.2), Tenant's Personal Property, the Inventory, and all other property of Tenant used on the Land and the business conducted thereon by Tenant or any tenant, subtenant, or licensee of Tenant, (y) any taxes, assessments, or other impositions that Landlord is obligated to pay on the Premises, and (z) any income, profits, margin, or revenue tax, assessment, or charge imposed upon the rent or other benefit received by Landlord under this Lease. Except as otherwise provided herein, Impositions shall not include (a) any income, franchise, or margin tax, capital levy, estate, succession, inheritance or similar tax of Landlord; or (b) any franchise or margin tax imposed upon any owner of the Premises or Tenant's Personal Property or the Inventory. However, if at any time during the Term the present method of taxation shall be changed such that the whole or any part of the taxes, assessments, levies, impositions or charges now levied, assessed or imposed on real estate, improvements thereon and equipment shall be discontinued in whole or in part, or the rates for such taxes reduced, and in whole or partial substitution therefor, taxes of the type described in the immediately preceding sentence or taxes, assessments, levies, impositions, or charges shall be levied, assessed, and/or imposed wholly or partially as a capital levy or otherwise on the rents received from said real estate, improvements or equipment or the rents reserved herein or any part thereof, then such substitute taxes, assessments, levies, impositions, or charges, to the extent so levied, assessed or imposed in substitution (in whole or in part) for such other taxes shall be deemed to be included within the term Impositions. Landlord is specifically excluded from the terms "**Governmental Authority**" and "**Governmental Authorities**" for purposes of this Section 5.1.

5.2 **Tenant's Obligation**□ During the Term, Tenant will pay as and when the same shall become due and prior to delinquency all Impositions, including any that Landlord is obligated to pay on the Premises (including those related to the Austin Downtown Public Improvement District), the Clinic (subject to the provisions of this Section 5.2 below), the Inventory, and Tenant's Personal Property, directly to the Governmental Authority or other person entitled to receive payment thereof and provide Landlord with documentation evidencing in reasonably sufficient detail that such Impositions have been paid in a timely manner. To the extent Landlord receives any notices, statements, certificates, bills, or correspondence from any Governmental Authority relating to Impositions on the Premises or Tenant's Personal Property or the Inventory payable by Tenant hereunder, then Landlord shall promptly deliver same to Tenant. Impositions that are payable by Tenant for the tax year in which the Term ends shall be apportioned so that Tenant shall pay its proportionate share of the Impositions for such period of time. Where any Imposition that Tenant is obligated to pay may be paid pursuant to Applicable Law in installments, Tenant may pay such Imposition in installments as and when such

installments become due. Tenant shall, if so requested, deliver to Landlord evidence of due payment of all Impositions Tenant is obligated to pay hereunder, concurrently with the making of such payment.

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

5.3 Tax Contest□ Tenant may, at its sole cost and expense, contest the validity or amount of any Imposition for which it is responsible, in which event the payment thereof may be deferred to the extent permitted by Applicable Law, during the pendency of such contest, if diligently prosecuted. If the amount being contested is more than $1,000,000, fifteen (15) days prior to the date any contested Imposition shall become delinquent, Tenant shall deposit with Landlord or, at the election of Tenant, such bank or trust company having its principal place of business in Austin, Texas, selected by Tenant and reasonably satisfactory to Landlord (the "**Imposition Trustee**"), an amount sufficient to pay such contested item, together with any interest and penalties thereon and the estimated fees and expenses of any Imposition Trustee, which amount shall be applied to the payment of such items when the amount thereof shall be finally determined. In lieu of such cash deposit, Tenant may deliver to Landlord a surety company bond in form and substance, and issued by a company, reasonably satisfactory to Landlord, or other security reasonably satisfactory to Landlord. Nothing herein contained, however, shall be construed to allow any Imposition to remain unpaid for such length of time as would permit the Premises, or any part thereof, to be sold or seized by any Governmental Authority for the nonpayment of the same. If at any time, in the reasonable judgment of Landlord reasonably exercised, it shall become necessary to do so, Landlord may, after at least ten (10) days prior written notice to Tenant, under protest if so requested by Tenant, direct the application of the amounts so deposited or so much thereof as may be required to prevent a sale or seizure of the Premises or foreclosure of any lien created thereon by such item. If the amount deposited exceeds the amount of such payment, the excess shall be paid to Tenant, or, in case there should be any deficiency, the amount of such deficiency shall be promptly paid on demand by Tenant to Landlord (provided Landlord has advanced such amount), and, if not so paid, such amount shall be a debt of Tenant to Landlord, together with interest thereon at the Interest Rate from the date advanced until paid. Upon Landlord's written request, Tenant shall promptly furnish Landlord with copies of all proceedings and documents with regard to the contest of any Imposition, and Landlord shall have the right, at its expense, to participate therein.

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

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

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

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

5.7 Net Lease□ Except as expressly provided in this Lease, Landlord shall not be required to make any expenditure, incur any obligation, or incur any liability of any kind whatsoever in connection with this Lease or the financing, ownership, construction, maintenance, operation, or repair of the Premises or Tenant's Personal Property or the Inventory. It is expressly understood and agreed that, except as expressly provided in this Lease, this is a completely net lease intended to assure Landlord the rentals herein reserved on an absolute net basis. Tenant shall pay, as set forth in Section 5.2, all Impositions.

5.8 Right to Perform Tenant's Obligation as to Impositions□ If Tenant fails to timely pay any Imposition for which it is responsible hereunder, or fails to timely notify Landlord of its intention to contest the same, or fails to pay contested Impositions as provided in Section 5.3, Landlord may, at its election (but without obligation), pay such Imposition with any interest and penalties due thereon, and the amount so paid shall be reimbursed by Tenant on demand together with interest thereon at the Interest Rate from the date of such payment until such amount is repaid.

ARTICLE 6
ETHICAL AND RELIGIOUS DIRECTIVES

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

ARTICLE 7
ALTERATIONS

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

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

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

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

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

7.3 Construction Standards.

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

(i) all such construction or work shall be performed in a good and workmanlike manner in accordance with good industry practice for the type of work in question, and if the cost of such work exceeds $1,000,000, then also utilizing a general contractor;

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

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

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

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

(vi) no such construction or work, upon completion, shall result in any decrease in the value or the utility of the Premises, or, except for short periods of time during the course of such construction or work, interfere with the operation of University Medical Center Brackenridge; and

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

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

(c) No approval by Landlord of designs, plans, specifications or other matters shall ever be construed as representing or implying that such designs, plans, specifications or other matters will, if followed, result in a properly designed building or other improvements. Such approvals shall in no event be construed as representing or guaranteeing that any improvements will be built in a workmanlike manner, nor shall such approvals relieve Tenant of its obligation to construct the improvements in a workmanlike manner as provided in this Article 7.

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

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

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

ARTICLE 8
USE AND MAINTENANCE AND REPAIRS

8.1 Use.

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

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

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

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

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

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

(g) Tenant shall perform all of its obligations under this Lease, and operate the Premises, in a manner consistent with its classification as a not-for-profit corporation under Texas corporate law and as a tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

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

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

8.3 Provision of Duplicative Services.

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

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

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

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

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

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

8.6 **Maintenance and Repairs**.

(a) Tenant, at its expense, shall take good care of the Premises and make all repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and, at its expense, shall maintain and keep the Premises in good repair and condition (whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements, or the age of the Premises, or any portion thereof), subject to ordinary wear and tear; in material compliance with all Applicable Laws, and in a manner consistent with the maintenance and repair of Tenant's other similar facilities in the greater Austin, Texas metropolitan area.

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

(c) Landlord shall have no obligation to maintain or repair the Premises or the Equipment in any way, and Landlord shall not under any circumstances be required to build or rebuild any improvement on the Premises, or to make any repairs, replacements, alterations, restorations, or renewals of any nature or description to the Premises, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto in connection with this Lease. Landlord shall have the right to give, record, and post, as appropriate, notices of nonresponsibility

under any mechanic's lien laws now or hereafter existing in connection with any work performed by or on behalf of Tenant.

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

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

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

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

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

ARTICLE 9
HAZARDOUS MATERIALS

9.1 Environmental Matters.

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

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

(c) If Tenant shall fail to materially comply with any of the requirements of any applicable Hazardous Materials Laws, Landlord may, but shall not be obligated to, give such notices or cause such work to be performed or take any and all actions deemed reasonable and necessary to cure such failure to comply, and Tenant shall pay any resulting reasonable expenses incurred by Landlord. The provisions of this Section 9.1 are in addition to Tenant's obligations to Landlord under Section 10.6.

(d) Tenant acknowledges that its obligation in Section 10.6(a) to indemnify, protect, defend, and hold harmless any Landlord Party against Claims brought by any of Landlord's employees, agents, contractors, invitees, or representatives, or by any Governmental Authority, or by any other third party, includes matters arising from or related to:

(i) Tenant's violation or alleged violation of any Hazardous Materials Laws relating to the treatment, storage, or disposal of any Hazardous Materials during the operation of the Premises or Equipment during the Term;

(ii) Any suit or other Claim for damages against any Landlord Party alleging strict liability, property damage, or personal injury arising from or related to the exposure to, or the release or threatened release during or after the Term of, any Hazardous Materials, which was (A) present upon or in the Premises or the Equipment prior to October 1, 1995, but only to the extent such exposure to, or release or threatened release of any such Hazardous Materials (or any related damage) was caused or exacerbated by an act or omission of any Person other than a Landlord Party during the Term, or (B) disposed of or released on or from the Premises during the Term; and

(iii) The release or continued release during or after the Term of any Hazardous Materials from any underground storage tank on the Premises if the tank was installed during the Term or, otherwise, only if and to the extent such exposure to, or release or threatened release of, any such Hazardous Materials (or any related damage)

was caused or exacerbated by an act or omission of any Person other than a Landlord Party during the Term; regardless of whether such Claims arise or are otherwise brought or asserted during or after the Term.

ARTICLE 10
INSURANCE

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

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

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

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

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

10.2 Liability Insurance. Tenant will, at its cost and expense, keep and maintain in force commercial general liability insurance or a program of self insurance for bodily injury, death and property loss and damage (including coverages for product liability, contractual liability and personal injury liability) covering Tenant for claims, lawsuits or damages arising out of its performance under this Lease, and any negligent or otherwise wrongful acts or omissions by Tenant or any employee or agent of Tenant, with a combined single limit of not less than $10,000,000. Tenant shall require that: (i) any general contractor for new facilities, Alterations or Rebuilding estimated to cost more than $2,500,000 provide completed operations coverage in its commercial general liability policy, and (ii) such insurance name Tenant and Landlord as additional insureds and be written on an occurrence, rather than a claims made, basis.

10.3 Professional Liability Insurance. Tenant will, at its cost and expense, maintain in effect with respect to its operations at the Premises professional liability insurance or a

program of self-insurance consistent with that maintained from time to time by Tenant for its other similar facilities in the greater Austin, Texas metropolitan area.

10.4 Policies Unless self-insured, all insurance maintained in accordance with the pro isions of this Article 10 shall be issued by responsible companies rated "A" or better by Standard & Poor's Rating Service, or at least "A" by Moody's Investor Services, Inc., or any successors thereto. All property policies shall include Landlord as a loss payee. All liability (including professional liability) insurance policies shall name Landlord as an additional insured and shall include contractual liability endorsements. All such policies of insurance may be pro ided on either an occurrence or claims-made basis. If such coverage is provided on a claims made basis, such insurance shall continue throughout the Term of this Lease, and upon the termination of this Lease, or the expiration or cancellation of the insurance, Tenant shall purchase or arrange for the purchase of either an unlimited reporting endorsement ("Tail" coverage), or "Prior Acts" coverage from the subsequent insurer, with a retroactive date on or prio: to the Effective Date of this Lease and for a period of not less than two (2) years following the termination or expiration of this Lease.

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

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

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

(a) Tenant shall indemnify, protect, defend, and hold harmless Landlord and Landlord's agents, officials, representatives, employees, invitees, contractors, and assigns (each a "**Landlord Party**") from and against any and all claims, demands, suits, and causes of action and any and all liabilities, costs, damages, expenses, and judgments incurred in connection therewith (including but not limited to reasonable attorneys' fees and court costs) (collectively, "**Claims**," and each individually, a "**Claim**"), whether arising in equity, at common law, or by statute, including the Texas Deceptive Trade Practices-Consumer Protection Act or similar statute of other jurisdictions, or under the

law of contracts, torts (including, without limitation, negligence and strict liability without regard to fault) or property, and arising in favor of or brought by any of Landlord's employees, agents, contractors, invitees, or representatives, or by any Governmental Authority, or by any other third party, based upon, in connection with, relating to, or arising out of, or alleged to be based upon, be in connection with, relate to, or arise out of Tenant's ownership, use, or operation of the Premises or the Equipment (or the actions or omissions of Persons other than Landlord Parties on or related to the Premises or Equipment) on or after October 1, 1995. Notwithstanding any other provision of this Section 10.6(a), Tenant shall have no obligation to indemnify Landlord or its agents, officials, representatives, employees, invitees, contractors, or assigns from and against any Claim arising from or relating to the environmental condition of the Premises or Equipment prior to October 1, 1995, except to the extent that any Claim results from acts or omissions of any Person other than a Landlord Party during the Term.

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

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

10.7 Waiver of Subrogation□Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each, on behalf of themselves and their respective heirs, successors, legal representatives, assigns and insurers, hereby (a) waive any and all rights of recovery, claims, actions or causes of action against the other and its respective employees, agents, officers, attorneys, visitors, licensees or invitees for any loss or damage that may occur to the Premises or the Equipment, the Improvements, or any portions thereof, or any personal property of such party therein, by reason of fire, the elements, or any other cause to the extent that such loss is (i) insured against or (ii) required to be insured against under the terms of the insurance policies referred to in this Lease, regardless of cause or origin, including negligence of the other Party or its respective employees, agents, officers, partners, shareholders, attorneys, visitors, licensees, customers or invitees, and (b) covenants that no other insurer shall hold any right of subrogation against such other Party; provided, however, that the waiver set forth in this Section 10.7, shall

not apply to any reasonable deductibles on insurance policies carried by Landlord or Tenant or to any coinsurance penalty which Landlord or Tenant might sustain. If the respective insurer or Landlord and Tenant does not permit such a waiver without an appropriate endorsement to such Party's insurance policy, then Landlord and Tenant each shall notify its insurer of the waiver set forth herein and to secure from such insurer an appropriate endorsement to its respective insurance policy with respect to such waiver. **IT IS THE INTENTION OF BOTH LANDLORD AND TENANT THAT THE WAIVER CONTAINED IN THIS SECTION 10.7 APPLY TO ALL CLAIMS DESCRIBED HEREIN, INCLUDING, WITHOUT LIMITATION, ANY OF THE SAME THAT ARE CAUSED, IN WHOLE OR IN PART, BY LANDLORD OR TENANT OR THEIR RESPECTIVE VISITORS, EMPLOYEES, CONTRACTORS, AGENTS OR INVITEES.**

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

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

ARTICLE 11
CASUALTY; CONDEMNATION

11.1 Casualty.

(a) Subject to Section 11.1(d), if, at any time during the Term, the Improvements or any part thereof shall be damaged or destroyed by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (collectively, a "**Casualty**"), and the Rebuilding (as defined below) can reasonably be completed within one hundred and eighty (180) days from the date on which such Rebuilding might be commenced, Tenant shall repair, alter, restore, replace or rebuild (collectively "**Rebuild**" or "**Rebuilding**") the same in substantially the form in which they existed prior to such Casualty, with at least as good workmanship and quality as the Improvements damaged or destroyed and in accordance with the Construction Standards, whether or not insurance proceeds, if any, shall be sufficient for such purpose. If Tenant so elects, Tenant may propose to Landlord that Tenant Rebuild the Improvements in a form different than that in which they existed prior to such Casualty and, if Landlord approves the same (which approval shall not be unreasonably withheld, delayed or conditioned), Tenant shall Rebuild the Premises based upon revised plans and specifications approved in writing by Landlord and Tenant (which approval shall not be unreasonably withheld or delayed) (an

"**Alternate Rebuilding**"). Such Alternate Rebuilding shall comply with the provisions of this Lease relating to Rebuilding. If Landlord and Tenant agree to an Alternate Rebuilding that will require sums in excess of the insurance proceeds received as a result of such damage or destruction, Tenant shall fund all such excess.

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

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

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

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

(d) Notwithstanding the foregoing provisions of this Section 11.1, if the Improvements or any part thereof shall be damaged or destroyed by Casualty, and the

Rebuilding cannot reasonably be completed within one hundred and eighty (180) days from the date on which such Rebuilding might be commenced, then Tenant may elect to terminate this Lease by giving written notice thereof no later than sixty (60) after the occurrence of such damage or destruction in which event all insurance proceeds relating to the Premises shall be paid to Landlord. If this Lease is terminated, the Rent shall be apportioned and paid as of the date of termination. Unless this Lease is terminated pursuant to this Section 11.1(d), Tenant shall not be entitled to any abatement of Rent as a result of such Casualty.

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

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

11.2 Condemnation.

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

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

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

disbursed in accordance with Section 11.1(b). The Landlord shall receive the balance of the award.

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

11.5 Condemnation Award□Except as provided below in Section 11.6, nothing herein contained shall be deemed or construed to prevent Tenant from interposing and prosecuting in any condemnation proceeding a claim for the value of Tenant's interest in the Premises, including but not limited to the value of Tenant's interest in the Leasehold Estate and the value of any Tenant's Personal Property or Inventory taken, and in the case of a partial condemnation of the Premises, the cost, loss, or damages sustained by Tenant as the result of any alterations, modifications, or repairs which may be reasonably required for Tenant in order to place the remaining portion of the Premises in a suitable condition for Tenant's further occupancy; and all amounts awarded to Tenant as damages or compensation with respect to such claims (and the amount paid in any settlement of such claims) shall belong to and be the property of Tenant, Landlord likewise retaining its claims.

11.6 New Landlord Facilities.

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

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

ARTICLE 12
ASSIGNMENT, TRANSFERS AND SUBLETTING

12.1 **Assignment, Transfers and Subletting**. Subject to Section 12.3, Tenant shall not assign, sublease, convey or otherwise transfer its interest in this Lease or the Premises, in whole or in part, without Landlord's prior written consent, which Landlord may withhold in its sole discretion; provided, however, that Tenant may assign, convey or otherwise transfer its interest in this Lease or the Premises, in whole or in part, or may assign, convey or otherwise transfer its rights, duties and obligations under this Lease, in whole or in part, to any not-for-profit Affiliate of Tenant, without Landlord's prior written consent; provided further, however, that such assignment, conveyance or other transfer shall not be deemed to release Tenant from its obligations under this Lease.

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

12.3 **Subletting**. Tenant may enter into subleases with an initial term of not more than ten (10) years in the ordinary course of business for space in the Office Building. Each such sublease shall state that it is subject to this Lease and shall grant Landlord, at its option, the right to assume or terminate such sublease upon termination of this Lease. In no event shall Tenant be released from any liability for performance of its obligations hereunder as a result of any such sublease. No such sublease shall extend beyond the Term.

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

ARTICLE 13
REPRESENTATIONS

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

(a) Landlord is a body politic and corporate duly created and validly existing under Chapter 281, Texas Health & Safety Code, as amended, and in good standing under the laws of the State of Texas. Landlord has the power and authority to enter into this Lease and all other agreements to be executed and delivered by Landlord pursuant to the terms and provisions hereof, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby.

(b) This Lease has been authorized by resolution of the Board of Managers of Landlord. This Lease has been duly executed and delivered by Landlord. All other agreements contemplated hereby to be executed and delivered by Landlord will be duly

authorized, executed and ready in all respects to be delivered by Landlord. This Lease constitutes a legal, valid and binding obligation of Landlord enforceable in accordance with its terms.

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

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

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

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

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

(h) To Landlord's Knowledge, except to the extent referred to in the Environmental Report, (A) Landlord has not generated, manufactured, refined,

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

(i) No lien has been imposed or, to Landlord's Knowledge, threatened to be imposed against the Premises by any Governmental Authority in connection with the presence of Hazardous Materials on the Premises or violation of any Hazardous Materials Laws in connection with the Premises, except to the extent referred to in the Environmental Report.

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

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

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

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

(n) Limitation of Warranties. **TENANT ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS LEASE, LANDLORD HAS MADE NO, AND IS NOT MAKING ANY, REPRESENTATIONS OR WARRANTIES (EXPRESS OR IMPLIED) REGARDING THE PHYSICAL CONDITION OF THE PREMISES, THEIR MERCHANTABILITY, FITNESS FOR ANY PARTICULAR USE OR PURPOSE, DESIGN, OR CONDITION, OR REGARDING THE QUALITY OF THE MATERIAL OR WORKMANSHIP**

THEREIN, LATENT OR PATENT. LANDLORD DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. AT TENANT'S REQUEST, LANDLORD HAS ALLOWED TENANT TO CONDUCT DUE DILIGENCE EXAMINATIONS ON AND OFF THE PREMISES TO BE LEASED, AND TENANT HAS OBTAINED ORAL AND WRITTEN INFORMATION FROM LANDLORD DURING THE COURSE OF SUCH EXAMINATIONS. EXCEPT WITH RESPECT TO THE MATTERS SPECIFICALLY ADDRESSED IN THIS SECTION 13.1, AND SUBJECT IN ALL RESPECTS TO THE OTHER PROVISIONS OF THIS LEASE, LANDLORD IS NOT RESPONSIBLE FOR, AND MAKES NO REPRESENTATION OR WARRANTY CONCERNING, THE ACCURACY OF ANY SUCH ORAL OR WRITTEN INFORMATION, AND TENANT ACKNOWLEDGES THAT IT IS NOT RELYING ON THE SAME. TENANT'S REMEDIES FOR BREACHES OF REPRESENTATIONS AND WARRANTIES ARE LIMITED AS PROVIDED IN SECTION 19.17(b).

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

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

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

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

(d) There are no lawsuits or proceedings, whether brought by private parties or by a Governmental Authority (or, to Tenant's Knowledge, any claims or investigations by a Governmental Authority) pending or, to Tenant's Knowledge, threatened against Tenant or against the business of Tenant which, individually or in the aggregate, could be

expected to have a Material Adverse Effect on Tenant or its ability to consummate the transactions described in this Lease, and there is no action, suit or proceeding by any Governmental Authority pending or, to Tenant's Knowledge, threatened which questions the legality, validity, or propriety of the transactions described herein.

(e) To Tenant's Knowledge, neither Tenant nor any of its controlled Affiliates is in violation of any Applicable Law to which it may be subject, which violation could have a Material Adverse Effect on Tenant.

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

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

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

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

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

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

ARTICLE 14
COVENANT OF PEACEFUL POSSESSION

Landlord covenants that Tenant, on paying the Rent and performing and observing the covenants and agreements provided to be performed by Tenant under this Lease, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Premises during the Term, and may

exercise all of its rights hereunder, subject only to the provisions of this Lease, Applicable Law and the Permitted Exceptions.

ARTICLE 15
EVENT OF DEFAULT AND REMEDIES

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

(a) Tenant fails to pay any installment of Rent or any other sum payable by Tenant to Landlord under this Lease on the date upon which the same is due to be paid, and such default continues for thirty (30) days after Tenant has been given a written notice from Landlord specifying such Default;

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

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

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

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

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

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

15.2 Landlord's Remedies.

(a) Subject to the limitations in Section 19.17 but except as otherwise provided herein, Tenant shall be liable to Landlord for any damages that result from any Event of Default. Without limiting the generality of the foregoing, if any Event of Default occurs and is continuing, Landlord may, at its option and in addition to the other rights and remedies available to Landlord under this Lease or under the Ancillary Agreements, file suit against Tenant in a court of competent jurisdiction for specific performance or injunctive relief, or to collect the unpaid Rent and damages for breach of any other covenants, agreements, terms or provisions contained in this Lease (plus interest at the Interest Rate as provided under Section 19.16 and attorneys' fees as provided in Section 19.6).

(b) In addition to any other rights or remedies available to Landlord under this Lease or under the Ancillary Agreements, if any Event of Default has occurred under Subsections (b) or (e) of Section 15.1, Landlord may perform the covenant, agreement, term or provision which Tenant has failed to perfo , in which event Tenant shall reimburse Landlord for all reasonable costs reasonably incurred by Landlord in curing or attempting to cure such Event of Default, together with interest at the Interest Rate as provided in Section 19.16 and attorneys' fees as provided in Section 19.6.

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

(i) Landlord may terminate this Lease by giving Tenant written notice thereof, in which event this Lease and the Leasehold Est te and all interest of Tenant and all parties claiming by, through, or under Tenant shall terminate as set forth in Section 15.5 below.

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

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

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

(d) Landlord shall not have the right to terminate this Lease or Tenant's right to possession of the Premises pursuant to Section 15.2(c) solely by reason of the occurrence of an Event of Default described in Section 15.1(f) or (g).

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

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

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

(h) Pursuit of any of the remedies provided for in this Lease shall not preclude pursuit of any of the other remedies provided in this Lease, nor shall pursuit of any remedy provided in this Lease constitute a forfeiture or waiver of any Rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions, and covenants herein contained (except as may otherwise be expressly provided herein). Landlord's acceptance of Rent following an Event of Default shall not be construed as Landlord's waiver of such Event of Default. No waiver by Landlord of any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of any other violation or default. The loss or damage that Landlord may suffer by reason of its termination of this Lease upon the occurrence of an Event of Default shall include the reasonable out-of-pocket expenses actually incurred by Landlord, if any, within 180 days following the date of termination in re-equipping or otherwise restoring the Premises to a condition which is sufficient to enable Landlord to provide the level of services specified in Section 8.1(a)(ii) upon or in the Premises.

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

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

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

(a) Landlord fails to make any payment of money required to be paid by Landlord to Tenant or any third party under this Lease on the date upon which the same is due to be paid, and such default shall continue for thirty (30) days after Landlord has been given a written notice from Tenant specifying such Default; or

(b) Landlord fails to keep, perform or observe any of the covenants, agreements, terms or provisions contained in this Lease that are to be kept, performed or observed by Landlord under this Lease that is not described in Subsection (a) above, and

Landlord fails to remedy the same within sixty (60) days after Landlord has been given a written notice from Tenant specifying such Default; provided, however, that if such non-monetary Default can be cured but by its nature cannot be cured within such sixty (60) day time period, and if Landlord has commenced curing such Default within such time period and thereafter diligently and with continuity pursues such cure to completion, such sixty (60) day cure period shall be extended for the period of time reasonably necessary for Landlord to cure such Default.

15.4 Tenant's Remedies.

(a) Subject to the limitations in Section 19.17, Landlord shall be liable to Tenant for any damages that result from any Landlord Event of Default. Without limiting the generality of the foregoing, if any Landlord Event of Default occurs and is continuing, Tenant may, at its option and in addition to the other rights or remedies available to Tenant under this Lease or under the Ancillary Agreements, either (i) perform whatever action Landlord has failed to perform, in which event Tenant shall have the right to bring suit against Landlord for the reasonable cost to perform such action (plus interest at the Interest Rate as provided under Section 19.16 and attorneys' fees as provided in Section 19.6), (ii) file suit against Landlord in a court of competent jurisdiction to enforce specifically the provisions of this Lease, to obtain injunctive relief, and to collect attorneys' fees as provided in Section 19.6, (iii) subject to the limitations in Section 19.17 and in Section 1.5, file suit against Landlord in a court of competent jurisdiction to collect damages that are available to Tenant under Applicable Law (plus interest at the Interest Rate as provided under Section 19.16 and attorneys' fees as provided in Section 19.6), or (iv) in the event of a Landlord Event of Default relating to Landlord's covenants and agreements under Section 8.3 or resulting in an eviction of Tenant from all or any material portion of the Premises, subject to Section 15.5, terminate this Lease.

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

(c) Except as expressly provided in this Lease, Tenant shall have no right to terminate this Lease as a result of a Landlord Event of Default.

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

provisions of the Master Agreement under Section 8.1.7 of the Master Agreement, Tenant shall have the right to terminate this Lease under Section 15.5.

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

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

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

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

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

(iv) Within sixty (60) days after Tenant provides a reasonable

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

(v) Within thirty (30) days following the identification of the Landlord-Acquired Property, Tenant shall cause all items of Tenant's Personal Property other than the Landlord-Acquired Property to be removed from the Premises. Within the time period set forth in the escrow agreement to be agreed upon by the Parties, Escrow Agent shall pay the Rental Damages to Landlord, which shall be offset by an amount equal to 50% of the net book value as reflected on the books and records of Tenant of the Landlord-Acquired Property; *provided, however,* that the offset amount for the Landlord-Acquired Property pursuant to this Section 15.4(f)(v) shall not exceed $20,000,000. Upon payment of such amount provided for in this Section 15.4(f)(v), Tenant will transfer the Landlord-Acquired Property to Landlord by bill of sale or other appropriate conveyance.

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

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

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

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

15.5.2 Post-Termination Services Period. If at any time before or during the Termination Notice Period, the Master Agreement is terminated and the Post-Termination Services Period (as defined in the Master Agreement) begins, the Termination Date shall be extended until the end of the Post-Termination Services Period (or the second Post-Termination Services Period if agreed to by the parties). If at any time, Seton Healthcare Family (either itself or by and through Tenant) chooses not to provide or breaches its obligation to provide the Post-Termination Services (as defined in

the Master Agreement) (the "**Post-Termination Services**") other than for reasons set forth in Section 8.1.7 of the Master Agreement, the Landlord and Tenant agree that the following shall apply:

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

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

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

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

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

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

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

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

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

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

(e) Patient Obligations. Landlord acknowledges that as of the Final Termination Date there may be patients located in certain portions of the Premises and that as of the Final Termination Date Landlord shall accept such patients as patients of

Landlord and shall assume responsibility and liability for treating such patients. All revenue and expenses incurred after the Final Termination Date in connection with such patients shall become revenue and expenses of Landlord. Notwithstanding the foregoing, all liability arising from or in connection with treatment and care which was rendered to such patients by Tenant from the Effective Date through and including the Final Termination Date shall be borne solely by Tenant, regardless of whether it is asserted prior to, on, or after the Final Termination Date.

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

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

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

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

(iii) Tenant will own all Accounts Receivable which result from the operation of University Medical Center Brackenridge from the Effective Date through, but not including, the Final Termination Date (including, without limitation, any reimbursements arising from Title XVIII Medicare Cost Report Settlements and Accounts and any settlements with third party payors resulting from the operation of University Medical Center Brackenridge for periods from the Effective Date through, but not including, the Final Termination Date) (the "**Tenant Termination Accounts Receivable**"). Landlord will own all Accounts Receivable which result from the operation of University Medical Center Brackenridge from and after the Final Termination Date (including, without limitation, any reimbursements arising from Title XVIII Medicare Cost Report Settlements and Accounts and any settlements with third-party payors resulting from the operation of University Medical Center Brackenridge for periods from and after the Final Termination Date) (the "**Landlord Termination Accounts Receivable**"). Landlord agrees that any amount received by Landlord on account of Tenant Termination Accounts Receivable and identified or identifiable as such through reasonable commercial efforts will be promptly remitted to Tenant. Tenant agrees that any amounts received by Tenant on account of Landlord Termination Accounts Receivable and identified or identifiable as such through reasonable commercial efforts will be promptly remitted to Landlord. Any amounts received by Landlord or Tenant that are not identifiable to specific services shall be allocated to Tenant and Landlord pro rata, according to the proportion which the amount owed to Tenant or Landlord by the relevant account party bears to the aggregate amount owed to Landlord and Tenant by such account party. The Parties agree to cooperate in good faith to fulfill the commitments of each Party contained in this Section.

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

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

ARTICLE 16
NON-DISTURBANCE

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

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

16.3 If any holder of a future mortgage shall become the owner of the Premises by reason of foreclosure of such future mortgage or otherwise, or if the Premises shall be sold as a result of any action or proceeding to foreclose such future mortgage, or transfer of ownership by deed given in lieu of foreclosure, this Lease shall continue in full force and effect, without necessity for executing any new lease, as a direct lease between Tenant and the then owner of the Premises, as "landlord", upon all of the same terms, covenants and provisions contained in this Lease.

ARTICLE 17
TEACHING HOSPITAL

17.1 Teaching Hospital□

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

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

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

(d) As soon as reasonably practicable after the date on which Landlord and Tenant shall have entered into the New Teaching Hospital Agreement, Landlord and

Tenant shall commence negotiations, with the view to entering into a written amendment ("**Lease Amendment**") to this Lease, pursuant to which Tenant shall be entitled to lease, occupy and use the Premises (or such portion thereof as shall be specified therein), from and after the Teaching Hospital Commencement Date. The Lease Amendment will be dated effective as of the Teaching Hospital Commencement Date, and will be based on market terms reasonably determined by Landlord and Tenant. The Parties acknowledge and agree they must negotiate and consummate a mutually agreeable Lease Amendment and/or other contract relating to the termination of this Lease and the post-termination use of the University Medical Center Brackenridge property, facilities, services, and programs in connection with the use and operation of the Teaching Hospital.

(e) As used herein the term:

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

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

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

ARTICLE 18
ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

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

ARTICLE 19
MISCELLANEOUS

19.1 Notices□ Any notice provided for or permitted to be given hereunder must be in writing and may be given by (i) depositing same in the United States Mail, postage prepaid, registe ed or certified, with return receipt requested, addressed as set forth in this Section 19.1; or (ii) delivering the same to the party to be notified in person or through a reliable courier service. Notice given in accordance herewith shall be effective upon receipt at the address of the addressee, as evidenced by the executed postal receipt or other receipt for delivery. For purposes of notice the addresses of the Parties shall, until changed, be as follows:

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

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

Travis County Attorney's Office
314 W. 11th Street, 4th Floor
Austin, TX 78701
Attention: Beth Devery, RN, JD

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

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

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

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

The parties hereto shall have the right from time to time to change their respective addresses for purposes of notice hereunder to any other location within the continental United States by giving ten (10) days advance notice to such effect in accordance with the provisions of this Section 19.1. Any notice given by counsel or authorized agent for a Party shall be deemed to have been given by such Party.

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

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

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

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

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

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

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

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

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

19.7 Surrender of Premises: Holding Over Subject to the provisions of Section 15.5 hereof, upon termination or expiration of this Lease, Tenant shall peaceably quit, deliver up, and surrender the Premises to Landlord as they may have been repaired, rebuilt, restored, altered, or added to as permitted or required by the provisions of this Lease in good order, repair, and condition, subject to ordinary wear and tear, casualty, condemnation, and matters that are the responsibility of Landlord hereunder. Upon such termination or expiration Landlord may, without further notice, enter upon, reenter, possess, and repossess itself of the Premises by summary proceedings, ejectment, or otherwise, and may dispossess and remove Tenant and all those claiming under Tenant from the Premises and may have, hold, and enjoy the Premises and all rental and other income therefrom, free of any claim by Tenant and those claiming under Tenant with respect thereto. If Tenant and those claiming under Tenant do not surrender possession of the Premises at the end of the Term, such action shall not extend the Term, Tenant shall be a tenant at sufferance, and during such time of occupancy Tenant shall pay to Landlord, as damages, an amount equal to 150% of the amount of Rent that was being paid immediately prior to the end of the Term. Landlord shall not be deemed to have accepted a surrender of the Premises by Tenant, or to have extended the Term, other than by execution of a written agreement specifically so stating.

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

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

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

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

19.12 **Successors and Assigns**. Subject to the limitations on assignment, subleasing and encumbrances set forth in this Lease, this Lease shall constitute a real right and covenant running with the Premises, and this Lease shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors and assigns. Whenever a reference is made herein to either Party, such reference shall include the party's permitted successors and assigns.

19.13 Landlord's Joinder. Landlord agrees to join with Tenant in the execution of such applications for permits and licenses from any Governmental Authority as may be reasonably necessary or appropriate to effectuate the intents and purposes of this Lease, provided

that no such application shall constitute an encumbrance of or with respect to the Premises, and Landlord shall not incur or become liable for any expenses or obligation as a result thereof.

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

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

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

19.17 Limit on Damages/Liability

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

(b) **WITH THE EXCEPTION OF ANY CLAIMS OR CLAIMS FOR WHICH TENANT IS ENTITLED TO BE INDEMNIFIED BY LANDLORD PURSUANT TO THE PROVISIONS OF SECTION 10.6(b), LANDLORD SHALL BE LIABLE UNDER ANY PROVISION HEREOF ONLY FOR TENANT'S ACTUAL DAMAGES, AND SHALL NOT BE LIABLE FOR ANY OTHER DAMAGES, INCLUDING ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, ENHANCED, SPECULATIVE, INTANGIBLE, OR**

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

(c) The obligations of Tenant and Landlord under this Lease are corporate obligations of Tenant and Landlord, respectively, and this Lease imposes no liability upon any member of the Board of Tenant or any member of the Board of Managers of Landlord or any other employee or agent of Tenant or Landlord. This provision is not intended to limit the liability, if any, of an individual under applicable law for his or her own acts or omissions. Additionally, Tenant's liability under this Lease is expressly subject to the liquidated damages contemplated in Section 15.4(f).

19.18 **Broker**□ Landlord and Tenant represent and warrant each to the other that such Party has not dealt with any broker in connection with this Lease and that, insofar as such Party knows, no broker negotiated this Lease or is entitled to any commission in connection herewith. Landlord and Tenant each agree to reimburse the other Party for any losses, costs or damages (including reasonable attorneys' fees) incurred by the other Party as a consequence of the breach or falsity of the representations and warranties of such Party under this Section 19.18.

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

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

19.21 Notification of Sale of Lease. Notwithstanding any other provision of this Lease, Landlord may, in its discretion, at any time during the Term sell all or any portion of its interest in the Premises; provided, however, that (i) Landlord shall give written notice to Tenant not less than sixty (60) days in advance of the proposed sale, (ii) any such sale shall be made expressly subject to all terms and conditions of this Lease.

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

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

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

19.25 Financial Reporting. Tenant at all times during a Term of this Lease will keep books of record and account in accordance with generally accepted accounting principles and all applicable Medicare and other governmental requirements. As soon as available, Tenant shall annually provide to Landlord a copy of Tenant's and Seton Healthcare Family's fiscal year-end financial statements prepared in accordance with generally accepted accounting principles. If one of such financial statements are not audited by independent public accountants, then within 120 days after its fiscal year-end, Tenant, upon Landlord's written request, shall provide Landlord a letter from the independent public accountants for the entity whose financial statements are audited, describing the audit adjustments, if any, to the entity with the unaudited financial statements which are included in the other's audited financial statements. If audited financial statements are prepared by Tenant or Seton Healthcare Family for any fiscal year, Tenant shall provide to Landlord a copy of such audited financial statements of Tenant or Seton Healthcare Family, as applicable, as soon as they are available. In addition, Tenant shall

annually deliver separate unaudited statements of revenues and expenses of University Medical Center Brackenridge.

[SIGNATURE PAGE FOLLOWS]

EXECUTED to be effective as of the Effective Date.

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

By:_____
Name:_____
Title:_____

TENANT: SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

EXECUTED to be effective as of the Effective Date.

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

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

TENANT: SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

EXHIBIT A

FLOOR PLAN OF THE CLINIC

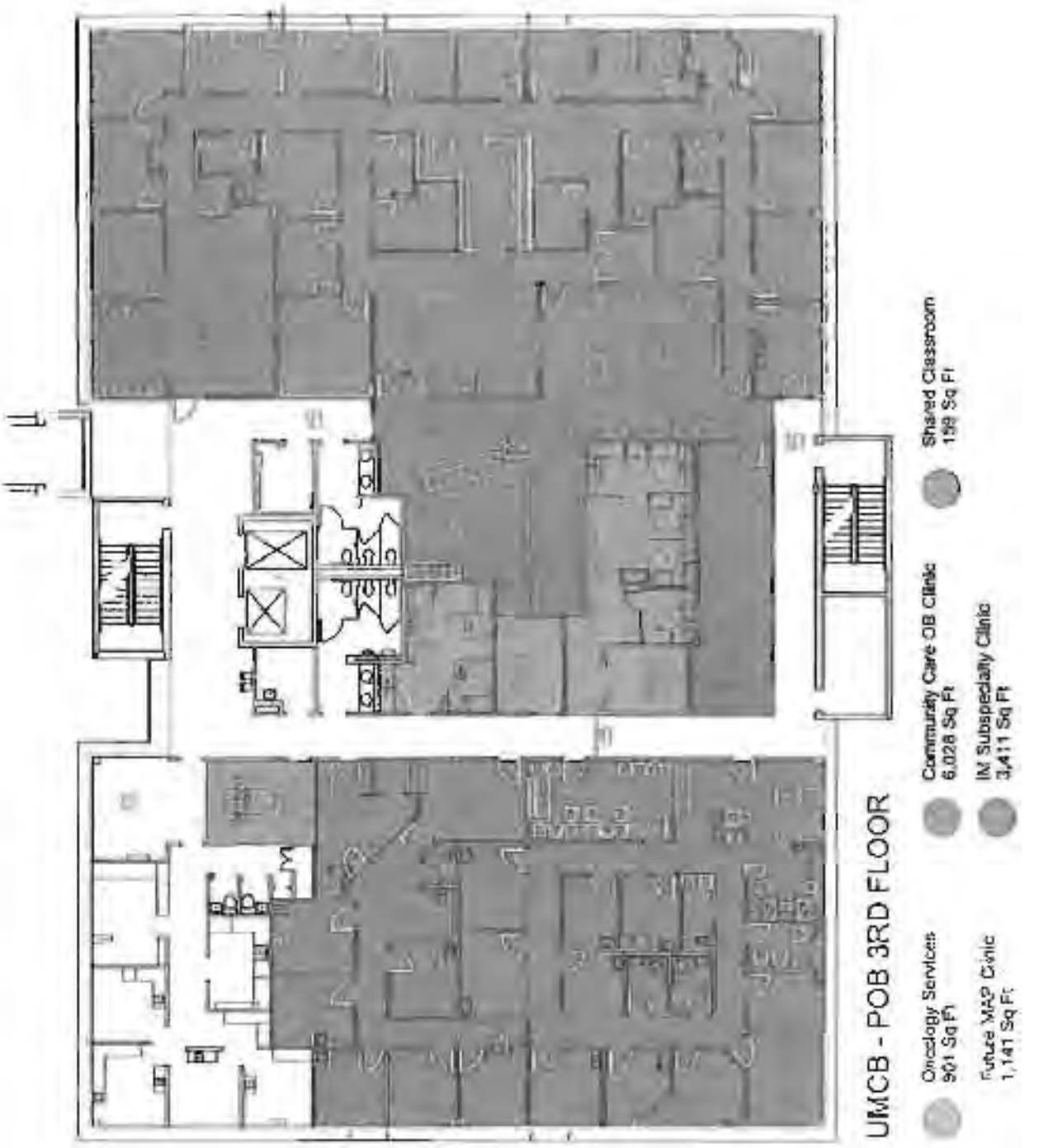

EXHIBIT B

LEGAL DESCRIPTION OF THE PREMISES

Tract 1:

14.015 ACRES
BRACKENRIDGE HOSPITAL
CITY OF AUSTIN

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

DESCRIPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Tract 2:

0.328 ACRES
BRACKENRIDGE HOSPITAL
TRACT 2

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

DESCRIPTION

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

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

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

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

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

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

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

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

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

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

EXHIBIT C

PERMITTED EXCEPTIONS

1. Restrictive covenants recorded in Volume 10800, Page 1017 of the Real Property Records of Travis County, Texas.
2. Drainage and public utility easements reserved by City of Austin Ordinance No. 721109-G, recorded in Volume 4490, Page 518 of the Deed Records, as partially released by instrument recorded in Volume 11574, Page 1782 of the Real Property Records, both of Travis County, Texas. (Tract 1)
3. Drainage and public utility easements reserved by City of Austin Ordinance No. 730201-H, recorded in Volume 4575, Page 951 of the Deed Records of Travis County, Texas. (Tract 1)
4. Drainage and public utility easements reserved by City of Austin Ordinance No. 760122-A, recorded in Volume 5388, Page 1230, as amended by City of Austin Ordinance No. 760318-D, recorded in Volume 5539, Page 2237, both of the Deed Records of Travis County, Texas. (Tract 1)
5. Drainage and public utility easements reserved by City of Austin Ordinance No. 760527-A, recorded in Volume 5480, Page 873 of the Deed Records, as partially released by instrument recorded in Volume 12459, Page 77, corrected in Volume 12483, Page 784, and by instrument recorded in Volume 12697, Page 194, all of the Real Property Records, all of Travis County, Texas. (Tracts 1 and 2)
6. The terms, conditions and stipulations of that certain License Agreement dated October 23, 1979, recorded in Volume 6775, Page 1581 of the Deed Records of Travis County, Texas. (Tract 1)
7. The terms, conditions and stipulations of that certain Declaration of Lease dated October 12, 1979, recorded in Volume 7469, Page 216 of the Deed Records, executed by and between the City of Austin, as Lessor and John D. Byram, as Lessee, as further affected by Assignments recorded in Volume 10563, Page 300 and Volume 11567, Page 1638, and by Agreement recorded in Volume 10641, Page 719 refiled in Volume 10717, Page 1098, all of the Real Property Records, all of Travis County, Texas.. (Tract 1)
8. The terms, conditions and stipulations of those certain Tenant Leases, as evidenced by Assignment of Seller's Interest in Tenant Leases and Assumption Agreement dated November 15, 1991, recorded in Volume 11567, Page 1645 of the Real Property Records of Travis County, Texas. (Tract 1)
9. The terms, conditions and stipulations of that certain Lease Agreement dated October 1, 1995, executed by and between the City of Austin, as Lessor, and Daughters of Charity Health Services of Austin d/b/a Seton Medical Center, as Lessee, evidenced by Memorandum of Lease recorded in Volume 12533, Page 238, as further affected by Consent to Assignment and Waiver recorded in Volume 12533, Page 247, both of the Real Property Records of Travis County, Texas. (Tracts 1 and 2)
10. Stormsewer line and workspace area as evidenced by Declaration of Location of Stormsewer Line dated September 28, 1995, recorded in Volume 12533, Page 304 of the Real Property Records of Travis County, Texas. (Tracts 1 and 2)
11. Wastewater line and workspace area as evidenced by Declaration of Location of Wastewater Line dated September 28, 1995, recorded in Volume 12533, Page 311 of the

Real Property Records, as partially released by instrument recorded under Document No. 2002013598 of the Official Public Records, both of Travis County, Texas. (Tract 1)

12. The terms, conditions and stipulations of that certain License Agreement dated January 7, 1997, recorded in Volume 12849, Page 394 of the Real Property Records of Travis County, Texas. (Tract 1)
13. Drainage, waterline and wastewater easements located upon and across the subject property as evidenced by Memorandum Designating Locations of New Drainage, Waterline and Wastewater Easements at Children's Hospital of Austin – "Brackenridge" dated December 11, 1998, recorded in Volume 13328, Page 716 of the Real Property Records, as further affected by Right of Way Encroachment License Agreement No. #WP 477-1109 recorded under Document No. 2011183680 of the Official Public Records, both of Travis County, Texas. (Tract 1)
14. Waterline easement located upon and across the subject property as evidenced by Memorandum Designating the Location of a 1792 Square Foot Waterline Easement at the Brackenridge Children's Hospital of Austin dated July 7, 2000, recorded under Document No. 2000106528, as further affected by Right of Way Encroachment License Agreement No. #WP 477-1109 recorded under Document No. 2011183680, both of the Official Public Records of Travis County, Texas. (Tract 1)
15. Terms, conditions and stipulations of that certain Installation and Service Agreement in favor of Time Warner Cable, as evidenced by that certain Easement and Memorandum of Agreement dated August 14, 2002, and recorded under Document No. 2002167767 of the Official Public Records of Travis County, Texas. (Tract 1)
16. Rights of tenants in possession, as tenants only, under unrecorded lease agreements.
17. Easements, or claims of easements, which are not recorded in the public records.
18. Rights of parties in possession.
19. Those matters disclosed in Schedule C, Item 7 shown on the Heritage Title Report.

EXHIBIT D

MEMORANDUM OF LEASE

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

1. **Grant of Lease; Term; and Rights**.

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

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

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

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

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

[SIGNATURE PAGES FOLLOW]

[COUNTERPART SIGNATURE PAGE TO MEMORANDUM OF LEASE]

LANDLORD:

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

By:_____
Name:_____
Title:_____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

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

(SEAL)

_____
Notary Public Signature

[COUNTERPART SIGNATURE PAGE TO MEMORANDUM OF LEASE]

TENANT:

SETON FAMILY OF HOSPITALS, a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS, a Texas nonprofit corporation

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

SETON FAMILY OF HOSPITALS, a Texas nonprofit corporation

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

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

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

(SEAL) _____
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

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

(SEAL) _____
Notary Public Signature

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

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

(SEAL) _____
Notary Public Signature

Exhibit "A"

Legal Description of the Premises

14.015 ACRES
BRACKENRIDGE HOSPITAL
CITY OF AUSTIN

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

DESCRIPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9/20/04

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

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

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

FIELD NOTES REVIEWED
By John Moore Date 10-13-2004
Engineering Support Section
Department of Public Works
and Transportation

0.328 ACRES
BRACKENRIDGE HOSPITAL
TRACT 2

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

DESCRIPTION

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

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

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

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

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

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

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

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

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

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

EXHIBIT E

FORM OF GUARANTY

As a material inducement to Landlord to enter into the Lease Agreement, dated June 1, 2013 (the "**Lease**"), between **SETON FAMILY OF HOSPITALS**, a Texas nonprofit corporation, as Tenant, and **TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH**, a political subdivision of the State of Texas, as Landlord, **SETON HEALTHCARE FAMILY**, a Texas nonprofit corporation ("**Guarantor**"), hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Tenant (and any assignee) under the Lease and any extensions or renewals of and amendments to the Lease. This Guaranty is an absolute, primary, and continuing, guaranty of payment and performance and is independent of Tenant's obligations under the Lease. Guarantor shall be primarily liable, jointly and severally, with Tenant and any other guarantor of Tenant's obligations under the Lease. Guarantor waives any right to require Landlord to (a) join Tenant with Guarantor in any suit arising under this Guaranty, (b) proceed against or exhaust any security given to secure Tenant's obligations under the Lease, or (c) pursue or exhaust any other remedy in Landlord's power under the Lease.

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

Guarantor shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned, (A) assign or transfer this Guaranty or any estate or interest herein, whether directly or by operation of law, (B) permit any other entity to become Guarantor hereunder by merger, consolidation, or other reorganization, or (C) permit the

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

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

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

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

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

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

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

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

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

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

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

[SIGNATURE PAGE TO LEASE GUARANTY]

Executed to be effective as of June 1, 2013.

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

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

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

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

[SIGNATURE PAGE TO LEASE GUARANTY]

Executed to be effective as of June 1, 2013.

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

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

SETON HEALTHCARE FAMILY, a Texas nonprofit corporation

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

Attachment E

ATTACHMENT E

OPTION TO PURCHASE

This Option to Purchase ("Option Agreement") is between Seton Healthcare Family ("Seton") and Travis County Healthcare District d/b/a Central Health ("Central Health"). (Seton and Central Health are also individually referred to as "party" and collectively as "parties"). This Option Agreement is effective as of June 1, 2013 ("Effective Date").

RECITALS

WHEREAS Seton and Central Health have executed the Master Agreement setting forth their respective rights and obligations with respect to the development of an integrated delivery system to serve the safety net population of Travis County;

WHEREAS Seton (or, as applicable, an Affiliate of Seton) intends to build a Teaching Hospital as contemplated in the Master Agreement;

WHEREAS as partial consideration for Central Health's obligations and duties under the Master Agreement, Seton has agreed to enter into this Option Agreement; and

WHEREAS Seton is willing to enter into this Option Agreement in accordance with the terms set forth below.

NOW, THEREFORE, the parties agree as follows:

1. **Grant of Option to Purchase**. Subject to the terms and conditions of this Option Agreement, Seton (or as applicable any Affiliate of Seton) hereby grants to Central Health the right ("Option Right") during the Option Period (as defined below in Section 1.1) to purchase all, but not less than all, of the Teaching Hospital Assets (as defined below in Section 1.2) in exchange for payment in cash of the Purchase Price (as defined below in Section 1.5).

1.1 "Option Period" shall be the period of time between the Option Commencement Date (as defined below in Section 1.3) and the Option Expiration Date (as de ined below in Section 1.4).

1.2 "Teaching Hospital Assets" shall mean all real and personal property, leasehold interests, buildings, improvements, supplies and other inventories, equipment, and fi .tures owned by Seton that relate to the Teaching Hospital described in Section 4.8 of the Master Agreement.

1.3 "Option Commencement Date" shall, subject to the conditions set forth below, be the date upon which Central Health has actual notice of the following:

1.3.1 A Seton Event of Default as described in Section 6.2 of the Master Agreement has occurred;

1.3.2 Seton has committed a Material Breach (as defined below) of the Master Agreement, CCC/Seton Services Agreement, or Teaching Hospital Lease, and Central Health has terminated the Master Agreement or the Teaching Hospital Lease as a result of such Material Breach; or

1.3.3 Central Health requests Seton to perform Post-Termination Services pursuant to the provisions of Section 8.1.3 or Section 8.1.4 of the Master Agreement, as applicable, and, except as may be provided in the Master Agreement or applicable agreement, Seton ceases to perform such services, so long as Central Health has fully complied with the material terms of such agreement and with its funding obligations for such services as described more fully in Section 8.1.3 and Section 8.1.4 of the Master Agreement.

Notwithstanding the foregoing, no Option Right shall arise or be exercisable and this Option Agreement shall have no force or effect if either (i) the Master Agreement is terminated by Seton either due to a Material Breach (as defined below) by Central Health or the CCC of the Master Agreement or due to termination by Seton of either the CCC/Seton Services Agreement or Teaching Hospital Lease as a result of a Material Breach by Central Health or the CCC or (ii) Seton is unable to retain all of the Transition Funds contemplated in the Master Agreement within the Transition Period due to the failure or inability of Central Health to adequately fund the IDS and CCC as set forth in Section 6.7.1(i) of the Master Agreement (regardless of whether Seton elects to terminate under such Section). In addition, the Option Commencement Date will not occur until completion of any dispute resolution process as set forth in Section 5 below.

The term "Material Breach" as used in this Section 1.3 means either: (a) the non-payment of monies or compensation required to be paid by one party to the other party under the Master Agreement or any Ancillary Agreement after such non-breaching party has given the other party notice of such alleged non-payment under Section 6.4.1 of the Master Agreement and such dispute has not been either: (y) resolved through the dispute resolution process in Section 7 of the Master Agreement; or (z) resolved through payment of the disputed amount by such party upon completion of the dispute resolution process; or (b) an act or omission by one party that constitutes a breach of the Master Agreement or any Ancillary Agreement that materially and adversely affects the non-breaching party by changing or disrupting the business or operations or any other material aspect of the relationship between the parties as contemplated by the Master Agreement or any Ancillary Agreement after the non-breaching party has given the other party notice of

such alleged breach under Section 6.4.1 of the Master Agreement and if such act or omission has not been resolved through the dispute resolution process in Section 7 of the Master Agreement or has been otherwise cured by such other party.

1.4 "Option Expiration Date" means the one-year anniversary date from the Option Commencement Date.

1.5 "Purchase Price" means as follows:

1.5.1 If the Option Commencement Date is triggered by a Seton Event of Default as described in Section 1.3.1 above, "Purchase Price" means the amount of money equal to Seton Costs (as defined below) minus the difference of (i) depreciation and all Transition Funds (as defined in Section 4.4 of the Master Agreement) used by Seton (Transition Funds in no event shall exceed $100 million) less (ii) any Reinvestment Payments made by Seton pursuant to the Master Agreement ("Purchase Price Adjustment"). The term "Seton Costs" shall mean all direct and indirect costs incurred by Seton in connection with the planning, development, design, construction, and equipping of the Teaching Hospital, including interest equal to the prime rate as published in The Wall Street Journal Southwest Edition from time-to-time as of the date that such costs were incurred, as determined in accordance with Section 3.1 below.

1.5.2 If the Option Commencement Date is triggered by an event as described in Sections 1.3.2 or 1.3.3 above, "Purchase Price" means Appraised Fair Market Value (as defined below in Section 3.2) subject to the Purchase Price Adjustment.

1.5.3 Notwithstanding the above calculations, in no event shall the Purchase Price as set forth in Section 1.5.1 or Section 1.5.2 above be lower than the amount required to comply with applicable laws.

2. **Exercise of Option to Purchase**. If Central Health exercises its Option Right, it shall give written notice to Seton of such election ("Exercise Notice"). Upon the delivery of the Exercise Notice to Seton, the parties shall reasonably and in good faith negotiate and execute a commercially reasonable, industry-standard purchase agreement (provided the only warranties by Seton shall be warranties as to title and corporate authority) for the Teaching Hospital Assets that includes the Purchase Price as defined in Section 1.5 above ("Purchase Agreement") and, at the exclusive option of Seton, the parties shall reasonably and in good faith negotiate and execute a commercially reasonable, industry-standard agreement ("Operating Agreement") between Central Health and Seton for Seton to operate and manage on an exclusive basis the Teaching Hospital as a safety net hospital on behalf of Central Health in return for compensation to Seton that is commensurate with fair market value and consistent in form and structure to typical "cost-plus" hospital management agreements within the health care industry. The inability of the parties to agree upon the terms of an Operating Agreement shall not prevent the Closing of the Purchase Agreement. The parties shall make good faith efforts to complete and execute the Purchase Agreement and Operating Agreement within three months of the Exercise Notice and consummate and close the transactions contemplated by these Agreements ("Closing") no later than twenty-four months from the Exercise Notice. In the event that the State of Texas cannot approve the purchase and operation of the Teaching Hospital by Central Health within such time period, the Closing may be extended and Seton shall cooperate with Central Health to obtain such approval to ensure that such hospital will not be unavailable for services for any period of

time. At Closing, Central Health shall make payment to Seton for the Teaching Hospital Assets being purchased by delivering immediately available funds to the order of Seton in the full amount of the Purchase Price, and Seton shall transfer all of the Teaching Hospital Assets to Central Health consistent with the terms of the Purchase Agreement. Seton shall also cooperate and use its reasonable good faith efforts to assist Central Health in the transfer of all licenses necessary to operate the Teaching Hospital upon such transfer.

3. Calculation of Purchase Price.

3.1 Calculation of Seton Costs. Seton Costs (as defined above) shall be determined as follows:

3.1.1 Mutually Agreed Upon Assessor. The parties shall make a good faith effort to agree within thirty days of the Exercise Notice upon a qualified independent assessor to calculate the Seton Costs. If the parties agree to such selection, such assessor shall determine and establish the Seton Costs.

3.1.2 Parties Assessors. If the parties cannot agree on one assessor within the time period set forth above, each party at its expense, shall select an assessor, and within one hundred twenty days of selection, each of the two assessor shall determine in good faith the Seton Costs and shall attest to their methods used. Seton agrees to allow such assessor access to all necessary books and records to calculate the Seton Costs. Each assessor shall supply the other assessor with a copy of such report. If the assessors mutually agree on an amount, that amount shall be the Seton Costs. If the assessed costs values are within ten percent of each other, then the average of the assessed costs shall be the Seton Costs.

3.1.3 Third Assessor. If the assessed costs are more than ten percent apart, then the parties shall select a third assessor. If the parties cannot agree on the third assessor within ten days of the completion of their assessed cost reports, then the two assessors shall, within thirty days following the completion of their reports, select a third assessor. The third assessor shall have the same general qualifications as the first two assessors. Within thirty days of selection, the third assessor shall determine the costs and that amount shall be averaged with the nearest assessment and the average of those two assessments shall be the Seton Costs. The party whose assessor's report is not used shall bear the costs of the third assessment. The failure of any party to select an assessor within thirty days after selection of an assessor by the other party shall result in the other party selecting both assessors.

3.2 Calculation of Appraised Fair Market Value. Appraised Fair Market Value of the Teaching Hospital Assets shall be determined as follows:

3.2.1 Mutually Agreed Upon Appraiser. The parties shall make a good faith effort to agree within thirty days of the Exercise Notice upon a qualified independent appraiser. If the parties agree to such selection, such appraiser shall determine and establish the fair market value of the Teaching Hospital Assets as a going concern

3.2.2 Parties Appraisers. If the parties cannot agree on one appraiser within the time period set forth above, each party at its expense, shall select an appraiser, and within one hundred twenty days of selection, each of the two appraisers shall determine in good faith the fair market value of the Teaching

Hospital Assets in accordance with the current standards of appraisal practice for determining the fair market value of hospital assets and shall attest to their methods used. The appraisers shall take into account all assets and liabilities of the Teaching Hospital as of the determination date in determining fair market value. Each appraiser shall supply the other appraiser with a copy of such appraisal report. If the appraisers mutually agree on a fair market value, that amount shall be the Appraised Fair Market Value. If the appraised values are within ten percent of each other, then the average of the appraisals shall be the Appraised Fair Market Value.

3.2.3 Third Appraiser. If the appraised values are more than ten percent apart, then the parties shall select a third appraiser. If the parties cannot agree on the third appraiser within ten days of the completion of the appraisals, then the two appraisers shall, within thirty days following the completion of their appraisals, select a third appraiser. The third appraiser shall have the same general qualifications as the first two appraisers. Within thirty days of selection, the third appraiser shall determine a fair market value of the Teaching Hospital Assets and that amount shall be averaged with the nearest appraisal and the average of those two appraisals shall be the Appraised Fair Market Value. The party whose appraiser's appraisal is not used shall bear the costs of the third appraisal. Each appraiser shall be experienced in valuing urban hospital and shall be unaffiliated and unrelated to either party. The failure of any party to select an appraiser within thirty days after selection of an appraiser by the other party shall result in the other party selecting both appraisers.

4. **Term and Termination**. The term of this Option Agreement is twenty-five years from the Effective Date. The Option Agreement will not extend past the term except by mutual agreement of the parties. The Option Agreement may be terminated immediately during the term as follows:

4.1 By mutual written agreement of the parties; or

4.2 By either party if within Travis County universal health coverage system exists and substantially all residents of Travis County are covered by a health benefit plan that pays for their health care costs.

5. Dispute Resolution. If any Dispute (as defined in Section 7.1 of the Master Agreement) arises between the parties relating to this Option Agreement, the parties agree to follow the dispute resolution process set forth in Section 7 of the Master Agreement. In addition, the parties acknowledge and agree that the Option Commencement Date will not occur and Central Health may not exercise its Option Right (i) during the dispute resolution process (including but not limited to a dispute regarding an alleged Seton Event of Default or Material Breach of agreement by Seton) or (ii) following completion of the dispute resolution process, until final resolution and completion (including all appeals) of any litigation arising out of such Dispute. The parties agree that the Option Period will not begin to run and the Option Commencement Date shall be tolled until the final resolution and completion of any litigation arising out of such Dispute.

6. Further Assurances. Subsequent to delivery of the Exercise Notice, each of the parties hereto shall execute and deliver all such further documents and instruments and take all such further actions as may be reasonably necessary in order to consummate the transactions contemplated hereby

7. **Notices**. All notices, requests, claims, demands and other communications hereunder shall be in writing (and shall be deemed to have been duly received if so given) and given by hand delivery, by overnight courier or by registered or certified mail (postage prepaid, return receipt requested) at the addresses set forth below:

If to Central Health

111 E. Caesar Chavez, Suite B
Austin, Texas 78702
Attn: President and CEO

With a copy to:

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

Travis County Attorney
314 West 11th Street, 19th Floor
Austin, Texas 78701

If to Seton

c/o Seton Administration Offices
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attn: President

With a copy to:

Seton General Counsel
c/o Seton Administration Offices
1345 Philomena Street, Suite 402
Austin, Texas 78723

or to such other address or number, and to the attention of such other person or officer, as any party hereto may designate, at any time, in writing in conformity with these notice provisions. Any notice given hereunder shall be deemed received five business days after it is mailed.

8. **Legal Fees and Costs**. In the event either party hereto elects to incur legal expenses to enforce or interpret any provision of this Option Agreement by judicial proceedings, the prevailing party in those proceedings shall be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled, but the prevailing party shall not be entitled to special, indirect, consequential, punitive, or exemplary damages.

9. **Choice of Law and Venue**. This Agreement shall be construed, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws of the State of Texas; provided, however, that the conflicts of law principles of the State of Texas shall not apply to the extent that they would operate to apply the laws of another state. Venue of any lawsuit relating to this Option Agreement shall be in Travis County, Texas.

10. **Successors and Assigns**. This Option Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors and permitted assigns. Neither party may assign this Option Agreement without the prior written consent of the other party.

11. **Entire Agreement**. This Option Agreement together with the Master Agreement and Ancillary Agreements constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, express or implied, written or oral, between the parties hereto with respect thereto.

12. **Amendments; Waivers**. This Option Agreement may not be amended, supplemented or otherwise modified except upon the execution and delivery of a written agreement by the parties hereto. No waiver by either party of any of the provisions hereof shall be effective unless explicitly set forth in writing and executed by the party so waiving. The waiver by either party hereto of a breach of any provision of this Option Agreement shall not operate or be construed as a waiver of any subsequent breach.

13. **Counterparts**. This Option Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

14. **Headings**. The section headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

[SIGNATURE PAGE FOLLOWS]

TRAVIS COUNTY HEALTHCARE DISTRICT d/b/a CENTRAL HEALTH

By: _____
Patricia Young Brown
President and Chief Executive Officer

SETON HEALTHCARE FAMILY

By: _____
Jesus Garza
President and Chief Executive Officer

[SIGNATURE PAGE FOR OPTION TO PURCHASE]

TRAVIS COUNTY HEALTHCARE DISTRICT d/b/a CENTRAL HEALTH

By: _____
Patricia Young Brown
President and Chief Executive Officer

SETON HEALTHCARE FAMILY

By: _____
Charles J. Barnett
Executive Board Chair

SETON HEALTHCARE FAMILY

By: _____
Jesus Garza
President and Chief Executive Officer

AMENDMENT

This is an amendment ("Amendment") to the Master Agreement ("Master Agreement") between Travis County Health Care District d/b/a Central Health ("Central Health") and Seton Healthcare Family ("Seton"). Central Health and Seton agree as follows:

1. Sections 3.6, 4.2, 6.7.1, and 6.7.2 of the Master Agreement are hereby amended and restated as set forth in Attachment A of this Amendment.

2. The effective date of this Amendment is June 1, 2013.

3. The Master Agreement is hereby modified and restated to include the amended Sections set forth on Attachment A and shall continue in force and effect from its original effective date and shall be re-named "Amended and Restated Master Agreement."

4. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall be taken as one and the same original.

TRAVIS COUNTY HEALTHCARE DISTRICT d/b/a CENTRAL HEALTH

By: _____
Larry Wallace
Acting Chief Executive Officer

SETON HEALTHCARE FAMILY

By: _____
Jesus Garza
President and Chief Executive Officer

Attachment A

Amended Sections of Master Agreement

3.6 Central Health Unilateral Powers. The parties acknowledge and agree that, subject to the terms of this Agreement, Central Health retains the unilateral right in its sole and exclusive discretion to make the decisions set forth below:

(1) Funding of the IDS pursuant to Section 4.2;

(2) Funding any IGT;

(3) Approval, support, and funding of women's health projects, or other projects, deemed necessary for the community by Central Health that Seton cannot participate in as a result of ERD restrictions;

(4) Determination of the matters set forth in Section 3.13(i); and

(5) Approval, support, and/or funding any type of project if Central Health as a hospital district is obligated by Law to provide such project and if the CCC is unable or unwilling to support or fund such project.

Such unilateral rights do not (i) affect or override Central Health's duty to comply with other terms of this Agreement and all Ancillary Agreements or (ii) preclude Seton from terminating this Agreement as specifically permitted by its terms.

4.2 Funding Obligation. The parties agree to collaborate to adequately fund the IDS and CCC activities and operations and to compensate providers within the CCC Provider Network, including Seton, for health care and other services to improve quality and access to health services for the Covered Population. The parties acknowledge and agree that each party maintains sole and exclusive discretion to determine the amount of money (if any) that it will fund or commit to fund the IDS or CCC each year as part of the Annual Budget, provided, however, that failure to reach agreement on such funding will entitle either party to declare a Funding Deadlock as described in Section 6.9.2.

6.7 Special Termination Rights.

6.7.1 Seton Rights. Seton may, in its sole and exclusive discretion, terminate the Agreement if (i) Central Health has exercised its unilateral right pursuant to Section 3.6(2) in such manner that Seton in good faith determines jeopardize its status as a Catholic healthcare organization or (ii) Central Health and Seton have been unable to agree upon the Teaching Hospital Lease as set forth in Section 4.8. Such termination shall be accomplished by giving Termination Notice to Central Health, and the Termination Date shall be one year after the Termination Notice Date.

6.7.2 Central Health Rights. Central Health may, in its sole and exclusive discretion, terminate the Agreement if (i) Seton fails to construct the Teaching Hospital as contemplated by Section 4.8 above within a reasonable period of time following the receipt of all necessary governmental permits and approvals as well as all approvals required by UT or (ii) Central Health and Seton have been unable to agree upon the Teaching Hospital Lease as set forth in Section 4.8. Such termination shall be accomplished by giving a Termination Notice to Seton, and the Termination Date shall be one year after the Termination Notice Date.