

GROUND SUBLEASE

This Ground Sublease (this “**Sublease**”) is executed effective as of the 17th day of October, 2014 (“**Effective Date**”) by and between **TRAVIS COUNTY HEALTHCARE DISTRICT, doing business as Central Health**, a political subdivision of the State of Texas (“**Sublessor**” or “**Central Health**”) and **SETON FAMILY OF HOSPITALS**, a Texas nonprofit corporation (“**Sublessee**” or “**Seton**”). Sublessor and Sublessee are sometimes referred to in this Sublease individually as a “**Party**” and collectively as the “**Parties**”.

ARTICLE I

RECITALS, DEFINED TERMS AND RELATIONSHIP TO MASTER LEASE

1.01 Central Health is a political subdivision of the State of Texas, created in 2004 by a vote of the citizens of Travis County, Texas as allowed under Chapter 281 of the Texas Health and Safety Code. Central Health works to develop and maintain a network of health care services to serve community health care needs of the City of Austin and Travis County. Seton is a non-profit provider of health care services in Central Texas, and pursuant to a lease with Central Health, currently operates the University Medical Center at Brackenridge as a Level I Trauma Center and safety-net hospital for Travis County.

1.02 The Board of Regents of the University of Texas System (“**UT System**” or “**Lessor**”), The University of Texas at Austin (“**UT Austin**”), Central Health, and Seton have worked in collaboration with each other for the establishment of a teaching hospital (the “**Teaching Hospital**”) to support a four-year medical school as a department of UT Austin, being Dell Medical School and the educational mission of UT Austin and to support graduate medical education in the City of Austin and Travis County. The Dell Medical School will be constructed on the UT Austin campus in an area designated by UT Austin as The University of Texas at Austin Medical District (the “**Medical District**”) currently being approximately 39.42 acres in size, as generally shown on Exhibit “A” attached to this Sublease.

1.03 Central Health and Seton have entered into a lease agreement effective June 1, 2013 (as amended from time to time, the “**UMCB Lease**”) for operation of University Medical Center Brackenridge as a primary safety net hospital for all residents of Travis County, Texas. Central Health, Seton, and/or Seton Healthcare Family (“**SHF**”) have entered into the following other agreements pursuant to which Seton will, among other things, operate the Teaching Hospital (to replace the hospital operations covered by the UMCB Lease): that certain Master Agreement dated as of June 1, 2013 (as amended from time to time, the “**Master Agreement**”), that certain Option to Purchase dated as of June 1, 2013 (as amended from time to time, the “**Option Agreement**”), and together with Community Care Collaborative, a Texas nonprofit corporation, that certain Omnibus Healthcare Services Agreement dated as of June 1, 2013 (as amended from time to time, the “**Omnibus Healthcare Services Agreement**”) (collectively, the “**CH/Seton Ancillary Agreements**”).

1.04 UT System, UT Austin, and Seton have entered into that certain Affiliation Agreement to be effective January 1, 2015 (as the same may be modified, amended, and/or restated from time to time, the “**Teaching Hospital Affiliation Agreement**”) for the

development and operation of the Teaching Hospital and its relationship to the Dell Medical School and UT Austin.

1.05 In order to best accomplish the collaborative effort described above to establish a Teaching Hospital and its statutory duty to provide medical services to the indigent and safety net population of Travis County, Texas, Central Health will ground lease from UT System a certain tract of land in the Medical District, being 3.510 acres of land, more or less and more particularly described on Exhibit "B" attached to and incorporated in this Sublease (the "**Land**") pursuant to that certain Ground Lease to be executed effective as of the Effective Date a full and complete copy of which is attached to this Sublease as Exhibit "C" (as may be amended from time to time, the "**Master Lease**"), and then will sublease the Premises described therein to Seton to be operated pursuant to this Sublease and the CH/Seton Ancillary Agreements. The term "**Subleased Premises**" will mean the entire Premises (as defined in the Master Lease).

1.06 Central Health has concluded that the transaction described in this Sublease will significantly benefit the residents of Travis County, Texas, and that, as a result of such transaction, the Teaching Hospital will be established to serve as a primary safety net hospital by providing essential health services described in Sections 1.10 and 4.01 of the Master Lease, for all residents of Travis County, Texas, regardless of their gender or financial status.

1.07 The Board of Managers of Central Health has approved and authorized the transaction described in this Sublease and Central Health's execution, delivery, and performance of this Sublease, and has made a finding that all of the property, both real and personal, being subleased to Seton pursuant to this Sublease is necessary and convenient for the operations of the Teaching Hospital to be operated on the Subleased Premises.

1.08 Seton desires to sublease from Central Health and Central Health desires to sublease to Seton the Subleased Premises subject to the terms and conditions hereof.

1.09 Defined Terms. Capitalized terms used but not defined in this Sublease shall have the meanings specified in the Master Lease.

1.10 Relationship to Master Lease.

(a) This Sublease is subject and subordinate to the Master Lease, and, so long as this Sublease is in effect, Sublessee shall not have any rights with respect to the Subleased Premises arising under this Sublease that are (i) greater than Sublessor's rights under the Master Lease or (ii) specified in the Excepted Provisions (as defined below). Except for Sublessor's rights specified in the Excepted Provisions, it is the Parties' intent that all other rights and benefits granted to Sublessor under the Master Lease will inure to the benefit of Sublessee to the extent set forth in the Master Lease and subject to the terms of this Sublease.

(b) To the extent not otherwise inconsistent with this Sublease and except for the Excepted Provisions, the terms, conditions, and provisions of the Master Lease are incorporated into this Sublease by reference. Sublessee shall not undertake or perform any action or fail to take any action that would constitute a breach of any covenant or obligation under the Master Lease or cause the Master Lease to be terminated or forfeited. Sublessor shall have all the rights of Lessor contained in the Master Lease with respect to this Sublease. In the

event of an express conflict between the provisions of the Master Lease and the provisions of this Sublease, as between Sublessor and Sublessee, the provisions of the Master Lease shall control. Except as specifically provided in this Sublease, the Master Lease, or the Lessee Collateral Assignment, Sublessee acknowledges and agrees that any termination or expiration of the Master Lease shall constitute a termination or expiration of this Sublease. Sublessor and Sublessee shall promptly provide the other Party with any notices and reports received from Lessor that affect the Subleased Premises, and any notices and reports required to be given by Sublessor to Lessor under the Master Lease shall also be given at the same time and in the same manner to Sublessee and any notices and reports required to be given by Sublessee to Lessor under the Master Lease shall also be given at the same time and in the same manner to Sublessor. In no event shall Sublessor be deemed to have made any of Lessor's representations or warranties in the Master Lease to Sublessee hereunder. Notwithstanding any other provisions of this Sublease, in no event shall Sublessee be entitled to terminate the Master Lease or exercise Sublessor's right to terminate the Master Lease under Section 16.02(d) of the Master Lease so long as this Sublease is in effect. So long as no Sublessee Default (as defined in Section 14.01) exists after the expiration of all applicable dispute resolution processes and notice and cure periods provided for under any provision of this Sublease or the Master Lease, Sublessor hereby covenants and agrees to timely perform all of its obligations under the Master Lease. Sublessor will not undertake or perform any action or fail to take any action that will result in a default under the Master Lease.

(c) By its signature on the Joinder by Seton Family of Hospitals to the Master Lease (the "**Joinder**"), Sublessee has acknowledged and agreed that Sublessee (i) is bound by and Sublessee has covenanted, agreed, and promised to perform and discharge all of the obligations of Hospital Subtenant and Seton expressly set forth in the Master Lease, and (ii) is bound by and Sublessee has covenanted and agreed to comply with all of the provisions of the Master Lease, other than the "Excluded Provisions" (as defined in Section 2 of the Joinder), as if Sublessee were the "Lessee" under the Master Lease (collectively, the "**Master Lease Obligations**"). Sublessee acknowledges and agrees that the Master Lease Obligations are incorporated into this Sublease by reference and shall be obligations and covenants of Sublessee to Sublessor under this Sublease to be performed hereunder.

(d) Sublessee hereby acknowledges and agrees that the only services to which Sublessee is entitled under this Sublease are those to which Sublessor is entitled under the Master Lease with respect to the Subleased Premises (subject to all the provisions, restrictions and conditions imposed by the Master Lease). Sublessor will have no obligation to or liability for failure to perform any of Lessor's obligations under the Master Lease. Sublessee agrees to look solely to Lessor for the performance of such obligations; provided, however, following written notice from Sublessee specifying the nature of the failure by Lessor to perform, Sublessor agrees to use reasonable efforts to cause Lessor to correct and remedy such failure but in no event shall Sublessor be obligated to declare a default under the Master Lease or to bring any suit or action against Lessor or to be liable for Lessor's failure to perform under the Master Lease. In no event shall Sublessor be liable for any acts or omissions of Lessor or any of Lessor's officers, directors, shareholders, employees, partners, members, representatives, or agents ("**Lessor Parties**") or any failure of Lessor or any Lessor Parties to comply with the terms of the Master Lease. Nothing contained in this Sublease will limit or prevent Sublessee from exercising its rights under Section 22.11(a) of the Master Lease; provided such remedies and actions by Sublessee are reasonably consistent with the Affiliation Agreements then in effect and

do not unreasonably interfere with the exercise by Sublessor of its remedies under such Affiliation Agreements or the Master Lease.

(e) As used herein, the term “**Excepted Provisions**” means the following sections and exhibits to the Master Lease and any rights granted to Sublessor therein, which, as between Sublessor and Sublessee only, shall not inure to the benefit of Sublessee except as otherwise expressly provided herein: Sections 4.08(e), 5.10, 7.08(c), 7.18, 8.01, 10.01, 10.02, 10.03, 10.05, 11.03(a), 15.04, 17.04(a), 19.05(b), 22.11(b) and Exhibit J.

ARTICLE II

SUBLEASE OF SUBLEASED PREMISES

2.01 **Granting Clause.** For and in consideration of the covenants made by Sublessee herein, and \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessor subleases to Sublessee, and Sublessee subleases from Sublessor, the Subleased Premises in accordance with and subject to the terms, conditions and provisions of this Sublease and the Master Lease Obligations (except as to the Excepted Provisions). Sublessor and Sublessee intend that all of the rights in and to the Premises granted to Sublessor under the Master Lease and all of the obligations with respect to the Premises imposed on Sublessor under the Master Lease that constitute Master Lease Obligations (except such rights and obligations in the Excepted Provisions) shall be passed through to Sublessee in this Sublease.

2.02 **Quiet Enjoyment.** Sublessor covenants and warrants, to the extent permitted under the laws and Constitution of the State of Texas, that, so long as no Sublessee Default exists after the expiration of all applicable dispute resolution processes and notice and cure periods provided for under any provision of this Sublease or the Master Lease, Sublessee shall and may peaceably and quietly have, hold, occupy, use and enjoy and shall have the full and unrestricted use and enjoyment of the Subleased Premises during the Sublease Term, subject only to the Permitted Encumbrances, the terms and conditions of this Sublease and the Master Lease, and all Applicable Laws.

2.03 **Sublease Term.** Subject to the terms and conditions hereof and the Master Lease, the term of this Sublease (“**Sublease Term**”) will be the same as the Term of the Master Lease, unless sooner terminated as provided for in this Sublease.

2.04 **Option to Renew and Extend.** Subject to the conditions herein, Sublessor agrees that Sublessee may, at its option, exercise Sublessor’s Extension Option(s) under the Master Lease. The exercise of each such option will automatically extend the original Sublease Term for the period of the applicable Renewal Term under the Master Lease, subject to all the provisions of this Sublease and the Master Lease, including the Seton Safety Net Requirement. Sublessee’s right to exercise Sublessor’s Extension Option(s) is subject to the following conditions precedent:

(a) All conditions precedent set forth in Section 2.06 of the Master Lease to Sublessor’s right to exercise the Extension Option are satisfied.

(b) This Sublease shall be in effect at the time notice of exercise of the Extension Option (the “**Master Lease Renewal Notice**”) is given and on the last day of the Sublease Term with respect to the First Renewal Term and if applicable with respect to the Second Renewal Term, on the last day of the First Renewal Term.

(c) Without limiting Sublessee’s rights to cure any defaults hereunder, to the extent applicable, no uncured Sublessee Default shall exist after expiration of all applicable dispute resolution processes and notice and cure periods provided for under any provision of this Sublease or the Master Lease at the time notice is given or during the period from delivery of the Master Lease Renewal Notice through and including the last day of the then current Sublease Term. However, if Sublessee’s Renewal Notice (defined below) is given during the continuance of a TRN Default, provided that Sublessee is in full compliance with Section 14.06 of the Master Lease, and is diligently pursuing the cure of such TRN Default in accordance with the Response Plan, then such TRN Default will not be a failure of this condition precedent and Sublessee will have the right to exercise the Extension Option.

(d) Not later than one (1) year prior to the expiration of the applicable Renewal Deadline (as defined below), Sublessee shall give written notice to Sublessor (the “**Sublessee Renewal Notice**”) of its intent to either (i) irrevocably exercise the Extension Option for the applicable Renewal Term, or (ii) not exercise the Extension Option for the applicable Renewal Term. If the Sublessee Renewal Notice states that Sublessee intends to exercise the Extension Option, then the following additional condition precedents shall apply:

(i) Sublessee shall give written notice to Sublessor and Lessor irrevocably exercising the Extension Option not later than five (5) years prior to expiration of the Term (the “**First Renewal Deadline**”).

(ii) Sublessee shall give written notice to Sublessor and Lessor irrevocably exercising the Extension Option for the Second Renewal Term not later than five (5) years prior to expiration of the First Renewal Term (the “**Second Renewal Deadline**”).

The First Renewal Deadline and the Second Renewal Deadline may be referred to each as a “**Renewal Deadline**”. By its consent to this Sublease, Lessor agrees to accept a notice under this subsection from Sublessee as a proper notice of the exercise of Sublessor’s applicable Extension Option, and any such exercise shall automatically extend the original Sublease Term of this Sublease for the applicable Renewal Term. If Sublessee elects to exercise the Extension Option for the First Renewal Term or the Extension Option for the Second Renewal Term and Sublessor does not elect to participate in such Extension Option, then Sublessee may proceed without Sublessor’s joinder, and concurrent with the first day of the First Renewal Term or the Second Renewal Term (or at such earlier time as Sublessor and Sublessee may elect), Sublessor will assign the Master Lease to Sublessee, and Sublessee will assume the Master Lease and all duties and obligations of Sublessor thereunder, as provided in the Master Lease. The assignment of the Master Lease to Sublessee in connection with its exercise of an Extension Option will not affect or include Sublessor’s rights under Section 22.11(b) of the Master Lease, and upon such assignment by Sublessor and assumption by Sublessee, Sublessor will be released from the Master Lease as provided in Article X of the Master Lease.

ARTICLE III
INSPECTION AND DELIVERY OF SUBLEASED PREMISES

3.01 **Commencement Date.** The Commencement Date shall also be the commencement date of the Sublease Term.

3.02 **Title Insurance.** Sublessor and Sublessee agree to obtain title insurance (with endorsements reasonably agreed to by both Parties) insuring their leasehold and subleasehold interests respectively and to share the cost of such policies (and any agreed upon endorsements) equally.

ARTICLE IV
USE

4.01 **Use of Subleased Premises.**

(a) The Land and Subleased Premises and Improvements shall be used in accordance with the terms of Section 4.01 of the Master Lease. In no event shall Sublessee use or permit the Subleased Premises and Improvements to be used for any use prohibited by this Sublease or the Master Lease. Sublessee acknowledges and agrees that Lessor may enforce the provisions of Section 4.01(a) of the Master Lease directly against Sublessee to the extent that Sublessee is responsible for a breach of such Section 4.01(a) of the Master Lease.

(b) Sublessor acknowledges that Sublessee is subject to the official teachings of the Roman Catholic Church and the Ethical and Religious Directives (as defined below). Any provision contain in this Sublease to the contrary notwithstanding, in no event shall Sublessee be required to engage in any conduct, or provide or perform any services, in connection with its obligations under this Sublease, in contravention of the Ethical and Religious Directives. In the event that, during the Sublease Term, Sublessee 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 Sublessee, in the exercise of its absolute discretion, to be in violation of the Ethical and Religious Directives, Sublessee may refuse to engage in any such conduct, or provide or perform any such services; provided, however, that, in any such event, Sublessee shall work cooperatively and in good faith with Sublessor, to the end that any such services shall be provided or performed by Sublessor, or shall be provided or performed by one or more other healthcare providers who Sublessor shall select for such purpose. As used herein, the term “**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.

(c) Sublessee’s policies for the Teaching Hospital shall conform to the: (i) provisions set forth in the Teaching Hospital Affiliation Agreement, for so long as it is in effect, and (ii) requirements necessary to ensure that the Teaching Hospital be part of the Seton Safety Net System during the entire Sublease Term (regardless of whether any other Affiliation Agreements, including the Teaching Hospital Affiliation Agreement and the Master Agreement,

are in effect). If Sublessee defaults under this Section 4.01(c), then Sublessee will have the right and opportunity to cure such default within sixty (60) days after Sublessee has been given a written notice from Sublessor 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 Sublessee 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 will be extended for the period of time reasonably necessary for Sublessee to cure such default.

(d) Sublessee shall not, within the Sublease Premises: (i) prohibit, restrict, or interfere with any patient's or guest's civil or religious freedom, rights, or individual religious choice; (ii) interfere with the provision of full or equal privileges to hospital services based on religious affiliation or preferences; or (iii) disseminate unsolicited communications directed to individual patients or guests advocating specific religious doctrines. General communications, including distribution of materials, not directed to particular patients or visitors shall not be deemed to violate any of the foregoing provisions. Sublessee shall administer, operate, and maintain the Subleased Premises and Improvements 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 subparagraph shall be deemed to prohibit Sublessee from engaging in any activities in which it is required to engage, or from rendering or providing any service which it is required to render or provide to any person under the Ethical and Religious Directives or any Applicable Laws or any order or injunction issued or entered by any Governmental Authorities.

(e) Except as explicitly provided in the Master Lease, this Sublease or by Applicable Laws, Sublessee, during the Sublease Term, shall have full management and control of the organization, operation, and maintenance of the Subleased Premises and Sublessee's inventory and personal property located on the Subleased Premises without the need of further approval and consent from Sublessor. Sublessee shall have full authority to collect and use all revenues derived or resulting from the Subleased Premises, and shall be responsible for all debts, contracts, torts, and claims resulting from operation of the Subleased Premises during the Sublease Term, except as otherwise expressly provided in the Master Lease or this Sublease.

(f) Sublessee shall perform all of its obligations under this Sublease, and operate the Subleased Premises and the Improvements, 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. If Sublessee defaults under this Section 4.01(f), then Sublessee will have the right and opportunity to cure such default within sixty (60) days after Sublessee has been given a written notice from Sublessor 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 Sublessee 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 will be extended for the period of time reasonably necessary for Sublessee to cure such default.

4.02 Provision of Duplicative Services.

(a) During the Sublease Term, Sublessor, 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 of Austin or in Travis County, Texas or any county contiguous thereto, unless Sublessor's Board of Managers reasonably and in good faith determines that Sublessee has substantially reduced the services required under the Omnibus Healthcare Services Agreement, in violation of the provisions thereof, such that Sublessor, through Sublessee, 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 Sublessee from providing hospital services necessary for the residents of Travis County, Texas.

(b) If Sublessor's Board of Managers makes that determination, Sublessor's Board of Managers shall provide prompt written notice to Sublessee of that determination together with a specific list of discrepancies that need correction. Sublessee shall then have thirty (30) calendar days within which to cure such deficiency or to commence diligent efforts to cure such deficiency if it cannot be cured within thirty (30) calendar days.

(c) Should Sublessee fail to cure the deficiency within such thirty (30) day period (or such longer period as may be reasonably necessary), then, for so long as such deficiency is not cured, Sublessor may provide the services it believes are lacking. Sublessor shall first attempt to provide those services through a contract with a third-party or third-parties. If Sublessor cannot contract for those services for any reason, Sublessor may, alone or in conjunction with any other party, engage in the business of owning or operating an acute care hospital in the City of Austin or in Travis County, Texas or any county contiguous thereto.

(d) Notwithstanding the foregoing, Sublessor may support and collaborate with accredited universities and medical schools to support medical research and graduate medical education so long as such activities do not unreasonably increase Sublessee's obligations or decrease Sublessee's rights under this Sublease. To the extent feasible, Sublessor agrees to encourage the use of the Teaching Hospital, the Dell Children's Medical Center, and any other health care facility in Travis County, Texas or in the portions of the City of Austin not located within Travis County, Texas, that is more than 51% owned by Sublessee or an affiliate of Sublessee, including any licensed hospital facility that is operated by Sublessee or an affiliate of Sublessee 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.

4.03 **Signage Rights; Name of Subleased Premises.** Sublessor hereby assigns to Sublessee all of Sublessor's signage rights under Section 4.03 and Section 4.04 of the Master Lease. Unless Sublessor otherwise consents in writing after approval by Sublessor's Board of Managers (which approval shall not be unreasonably withheld, conditioned or delayed) and Lessor grants its prior written approval, Sublessee shall operate the Subleased Premises under the name "**Seton Medical Center at The University of Texas.**"

4.04 **Environmental Matters.**

(a) **Compliance with Master Lease.** Sublessee agrees to comply with the covenants set forth in Sections 4.08(a), (b), and (d) of the Master Lease.

(b) Sublessor Hazardous Materials. Notwithstanding anything to the contrary contained in this Sublease, Sublessee will not be responsible for any Lessor Hazardous Materials or any Sublessor Hazardous Materials. The term “**Sublessor Hazardous Materials**” means those specific Hazardous Materials that (i) are generated, stored, released, spilled, handled, disposed of, or transferred by Sublessor or a Sublessor Party (defined below), (ii) migrate to the Subleased Premises from property owned by Sublessor and were not introduced or released by any Sublessee Party (defined below) or otherwise caused by any Sublessee Party; or (iii) are discovered in, on, or under any property located adjacent to the Subleased Premises that is owned by Sublessor and were not introduced or released by any Sublessee Party or otherwise caused by any Sublessee Party. Sublessor will promptly remove the Sublessor Hazardous Materials, at its sole cost and expense, to the extent and in the manner provided by all applicable Environmental Laws regardless of when such Sublessor Hazardous Materials are discovered.

(c) Environmental Indemnity by Sublessor. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF A SUBLESSEE PARTY, SUBLESSOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SUBLESSEE AND SUBLESSEE’S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SUB-SUBTENANTS, SUB-SUBLESSEES, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, “**SUBLESSEE PARTIES**” AND INDIVIDUALLY, A “**SUBLESSEE PARTY**”) FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY, OR EXPENSES RELATED TO, ARISING OUT OF, OR REGARDING ANY SUBLESSOR HAZARDOUS MATERIALS, SUBLESSOR’S BREACH OF ITS OBLIGATIONS UNDER SECTION 4.04(b), OR SUBLESSOR’S BREACH OF ITS COVENANTS IN SECTION 4.08 OF THE MASTER LEASE. THIS SECTION 4.04(c) WILL SURVIVE TERMINATION OF THIS SUBLEASE.

(d) Environmental Indemnity by Sublessee. EXCEPT TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF A SUBLESSOR PARTY, SUBLESSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SUBLESSOR AND SUBLESSOR’S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, REPRESENTATIVES, AGENTS, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, “**SUBLESSOR PARTIES**” AND INDIVIDUALLY, A “**SUBLESSOR PARTY**”) FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY OR EXPENSES RELATED TO, ARISING OUT OF, OR REGARDING A BREACH OF SUBLESSEE’S, A TEACHING HOSPITAL OPERATOR’S, AND/OR ANY SUB-SUBLESSEE’S COVENANTS IN THIS SECTION 4.04 AND SECTION 4.08 OF THE MASTER LEASE OR A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAWS IN, ON, OR UNDER THE SUBLEASED PREMISES, EXCEPT FOR ANY SUCH VIOLATION OF APPLICABLE ENVIRONMENTAL LAWS CAUSED ONLY BY SUBLESSOR HAZARDOUS MATERIALS OR LESSOR HAZARDOUS MATERIALS. THIS SECTION 4.04(d) WILL SURVIVE TERMINATION OF THIS SUBLEASE.

For purposes of this Section 4.04(d), “**Teaching Hospital Operator**” means any affiliate of Sublessee and any third party with whom Sublessee contracts to operate the Teaching Hospital.

(e) If Sublessee shall fail to materially comply with any of the requirements of this Section 4.04, Sublessor 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 Sublessee shall pay any resulting reasonable expenses incurred by Sublessor. The provisions of this Section 4.04(e) are in addition to Sublessee's obligations to Sublessor under Section 4.04(d).

ARTICLE V **RENT**

5.01 **Sublease Rent.** Sublessee agrees to pay to Sublessor, without offset, abatement, deduction or demand: (i) all Rent and all other sums (including any Common Area Assessments, Reset Rent, and easement payments) owed under the Master Lease when due, which Sublessee shall pay directly to Lessor (or as otherwise directed in writing by Sublessor) in the amounts set forth in and in accordance with the terms of the applicable provisions of the Master Lease, the UT Medical District Declaration, or other document that evidences the obligation to pay; and (ii) all sums owed under this Sublease when due. Notwithstanding the foregoing, Sublessee will not be obligated to pay any sums due and owing under the Master Lease, the UT Medical District Declaration, or other document that evidences the obligation to pay as a result of any breach, default, act, or omission of Sublessor. Sublessor expressly authorizes the direct payments described in Section 5.01(i) by Sublessee to Lessor and Sublessor agrees that such payments to Lessor will satisfy Sublessee's obligation to pay that portion of the Sublease Rent (defined below) described in Section 5.01(i) to Sublessor hereunder. Sublessee shall also pay any late fee (including any interest required under Section 5.03 of the Master Lease) or other charge, fee or expense arising from Sublessee's breach of this Section 5.01, irrespective of whether such amounts constitute Additional Rent under the Master Lease. All amounts due from Sublessee under or in respect of this Sublease (collectively, "**Sublease Rent**"), whether labeled Base Rent, Reset Rent, Additional Rent, Common Area Assessments, or otherwise, shall be considered as rental reserved under this Sublease for all purposes, including without limitation, regulations promulgated pursuant to the Bankruptcy Code (as defined below), including further without limitation, Section 502(b) thereof. Notwithstanding anything to the contrary contained in this Sublease, without limiting any rental abatement provisions contained in this Sublease, in no event will the amount of Sublease Rent that is payable hereunder exceed the amount of rental payable by Sublessor under the Master Lease for the same period. Accordingly, if Sublessor receives a rental abatement under the Master Lease, then the Sublease Rent payable hereunder will automatically abate to an equal degree under this Sublease except under the circumstances described in Section 19.05(d) of the Master Lease.

5.02 **Sublease Guaranty.** On or before the Commencement Date, Sublessee shall cause SHF to execute and deliver to Sublessor a Guaranty (the "**Guaranty**") in the form attached hereto as **Exhibit "E"** and incorporated herein for all purposes.

ARTICLE VI **TAXES, UTILITIES AND NET SUBLEASE**

6.01 **Thermal Utilities.** The Parties acknowledge that Sublessee may enter into an agreement with UT Austin under which UT Austin will provide chilled water and hot water for

the Subleased Premises from facilities owned by UT Austin in quantities sufficient for the operation of the Teaching Hospital (a “**Thermal Utility Agreement**”). The Thermal Utility Agreement, if any, will be subject to review and approval by Sublessor prior to execution by UT Austin and Sublessee, which approval will not be unreasonably withheld, conditioned, or delayed provided that such Thermal Utility Agreement is consistent with the terms and requirements of the Master Lease and this Sublease. The rights of Sublessee and any successor under the Thermal Utility Agreement shall be collaterally assigned to Sublessor to secure this Sublease.

6.02 **Net Sublease.** Except as otherwise expressly set forth in this Sublease or the Master Lease, Sublessor will not have any obligations under this Sublease or the Master Lease with respect to the financing, ownership, construction, maintenance, operation, or repair of the Real Property or any other portion of the Subleased Premises.

ARTICLE VII **IMPROVEMENTS**

7.01 Ownership of Improvements.

(a) Subject to the Option Agreement, all Improvements and Teaching Hospital Assets (as that term is defined in the Option Agreement) (hereinafter, the “**Teaching Hospital Assets**”) shall be owned by Sublessee until the expiration or earlier termination of this Sublease. Sublessee acknowledges and agrees that the Improvements are part of and included in the Teaching Hospital Assets. Nothing in this Sublease shall impair Sublessor’s or Sublessee’s rights under the Option Agreement.

(b) Sublessor and Sublessee acknowledge that the Master Lease provides for certain limitations on damages due to a Lessee Default that results in a termination of the Master Lease, which limitations include deductions for any payment or offset claim that may be made by Sublessee for the value of the Improvements. Sublessor and Sublessee agree that, to the extent a claim for offset may be made for the value of the Improvements, Sublessee will have the sole right to benefit from such claim, unless Sublessor has unconditionally exercised its option to purchase under the Option Agreement within the Option Period (as defined in the Option Agreement) and has consummated its purchase of all of the Teaching Hospital Assets in accordance with the terms and conditions of the Option Agreement, in which case (i) Sublessor will have the sole right to benefit from such claim, and (ii) at the Closing (as such term is defined in the Option Agreement), all rights of Sublessee in and to the Teaching Hospital Assets under the Master Lease and this Sublease and all Collateral (as defined in the Collateral Assignment of Plans, Contracts, Permits, and Development Rights between Sublessor and Sublessee dated October 17, 2014) shall be assigned in writing to Sublessor (subject to Section 22.01(a) below), subject to any required consents of Lessor, and Sublessee shall thereafter no longer have any rights under the Master Lease or this Sublease that relate to the ownership of the Teaching Hospital Assets (i.e., the recovery of insurance proceeds, claims for condemnation awards, and offset rights relating to the value of the Teaching Hospital Assets).

7.02 **Aerial Bridge.** Sublessor acknowledges and agrees that Sublessee intends to connect the Central Health Garage to the Project Improvements with the Aerial Bridge. Sublessee shall be solely responsible, at its sole cost and expense, for obtaining and maintaining all permits or entitlements required from the City of Austin or any other Governmental Authorities for the Aerial Bridge and any future alterations, expansion, remodeling, or additions of or to the Aerial Bridge (“**Aerial Bridge Entitlements**”).

(a) Prior to submittal of any amended or supplemental applications for any Aerial Bridge Entitlements to any Governmental Authorities, Sublessee shall provide to Sublessor a copy of the proposed submittal.

(b) Sublessor agrees to cooperate with Sublessee, at no material cost to Sublessor, in the execution of such applications for permits and licenses from any Governmental Authorities as may be reasonably necessary.

(c) If the City of Austin or any other Governmental Authorities with jurisdiction over the Aerial Bridge requires any changes or modifications to the plans and specifications for same, Sublessee will promptly provide notice thereof to Sublessor, and Sublessor will not unreasonably withhold, condition, or delay its approval of any such required changes or modifications to the applicable plans and specifications.

(d) After the granting, approval, or issuance of any Aerial Bridge Entitlements, Sublessee will provide a copy thereof to Sublessor and shall collaterally assign the Aerial Bridge Entitlements to Sublessor to secure this Sublease.

7.03 **Limitation on Sublessee’s Maintenance Obligations.** Notwithstanding anything in this Sublease to the contrary, Sublessor will be responsible for, and will promptly perform, any repairs, maintenance, or replacements to the Subleased Premises and the Improvements arising solely from the negligence or willful misconduct of any Sublessor Party.

ARTICLE VIII **REPRESENTATIONS AND WARRANTIES; COVENANTS**

8.01 Definitions.

(a) “**Material Adverse Effect**” means 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 Sublease that is, or may reasonably be expected to be, material and adverse to Sublessor or Sublessee, as the case may be.

(b) “**Sublessee’s Knowledge**” or “**Knowledge**” when referring to Sublessee means the current, actual knowledge, without inquiry, of Sublessee’s President and Chief Executive Officer.

(c) “**Sublessor’s Knowledge**” or “**Knowledge**” when referring to Sublessor shall mean the current, actual knowledge, without inquiry, of Sublessor’s President and Chief Executive Officer and Chief Operating Officer.

8.02 **Sublessor's Representations, Warranties, and Covenants.** Sublessor hereby covenants with Sublessee and represents and warrants to Sublessee as follows:

(a) Sublessor 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. Sublessor has the power and authority to enter into this Sublease and all other agreements to be executed and delivered by Sublessor pursuant to the terms and provisions hereof, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby.

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

(c) The execution, delivery, and performance of this Sublease 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 Sublessor is a party or to which all or any material part of the Subleased Premises is bound, (ii) result in an acceleration or increase of any amounts due from Sublessor to any person or entity, (iii) conflict with or violate the organizational documents of Sublessor, (iv) result in the creation or imposition of any lien on all or any material part of the Subleased Premises, or (v) constitute a violation by Sublessor in any material respect of any Applicable Law.

(d) Except for Lessor's consent to this Sublease, no notice to, filing with, or consent, authorization, or approval of any Governmental Authority or other person or entity is required in connection with the execution, delivery, and performance by Sublessor of this Sublease or the other documents and instruments to be delivered by Sublessor pursuant to this Sublease, or the consummation by Sublessor of the transactions described in this Sublease.

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

(f) Sublessor has received no written notice from Lessor of any breach or default by Sublessor under the Master Lease that remains uncured, and Sublessor knows of no uncured default by Lessor under the Master Lease. The Master Lease is in full force and effect. Without the written consent of Sublessee, and provided that Sublessee is not otherwise in default under the Master Lease or this Sublease after the expiration of all applicable dispute resolution processes and notice and cure periods provided for under the Master Lease and this Sublease, then Sublessor agrees not to amend or modify the Master Lease at any time; and any such

attempted amendment or modification of the Master Lease without the written consent of Sublessee will be null and void and of no force or effect.

(g) Sublessor will not enter into or grant any easements, restrictive covenants, leases, contracts, or other agreements of any kind or nature that would affect the subleasehold estate granted by this Sublease without the prior written approval of Sublessee, which approval will not be unreasonably withheld, conditioned or delayed so long as such action by Sublessor would not have a Material Adverse Effect on Sublessee's rights and obligations under this Sublease and the Master Lease (provided, however, that this restriction does not apply to conveyances of the Subleased Premises or to the mortgage, pledge or assignments of Sublessor's rights under the Master Lease or this Sublease).

(h) No representation or warranty by Sublessor in this Sublease and no exhibit, certificate, schedule, document, or instrument prepared, made, or delivered, or to be prepared, made, or delivered, by or on behalf of Sublessor 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 Sublessor in this Section 8.02 will be deemed to be made as of the Effective Date, but not as of any date thereafter. Information provided on Exhibits attached hereto and furnished by Sublessor is current as of the date of such Exhibit. Except as expressly provided herein, Sublessor will have no duty to notify Sublessee 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 Sublessor to Sublessee in this Sublease (including the Exhibits attached hereto) will, by virtue of such disclosure to Sublessee, be deemed an admission of any violation of law, regulation, or contract, or of any other liability.

8.03 Sublessor's Limitation on Warranties. As of the Commencement Date, Sublessee shall be deemed to be acknowledging that Sublessee has full knowledge of all matters pertaining to the Land and Subleased Premises, including, but not limited to, the physical condition of the same, and that Sublessee is subleasing the Subleased Premises "AS IS", "WHERE IS", AND "WITH ALL FAULTS", subject to the terms and conditions of this Sublease. **EXCEPT FOR THE EXPRESS REPRESENTATIONS, WARRANTIES, AND COVENANTS IN THIS SUBLEASE, SUBLESSOR MAKES NO WARRANTY OF ANY KIND OR NATURE, EXPRESS, IMPLIED OR OTHERWISE, OR ANY REPRESENTATIONS OR COVENANTS OF ANY KIND OR NATURE IN CONNECTION WITH THE CONDITION OF THE LAND, SUBLEASED PREMISES, OR ANY PART THEREOF AND SUBLESSOR SHALL NOT BE LIABLE FOR ANY LATENT OR PATENT DEFECTS THEREIN OR BE OBLIGATED IN ANY WAY WHATSOEVER TO CORRECT OR REPAIR ANY SUCH LATENT OR PATENT DEFECTS. WITHOUT LIMITING THE ABOVE, SUBLESSEE ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES MADE BY SUBLESSOR IN THIS SUBLEASE, NEITHER SUBLESSOR, NOR ANY BROKERS, ANY AGENTS, EMPLOYEES OR REPRESENTATIVES OF SUBLESSOR HAVE MADE ANY REPRESENTATIONS OR WARRANTIES ON**

WHICH SUBLESSEE IS RELYING AS TO MATTERS CONCERNING THE LAND OR SUBLEASED PREMISES INCLUDING, WITHOUT LIMITATION, TAXES, PERMISSIBLE USES, COVENANTS, CONDITIONS AND RESTRICTIONS, WATER OR WATER RIGHTS, TOPOGRAPHY, UTILITIES, ZONING, SOIL, SUBSOIL, THE PURPOSES FOR WHICH THE LAND AND SUBLEASED PREMISES ARE TO BE USED, DRAINAGE, ENVIRONMENTAL OR BUILDING LAWS, RULES OR REGULATIONS OR ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY NATURE WHATSOEVER, AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS SUBLEASE, SUBLESSEE HEREBY ASSUMES ALL RISKS RELATING TO ANY OF THE FOREGOING AND TO ALL MATTERS RELATING TO THE USE AND OCCUPANCY OF THE SUBLEASED PREMISES, WHETHER KNOWN OR UNKNOWN, OR FORESEEABLE OR UNFORESEEABLE. SUBLESSOR AND SUBLESSEE EXPRESSLY AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER KIND ARISING OUT OF THIS SUBLEASE OR THE SUBTENANCY CONTEMPLATED HEREBY AND THAT ALL EXPRESS OR IMPLIED WARRANTIES IN CONNECTION HERewith ARE EXPRESSLY DISCLAIMED.

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

FURTHERMORE, SUBLESSEE WAIVES ANY AND ALL CLAIMS BY SUBLESSEE BASED ON THE CONDITION OF THE SUBLEASED PREMISES AS OF THE DATE OF THIS SUBLEASE OR THE COMMENCEMENT DATE.

THE PROVISIONS OF THIS SECTION ARE A MATERIAL PART OF THE CONSIDERATION FOR SUBLESSOR ENTERING INTO THIS SUBLEASE.

8.04 Sublessee's Representations, Warranties, and Covenants. Sublessee hereby covenants with Sublessor and represents and warrants to Sublessor as follows:

(a) Sublessee 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. Sublessee has the power and authority to enter into this Sublease and all other agreements to be executed and delivered by Sublessee pursuant to the terms and provisions

hereof, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby.

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

(c) The execution, delivery, and performance of this Sublease 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 Sublessee is a party, (ii) result in an acceleration or increase of any amounts due from Sublessee to any person or entity, (iii) conflict with or violate the organizational documents of Sublessee, or (iv) constitute a violation by Sublessee 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 Sublessee's Knowledge, any claims or investigations by a Governmental Authority) pending or, to Sublessee's Knowledge, threatened against Sublessee or against the business of Sublessee which, individually or in the aggregate, could be expected to have a Material Adverse Effect on Sublessee or its ability to consummate the transactions described in this Sublease, and there is no action, suit, or proceeding by any Governmental Authority pending or, to Sublessee's Knowledge, threatened which questions the legality, validity, or propriety of the transactions described herein.

(e) Sublessee has received a copy of and has reviewed the terms of the Master Lease.

(f) Sublessee is not and all subsidiaries and affiliates of Sublessee are not, (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 133224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac> or any replacement website or other replacement official publication of such list.

(g) Sublessee as Hospital Subtenant or Teaching Hospital Operator shall use, furnish, equip and operate the Subleased Premises, including the Teaching Hospital, in compliance with the Seton Safety Net Requirement.

(h) Sublessee as Hospital Subtenant or Teaching Hospital Operator shall use, furnish, equip and operate the Subleased Premises, including the Teaching Hospital, in accordance with the terms and subject to the conditions set forth in the Teaching Hospital Affiliation Agreement, the Master Agreement, and the Omnibus Healthcare Services Agreement until the expiration or earlier termination thereof.

(i) Sublessee 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).

(j) Upon substantial completion of the Initial Construction of the Project Improvements (regardless of whether any other Affiliation Agreements, including the Teaching Hospital Affiliation Agreement and the Master Agreement, are in effect) and the public opening of the Teaching Hospital, Sublessee shall continuously operate throughout the Sublease Term the Teaching Hospital located on the Subleased Premises in compliance with the Seton Safety Net Requirement.

(k) If there is a termination of the Master Lease or Sublessor's right of possession under the Master Lease at any time during the S/SHF Operations Period, Sublessee will not amend the Master Lease or this Sublease or enter into a new direct lease or Hospital Sublease or Teaching Hospital Operator Agreement with Lessor (or any affiliate thereof) that modifies the Seton Safety Net Requirement without Sublessor's prior written consent.

(l) No representation or warranty by Sublessee in this Sublease and no exhibit, certificate, schedule, document, or instrument prepared, made, or delivered, or to be prepared, made, or delivered, by or on behalf of Sublessee 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.

(m) The representations and warranties of Sublessee in this Section 8.04 will be deemed to be made as of the Effective Date, but not as of any date thereafter. Information provided on Exhibits attached hereto and furnished by Sublessee is current as of the date of such Exhibit. Except as expressly provided herein, Sublessee will have no duty to notify Sublessor 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 Sublessee to Sublessor in this Sublease (including the Exhibits attached hereto) shall, by virtue of such disclosure to Sublessor, be deemed an admission of any violation of law, regulation, or contract, or of any other liability.

8.05 **Reliance.** Neither Party will 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.

8.06 **Limitations on Remedies for Breaches of Representations and Warranties.** **SUBLESSOR'S AND SUBLESSEE'S REMEDIES FOR BREACHES OF REPRESENTATIONS AND WARRANTIES ARE LIMITED AS PROVIDED IN SECTION 17.01.**

ARTICLE IX **ENCUMBRANCE**

9.01 **Encumbrance.** Subject to and conditioned upon Sublessee obtaining an SNDA (defined below) pursuant to this Section 9.01, Sublessee hereby consents to a Mortgage (whether one or more) becoming liens on the right, title, and interest of Sublessor in and to the leasehold estate created pursuant to the Master Lease subject to all terms and conditions set forth in Article IX of the Master Lease. Sublessor will secure from the Lender holding a Mortgage a non-disturbance agreement (an “SNDA”) between Sublessee, Sublessor, and the Lender on a form reasonably acceptable to the parties thereto whereby the Lender agrees not to disturb Sublessee’s possession of the Subleased Premises provided there is not a continuing Sublessee Default after expiration of all applicable dispute resolution processes and notice and cure periods provided for under any provision of this Sublease or the Master Lease. Sublessor will be responsible for any charges, fees, or costs assessed by any Lender in providing an SNDA. The provisions of this Section 9.01 are expressly conditioned on, will not become effective until and unless, the Lender and Sublessor delivers to Sublessee an SNDA in a form reasonably acceptable to Sublessee.

9.02 **Hospital Sublease.** Sublessee shall have the right to mortgage its interest and leasehold estate under this Sublease on terms and conditions similar to those set forth in Article IX of the Master Lease and subject to all terms and conditions of the Master Lease, and in such event, Sublessor shall have all the rights of the Lessor contained in Article IX of the Master Lease.

ARTICLE X **ASSIGNMENT; SUBLETTING**

10.01 **Assignment, Transfers and Sub-Subletting.**

(a) **Assignment.** Sublessee shall not assign, sub-sublease, convey or otherwise transfer its interest in this Sublease or the Subleased Premises, in whole or in part, without Sublessor’s prior written consent, which Sublessor may withhold in its sole discretion; provided, however, that Sublessee may assign, convey or otherwise transfer (including by sub-sublease) its interest in this Sublease or the Subleased Premises, in whole or in part, in accordance with Section 10.04 and Section 10.06 of the Master Lease; provided further, however, that such assignment, conveyance or other transfer (including a sub-sublease) shall not be deemed to release Sublessee from its obligations under this Sublease, except as provided in this Sublease and the Master Lease. Any assignment, conveyance or other transfer (including a sub-sublease) that does not meet the requirements of this Section 10.01(a) will be void ab initio. Notwithstanding anything in this Sublease or the Master Lease to the contrary, for so long as the Master Agreement is in effect, Sublessee shall not assign this Sublease unless Seton Healthcare Family is also assigning the Master Agreement at the same time to the same assignee in accordance with Section 11.4 of the Master Agreement.

(b) Any proposed assignment, sub-sublease or other transfer shall be subject to the terms of the Master Lease, including, without limitation, the obligation of Sublessee to obtain the consent of Lessor to any such assignment, sub-sublease or transfer to the extent such consent is required pursuant to the terms of the Master Lease. Notwithstanding any assignment,

sub-sublease or transfer by Sublessee, Sublessee shall continue to be liable for the performance of its obligations under this Sublease; provided, however, upon any permitted assignment of this Sublease by Sublessee under this Section 10.01 and Section 10.04 of the Master Lease, Sublessee will be released from all future obligations under this Sublease and the Master Lease arising or accruing after the effective date of such assignment by Sublessee and assumption of obligations under this Sublease and the Master Lease by the Permitted Transferee. Sublessor may assign this Sublease in connection with any assignment or transfer pursuant to the provisions of the Master Lease.

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

(d) If this Sublease is assigned to any person pursuant to the provisions of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment up to an amount necessary (i) to cure all Sublessee Defaults, (ii) to reimburse Sublessor for all costs and expenses incurred in connection with such Sublessee Defaults and the bankruptcy of Sublessee (including attorneys’ fees for both internal and external counsel), and (iii) to reimburse Sublessor for all costs, fees, and expenses incurred in connection with such assignment shall be paid or delivered to Sublessor, shall be and remain the exclusive property of Sublessor, and shall not constitute property of Sublessee or of the bankruptcy estate of Sublessee within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Sublessor’s property under the preceding sentence not paid or delivered to Sublessor shall be held in trust for the benefit of Sublessor and shall be promptly paid or delivered to Sublessor.

(e) If this Sublease is to be assumed and/or assumed and assigned pursuant to the provisions of the Bankruptcy Code, the term “adequate assurance of future performance” as used in Bankruptcy Code section 365(b)(1)(C) shall require, without limitation, a showing by the preponderance of admissible evidence adduced at trial by Sublessee and/or any person claiming through Sublessee hereunder, whether by assignment, sublease or other transfer from Sublessee, that Sublessee or such person shall establish and maintain a Teaching Hospital within the Subleased Premises in compliance with the Seton Safety Net Requirement.

ARTICLE XI **INSURANCE; INDEMNITY**

11.01 Insurance.

(a) From and after the Commencement Date and throughout the Sublease Term, Sublessee shall keep and maintain and cause to be kept and maintained by any and all

contractors and subcontractors, all insurance policies required under Article XI of the Master Lease or the Insurance Agreement. If Lessor, Sublessor, and Sublessee do have an Insurance Agreement, then such Insurance Agreement will control the obligations of Sublessee with respect to the provision and maintenance of insurance. Sublessor agrees that Sublessee may maintain the required insurance through a self-insurance program. Sublessee's all-risk property insurance shall provide a waiver of subrogation in favor of Sublessor, and all of Sublessee's insurance policies shall name Sublessor and Lessor and such other related entities as Sublessor or Lessor may require as additional insureds. Prior to Sublessee's taking possession of the Subleased Premises, Sublessee shall furnish evidence satisfactory to Sublessor of the maintenance and (during the Sublease Term) the timely renewal of such insurance. In the event Sublessee shall not have delivered to Sublessor a policy or certificate evidencing such insurance at least thirty (30) days prior to the expiration date of each expiring policy, Sublessor may obtain such insurance as Sublessor may reasonably require to protect Sublessor's interest (which obtaining of insurance shall not be deemed to be a waiver of Sublessee's default hereunder). The cost to Sublessor of obtaining such policies, plus Sublessor's actual and reasonable costs incurred in connection with obtaining such policy, shall be paid by Sublessee to Sublessor as additional rent upon demand.

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

11.02 Indemnities; Waivers of Certain Claims.

(a) SUBLESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DEATH, DAMAGE OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM ANY USE OF THE SUBLEASED PREMISES OR IMPROVEMENTS, OR ANY PART THEREOF, OR CAUSED BY ANY DEFECT, MALFUNCTION OR OTHER CHARACTERISTIC OF ANY BUILDING, STRUCTURE OR OTHER IMPROVEMENT THEREON OR IN ANY EQUIPMENT OR ANY OTHER FACILITY ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OR ASPECT OF THE SUBLEASED PREMISES, OR CAUSED BY OR ARISING FROM ANY ACT OR OMISSION OF SUBLESSEE, THE TEACHING HOSPITAL OPERATOR, ANY SUB-SUBLESSEE AND/OR ANY OF THEIR RESPECTIVE AGENTS, OFFICERS, EMPLOYEES, GUESTS, PATIENTS, INVITEES OR PERMITTEES, OR FAILURE TO MAINTAIN THE SUBLEASED PREMISES, INCLUDING ALL OF THE IMPROVEMENTS, IN SAFE CONDITION AND IN COMPLIANCE WITH ALL APPLICABLE LAWS, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; HOWEVER, TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, SUBLESSOR WILL BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PERSONS OR THE IMPROVEMENTS OR SUBLESSEE'S PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUBLESSOR PARTY. EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUBLESSOR PARTY, SUBLESSEE SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY SUBLESSEE AND REASONABLY ACCEPTABLE TO SUBLESSOR) AND HOLD HARMLESS THE SUBLESSOR PARTIES

FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY AND RELATED EXPENSES (INCLUDING COURT COSTS, REASONABLE ATTORNEYS AND EXPERTS' FEES) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY SUBLESSEE, THE TEACHING HOSPITAL OPERATOR, AND/OR ANY SUB-SUBLESSEE IN THEIR RESPECTIVE OBLIGATIONS UNDER THE MASTER LEASE (INCLUDING WITHOUT LIMITATION THE MASTER LEASE OBLIGATIONS), THIS SUBLEASE, AND THE UT MEDICAL DISTRICT DECLARATION, (ii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE OCCURRING ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OF THE SUBLEASED PREMISES CAUSED BY ANY ACT OR OMISSION OF SUBLESSEE, THE TEACHING HOSPITAL OPERATOR, AND/OR ANY SUB-SUBLESSEE, OR THEIR RESPECTIVE AGENTS, OFFICERS, EMPLOYEES, INVITEES, GUESTS OR PERMITTEES, OR (III) ANY IMPROVEMENT, ALTERATIONS, REMODELING, RENOVATIONS, OR ADDITIONS TO THE SUBLEASED PREMISES OR THE IMPROVEMENTS MADE BY OR ON BEHALF OF SUBLESSEE.

For purposes of this Section 11.02(a), "Teaching Hospital Operator" means any affiliate of Sublessee and any third party with whom Sublessee contracts to operate the Teaching Hospital.

(b) EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUBLESSEE PARTY, AND IN ALL EVENTS ONLY TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, SUBLESSOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY SUBLESSOR AND REASONABLY ACCEPTABLE TO SUBLESSEE) AND HOLD HARMLESS THE SUBLESSEE PARTIES FROM AND AGAINST ANY AND ALL CLAIMS CAUSES, DAMAGES, LIABILITY AND RELATED EXPENSES (INCLUDING COURT COSTS, REASONABLE ATTORNEYS AND EXPERTS' FEES) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY SUBLESSOR UNDER THIS SUBLEASE, (ii) A DEFAULT BY SUBLESSOR UNDER THE MASTER LEASE, OR (iii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE, CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY SUBLESSOR PARTY.

(c) Except as otherwise provided in this Sublease: (i) all waivers, releases, and exculpatory provisions under the Master Lease, as incorporated herein (including without limitation those in Section 11.01(b) of the Master Lease), given by Sublessor (as Lessee under the Master Lease) for the benefit of Lessor shall be deemed given hereunder by Sublessee for the benefit of the Sublessor Parties, and (ii) all waivers, releases, and exculpatory provisions under the Master Lease, as incorporated herein (including without limitation those in Section 11.01(b) of the Master Lease), given by Lessor for the benefit of Sublessor (as Lessee under the Master Lease) shall be deemed given hereunder by Sublessor for the benefit of the Sublessee Parties. Any limitations in such waivers, releases, and exculpatory provisions under the Master Lease that are applicable to Sublessor because of its status as a political subdivision of the State of Texas shall not apply to such waivers, releases, and exculpatory provisions deemed given hereunder by Sublessee for the benefit of the Sublessor Parties.

(e) This Section 11.02 shall survive the expiration or earlier termination of this Sublease.

ARTICLE XII
CASUALTY

12.01 Sublessee shall be responsible for all of Sublessor's repair or restoration obligations under Article 12 of the Master Lease, and Sublessor shall have no obligation to repair or restore the Improvements or any portion thereof following a casualty; provided, however, the abatement and termination rights as stated in the Master Lease for the benefit of Sublessor in the event of a casualty shall inure to Sublessee for abatement of the Sublease Rent due hereunder and for termination of this Sublease based on a casualty involving the Improvements. The termination rights granted to Sublessor (as Lessee under the Master Lease) under Article 12 of the Master Lease are incorporated herein and will inure to the benefit of Sublessee under this Sublease.

ARTICLE XIII
CONDEMNATION

13.01 Sublessee shall be responsible for all of Sublessor's repair or restoration obligations under Article 13 of the Master Lease, and Sublessor shall have no obligation to repair or restore the Subleased Premises, Improvements, or any portion thereof following a condemnation; provided, however, the abatement and termination rights as stated in the Master Lease for the benefit of Sublessor in the event of a condemnation shall inure to Sublessee for abatement of the Sublease Rent due hereunder and for termination of this Sublease based on a condemnation. The termination rights granted to Sublessor (as Lessee under the Master Lease) under Article 13 of the Master Lease are incorporated herein and will inure to the benefit of Sublessee under this Sublease.

Article XIV
SUBLESSEE DEFAULTS; REMEDIES

14.01. **Introduction.** Sublessee Defaults fall into four categories ("Sublessee Defaults"): (1) Primary Sublease Termination Defaults, which can result in termination of this Sublease or Sublessee's rights under this Sublease after notice and opportunity to cure, as provided herein; (2) Secondary Sublease Termination Defaults, which can result in termination of this Sublease or Sublessee's rights under this Sublease after notice and opportunity to cure as provided herein and, if applicable, after Dispute Resolution as provided herein; (3) Non-Termination Defaults, which can be defaults under this Sublease by Sublessee which will not result in termination of this Sublease or Sublessee's rights under this Sublease; and (4) TRN Defaults, which are Sublessee Defaults as a result of Threatening Regulatory Notice. Defaults in one category, if not cured within the applicable cure period or if not resolved through Dispute Resolution (if applicable), can become defaults in other categories, as set forth in this Article XIV.

14.02. **Primary Sublease Termination Defaults.** Each of the following events shall be a breach of this Sublease and shall constitute a "**Primary Sublease Termination Default**":

(a) At any time after the opening of the new Teaching Hospital after completion of Initial Construction, the Required Teaching Hospital Services are not provided during a DMS Affiliation Period, and the same is not cured within sixty (60) days after notice of such failure from Sublessor to Sublessee; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said sixty (60) days, then for such longer time as may be reasonably necessary so long as Sublessee commences the cure within said sixty (60) days and thereafter diligently prosecutes the same to completion within a reasonable period of time not to exceed one hundred twenty (120) days (an “**RTHS Default**”).

(b) At any time after the opening of the new Teaching Hospital after completion of Initial Construction, failure by Sublessee to maintain the Required Hospital Permits (a “**Hospital Licensing Default**”).

(c) Failure or refusal to pay when due the Base Rent and the Common Area Assessment due and payable by Sublessor under the Master Lease or by Sublessee under this Sublease and required by this Sublease to be paid by Sublessee if such failure to pay is not cured within ten (10) days after written notice thereof is provided to Sublessee.

(d) Failure or refusal to pay when due any uncontested Additional Rent or other uncontested sums due and payable by Sublessor under the Master Lease or by Sublessee under this Sublease and required by this Sublease to be paid by Sublessee if such failure to pay is not cured within thirty (30) days after written notice thereof is provided to Sublessee; any contested amounts will be subject to Dispute Resolution, as provided below.

(e) The taking by execution of Sublessee’s sub-leasehold estate for the benefit of any person other than a Lender or purchaser at a foreclosure under a Mortgage in accordance with and subject to all terms, conditions, and restrictions in this Sublease.

(f) Any impermissible assignment of this Sublease or sub-subletting of all or substantially all of the Subleased Premises by Sublessee in violation of Article X of this Sublease which is not cured within thirty (30) days after written notice of such default is provided by Sublessor to Sublessee.

(g) Any impermissible sub-subletting of the Subleased Premises by Sublessee in violation of Article X of this Sublease which is not cured within ninety (90) days after written notice of such default is provided by Sublessor to Sublessee.

(h) A TRN Diligence Failure that constitutes a Primary Lease Termination Default under the Master Lease that was caused by Sublessee.

(i) A TRN Diligence Failure that could potentially result in a Seton Safety Net Default that (i) exists after notice and opportunity to cure and, if applicable, Dispute Resolution as provided in Section 14.05 of this Sublease, or (ii) constitutes a Primary Lease Termination Default under Section 14.06(c)(iii) of the Master Lease (which is incorporated under Section 14.05 below in connection with TRN Diligence Failure(s) that arise in connection with TRN Defaults that are predicated upon a potential Seton Safety Net Default).

(j) At any time after the opening of the new Teaching Hospital after completion of Initial Construction, Sublessee does not use and operate the Teaching Hospital in compliance with the Seton Safety Net Requirement, and the same is not cured within sixty (60) days after notice of such failure from Sublessor to Sublessee; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said sixty (60) days, then for such longer time as may be reasonably necessary so long as Sublessee commences the cure within said sixty (60) days and thereafter diligently prosecutes the same to completion within a reasonable period of time not to exceed one hundred twenty (120) days (a “Seton Safety Net Default”).

A Primary Sublease Termination Default under Section 14.02(c) and/or Section 14.02(d) of this Sublease will also constitute Sublessee’s breach of Section 5.01 of this Sublease and a Primary Sublease Termination Default thereunder.

14.03. **Secondary Sublease Termination Defaults.** Each of the following events shall be a breach of this Sublease and shall constitute a “**Secondary Sublease Termination Default**”:

(a) The filing of a petition for relief against Sublessee as debtor, with or without Sublessee’s consent or acquiescence, or the commencement by Sublessee of a voluntary case under, the Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state law of similar import, which is not dismissed within one hundred twenty (120) days after the commencement of such case; provided, however, none of the foregoing shall constitute a Secondary Sublease Termination Default after the original 120-day period, provided that all covenants of Sublessee under this Sublease are continued in performance by Sublessee, its successors, or legal representatives, or by any Lender such that no other Primary Sublease Termination Default or Secondary Sublease Termination Default (collectively, “**Sublease Termination Defaults**”) has occurred and is continuing.

(b) The entry of a decree or order by a court having jurisdiction over the Subleased Premises or the Improvements, appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for Sublessee or any substantial part of the properties of Sublessee or ordering the winding up or liquidation of the affairs of Sublessee, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days after the original entry thereof; provided, however, none of the foregoing shall constitute a Secondary Sublease Termination Default if the continuance of any such decree or order unstayed remains in effect for a period in excess of the original 90-day period but for no more than twenty-four (24) months, if all covenants of Sublessee under this Sublease are continued in performance by Sublessee, its successors, or legal representatives, or by any Lender and such that no other Sublease Termination Default has occurred and is continuing.

(c) Except as otherwise provided in this Section 14.03(c), any breach or default by Sublessee under Sections 4.01(a), 4.01(c), 4.02, 4.03, 4.08, 9.01, 9.03, 9.04, or 22.02 of the Master Lease or under Sections 4.01(a), 4.01(c), 4.01(d), 4.01(f), 8.04(k) of this Sublease, which is not cured within any applicable cure period stated for such default and if none is stated, then if such default is not cured within ninety (90) days after notice of such default from Sublessor to Sublessee; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within ninety (90) days, then for such longer time as may be reasonably

necessary so long as Sublessee commences the cure promptly after receipt of notice of default and thereafter diligently prosecutes the same to completion within a reasonable period of time not to exceed one hundred eighty (180) days. Secondary Sublease Termination Defaults under this Section 14.03(c) shall be subject to Dispute Resolution. This Section 14.03(c) does not apply to a breach or default: (i) under Section 4.01(a) of the Master Lease or Section 4.01(c) of the Master Lease relating to the provision of the Required Teaching Hospital Services during a DMS Affiliation Period or the maintenance of the Required Hospital Permits or (ii) under Section 4.01(a) of this Sublease relating to compliance with the Seton Safety Net Requirement. In the event of a conflict between the provisions of this Section 14.03(c) and the provisions of Sections 14.02(a), 14.02(b), 14.02(j), and 15.01 of this Sublease, the provisions of Sections 14.02(a), 14.02(b), 14.02(j), and 15.01 of this Sublease will control.

14.04. Non-Termination Defaults. The following shall be a breach of this Sublease and shall constitute a “**Non-Termination Default**”: failure by Sublessee to perform as required any covenant, agreement, or obligation (other than the payment of Rent or any other liquidated sum of money) or the breach of a provision or covenant by Sublessee that is not a Primary Sublease Termination Default, a Secondary Sublease Termination Default, or a TRN Default, and the same is not cured within sixty (60) days after written notice of such failure from Sublessor to Sublessee; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said sixty (60) days, then for such longer time as may be reasonably necessary so long as Sublessee commences the cure within said sixty (60) days and thereafter diligently prosecutes the same to completion. If any other provision of this Sublease has a different cure period for a specific default or breach, that provision shall control.

14.05. TRN Default.

(a) A “**TRN Default**” means receipt by Sublessee of a written notice (a “**Threatening Regulatory Notice**”) from any Governmental Authority or certifying or accrediting entity or organization that (i) Sublessee either: (1) has (or may have) materially violated or is (or may be) in material violation of any Healthcare Laws, or (2) has (or may have) failed to comply with or is not (or may not be) currently in compliance with any requirement necessary to maintain a Required Hospital Permit; and (ii) threatens to take an action (or takes an action) that could potentially result in an RTHS Default or a Hospital Licensing Default or a Seton Safety Net Default. If Sublessee receives a Threatening Regulatory Notice that threatens to take an action (or takes an action) that could potentially result in a Seton Safety Net Default, then the terms, conditions, and procedures set forth in Section 14.06 of the Master Lease will apply and Sublessor will have the rights of “Lessor” and Sublessee will have the obligations of “Lessee” under such Section 14.06. In addition, the requirements of such Section 14.06 will be interpreted to take into account that the relevant default is a Seton Safety Net Default as opposed to an RTHS Default.

(b) If Sublessee receives a Threatening Regulatory Notice that threatens to take an action (or takes an action) that could potentially result in an RTHS Default, (A) Sublessee will comply with the terms and conditions of Section 14.06 of the Master Lease, and (B) Sublessor may not assert a TRN Default, a TRN Diligence Failure, or a Sublease Termination Default arising from such TRN Default unless Lessor has declared a similar default by Sublessor, the Hospital Subtenant, and/or the Teaching Hospital Operator under the Master

Lease. The immediately preceding sentence does not apply to Sublessee's receipt of a Threatening Regulatory Notice that threatens to take an action (or takes an action) that could potentially result in a Seton Safety Net Default or a Hospital Licensing Default, which Sublessor may allege as a default by Sublessee under this Sublease even if Lessor has not asserted the same default under the Master Lease.

14.06. Lessor Waivable Defaults/Sublessor Cure Under Master Lease.

(a) Except as otherwise provided in Subsection 14.06(b), Sublessor cannot claim a Sublease Termination Default based on a Lessor Waivable Default arising from any particular breach or default by Sublessee if Lessor has waived or agreed to forbear from exercising its rights with respect to a Lessor Waivable Default in accordance with Section 17.04(b) of the Master Lease and prior to any cure of such default by Sublessor.

(b) No cure by Sublessor of a Lessee Default under the Master Lease caused by Sublessee or Teaching Hospital Operator after the expiration of all applicable dispute resolution processes and notice and cure periods available to Sublessee under any provision of this Sublease or the Master Lease shall constitute a cure or waiver of such Lessee Default as to Sublessee or of a Sublessee Default, and Sublessor shall have all of its rights and remedies under this Sublease for such Lessee Default and Sublessee Default unless the Lessee Default or Sublessee Default is a Lessor Waivable Default and Lessor has waived or agreed to forbear from exercising its rights with respect to such Lessee Default or Sublessee Default in accordance with Section 17.04(b) of the Master Lease prior to such cure by Sublessor. For purposes of this Section 14.06(b), "Teaching Hospital Operator" means any affiliate of Sublessee and any third party with whom Sublessee contracts to operate the Teaching Hospital. Sublessee acknowledges and agrees that Sublessor has the right to cure any Lessee Default under the Master Lease caused by Sublessee or Teaching Hospital Operator and to perform the covenant, agreement, term, or provision that Sublessee failed to perform, without obligation to do so and without thereby waiving such Lessee Default or a Sublessee Default that arises as a result of such Lessee Default, in which event Sublessee will reimburse Sublessor for all reasonable costs and expenses (including reasonable attorney's fees) incurred by Sublessor in curing or attempting to cure such Lessee Default (plus interest thereon at the Default Rate from the date of expenditure until the date of such reimbursement) upon Sublessee's receipt of written demand from Sublessor therefor, along with reasonable backup documentation. Any amounts paid by Sublessor under this provision after a breach of this Section 14.06(b) will be deemed to be uncontested Additional Rent owed under this Sublease.

(c) Lessor's waiver of a Lessor Waivable Default or forbearance of its rights with respect to a Lessor Waivable Default under Section 17.04(b) of the Master Lease will not affect or impair (i) Sublessor's rights or remedies under this Sublease or the Master Lease with regard to any default under this Sublease or the Master Lease that is not the particular Lessor Waivable Default or (ii) Sublessor's rights or remedies under the CH/Seton Ancillary Agreements or any other agreements between Sublessor (or its affiliates) and Sublessee (or its affiliates) with regard to any default under such agreements, even if such default is the particular Lessor Waivable Default.

Article XV
SUBLESSOR'S REMEDIES

15.01. Special Cure Periods.

(a) A default under Section 14.02(a) or Section 14.02(b) is an “**RTHS/HL Default**”. Sublessor may not deliver a Termination Notice (as defined in Section 19.03) to Sublessee in connection with a RTHS/HL Default until after the expiration of the Special RTHS/HL Cure Period.

(b) If a Seton Safety Net Default occurs, then prior to issuing a Termination Notice, Sublessor must first give Sublessee written notice of the Seton Safety Net Default and Sublessee will have one (1) year from the date of receipt of such notice to cure the Seton Safety Net Default. During such one year period, the terms, conditions, and procedures set forth in Section 15.01 of the Master Lease will apply and Sublessor will have the rights of “Lessor” and Sublessee will have the obligations of “Lessee” under such Section 15.01. In addition, the requirements of such Section 15.01 will be interpreted to take into account that the relevant default is a Seton Safety Net Default as opposed to a RTHS/HL Default.

15.02. Sublessor's Termination and Possession Remedies. Except as otherwise provided in this Sublease (including Sections 15.01), (i) upon the occurrence of a Primary Sublease Termination Default, or (ii) if a Secondary Sublease Termination Default is not cured as provided in Section 14.03 (after the conclusion of Dispute Resolution, if applicable), then Sublessor has the following remedies in addition to all other rights and remedies provided by law or equity, to which Sublessor may resort cumulatively or in the alternative:

(a) Lease Termination. Sublessor may, at Sublessor's election, terminate this Sublease by giving Sublessee a Termination Notice. On the giving of the Termination Notice, all of Sublessee's rights in the Subleased Premises and in all Improvements shall terminate, and the applicable procedures set forth in Article XIX of this Sublease shall apply. After the Termination Notice is given but subject to and in accordance with Article XIX of this Sublease, Sublessee shall surrender and vacate the Subleased Premises and all Improvements and Sublessor may reenter and take possession of the Subleased Premises and all Improvements and eject all parties in possession or eject some and not others or eject none (subject to the rights of any sub-sublessees under subleases which may survive termination of this Sublease in accordance with their terms or under other agreements with Sublessor, such as attornment and non-disturbance agreements). Termination under this Section 15.02(a) shall not relieve Sublessee from the payment of any sum then due to Sublessor or from any claim for damages previously accrued or then accruing against Sublessee in excess of the fair market value of all Improvements as of the date of termination of this Sublease, based on an independent appraisal of the Improvements performed by an appraiser approved by Sublessor and Sublessee, assuming that Sublessor will be taking title to the Improvements free and clear of all liens and encumbrances.

(b) Termination of Possession. Sublessor may, at Sublessor's election, reenter the Subleased Premises, and, without terminating this Sublease, at any time and from time to time relet the Subleased Premises and Improvements or any part or parts of them for the account

and in the name of Sublessee or otherwise (subject to the rights of any sub-sublessees under subleases which may survive termination of this Sublease and the termination of Sublessee's right of possession in accordance with their terms or under other agreements with Sublessor, such as attornment and non-disturbance agreements). Sublessor may terminate all rights of Sublessee under this Sublease, except those that expressly survive termination of this Sublease. Sublessor may, at Sublessor's election, eject all persons or eject some and not others or eject none (subject to the rights of sub-sublessees under subleases which may survive termination of this Sublease and the termination of Sublessee's right of possession in accordance with their terms or under other agreements with Sublessor, such as attornment and non-disturbance agreements). Sublessor shall apply all rents from reletting, if any, first to the reasonable costs and expenses incurred by Sublessor in reletting the Subleased Premises, then to the reasonable costs and expenses incurred by Sublessor in operating and maintaining the Improvements, and then to rents and other sums payable by Sublessee to Sublessor, with the balance being retained by Sublessor. Any reletting may be for the remainder of the Sublease Term or for a longer or shorter period. Sublessor may execute any leases made under this provision either in Sublessor's name or in Sublessee's name and shall be entitled to all rents from the use, operation or occupancy of the Subleased Premises or Improvements or both. No act by or on behalf of Sublessor under this provision shall constitute a termination of this Sublease unless Sublessor gives a Termination Notice. Nothing contained herein shall be deemed to place any obligation on Sublessor to relet the Subleased Premises. Sublessee acknowledges that in the event Sublessor terminates Sublessee's right of possession, then all other rights of Sublessee under this Sublease will terminate except those that expressly survive termination of this Sublease.

15.03. **Sublessor's Non-Termination Remedies.** Except as otherwise provided in this Sublease, upon the occurrence of a Non-Termination Default, Sublessor shall not have the right to terminate this Sublease or Sublessee's right to possession of the Subleased Premises pursuant to Section 15.02(a) or Section 15.02(b), but shall have the following remedies in addition to all other rights and remedies provided by law or equity, to which Sublessor may resort cumulatively or in the alternative:

(a) **Other Agreements.** Subject to the terms of the applicable agreement, Sublessor may exercise its rights under any other agreement, security instrument, collateral assignment, guaranty, or other document in any way securing this Sublease or guaranteeing this Sublease and Sublessee's performance and obligations hereunder.

(b) **Self-Help.** Sublessor may exercise and pursue reasonable self-help remedies to cure any Non-Termination Default and to preserve and protect the Required Hospital Permits, to assure the continuation of Required Teaching Hospital Services during a DMS Affiliation Period, and to assure that the Teaching Hospital continues to be operated in compliance with the Seton Safety Net Requirement, provided such remedies and actions by Sublessor are reasonably consistent with the Affiliation Agreements then in effect.

15.04. **Mitigation of Damages.** If Sublessee abandons the Subleased Premises or vacates the Subleased Premises, or if Sublessor terminates Sublessee's right to possession of the Subleased Premises as a result of a Sublessee Default, Sublessor shall not have any obligation to relet or attempt to relet the Subleased Premises, or any portion thereof. To the fullest extent allowed by law and except as otherwise provided below, Sublessee hereby waives any obligation

on the part of Sublessor to mitigate damages. Sublessee acknowledges the unique nature of the Subleased Premises, the location of the Subleased Premises on the UT Austin campus, and the intended use of the Subleased Premises and the Teaching Hospital's function as part of the Dell Medical School, and Sublessee agrees that Sublessor shall have no obligation to sublease the Subleased Premises to any party other than a party approved by Lessor and Sublessor. Notwithstanding anything to the contrary set forth in this Sublease, Sublessee will only be liable for damages due to a Sublessee Default that results in a termination of this Sublease to the extent such damages exceed the fair market value of all Improvements as of the date of termination of this Sublease, based on an independent appraisal of the Improvements performed by an appraiser approved by Sublessor and Sublessee, assuming that Sublessor will be taking title to the Improvements free and clear of all liens and encumbrances. However, if Sublessor has unconditionally exercised its option to purchase under the Option Agreement within the Option Period and has consummated its purchase of all of the Teaching Hospital Assets in accordance with the terms and conditions of the Option Agreement, then Sublessee may not offset the value of the Improvements against damages incurred by Sublessor arising from a Sublessee Default. If Sublessee will remain in possession of the Improvements after termination of this Sublease and Sublessee's rights under this Sublease, then the fair market value of the Improvements will be discounted to take into account Sublessee's rights in and to and right to occupy and use the Improvements. Nothing herein shall be construed to imply that Sublessor is liable to Sublessee for any amount by which the fair market value of the Improvements may exceed a claim for damages against Sublessee.

Article XVI
SUBLESSOR DEFAULTS; SUBLESSEE REMEDIES

16.01. **Sublessor Defaults.** Each of the following events shall be a breach of this Sublease and shall constitute a "**Sublessor Default**":

(a) Failure or refusal to pay when due any other sum required by this Sublease to be paid by Sublessor if such failure to pay is not cured within sixty (60) days after written notice thereof is provided to Sublessor.

(b) Failure by Sublessor to perform as required any other covenant, agreement or obligation (other than the payment of a liquidated sum of money) of Sublessor under this Sublease and the same is not cured within ninety (90) days after notice of such failure from Sublessee to Sublessor; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said ninety (90) days, then for such longer time as may be reasonably necessary so long as Sublessor commences the cure within said ninety (90) days and thereafter diligently prosecutes the same to completion. The foregoing shall not apply, however, to Sublessor's obligations in this Sublease to respond to submittals of the Plans and Specifications.

16.02. **Sublessee Remedies.** Upon the occurrence of a Sublessor Default, Sublessee has the following remedies in addition to all other rights and remedies provided by law or equity, to which Sublessee may resort cumulatively or in the alternative:

(a) Judicial Resolution. Sublessee has the option to pursue Judicial Resolution (as defined in Section 18.05). Sublessee shall give written notice to Sublessor of its intent to pursue Judicial Resolution (“**Sublessee Notice of Suit**”). Upon receipt of such a Sublessee Notice of Suit, Sublessor shall have the following options:

- (i) Sublessor may raise the defense of sovereign immunity;
- (ii) To the extent authorized by and allowed under the Constitution and laws of the State of Texas, Sublessor may waive the defense of sovereign immunity and proceed to participate in the Judicial Resolution; or
- (iii) To the extent authorized by and allowed under the Constitution and laws of the State of Texas, Sublessor may bring suit against Sublessee seeking a declaratory judgment regarding the Sublessor Default that is raised by Sublessee and proceed to participate in the Judicial Resolution.

(b) Withholding of Amounts. If any one of the following occurs: (i) Sublessor refuses to participate in the Judicial Resolution, (ii) fails to respond to the Sublessee Notice of Suit within sixty (60) days of such notice, (iii) Sublessor responds in writing to the Sublessee Notice of Suit that it will not file a declaratory judgment as described in Section 16.02(a)(iii) above, (iv) Sublessor responds in writing to the Sublessee Notice of Suit that it is unable or unwilling to effectively waive sovereign immunity as a defense to a lawsuit filed by Sublessee seeking Judicial Resolution, or (v) either Sublessor or Sublessee files a suit seeking a Judicial Resolution and such suit is dismissed or otherwise terminated by final judicial decision because such suit is precluded by sovereign immunity applicable to Sublessor, then Sublessee may withhold the rent and any other amounts payable by Sublessee to Sublessor under the UMCB Lease and/or the Garage Agreement by giving written notice to Sublessor, but such notice shall not relieve Sublessee from its liability for such payments (to the extent applicable), subject to any final cost reconciliation during any Termination Notice Period and provided that all funds withheld by Sublessee shall be held in trust by Sublessee subject to the terms of this Sublease unless a Judicial Resolution is achieved and Sublessee is awarded damages for the breach of this Sublease (and in no event shall any such withholding by Sublessee give rise to any right by Sublessor that Sublessee is in default under this Sublease, the Garage Agreement, or the UMCB Lease). If the Sublessor Default is for a liquidated sum of damages, then at such time as Sublessee has withheld amounts described above in an amount equal to Sublessee’s claim, then Sublessee’s right to withhold such amounts shall cease. If Sublessor cures the Sublessor Default by paying the liquidated sum of damages to Sublessee, then all of the withheld amounts shall be promptly remitted to Sublessor.

(c) Withheld Funds and Offset. In the event a Judicial Resolution is achieved and Sublessee is awarded damages for Sublessor’s breach of this Sublease, Sublessee will offset any amounts awarded to Sublessee in the Judicial Resolution against any amounts previously withheld and promptly remit the excess amount withheld to Sublessor; if the amounts previously withheld by Sublessee are inadequate to liquidate the amount awarded to Sublessee in the Judicial Resolution, then Sublessee (or one of its affiliates designated by Sublessee) may offset any remaining amounts awarded in the Judicial Resolution against the rent and any other

amounts payable by Sublessee to Sublessor under the UMCB Lease and/or the Garage Agreement.

(d) **Right to Retain Withheld and Offset Amounts.** If a Judicial Resolution is not pursued because of Sublessor's failure or inability to participate and the Sublessor Default is not otherwise resolved by Sublessor's good faith, diligent pursuit of a cure of such Sublessor Default and by the good faith negotiations between and among the Parties (and, if applicable or necessary given the nature of the Sublessor Default, Lessor) after the date of the Sublessee Notice of Suit, then Sublessee may retain the amount withheld and/or offset (or the applicable portion thereof) in accordance with the terms of this **Section 16.02.** The obligation to pay any withheld amounts will resume the next month following the date that Sublessor cures the Sublessor Default or the date that the dispute is resolved by mutual agreement of Sublessor and Sublessee.

Article XVII
GENERAL COVENANTS AND PROVISIONS
RELATING TO DEFAULT AND REMEDIES

17.01. **Limitation on Damages.** Notwithstanding anything to the contrary set forth in this Sublease, neither Sublessor nor Sublessee will be liable for, and Sublessor and Sublessee each hereby waive any claims against the other for, special, exemplary, and/or punitive damages.

17.02. **Unavoidable Default or Delay.** Any prevention, delay, nonperformance, or stoppage due to any of the following causes shall excuse nonperformance for the period of any such prevention, delay, nonperformance, or stoppage, except the obligations imposed by this Sublease (i) for the payment of Rent, Additional Rent, Impositions, Taxes, insurance premiums, or obligations to pay money that are treated as Rent or Additional Rent, and (ii) the preservation of Required Hospital Permits, the provision of Required Teaching Hospital Services during the DMS Affiliation Period, and the preservation of the Seton Safety Net Requirement. The causes referred to above are strikes, lockouts, labor disputes, failure of power, acts of God, acts of public enemies of the State of Texas or of the United States of America, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, weather events, governmental restrictions or regulations or controls, casualties, or other causes beyond the reasonable control of the party obligated to perform (collectively, "**Force Majeure**").

17.03. **No Waiver.** No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by either Party shall give the other any contractual right by custom, estoppel or otherwise. If either Party brings any action or proceeding to enforce, protect or establish any right or remedy, the prevailing Party shall be entitled to recover reasonable attorneys' fees; provided, however, that Sublessor shall be so obligated only to the extent permitted under the laws and Constitution of the State of Texas.

17.04. **Payment on Default.** If any Party to this Sublease is compelled or elects to pay any sum of money or do any acts that require the payment of money by reason of the other Party's failure or inability to perform any of the provisions of this Sublease after passage of any notice and cure period or grace period (if any) provided under any other provisions of this

Sublease, which the applicable Party may elect in its sole discretion, the non-performing Party shall promptly, upon demand, reimburse the performing Party for such sums, and all such sums shall bear interest at the Default Rate from the date of expenditure until the date of such reimbursement. Other sums payable hereunder that are not paid by the non-performing Party when due shall bear interest at the Default Rate from and after the date of demand therefor by the performing Party until the date of payment thereof.

Article XVIII **DISPUTE RESOLUTION**

18.01. **Cooperation**. The Parties agree to cooperate in good faith to resolve any disputes or disagreements between the Parties. The terms of this Article XVIII apply solely with respect to disputes between Sublessor and Sublessee. “**Dispute Resolution**” means the process of good faith negotiation and then mediation of a Dispute as provided in Sections 18.03 and 18.04.

18.02. **Dispute Notice**. Notwithstanding any provision in this Sublease to the contrary, if (i) Sublessor delivers to Sublessee a notice of default under Section 14.02(d), Section 14.03(c), Section 14.04, or Section 14.05 (a “**Non-Monetary Default Notice**”), and if Sublessee disputes any matters set out in such Non-Monetary Default Notice, or (ii) Sublessee alleges any non-monetary default by Sublessor under this Sublease, or (iii) Sublessee disputes Sublessor’s assertion of a TRN Diligence Failure under Section 14.05, or (iv) Sublessee disputes Sublessor’s assertion of a Cure Diligence Failure under Section 15.01(b), then either Party may deliver to the other Party a written notice (“**Dispute Notice**”) stating the matter or matters that are disputed (collectively, the “**Dispute**”). Upon delivery of a Dispute Notice and during the pendency of the Dispute Resolution, (i) the events described in the Non-Monetary Default Notice shall not constitute a Sublessee Default or a Sublessor Default, as the case may be, and (ii) the applicable cure periods for the default which is the subject to the Dispute shall be tolled until the conclusion of the dispute resolution as provided in this Article XVIII, at which time the applicable cure period will resume, provided, in no event shall such cure period be less than ten (10) days. If the Dispute is based on any matters set forth in a Non-Monetary Default Notice, then the Dispute Notice must be sent within ten (10) Business Days after the date of Sublessee’s receipt of the Non-Monetary Default Notice. If the Dispute is based on any alleged default by Sublessor, then the Dispute Notice must be sent within ten (10) Business Days after the date of Sublessor’s receipt of written notice of the alleged default.

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

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

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

(b) **Conduct of Mediation.** The mediation will be conducted in the City and will be non-binding. Any non-binding mediation conducted under the terms of this **Section 18.04** will be confidential within the meaning of and subject to applicable laws. The cost of the mediation will be borne equally among the Parties. The mediation must be conducted and completed within ninety (90) days after the date of the Mediation Notice.

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

Article XIX

TRANSITION; WORK-OUT AND WIND-DOWN

19.01. Intentionally Deleted.

19.02. **Termination Process.** In the event Sublessor elects to exercise its right to terminate this Sublease during the Sublease Term, then Sublessor and Sublessee shall follow the procedures described in this **Article XIX**, unless otherwise expressly stated in this Sublease.

19.03. **Termination Date.** Subject to **Section 15.01**, if Sublessor elects to exercise its right to terminate this Sublease because of a Sublease Termination Default, then Sublessor shall give written notice of termination (the “**Termination Notice**”) to Sublessee. The date such Termination Notice is received by Sublessee shall be the “**Termination Notice Date**”.

(a) **Termination Date.** Subject to **Section 19.04** and **Section 19.05**, the effective date of termination of this Sublease (the “**Termination Date**”) shall be thirty (30) days after the Termination Notice Date.

(b) **Termination Notice Period.** The period of time between the Termination Notice Date and the Termination Date shall be the “**Termination Notice Period**”. During the Termination Notice Period, Sublessor and Sublessee must comply with terms of this Sublease, including without limitation the payment of Sublease Rent. If for any reason Sublessee cures the subject default within the Termination Notice Period, then this Sublease will not terminate.

19.04. Effect of Master Agreement.

(a) 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, then 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 Sublessor, Sublessee, and Lessor).

(b) Termination without Post-Termination Services Period. If this Sublease is terminated and the Post-Termination Services Period under the Master Agreement is not initiated before or during the Termination Notice Period, then this Sublease shall terminate upon the earlier to occur of (i) thirty (30) days after Lessor and Sublessor notify Sublessee in writing that Lessor and Sublessor have appointed a Designated Transferee or (ii) the two (2) year anniversary of the expiration of the Termination Notice Period.

19.05. Termination. Upon the termination or the expiration of this Sublease for any reason and subject to Article XIX and Article XXI of this Sublease, 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 Sublease as applicable (the “**Final Termination Date**”):

(a) Surrender of Subleased Premises and Licensing Cooperation. Sublessee’s right, title, and interest in and to the Subleased Premises and Improvements pursuant to this Sublease shall terminate on the Final Termination Date and shall revert to Sublessor. On the Final Termination Date, Sublessee shall peaceably quit, deliver up, and surrender the Subleased Premises and Improvements to Sublessor in accordance with Article XXI of this Sublease free of all claims and liens other than (i) the Permitted Encumbrances, and (ii) encumbrances granted during the term to which Sublessor consented in accordance with and subject to the terms of this Sublease. Sublessee will use commercially reasonable efforts to assist Sublessor and/or a Designated Transferee in obtaining any and all licenses, permits, certifications, accreditations, and licensures (including those under Medicaid and Medicare and other Healthcare Laws) and other authorizations required by any Governmental Authority with respect to Sublessor’s operation of the Subleased Premises as the Teaching Hospital following the Final Termination Date.

(b) Turnover of Sublessee Inventory. On the Final Termination Date, Sublessee shall turn over to Sublessor in good condition and appropriate containers all Inventory and any records relating thereto. “**Inventory**” means all disposable inventory and supplies (including without limitation laundry, housekeeping, nursing, pharmaceutical, medical supply, and food inventories) owned by or hereafter acquired by Sublessee and used on or in connection with the Subleased Premises as of the Final Termination Date.

(c) Patient Obligations. Sublessor acknowledges that as of the Final Termination Date there may be patients located in certain portions of the Subleased Premises and that as of the Final Termination Date, Sublessor (or Sublessor’s Designated Transferee) shall accept such patients as patients of Sublessor (or Sublessor’s Designated Transferee) 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 Sublessor (or Sublessor’s Designated Transferee). Notwithstanding the foregoing, all liability arising from or in connection with treatment and care which was rendered to such

patients by Sublessee from the Effective Date through and including the Final Termination Date shall be borne solely by Sublessee, regardless of whether it is asserted prior to, on, or after the Final Termination Date.

(d) Payment to Sublessee. To compensate Sublessee for services rendered and medicine, drugs, and supplies provided on or before the Final Termination Date (the “**Sublessee Termination Services**”) with respect to patients admitted to the Teaching Hospital 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 “**Transitioned Patient**”), Sublessor shall pay to Sublessee an amount (the “**Sublessee Prorated Amount**”) equal to (i) the total payments received from or with respect to each Transitioned 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 Transitioned Patient was a patient in the Teaching Hospital, and the denominator of which shall be the total number of days elapsed between such Transitioned Patient’s admission to, and discharge from, the Teaching Hospital, minus (ii) any deposits or co-payments made prior to the Final Termination Date by or with respect to such Transitioned Patient. Sublessor will pay the Sublessee Prorated Amount with respect to any Transitioned Patient to Sublessee within forty-five (45) days after receipt of payments by Sublessor with respect to such Transitioned Patient, which shall be accompanied by such documentation as may be reasonably requested by Sublessee.

(e) Timing. Sublessor and Sublessee acknowledge that depending on the type of default and the termination and turnover of operations, the following provisions and the time periods stated may not work. Sublessor and Sublessee will cooperate in good faith to achieve the intended result of these provisions with the actual time periods in effect for the situation.

(i) As promptly as practicable and in any case not less than ninety (90) days prior to the Final Termination Date, Sublessee shall provide Sublessor with a reasonable description of Sublessee’s Removable Personalty. Within sixty (60) days thereafter, Sublessor shall identify in writing those items of Sublessee’s Removable Personalty which Sublessor wishes to retain following the Final Termination Date (the “**Sublessor-Retained Property**”). If Sublessor fails to respond within such sixty (60) day period, then Sublessor will be deemed to have waived its right under this process to identify and retain the Sublessor-Retained Property. Sublessee, at its option, may then identify the Sublessor-Retained Property, if any. Within thirty (30) days following the identification of the Sublessor-Retained Property, Sublessee shall cause all items of Sublessee’s Removable Personalty other than the Sublessor-Retained Property to be removed from the Subleased Premises. Sublessor must pay Sublessee a price equal to the book value of such Sublessor-Retained Property as then carried on Sublessee’s books and accounts in accordance with generally accepted accounting principles, consistently applied.

(ii) As promptly as practicable and in any case not less than ninety (90) days prior to the Final Termination Date, Sublessee shall provide Sublessor with a reasonable description of those contracts, leases (including all capitalized leases), agreements, instruments, and other obligations of Sublessee

relating to, or entered into by Sublessee in connection with its use of, the Subleased Premises. Within sixty (60) days thereafter, Sublessor shall identify in writing those contracts, leases (including all capitalized leases), agreements, instruments, and other obligations of Sublessee relating to, or entered into by Sublessee in connection with its use of, the Subleased Premises with respect to which Sublessor will choose to become obligated as of the Final Termination Date (the “**Sublessor-Assumed Obligations**”). Effective as of the Final Termination Date, Sublessor shall assume and promptly discharge when due all of Sublessee’s rights, duties, liabilities, and obligations which accrue from and after the Final Termination Date (unless Sublessor has otherwise expressly agreed in writing) under the Sublessor-Assumed Obligations, and shall not assume or be deemed to have assumed any other right, duty, liability, or obligation of Sublessee under or in connection with the Subleased Premises.

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

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

(ii) For a period of 180 days following the Final Termination Date, Sublessor will provide to Sublessee any reasonable transition services requested by Sublessee in connection with the termination of this Sublease and the assumption of possession and operation of the Subleased Premises by Sublessor. In addition, Sublessee and Sublessor may by mutual agreement engage an auditing or accounting firm to perform an audit of Sublessee’s operations of the Subleased Premises for that portion of Sublessee’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) The transition of and accounting for all accounts receivable and all accounts payable with respect to the Teaching Hospital shall be handled in accordance with the applicable CH/Seton Ancillary Agreements, and in any event in compliance with all Applicable Laws and sound accounting principles. Generally, but subject to any applicable Healthcare Laws, (A) Sublessee will retain all accounts receivable relating to the Teaching Hospital and the Subleased Premises which accrued prior to the Final Termination Date and will be responsible for all accounts payable relating to the Teaching Hospital and the Subleased Premises which accrued prior the Final Termination Date, and (B) Sublessor will be entitled to all accounts receivable relating to the Teaching Hospital and the Subleased Premises which accrue on and after the Final Termination Date and will be responsible for all accounts payable relating to the

Teaching Hospital and the Subleased Premises which accrue on and after the Final Termination Date.

ARTICLE XX
FUNDAMENTAL PRINCIPLES

Sublessor and Sublessee acknowledge, covenant, and agree as follows:

20.01 **Central Health and Seton.** Sublessor agrees that so long as Sublessee is complying with its obligations, both monetary and non-monetary, under the terms and conditions of this Sublease and has not caused by act or omission a Lessee Default under the Master Lease (including the failure to timely pay all Rent, other than Sublessor's liability to Lessor under specific indemnity covenants of Sublessor in favor of Lessor in the Master Lease), then in the event of a default by Sublessor or Lessor of any of their obligations, monetary or non-monetary, under the terms and conditions of the Master Lease, Sublessor will not seek to terminate this Sublease or the Master Lease or otherwise interfere with Seton's peaceful and exclusive use and possession of the Subleased Premises and the Improvements either under this Sublease or the Master Lease.

20.02 **Central Health.** Sublessor and Sublessee acknowledge and agree that in interpreting this Sublease and the Parties' respective rights and remedies, Sublessor's fundamental requirements are that (i) if S/SHF is the Hospital Subtenant, lessee (under the Master Lease or a new direct lease with Lessor) or Teaching Hospital Operator, then S/SHF shall satisfy the Seton Safety Net Requirement by operating the Teaching Hospital as part of the Seton Safety Net System during the Sublease Term (and the term of any Renewal Terms, but in any event for not less than sixty (60) years beginning on the Commencement Date), and (ii) the Required Hospital Permits will remain in effect so that the Teaching Hospital does not get closed because of the loss of a Required Hospital Permit.

ARTICLE XXI
EXPIRATION AT END OF SUBLEASE TERM

21.01 **Sublessee's Duty to Surrender.** Sublessee agrees that, at the expiration of the stated Sublease Term, Sublessee shall surrender the Subleased Premises and the Improvements to Lessor in the condition in which Sublessor is required to surrender the Premises under the Master Lease upon the expiration of the stated Term of the Master Lease, without compensation to Sublessee. Upon a termination of this Sublease prior to the natural expiration of the stated Sublease Term, Sublessee shall surrender the Subleased Premises and the Improvements to Sublessor in its existing condition, without compensation to Sublessee (except as otherwise provided in this Sublease and/or the Master Lease). **IF SUBLESSEE FAILS TO SURRENDER THE SUBLEASED PREMISES AND THE IMPROVEMENTS AT THE EXPIRATION OF THE SUBLEASE TERM IN ACCORDANCE WITH THE MASTER LEASE, SUBLESSEE SHALL DEFEND AND INDEMNIFY SUBLESSOR FROM ALL LIABILITY AND EXPENSE RESULTING FROM THE DELAY OR FAILURE TO SURRENDER, INCLUDING WITHOUT LIMITATION CLAIMS MADE BY ANY SUCCEEDING SUBLESSEE FOUNDED ON OR RESULTING FROM SUBLESSEE'S FAILURE TO SURRENDER.**

21.02 **Holding Over.** IN THE EVENT OF ANY HOLDING OVER BY SUBLESSEE AFTER THE EXPIRATION OF THE SUBLEASE TERM, SUBLESSEE WILL BE RESPONSIBLE FOR THE PAYMENT OF ANY HOLDOVER RENT DUE AND OWING UNDER **SECTION 21.04** OF THE MASTER LEASE.

ARTICLE XXII
GENERAL CONDITIONS; MISCELLANEOUS PROVISIONS

22.01 **Transactions Between Parties.**

(a) **Non-merger of Leasehold Estates.** Notwithstanding any other provision of this Sublease to the contrary, if both Sublessor's and Sublessee's estates in the Subleased Premises or the Improvements or both become vested in the same owner, this Sublease shall nevertheless not be destroyed by application of the doctrine of merger or any contrary provision of this Sublease or the Master Lease except at the express written election of the owner of the leasehold estate.

(b) **Estoppel Certificates.** Within thirty (30) days after notice of request by Sublessor or Sublessee, Sublessor and Sublessee will 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: (i) whether or not this Sublease is in full force and effect; (ii) whether or not this Sublease has been modified or amended in any respect, and submitting copies of such modifications or amendments; (iii) whether or not there are any existing Sublessee Defaults or Sublessor Defaults hereunder known to the Party executing the certificate, and specifying the nature thereof; and (iv) such other matters as may be reasonably requested.

(c) **No Partnership/Joint Venture.** It is the intention of Sublessor and Sublessee to hereby create the relationship of sublessor and sublessee, and no other relationship whatsoever is hereby created. Nothing in this Sublease shall be construed to make Sublessor and Sublessee partners or joint venturers or to render either Party liable for any obligation of the other.

22.02 **Notices.** As used in this Sublease, notice includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, and appointment. All notices must be in writing. Notice is considered given either: (a) when delivered in person to the recipient named as below; or (b) three (3) Business Days (as defined in **Section 22.03(e)**) after deposit in the United States mail in a sealed envelope, wrapper or container, addressed by name and address to the party intended by either registered or certified mail, return receipt requested, postage and postal charges prepaid; or (c) on the next Business Day after being deposited with a national commercial overnight delivery service (such as, but not limited to, FedEx or UPS) for next business day delivery, addressed by name and address to the party or person intended, in each such case as follows:

Sublessor:	Travis County Healthcare District 1111 East Cesar Chavez Street Austin, Texas 78702 Attention: President and Chief Executive Officer
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With copies to: Travis County Attorney's Office
314 W. 11th Street, 4th Floor
Austin, Texas 78701
Attention: Beth Devery, RN, JD

Husch Blackwell, L.L.P.
111 Congress Avenue, Suite 1400
Austin, Texas 78701-4093
Attention: Adam I. Hauser

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

With a copy to: Seton Family of Hospitals
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attn: General Counsel

With a copy to: Seton Healthcare Family
1345 Philomena Street, Suite 402
Austin, Texas 78723
Attn: President and Chief Executive Officer

Either Party may, by notice given at any time or from time to time in the manner specified in this Section 22.02, require subsequent notices to be given to another person whether a party or an officer or representative, or to a different address, or both. Notices given before actual receipt of notice of change will not be invalidated by the change.

Sublessee and Sublessor hereby covenant and agree to promptly deliver to the other copies of any and all notices or other correspondence received by the respective Party from Lessor that might affect Sublessor or Sublessee, as applicable, in any manner and further agree, notwithstanding to the contrary set forth in this Section 22.02, to so deliver such notices or other correspondence in the manner most appropriate to insure that Sublessor or Sublessee, as applicable, will be able to respond to any of such notices or other correspondence from the Lessor within any time periods set forth in the Master Lease.

22.03 Interpretation of Sublease.

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

(b) Headings; Interpretation. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Sublease. Whenever the context of this Sublease requires, words used in the singular will be construed to

include the plural and vice versa, and pronouns of whatsoever gender will be deemed to include and designate the masculine, feminine, or neuter gender.

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

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

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

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

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

(h) **Ancillary to Master Agreement.** This Sublease 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 Sublease shall conflict with any of the terms and provisions of the Master Agreement, the terms and provisions of the Master Agreement shall control. This Sublease does not in any manner amend or change the Master Agreement and the obligations of S/SHF to Sublessor with respect to such Master Agreement and the safety net system described therein, including without limitation the obligation to ensure that the Teaching Hospital shall, at all times when S/SHF is operating it in any of the capacities described in the Master Lease, be part of the safety net system described in the Master Agreement.

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

22.04 **Successors and Assigns.** Except as otherwise expressly provided in this Sublease, this Sublease may not be assigned by either Party without (i) the prior written consent of the other Party, and (ii) complying with Section 10.04 of the Master Lease. This Sublease will

be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns in accordance with the terms of this Sublease.

22.05 **Brokerage Commissions.** Sublessor and Sublessee hereby represent and warrant each to the other that they have not employed any agents, brokers, or other such parties in connection with this Sublease, and each agrees that it will hold the other harmless from and against any and all claims of all other agents, brokers or other such parties claiming by, through, or under the respective indemnifying Party.

22.06 **Survival of Obligations.** All obligations of Sublessee and Sublessor hereunder that are not fully performed at the expiration or earlier termination of the Sublease Term shall survive such expiration or earlier termination, including, without limitation, payment obligations with respect to Sublease Rent, all obligations concerning the condition and repair of the Subleased Premises and the Improvements, and all indemnity obligations.

22.07 **Determination of Charges.** Sublessor and Sublessee agree that each provision of the Sublease for determining charges and amounts payable by Sublessee are commercially reasonable and, as to each such charge or amount, constitutes a statement of the amount of the charge or a method by which the charge is to be computed for purposes of Section 93.012 of the Texas Property Code. **SUBLESSEE FURTHER VOLUNTARILY AND KNOWINGLY WAIVES (TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHTS AND BENEFITS OF SUBLESSEE UNDER SUCH SECTION, AS IT NOW EXISTS OR AS IT MAY BE HEREAFTER AMENDED OR SUCCEEDED.**

22.08 **Non-Waiver Provision.** Sublessor is a political subdivision of the State of Texas and nothing in this Sublease will be construed as a waiver or relinquishment by Sublessor of its right to claim such exemptions, privileges, and immunities as may be provided by or allowed under the Constitution of the State of Texas or any other Applicable Laws.

22.09 **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 will 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 a Sublessee Default or a Sublessor Default occurs, the defaulting Party will reimburse the non-defaulting Party for all attorneys' fees reasonably incurred by the non-defaulting Party in connection with such Sublessee Default or Sublessor Default.

22.10 **Garage Agreement; UMCB Lease Amendment.** As soon as reasonably practicable after the Effective Date, Sublessor and Sublessee will commence good faith negotiations, with the view to entering into (i) the Garage Agreement and (ii) a written amendment to the UMCB Lease, pursuant to which Sublessee will be entitled to lease, occupy, and use the Central Health Downtown Campus (or such portion thereof as may be specified therein), from and after the Commencement Date.

22.11 **Post-Closing Cooperation.** Sublessor and Sublessee agree to cooperate in good faith with each other and with Lessor and/or UT Austin regarding (i) what law enforcement agency (either the City of Austin or UT Austin Police Department) will have primary

responsibility as first responders with respect to the Subleased Premises, and (ii) the negotiation of the Thermal Utility Agreement, an Electric Utility Easement and Vault Agreement by and among the City of Austin, Lessor, Sublessor, and Sublessee, and any other easements or agreements necessary for the Initial Construction of the Project Improvements.

ARTICLE XXIII
EXECUTION; MEMORANDUM OF SUBLEASE

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

23.02 **Memorandum of Sublease**. This Sublease shall not be recorded. Only a memorandum of this Sublease in the form attached hereto as **Exhibit "D"** shall be recorded (the "**Memorandum of Sublease**"). The Memorandum of Sublease shall be recorded only on or after the recordation of the Memorandum of Lease (as defined in the Master Lease).

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[SIGNATURE PAGES FOLLOW]

This Sublease is executed on the dates shown below, to be effective for all purposes on the Effective Date.

SUBLESSOR:

TRAVIS COUNTY HEALTHCARE DISTRICT,
a political subdivision of the State of Texas,
doing business as Central Health

By:  _____
Patricia A. Young Brown
President & CEO


Date: October 16, 2014

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[SUBLESSEE'S SIGNATURE ON FOLLOWING PAGE]

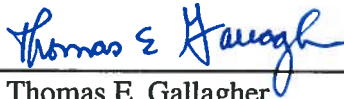
SUBLESSEE:

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

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

Date: October 17, 2014

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By: 
Name: Thomas E. Gallagher
Title: Senior Vice President and Interim Chief
Financial Officer

Date: October 17, 2014

EXHIBIT "A"

MEDICAL DISTRICT

The Medical District of The University of Texas at Austin is described on the following page and is outlined in red.

**THE UNIVERSITY OF TEXAS AT AUSTIN
Medical District**

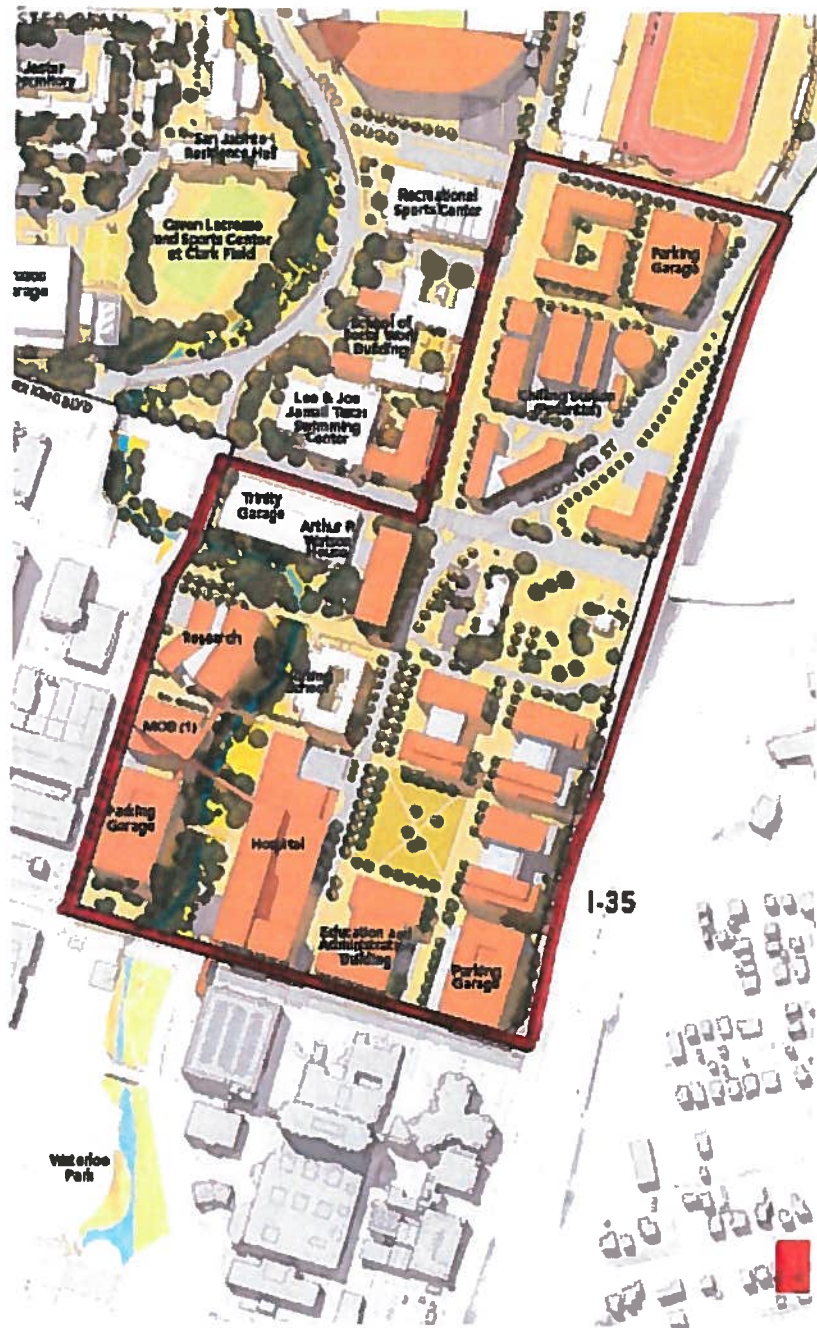


EXHIBIT "B"

LAND

[See following eight pages.]

DESCRIPTION

FOR A 3.510 ACRE TRACT OF LAND BEING A PORTION OF RED RIVER STREET AND SHOWN IN VOLUME 64, PAGE 28 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF THE VACATION OF THE NECHES STREET AND RECORDED AS TRACT NO. 5 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 490,899 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 1 IN VOLUME 5051, PAGE 1350 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF THE VACATION OF 16TH STREET AND RECORDED AS TRACT NO. 1 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 6,480 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 5 IN VOLUME 5051, PAGE 1350 OF THE DEED RECORDS OF SAID COUNTY, ALL OF A CALLED 590 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT NO. 2 IN VOLUME 4923, PAGE 1504 OF THE DEED RECORDS OF SAID COUNTY, ALL OF THE VACATION OF 16TH STREET AND RECORDED AS TRACT NO. 2 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, ALL OF A CALLED 16,640 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 6 IN VOLUME 4923, PAGE 1504 OF THE DEED RECORDS OF SAID COUNTY, ALL OF THE VACATION OF THE EAST 15TH STREET ALLEY AND RECORDED AS TRACT NO. 8 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 26,085 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT NO. 7 IN VOLUME 4923, PAGE 1504 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 0.87 ACRE TRACT AS DESCRIBED IN THAT DEED TO THE UNIVERSITY OF TEXAS AT AUSTIN AND RECORDED IN VOLUME 5379, PAGE 715, AND AS CORRECTED IN VOLUME 5596, PAGE 1919 OF THE DEED RECORDS OF SAID COUNTY, AND A PORTION OF A CALLED 93 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 6 IN VOLUME 5051, PAGE 1350 OF THE DEED RECORDS OF SAID COUNTY, AS SHOWN ON THE ACCOMPANYING

**SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND
BOUNDS AS FOLLOWS:**

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 639.30 feet to a calculated point;

THENCE through the interior of said 0.87 acre tract, N 16° 24' 58" E for a distance of 12.35 feet to a calculated point for the southeast corner and **POINT OF BEGINNING** hereof;

THENCE in part through the interior of said 0.87 acre tract, in part through the interior of said 93 square foot tract, in part through the interior of said 26,085 square foot tract, in part through the interior of said Red River Street, in part through the interior of said vacation of Neches Street, in part through the interior of said vacation of East 15th Street, in part through the interior of said 6,480 square foot tract, in part through the interior of said vacation of East 16th Street, and in part through the interior of said 490,899 square foot tract, the following thirty-five (35) courses and distances:


- 1) N 73° 32' 25" W for a distance of 291.83 feet for the southwest corner hereof, from which a Mag nail with "Baker-Aicklen" washer found on the intersection of the north right-of-way line of said East 15th Street and the east right-of-way line of Trinity Street bears, S 16° 24' 58" W for a distance of 12.57 feet to a point on the north right-of-way line of said East 15th Street and with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 345.65 feet,
- 2) N 17° 01' 31" E for a distance of 40.50 feet for an angle point hereof,
- 3) N 73° 32' 24" W for a distance of 12.93 feet for an angle point hereof,
- 4) N 16° 27' 36" E for a distance of 52.51 feet for an angle point hereof,
- 5) N 32° 36' 21" E for a distance of 15.08 feet for an angle point hereof,
- 6) N 33° 07' 28" E for a distance of 7.57 feet for an angle point hereof,
- 7) S 73° 32' 24" E for a distance of 16.39 feet for an angle point hereof,
- 8) N 16° 27' 36" E for a distance of 30.25 feet for an angle point hereof,

- 9) S 73° 32' 24" E for a distance of 25.75 feet for an angle point hereof,
- 10) S 16° 27' 36" W for a distance of 30.25 feet for an angle point hereof,
- 11) S 73° 32' 24" E for a distance of 10.33 feet for an angle point hereof,
- 12) N 16° 27' 36" E for a distance of 46.20 feet for an angle point hereof,
- 13) S 73° 32' 24" E for a distance of 9.92 feet for an angle point hereof,
- 14) N 16° 27' 36" E for a distance of 6.42 feet for an angle point hereof,
- 15) N 72° 12' 08" W for a distance of 5.75 feet for an angle point hereof,
- 16) N 16° 27' 36" E for a distance of 67.50 feet for an angle point hereof,
- 17) S 73° 32' 24" E for a distance of 5.75 feet for an angle point hereof,
- 18) N 16° 27' 36" E for a distance of 93.58 feet for an angle point hereof,
- 19) N 73° 29' 28" W for a distance of 23.79 feet for an angle point hereof,
- 20) N 16° 30' 32" E for a distance of 25.00 feet for an angle point hereof,
- 21) S 73° 29' 28" E for a distance of 23.77 feet for an angle point hereof,
- 22) N 16° 27' 36" E for a distance of 23.00 feet for an angle point hereof,
- 23) N 73° 32' 24" W for a distance of 7.59 feet for an angle point hereof,
- 24) N 16° 27' 36" E for a distance of 37.00 feet for an angle point hereof,
- 25) S 73° 32' 24" E for a distance of 7.58 feet for an angle point hereof,
- 26) N 16° 28' 04" E for a distance of 37.42 feet for an angle point hereof,
- 27) N 16° 27' 36" E for a distance of 7.00 feet for an angle point hereof,
- 28) S 73° 32' 24" E for a distance of 23.50 feet for an angle point hereof,

- 29) N 16° 27' 36" E for a distance of 116.88 feet for an angle point hereof,
- 30) N 16° 27' 36" E for a distance of 44.28 feet for an angle point hereof,
- 31) N 73° 32' 24" W for a distance of 16.78 feet for an angle point hereof,
- 32) N 16° 27' 36" E for a distance of 6.43 feet for the northwest corner hereof,
- 33) S 72° 58' 07" E for a distance of 226.68 feet for the northeast corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, N 80° 49' 59" E for a distance of 86.36 feet,
- 34) S 13° 00' 04" W for a distance of 26.40 feet for an angle point hereof, and
- 35) S 16° 24' 00" W for a distance of 596.99 feet to the **POINT OF BEGINNING** hereof and containing 3.510 acres of land.

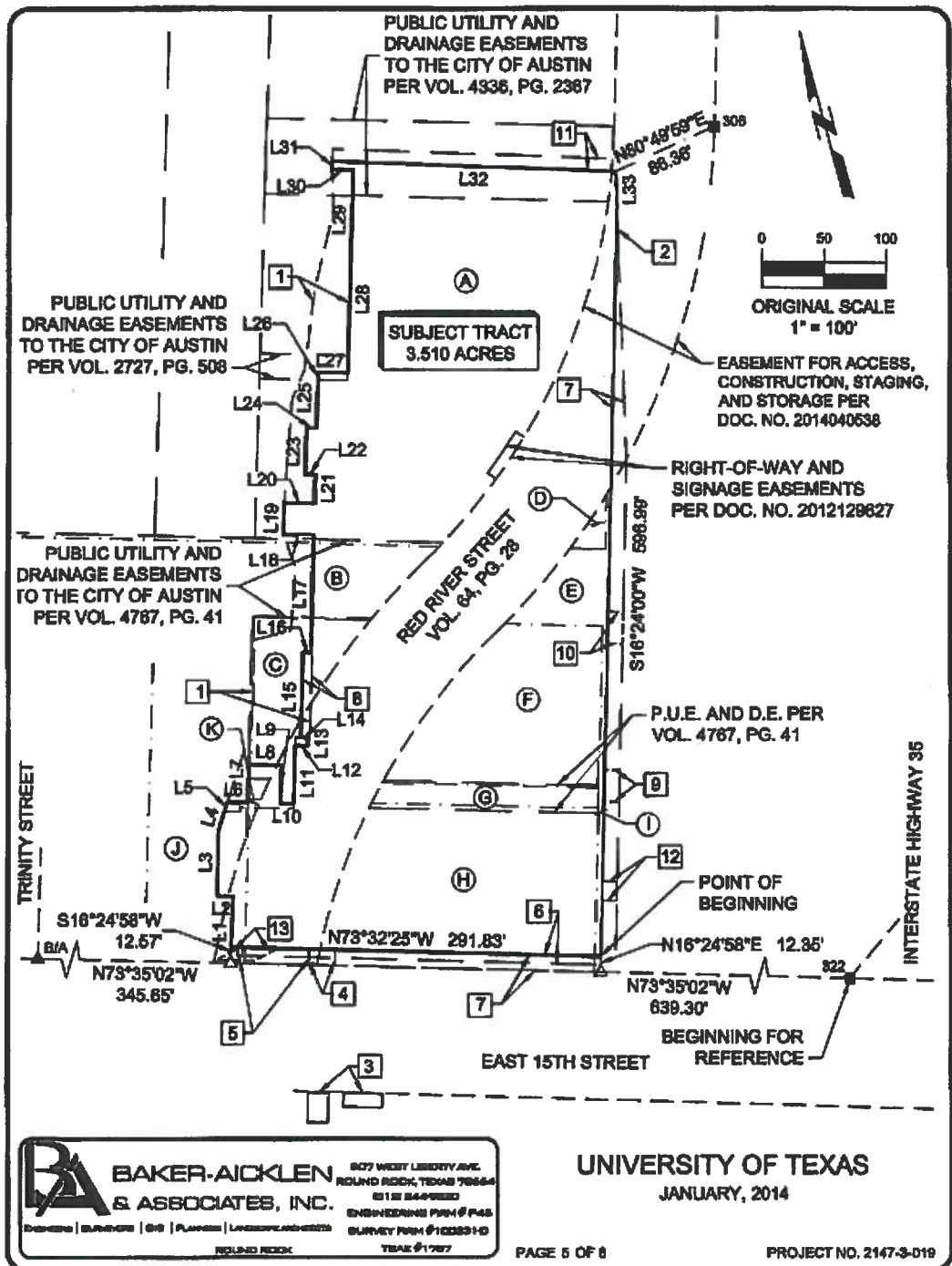
Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

Surveyed under the direct supervision of the undersigned during January, 2014.


Margaret A. Nolen
Registered Professional Land Surveyor No. 5589
BAKER-AICKLEN & ASSOCIATES, INC.
507 West Liberty Avenue
Round Rock, TX 78664
(512) 244-9620



Job No.: 2147-3-019
Filename: K:\PROJECTS\2147-3-002_UT_Medical_School_LBA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Setra Lease.DOC



BAKER-AICKLEN & ASSOCIATES, INC.
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 SURVEY PERM # 102891-D
 ROUND ROCK TEXAS #1787

UNIVERSITY OF TEXAS
 JANUARY, 2014

K:\PROJECTS\147-3-002_UT_Medical_Bldg\BA-Survey\DESCRIPTION\DWG\UT Setm Layout.dwg (PAGE 5) September 18, 2014 - E:zgm

Exhibit "B" - 6

(A) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 490,899 SQUARE FOOT TRACT TRACT 1, VOL. 5051, PG. 1350

(B) VACATION OF 16TH STREET ALLEY TRACT NO. 1, VOL. 4767, PG. 41

(C) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 6,480 SQUARE FOOT TRACT TRACT 5, VOL. 5051, PG. 1350

(D) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 690 SQUARE FOOT TRACT TRACT NO. 2, VOL. 4923, PG. 1504

(E) VACATION OF THE EAST 16TH STREET ALLEY TRACT NO. 2, VOL. 4767, PG. 41

(F) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 16,640 SQUARE FOOT TRACT TRACT NO. 6, VOL. 4923, PG. 1504

(G) VACATION OF THE EAST 15TH STREET ALLEY TRACT NO. 8, VOL. 4767, PG. 41

(H) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 26,085 SQUARE FOOT TRACT TRACT NO. 7, VOL. 4923, PG. 1504

(I) UNIVERSITY OF TEXAS AT AUSTIN CALLED 0.87 ACRE TRACT VOL. 5378, PG. 715 AND AS CORRECTED IN VOL. 5598, PG. 1919

(J) VACATION OF NECHES STREET TRACT NO. 5, VOL. 4767, PG. 41

(K) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 93 SQUARE FOOT TRACT TRACT 6, VOL. 5051, PG. 1350

1 PROPOSED WEST TCE AND WATER QUALITY EASEMENT

2 PROPOSED ACCESS EASEMENT 2.05

3 PROPOSED SOUTH AERIAL BRIDGE 7.08

4 PROPOSED NORTH AERIAL BRIDGE 6.02

5 PROPOSED ACCESS EASEMENT 2.04

6 PROPOSED SOUTH BUILDING OVERHANG EASEMENT 6.04

7 PROPOSED 15TH STREET/RED RIVER TCE 7.05

8 PROPOSED WEST BALCONY EASEMENT 6.05

9 PROPOSED ACCESS EASEMENT 2.03

10 PROPOSED ACCESS EASEMENT 2.02

11 PROPOSED NORTH TCE 7.06

12 PROPOSED IRRIGATION UTILITY EASEMENT 6.03

13 PROPOSED WASTEWATER EASEMENT 6.01

ALL OF THE EASEMENTS AND AREAS SHOWN HEREON ARE PROPOSED AND THEIR CONFIGURATIONS MAY CHANGE.




UNIVERSITY OF TEXAS
JANUARY, 2014

PAGE 8 OF 8

PROJECT NO. 2147-3-018

LINE TABLE		
LINE NO.	BEARING	DISTANCE
L1	N17°01'31"E	40.50'
L2	N73°32'24"W	12.93'
L3	N16°27'36"E	52.51'
L4	N32°36'21"E	15.08'
L5	N33°07'28"E	7.57'
L6	S73°32'24"E	16.39'
L7	N16°27'36"E	30.25'
L8	S73°32'24"E	25.75'
L9	S16°27'36"W	30.25'
L10	S73°32'24"E	10.33'
L11	N16°27'36"E	46.20'
L12	S73°32'24"E	9.92'
L13	N16°27'36"E	6.42'
L14	N72°12'08"W	5.75'
L15	N16°27'36"E	67.50'
L16	S73°32'24"E	5.75'
L17	N16°27'36"E	93.58'
L18	N73°29'28"W	23.79'
L19	N16°30'32"E	25.00'
L20	S73°29'28"E	23.77'

LINE TABLE		
LINE NO.	BEARING	DISTANCE
L21	N16°27'36"E	23.00'
L22	N73°32'24"W	7.59'
L23	N16°27'36"E	37.00'
L24	S73°32'24"E	7.58'
L25	N16°28'04"E	37.42'
L26	N16°27'36"E	7.00'
L27	S73°32'24"E	23.50'
L28	N16°27'36"E	116.88'
L29	N16°27'36"E	44.28'
L30	N73°32'24"W	16.76'
L31	N16°27'36"E	6.43'
L32	S72°58'07"E	226.68'
L33	S13°00'04"W	26.40'



BAKER-AICKLEN & ASSOCIATES, INC.
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 ENGINEERING FIRM # P48
 SURVEY FIRM # 150831-D
 ROUND ROCK TEXAS # 1787

UNIVERSITY OF TEXAS
 JANUARY, 2014

SURVEY NOTES: IMPROVEMENTS HAVE NOT BEEN SHOWN FOR THIS SURVEY.

ONLY THOSE EASEMENTS AS LISTED IN TITLE COMMITMENT GF NO. 201401193, ISSUED JULY 29, 2014 AND RELISTED BELOW WERE EVALUATED FOR THIS SURVEY. NO ADDITIONAL RESEARCH OF EASEMENTS OF RECORD WAS PERFORMED BY BAKER-AICKLEN AND ASSOCIATES, INC.

- B) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 2727, PG. 508, AS SHOWN.
- C) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 4575, PG. 851, NOT SHOWN, NOT ON SUBJECT TRACT.
- D) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 4767, PG. 41, AS SHOWN.
- E) RIGHT-OF-WAY AND SIGNAGE EASEMENTS TO THE CITY OF AUSTIN PER DOC. NO. 2012129627, AS SHOWN.
- F) ACCESS, CONSTRUCTION, STAGING AND STORAGE EASEMENTS TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PER DOC. NO. 2014040538
- J) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 4336, PG. 2367, AS SHOWN.

SURVEYOR'S CERTIFICATE:

TO: SETON FAMILY OF HOSPITALS, TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH, BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, HERITAGE TITLE COMPANY OF AUSTIN, INC. AND FIRST AMERICAN TITLE INSURANCE COMPANY

GF NO.: 201401193, ISSUED JULY 29, 2014

THE UNDERSIGNED DOES HEREBY CONFIRM THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER MY DIRECT SUPERVISION, DURING JANUARY, 2014. EASEMENTS AND OTHER MATTERS OF RECORD SHOWN OR ADDRESSED HEREON ARE LIMITED TO THOSE VISIBLE AND THOSE LISTED ON COMMITMENT FOR TITLE INSURANCE ISSUED BY HERITAGE TITLE COMPANY OF AUSTIN, INC., HAVING A GF NO.: 201401193 AND ISSUED JULY 29, 2014.



MARGARET A. NOLEN
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5589



LEGEND	
▲ B/A	MAG NAIL WITH "BAKER-AICKLEN" WASHER FOUND
△	CALCULATED POINT
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)

BAKER-AICKLEN & ASSOCIATES, INC.
907 WEST LIBERTY AVE.
ROUND ROCK, TEXAS 78664
1812 344-9500
ENGINEERING PERM # P48
SURVEY PERM # 100231-C
ROUND ROCK TEXAS #1787

UNIVERSITY OF TEXAS
JANUARY, 2014

EXHIBIT "C"

MASTER LEASE

[See following 204 pages.]

GROUND LEASE

between

**BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM**

as Lessor

and

TRAVIS COUNTY HEALTHCARE DISTRICT

doing business as

CENTRAL HEALTH

as Lessee

GROUND LEASE

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GROUND LEASE

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GROUND LEASE

THIS GROUND LEASE (this "*Lease*") is executed effective as of the 17th day of October, 2014 ("*Effective Date*"), by and between the **BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM** ("*Lessor*" or "*UT System*"), and **TRAVIS COUNTY HEALTHCARE DISTRICT, doing business as Central Health** ("*Lessee*" or "*Central Health*"). For good and valuable consideration, the receipt and sufficiency of which Lessor and Lessee each acknowledge, Lessor and Lessee covenant and agree as follows:

ARTICLE I RECITALS AND DEFINED TERMS

1.01 **Dell Medical School.** UT System and The University of Texas at Austin ("*UT Austin*") have established a four-year medical school as a department of UT Austin, being Dell Medical School ("*Dell Medical School*"), to provide medical education and award degrees, including Doctor of Medicine.

1.02 **UT Austin Medical District.** The Dell Medical School will be constructed on the UT Austin campus in an area designated by UT Austin as The University of Texas at Austin Medical District (the "*Medical District*"), currently being approximately 39.42 acres in size, as generally shown on Exhibit "A" attached to this Lease. The Medical District will be developed by UT Austin as contemplated by the Medical District Master Plan adopted by UT Austin in 2013, as the same may be amended and supplemented from time to time (the "*Medical District Master Plan*").

(a) **UT Guidelines.** The term "*UT Guidelines*" means the design, architectural, and construction guidelines promulgated by UT Austin from time to time for the construction of buildings and other improvements on the UT Austin campus.

(b) **UT Medical District Guidelines.** The term "*UT Medical District Guidelines*" means the design, architectural, and construction guidelines promulgated by UT Austin for the development of the Medical District and for the construction of buildings and other improvements in the Medical District in effect as of the Effective Date, a copy of which UT Medical District Guidelines are attached to this Lease as Exhibit "B".

(c) **UT Medical District Declaration.** The term "*UT Medical District Declaration*" means The University of Texas at Austin Medical District Common Area Declaration, which is recorded or will be recorded in the Official Public Records of Travis County, Texas.

1.03 **Central Health.** Central Health is a political subdivision of the State of Texas, created in 2004 by a vote of the citizens of Travis County, Texas (sometimes referred to as the "*County*"), as allowed under Chapter 281 of the Texas Health and Safety Code. Central Health works to develop and maintain a network of health care services to serve community health care needs of the City of Austin (sometimes referred to as the "*City*") and the County.

1.04 **Seton.** Seton Family of Hospitals, a Texas non-profit corporation (“Seton”) is a non-profit provider of health care services in Central Texas and is a subsidiary of Seton Healthcare Family, a Texas non-profit corporation which is a member of the Ascension Health Alliance. Seton operates five major medical centers in Central Texas, including the University Medical Center at Brackenridge (“UMCB”), which is a Level I Trauma Center and is the safety-net hospital for the County. UMCB is owned by Central Health, and Seton leases UMCB and related facilities from Central Health. UMCB is part of and located on the campus of facilities owned by Central Health which is located in an area south of the Medical District and which is bounded by Red River Street, 12th Street, IH-35, and 15th Street (the “Central Health Downtown Campus”).

1.05 **Teaching Hospital.** Hospital-based clinical education is an integral part of the education and training of students at the Dell Medical School and of other students at UT Austin pursuing degrees in healthcare. UT System, UT Austin, Central Health, and Seton have worked in collaboration with each other for the establishment of a teaching hospital (the “Teaching Hospital”) to support the Dell Medical School and the educational mission of UT Austin and to support graduate medical education in Austin and Travis County. Lessor will lease the Premises (as described below) to Central Health, subject to the terms of this Lease, and Central Health will sublease the Premises to Seton. Central Health and Seton have entered into certain agreements pursuant to which Seton will, among other things, operate the Teaching Hospital.

1.06 **Land and Premises.** UT System, UT Austin, Central Health, and Seton have agreed that the Teaching Hospital will be located on the tract of land in the Medical District, being 3.510 acres of land, more or less, more particularly described on Exhibit “C-1” attached to and incorporated in this Lease (the “Land”). The term “Premises” and all of the other terms that are defined in Exhibit “C” and/or Exhibit “C-2” attached to this Lease have the same meanings as are given to such terms in those exhibits. The term “Real Property” means the Land and any Improvements on the Land.

1.07 **Central Health Garage.** The Central Health Downtown Campus includes the existing parking garage (the “Central Health Garage”) located at the corner of Red River Street and East 15th Street, directly south of the Land. The use of the Central Health Garage will be initially required for the operation of the Teaching Hospital. The Central Health Garage will connect to the Teaching Hospital via the Aerial Bridge over 15th Street, as more fully described below in this Lease.

1.08 **Teaching Hospital Affiliation Agreement.** UT System, UT Austin, and Seton Healthcare Family have entered into the Seton Affiliation Agreement. The “Seton Affiliation Agreement” means the Affiliation Agreement to be effective January 1, 2015, executed by and among UT System, UT Austin, and Seton Healthcare Family, as the same may be modified, amended, and/or restated from time to time. The Seton Affiliation Agreement sets forth, among other things, the agreements between and among UT System, UT Austin, and Seton for the development and operation of the Teaching Hospital and its relationship to the Dell Medical School and UT Austin. This Lease is executed based on the Seton Affiliation Agreement and for the purpose of advancing and fulfilling the parties’ goals and agreements as set forth in the Seton

Affiliation Agreement. The terms set forth in this Section 1.08 relate to the use and operation of the Teaching Hospital in affiliation with the Dell Medical School.

(a) ACGME. The term “*ACGME*” means the Accreditation Council for Graduate Medical Education.

(b) Seton DMS Affiliation Period. The “*Seton DMS Affiliation Period*” means the period of time commencing on the Effective Date and continuing until the later of (i) the termination of the Seton Affiliation Agreement, after any extensions and after the expiration of any wind-down periods, or (ii) December 31, 2049; provided, however, if the Seton Affiliation Agreement is terminated before the stated expiration of its term or before December 31, 2049, because of a UT Termination Event, then the Seton DMS Affiliation Period shall end at the time of the UT Termination Event.

(c) Future DMS Affiliation Period. The “*Future DMS Affiliation Period*” means any period of time other than during the Seton DMS Affiliation Period when a Teaching Hospital Affiliation Agreement is in effect between Lessor and/or UT Austin and a Hospital Subtenant or Teaching Hospital Operator.

(d) DMS Affiliation Period. The “*DMS Affiliation Period*” means either the Seton DMS Affiliation Period or a Future DMS Affiliation Period, as applicable.

(e) LCME. The term “*LCME*” means the Liaison Committee on Medical Education.

(f) Required Teaching Hospital Services. The term “*Required Teaching Hospital Services*” means those healthcare services (i) specified in the LCME Standards for Medical Schools that Lessor (either directly or through the Hospital Subtenant) will be required to provide at the Teaching Hospital in order to maintain the accreditation of the Dell Medical School by the LCME, and (ii) specified in the ACGME Institution Requirements and the ACGME Common Program Requirements that Lessor (either directly or through the Hospital Subtenant) will be required to provide at the Teaching Hospital in order to maintain the accreditation of the Dell Medical School by the ACGME.

(g) Teaching Hospital Affiliation Agreement. The term “*Teaching Hospital Affiliation Agreement*” means the Seton Affiliation Agreement, as the same may be modified, amended, and/or restated from time to time, including any future academic affiliation agreement executed by UT System and/or UT Austin with any future Teaching Hospital Operator, as the same may be modified, amended, and/or restated from time to time.

(h) Teaching Hospital Requirement. The term “*Teaching Hospital Requirement*” means all required care, services and operations necessary for the Teaching Hospital to provide the Required Teaching Hospital Services as defined above.

(i) UT Termination Event. “*UT Termination Event*” means (i) the termination of the Seton Affiliation Agreement by Seton Healthcare Family in accordance with

and subject to the terms of the Seton Affiliation Agreement because of a default by UT Austin under the Seton Affiliation Agreement which is not cured after any applicable notice, opportunity to cure, and dispute resolution and which is not related to or caused by a default by Seton Healthcare Family under the Seton Affiliation Agreement, or (ii) the termination of the Seton Affiliation Agreement by UT Austin for any reason other than a default by Seton Healthcare Family.

1.09 **Central Health Agreements.** UT Austin, Central Health, and the Community Care Collaborative have executed the CH/CCC Affiliation Agreement, which sets forth certain agreements among UT Austin, Central Health, and the Community Care Collaborative. The term "*CH/CCC Affiliation Agreement*" means the affiliation agreement dated July 10, 2014, executed by and among UT Austin, Central Health, and the Community Care Collaborative, as the same may be modified, amended, and/or restated from time to time. The Master Agreement and Omnibus Healthcare Services Agreement set forth, among other things, the agreements among Lessee, Community Care Collaborative, and Seton for the creation of a healthcare delivery system to serve the safety net population, including by replacing UMCB with the Teaching Hospital. The 2014 Hospital Sublease is executed based on the Master Agreement and for the purpose of advancing and fulfilling Central Health's and Seton's goals and agreements as set forth in the Master Agreement and the Omnibus Healthcare Services Agreement.

(a) **2014 Hospital Sublease.** Lessee will initially sublease the Premises to Seton pursuant to the Ground Sublease dated October 17, 2014, executed by Lessee and Seton (the "*2014 Hospital Sublease*").

(b) **CH/UT Affiliation Agreement.** The term "*CH/UT Affiliation Agreement*" means the CH/CCC Affiliation Agreement or any affiliation agreement between UT System and/or UT Austin and Central Health (and which may include a third party) which replaces or supersedes the CH/CCC Affiliation Agreement.

(c) **CH/Seton Ancillary Agreements.** The term "*CH/Seton Ancillary Agreements*" means the Master Agreement, the Omnibus Healthcare Services Agreement, and the Option Agreement.

(d) **Future Master Agreement.** The term "*Future Master Agreement*" means any future master or safety net affiliation agreement executed by Lessee with any future Hospital Subtenant or Teaching Hospital Operator, as the same may be modified, amended, and/or restated from time to time. To the extent any Future Master Agreement or modification, amendment, and/or restatement of such agreement affects the rights and obligations of Lessor, Lessee, and Seton under this Lease or a Hospital Sublease, the ownership and operation of the Teaching Hospital, or an option to purchase the Teaching Hospital and similar rights and remedies of Central Health with respect to Seton and/or Seton Healthcare Family, then such Future Master Agreement or modification, amendment, and/or restatement shall be subject to Lessor's review and approval, which approval will not be unreasonably withheld or delayed.

(e) **Master Agreement.** The term "*Master Agreement*" means that certain Master Agreement between Lessee and Seton Healthcare Family dated effective June 1, 2013, as

the same may be modified, amended, and/or restated from time to time. To the extent any modification, amendment, and/or restatement affects the rights and obligations of Lessor, Lessee, and Seton under this Lease or a Hospital Sublease, the ownership and operation of the Teaching Hospital, or the option to purchase the Teaching Hospital and similar rights and remedies of Central Health with respect to Seton and/or Seton Healthcare Family, then such modification, amendment, and/or restatement shall be subject to Lessor's review and approval, which approval will not be unreasonably withheld or delayed.

(f) Omnibus Healthcare Services Agreement. The term "*Omnibus Healthcare Services Agreement*" means that certain Omnibus Healthcare Services Agreement by and among Lessee, Community Care Collaborative, and Seton Healthcare Family dated effective June 1, 2013 as the same may be modified, amended, and/or restated from time to time.

(g) Option Agreement. The term "*Option Agreement*" means that certain Option to Purchase between Lessee and Seton Healthcare Family dated effective June 1, 2013 (as the same may be modified, amended, and/or restated from time to time with Lessor's consent, which consent will not be unreasonably withheld).

1.10 Safety Net System. Lessor and Lessee acknowledge and agree that during the entire Term, the Teaching Hospital will be operated as part of a safety net system providing healthcare for all residents of Travis County, Texas, regardless of their gender or financial status. The terms and provisions set forth in this Section 1.10 relate to the use and operation of the Teaching Hospital as part of a safety net system.

(a) Seton Safety Net System. This Lease does not in any manner amend or change the Master Agreement and the obligations of Seton and/or Seton Healthcare Family to Central Health with respect to such Master Agreement and the safety net system described therein, including without limitation the obligation to ensure that the Teaching Hospital shall, at all times when S/SHF is operating it in any of the capacities described below, be part of the safety net system described therein. Lessor further acknowledges that if Seton and/or Seton Healthcare Family [or any of their affiliates or permitted assignees under this Lease (including a Permitted Transferee), the Hospital Sublease, or the Master Agreement (hereinafter, "*S/SHF*") is the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor) or Teaching Hospital Operator, then Lessee may require S/SHF to operate the Teaching Hospital as part of the Seton Safety Net System during the Term (and the term of any Renewal Terms, but in any event for not less than sixty (60) years beginning on the Commencement Date). For purposes of this Lease, the term "*Seton Safety Net System*" means the "Safety Net System" as that term is defined in the Master Agreement.

(b) Central Health Safety Net System. At any time during the Term that S/SHF is not the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor), or Teaching Hospital Operator, then Lessee intends that the Teaching Hospital will still be operated as part of the Central Health Safety Net System, as defined below, providing healthcare to the indigent and uninsured. For purposes of this Lease, the term "*Central Health Safety Net System*" means that the Teaching Hospital (x) has the following characteristics: (i) provides inpatient hospital services to all individuals regardless of their ability to pay; (ii) provides charity

care and community benefits in a manner which satisfies the requirements of Section 311.045 of the Texas Health and Safety Code, as the same may be amended, and the requirements of any rules and regulations promulgated thereunder; (iii) has an overall policy of providing culturally competent care, including linguistic competence, sufficient to meet the needs of Travis County's diverse population; and (iv) is certified as a Level 1 trauma center or a Level 2 trauma center or, in the alternative, equivalent or comparable trauma facilities if such Level 1 and/or Level 2 designation is not available or does not exist; and (y) is part of whatever network or system of associated and/or independent hospitals, clinics, and other services sites which are supported by or otherwise affiliated with Central Health and which through affiliation agreements, services agreements, or similar agreements between Central Health and various healthcare organizations attempt to provide inpatient care and related specialty healthcare services to the uninsured and other lower income people in the County by the following additional characteristics: (i) provides a majority of the total amount of inpatient uncompensated care (as defined below in this subparagraph) delivered by all acute care hospitals in Travis County; (ii) provides a majority of the total amount of inpatient care to those persons under 200% of the federal poverty level; and (iii) includes a general hospital or specialty hospital which has a neonatal intensive care unit available to the Travis County population. As used above, the term "uncompensated care" means that care delivered to persons who have no source for payment except themselves. 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.

(c) Seton Safety Net Requirement. The term "*Seton Safety Net Requirement*" means all care, services and operations necessary or required for the Teaching Hospital to be part of and participate in the Seton Safety Net System during the Term, and the term of any Renewal Terms but in any event for not less than sixty (60) years beginning on the Commencement Date, if S/SHF is the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor), or Teaching Hospital Operator.

(d) Central Health Safety Net Requirement. The term "*Central Health Safety Net Requirement*" means all care, services and operations necessary or required for the Teaching Hospital to be part of and participate in the Central Health Safety Net System at all times during the Term (and the term of any Renewal Terms) that S/SHF is not the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor), or Teaching Hospital Operator.

(e) Safety Net Requirement. The term "*Safety Net Requirement*" means the Seton Safety Net Requirement or the Central Health Safety Net Requirement, as applicable.

(f) No UT Liability. Nothing in this Lease shall be construed to impose upon UT System or UT Austin the obligation to fund or subsidize or have any liability of any kind or character for the operation or funding of the Seton Safety Net System or the Central Health Safety Net System. Except as otherwise provided in Section 22.11(b) of this Lease, neither Lessor nor UT Austin has any responsibility or obligation to enforce compliance with the Seton Safety Net Requirement or the Central Health Safety Net Requirement.

1.11 **Defined Terms.** As used in this Lease, the following terms shall have the meanings set forth in this Section 1.11.

(a) **Affiliation Agreements.** The term “*Affiliation Agreements*” means the CH/CCC Affiliation Agreement, the CH/UT Affiliation Agreement, the Seton Affiliation Agreement, the Teaching Hospital Affiliation Agreement, and the UT/HC District Affiliation Agreement.

(b) **Applicable Laws.** The term “*Applicable Laws*” means any city, county, state, federal, or other governmental regulations, ordinances, laws, codes, or statutes, including any zoning ordinance or use restriction or any administrative, executive, or judicial orders, decrees, or determinations which govern, regulate, control, or otherwise apply to (i) the development of the Land, the construction of improvements on the Land, the ownership and use of the Land and Premises and the construction of the Teaching Hospital, (ii) Lessor, Lessee, the Hospital Subtenant, the Teaching Hospital Operator, and/or any other Sublessee; (iii) the licensing, accreditation, and operation of the Teaching Hospital and activities related thereto; and (iv) the interpretation and enforcement of this Lease. Applicable Laws includes, without limitation, all Environmental Laws and all Healthcare Laws.

(c) **Business Days.** The term “*Business Days*” means any day which is not a Saturday, Sunday, a legal banking holiday, or a UT Austin holiday.

(d) **Environmental Laws.** The term “*Environmental Laws*” shall mean any and all federal, state, county and local laws or other governmental regulations or restrictions relating to the environment or to emissions, discharges or releases of pollutants, contaminants, petroleum or petroleum products, medical, biological, infectious, toxic or hazardous substances or wastes into the environment or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, petroleum or petroleum products, medical, biological, infectious, toxic or hazardous substances or wastes or the cleanup or other remediation thereof, including, without limitation, Chapter 361 of the Texas Health and Safety Code, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq.*), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 *et seq.*), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§ 11001 *et seq.*), the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Clean Water Act (33 U.S.C. §§ 1251 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §§ 2601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. §§ 5101 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §§ 651 *et seq.*), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 *et seq.*), and the Safe Drinking Water Act (42 U.S.C. §§ 300f *et seq.*), as any of the same may be amended from time to time, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, regardless of whether the same are in existence as of the Effective Date.

(e) **Governmental Authorities.** The term “*Governmental Authorities*” or “*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 jurisdiction over the Premises or any portion thereof or over any development or construction activities on the Premises or over Lessor, Lessee, Hospital Subtenant, or the Teaching Hospital Operator or over the operation of the Teaching Hospital or any aspect thereof.

(f) Hazardous Materials. The term “*Hazardous Materials*” means any petroleum substance or petroleum products, asbestos, radioactive, biological, medical or infectious wastes or materials, and any “solid waste”, “hazardous substance”, “hazardous waste”, “hazardous material”, “pollutant”, or “contaminant” (as such terms are defined by any Environmental Laws).

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

(h) Hospital Sublease. The term “*Hospital Sublease*” means (i) the 2014 Hospital Sublease, as the same may be amended and restated from time to time, pursuant to which Seton (or any future permitted assignee of Seton) will operate the Teaching Hospital as contemplated by this Lease, the Seton Affiliation Agreement, the Master Agreement, and the Seton Safety Net Requirement, (ii) any future sublease of all or substantially all of the Project Improvements to an entity or governmental agency which will operate the Teaching Hospital as contemplated by this Lease, a Teaching Hospital Affiliation Agreement (if otherwise applicable as contemplated by this Lease), a Future Master Agreement, and the applicable Safety Net Requirement and which is the Teaching Hospital Operator, as permitted by and subject to the terms and conditions of this Lease, and (iii) the sublease described in Section 15.02(c)(i).

(i) Hospital Subtenant. The term “*Hospital Subtenant*” means Seton and any future permitted assignee of Seton or other entity which subleases the Premises from Lessee as the Teaching Hospital Operator under a Hospital Sublease, as permitted by and subject to the terms and conditions of this Lease and the Seton Affiliation Agreement or a future Teaching Hospital Affiliation Agreement, the Master Agreement, and the Omnibus Healthcare Services Agreement.

(j) Required Hospital Permits. The term “*Required Hospital Permits*” means all of the permits, licenses, certifications, and accreditations necessary for Lessee, the Hospital

Subtenant, and/or the Teaching Hospital Operator, as applicable, (i) to operate the Teaching Hospital as a general hospital under Texas law in effect as of the Commencement Date, (ii) to function as the principal teaching hospital for Lessor pursuant to LCME and ACGME requirements, and (iii) to offer the Required Teaching Hospital Services. The term “Required Hospital Permits” includes any certification or provider agreement necessary for the Teaching Hospital to participate in the federal Medicare program (or any successor program) and the state Medicaid program (or any successor program).

(k) Teaching Hospital Operator. The term “*Teaching Hospital Operator*” means Seton under the Seton Affiliation Agreement and the Master Agreement in effect as of the execution of this Lease and any future operator of the Teaching Hospital under a Teaching Hospital Affiliation Agreement and the Master Agreement as they may be modified, amended, and restated in the future and any future operator of the Teaching Hospital agreed to by Lessor and Lessee in accordance with the terms of this Lease, including a Designated Transferee. If the Hospital Subtenant and the Teaching Hospital Operator are not the same entity (or if there is not a Hospital Subtenant and only a Teaching Hospital Operator), then this Lease shall be broadly construed and the duties, obligations, and covenants of the Hospital Subtenant shall apply to and be binding on the Teaching Hospital Operator.

(l) Teaching Hospital Operator Agreement. The term “*Teaching Hospital Operator Agreement*” means an agreement between Lessee and a Teaching Hospital Operator where the Teaching Hospital Operator is not a Hospital Subtenant and there is not a Hospital Sublease.

ARTICLE II LEASE OF PREMISES

2.01 Granting Clause. For and in consideration of the covenants made by Lessee herein, and \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor hereby leases, and demises to Lessee and Lessee hereby leases and takes from Lessor the Premises; TO HAVE AND TO HOLD the Premises unto Lessee, its permitted successors and assigns, for and during the Term (as defined in Section 2.05), subject to the Permitted Encumbrances and subject to all other terms, conditions, reservations, and exclusions of this Lease. The term “*Permitted Encumbrances*” means the title exceptions listed on Exhibit “D” attached to and incorporated in this Lease.

2.02 Personal Property. The Premises include the Personal Property, as described and defined on Exhibit “C-2”. Notwithstanding any other provision herein, the leasehold estate granted to Lessee by this Lease includes only Lessor’s right, title, and interest in the Personal Property, if any, and such lease of the Personal Property is without representation or warranty of any kind or character, including without any warranty of title.

(a) Notwithstanding any other provision in this Lease, Lessor has no obligation to obtain, secure, provide, maintain, or pay for any Governmental Approvals and Permits, Utility Service Permits, Utility Service Rights, or Street and Drainage Rights. Lessor expressly retains its right to work with the City and other utility providers to cause the

installation, modification, repair, replacement, and/or other action to affect such utilities in the Medical District so long as Lessee's use of or access to such utilities is not prevented.

(b) The term "Governmental Approvals and Permits" does not include, and Lessor hereby expressly reserves unto itself, all rights, immunities, and other benefits which The University of Texas System (and The University of Texas at Austin) has as an agency of the State of Texas.

2.03 **Covenant of Quiet Enjoyment.** Lessor covenants and warrants, to the extent permitted under the laws and Constitution of the State of Texas, that, so long as no Lessee Default exists, Lessee shall and may peaceably and quietly have, hold, occupy, use and enjoy and shall have the full and unrestricted use and enjoyment of the Premises during the Term, subject only to the Permitted Encumbrances, the terms and conditions of this Lease, and all Applicable Laws.

2.04 **Premises Condition.** Except as specifically set forth in this Lease, Lessor will deliver the Premises in the following condition: AS IS, WHERE IS, AND WITH ALL FAULTS. Except as specifically set forth in this Lease, Lessee shall accept the Premises on the Commencement Date (as defined in Section 3.03 below) in their then existing condition AS IS, WHERE IS, and WITH ALL FAULTS. Lessee acknowledges and agrees and confirms to Lessor that Lessee has not relied on any representation or warranty by Lessor or UT Austin or any employee, agent, or representative of Lessor or UT Austin, except as otherwise expressly stated herein, regarding the Premises, including any warranty or representation relating to value, suitability, fitness for a particular purpose, or condition of the Premises.

2.05 **Term.** Subject to the terms and conditions hereof, the term of this Lease ("*Term*") is for a period beginning on the Commencement Date and ending at midnight on the last day of the month that is a full sixty (60) years after the Commencement Date, unless sooner terminated as provided for in this Lease. "*Term*", as used herein, shall include any valid renewals or extensions of the term of this Lease (including the Renewal Terms) unless the context clearly indicates to the contrary.

2.06 **Option to Renew and Extend.** Lessor agrees that Lessee may, at Lessee's option and subject to the conditions herein stated, renew this Lease and extend the original Term of this Lease for two (2) additional periods of ten (10) years, subject to all the provisions of this Lease. Lessee's right and option to renew and extend this Lease for each additional ten (10) year term may be referred to as the "*Extension Option*". The first ten (10) year period in effect hereunder shall be referred to as the "*First Renewal Term*", and the second ten (10) year period in effect hereunder shall be referred to as the "*Second Renewal Term*". The First Renewal Term and the Second Renewal Term may be referred to collectively as the "*Renewal Terms*" and each as a "*Renewal Term*". The Base Rent for the first Lease Year of the First Renewal Term and the Second Renewal Term shall be calculated as provided in Article V below, the Rent throughout the First Renewal Term and the Second Renewal Term shall be payable as provided in Article V below. Lessee's right to exercise the Extension Option is subject to satisfaction of the following conditions precedent:

(a) This Lease shall be in effect at the time notice of exercise of the Extension Option is given and on the last day of the Term with respect to the First Renewal Term and if applicable with respect to the Second Renewal Term, on the last day of the First Renewal Term).

(b) Without limiting Lessee's rights to cure any defaults hereunder, to the extent applicable, no uncured Lessee Default shall exist after expiration of all applicable dispute resolution processes and notice and cure periods provided for under any provision of this Lease at the time notice is given or during the period from delivery of the notice through and including the last day of the Term. However, if a TRN Default exists, provided that Lessee and the Hospital Subtenant are in full compliance with Section 14.06 and are diligently pursuing the cure of such TRN Default in accordance with the Response Plan, then Lessee will have the right to exercise the Extension Option.

(c) Lessee shall give written notice to Lessor irrevocably exercising the Extension Option for the First Renewal Term not later than five (5) years prior to expiration of the Term. Lessee shall give written notice to Lessor irrevocably exercising the Extension Option for the Second Renewal Term not later than five (5) years prior to expiration of the First Renewal Term.

Without limiting Section 22.11 below, provided Seton is then the Hospital Subtenant and subject to the terms of the 2014 Hospital Sublease relating to Seton's exercise of the applicable Extension Option, Seton will have the right to exercise the Extension Option for the First Renewal Term and the Extension Option for the Second Renewal Term regardless of whether or not Lessee elects to exercise either such Extension Option. If Seton elects to exercise the Extension Option for the First Renewal Term or the Extension Option for the Second Renewal Term and Lessee does not elect to participate in such Extension Option, then Seton may proceed without Lessee's joinder, provided that in such event, concurrent with the first day of the First Renewal Term or the Second Renewal Term (or at such earlier time as Lessee and Seton may elect), Lessee will assign this Lease to Seton, and Seton will assume this Lease and all duties and obligations of Lessee hereunder, as provided in this Lease. The assignment of this Lease to Seton in connection with its exercise of an Extension Option will not affect or include Central Health's rights under Section 22.11(b), and upon such assignment by Central Health and assumption by Seton, Central Health will be released from this Lease as provided in Article X below.

2.07 **2014 Hospital Sublease.** Lessor has reviewed the 2014 Hospital Sublease and consents to the 2014 Hospital Sublease. The 2014 Hospital Sublease will be subject to and subordinate to this Lease and the terms of this Lease in all respects. Lessee and Seton will not amend the 2014 Hospital Sublease in any material respect without Lessor's prior written consent (which consent will not be unreasonably withheld, conditioned or delayed) and in any event all amendments shall be consistent with the terms of this Lease. For purposes hereof only, a material amendment means any amendment to the 2014 Hospital Sublease which is inconsistent with the terms of this Lease or the Teaching Hospital Affiliation Agreement then in effect. Lessee will promptly provide to Lessor copies of all amendments to the 2014 Hospital Sublease.

ARTICLE III
INSPECTION AND DELIVERY OF PREMISES

3.01 **Inspection.** Lessee acknowledges that Lessee has inspected the Premises and completed all due diligence with respect to the Premises, including all investigations with respect to title. Lessee confirms to Lessor that Lessee is satisfied with all inspections, feasibility studies, and investigations with respect to the Premises, subject to Section 3.02 below.

3.02 **Entry; Delivery of Premises.** The provisions of this Section 3.02 and of Article XI of this Lease shall apply to all of Lessee's activities on the Land prior to the Commencement Date. Lessee and Seton and their respective affiliates and agents may enter upon the Land prior to the Commencement Date, subject to the terms of the License and Due Diligence Agreement dated effective October 1, 2013, executed by and among Lessor, Lessee, and Seton. Lessor will deliver the Land to Lessee on or before October 17, 2014, in the Delivery Condition (defined below). As used herein, the "*Delivery Condition*" means that: (i) all utility lines which were in place prior to Lessor's work to realign Red River Street will be capped at the boundary line of the Land (existing utility infrastructure from the old Red River Street right-of-way will remain, to be removed by Seton during the development of the Land and construction of the Project Improvements); (ii) the existing Red River Street right-of-way that is within the boundaries of the Land will be vacated by the City and such existing Red River Street right-of-way land will be conveyed to and owned by Lessor; (iii) all trees with an 8" diameter at breast height or larger will be removed by Lessor from the Land; (iv) there are no matters of record affecting the Land other than the Permitted Encumbrances; (v) Lessor will have in place the necessary easements to bring water, wastewater, and other utilities to the boundary of the Land, as set forth in the site preparation and infrastructure plans prepared by Bury, Inc. for Lessor under Bury, Inc.'s Project No. 108547-10002; and (vi) Lessee and Seton will have reasonable access to the Land from 15th Street, in the area where Red River Street was vacated on the Land.

3.03 **Commencement Date.** The "*Commencement Date*" means the date that Lessor delivers the Land to Lessee in the Delivery Condition. The Commencement Date is currently estimated to be October 17, 2014. On the Commencement Date, Lessor shall deliver exclusive possession of the Land to Lessee in the Delivery Condition. Lessor and Lessee will execute and cause to be recorded the Memorandum of Lease, as provided below.

3.04 **Title Insurance.** Lessee is and shall be solely responsible for obtaining any title insurance desired by Lessee. Lessor agrees to execute an affidavit as to debts and liens in Lessor's standard form in order to assist Lessee with obtaining title insurance.

3.05 **Access Easements.** Lessor hereby grants to Lessee the non-exclusive easements set forth in this Section 3.05, which easements shall be appurtenant to the leasehold estate granted and created by this Lease and shall be for the benefit of Lessee and any Hospital Subtenant. All easements set forth in this Section 3.05 are granted subject to the UT Medical District Declaration and all other Permitted Encumbrances and subject to the specific instruments granting any such easements and executed by Lessor which are now or hereafter filed of record in the Official Public Records of Travis County, Texas.

(a) Sidewalk Easements. Lessor hereby grants to Lessee a non-exclusive easement for pedestrian ingress and egress over and across the land owned by Lessor as shown on and in the locations designated on Exhibit "E", and being generally described as the land between the western boundary of the right-of-way of Red River Street and the Land and between the northern boundary of the right-of-way of 15th Street and the Land (the "*Sidewalk Easements*").

(b) Driveway Easements. Lessor hereby grants to Lessee a non-exclusive easement for vehicular and pedestrian ingress and egress over and across the land owned by Lessor as shown on and in the locations designated on Exhibit "F", and being the driveways for entrance to the loading dock on the north end of the Teaching Hospital (Exhibit "F-1"), the driveway and drop-off areas for entry on the east side of the Teaching Hospital on Red River Street (Exhibit "F-2"), and the driveway and entry area for the emergency room on the south side of the Teaching Hospital on 15th Street (Exhibit "F-3") (collectively, the "*Driveway Easements*"). The Driveway Easements are more fully set forth in the Driveway Access Easements Agreement of even date with this Lease, executed by Lessor, Seton, and Lessee and recorded in the Official Public Records of Travis County, Texas.

(c) Construction Use. During the period of time commencing on the Commencement Date and ending when the Initial Construction is substantially complete, Lessee and Seton shall have the right to utilize the Sidewalk Easements and the Driveway Easements (collectively, the "*Access Easements*") for construction purposes, provided that upon completion of Initial Construction, the driveway improvements in the Driveway Easements are also completed by Seton in accordance with the applicable plans for such improvements. The use of the Access Easements during the construction of the Initial Improvements is subject to the Temporary Construction Easement Agreement of even date with this Lease, executed by Lessor, Seton, and Lessee (the "*TCE Agreement*").

(d) Use. Lessor will not do anything, or permit anything to be done, that would materially interfere with Lessee's use and enjoyment of the Access Easements. Lessee acknowledges that the land which is subject to the Access Easements is part of the Medical District Common Areas. Neither Lessee nor any Hospital Subtenant may install or construct any structures, fixtures, or other improvements in the Access Easements without Lessor's prior written consent, which consent may be granted or withheld in Lessor's sole discretion. Lessor's covenants, agreements, and indemnities in this Lease with respect to the Land and its use also apply to the Access Easements and the land subject to the Access Easements.

(e) Repair and Maintenance. Lessee will repair and maintain the Driveway Easements in coordination and cooperation with Lessor and Lessor's maintenance of the Medical District Common Areas. Lessor will maintain the Sidewalk Easements as Medical District Common Areas, but Lessee (and any Hospital Subtenant) will be responsible for repairing any damage to the improvements in the Sidewalk Easements caused by Lessee or any Lessee Party or by the Hospital Subtenant or any Hospital Subtenant Party.

(f) UT Medical District Declaration. With respect to this Section 3.05 only and the easements granted and referenced herein, Lessor agrees that it will not amend the UT

Medical District Declaration to terminate or materially modify any easement granted herein or pursuant hereto or to limit the use of any such easement without Lessee's and, if applicable, the Hospital Subtenant's prior written consent.

(g) Hospital Subtenant. The Access Easements benefit and may be used by the Hospital Subtenant under any Hospital Sublease subject to and in accordance with the terms of this Lease.

3.06 Future Easements. Lessor will cooperate with Lessee and the Hospital Subtenant in granting any additional easements reasonably required in connection with the development, construction operation, and use of the Project (as defined in Section 4.01 below), including, without limitation, utility easements, access easements, aerial easements, signage easements, temporary construction easements, and drainage easements. Any additional easements requested by Lessee and/or the Hospital Subtenant shall be granted in Lessor's reasonable discretion and subject to compliance with Applicable Laws, any approvals required under the rules and policies of Lessor, appropriate compensation for such easements (other than access and utility easements from Red River Street and 15th Street across the Medical District Common Areas adjacent to such rights-of-way to the Land and which are necessary for the construction and operation of the Teaching Hospital), and Lessor's determination that such easement will not materially interfere with Lessor's and UT Austin's use or intended use of any other property or buildings of Lessor and UT Austin in the Medical District and on the UT Austin campus. Any additional easements approved by Lessor shall be on Lessor's then current forms or otherwise in a form acceptable to Lessor.

ARTICLE IV USE

4.01 Use of the Premises. The Premises shall be used as set forth in this Section 4.01, and a breach of this Section 4.01 will constitute a Lessee Default.

(a) General Hospital Use. Subject to the provisions of Section 4.01(b), below, the Land and Premises shall be used solely for the construction and operation of a general hospital licensed under Chapter 241 of the Texas Health and Safety Code (the Teaching Hospital), substantially as depicted on the attached Exhibit "G" (the "*Project*"), in accordance with the terms of this Lease, unless otherwise agreed to by Lessor, Lessee, and the Hospital Subtenant (if there is a Hospital Sublease then in effect). Use and operation of the Premises as a general hospital may include, without limitation, operation of the Premises as an acute care hospital and other inpatient and outpatient hospital services, diagnostic services, skilled care, rehabilitation, long-term care, psychiatric and substance abuse services, other primary and specialty medical care, trauma care, home health care, and such other uses as may be necessary or incidental to such use, such as subleasing space to others as permitted in this Lease and subject, in all cases, to the other terms and provisions of this Lease. The Premises may also be used for ancillary uses customarily associated with a general hospital providing acute care and which are primarily for the convenience of doctors, patients, students, guests, and employees, such as a pharmaceutical dispensary, food and drink service, and supportive retail uses customarily associated with a general acute care hospital. Lessee shall not at any time during the

Term after the Commencement Date abandon the Premises. Upon substantial completion of the Initial Construction of the Project Improvements and opening of the Teaching Hospital to the public, the Hospital Subtenant shall continuously operate the Project Improvements during the Term consistent with the uses permitted by this Section 4.01, unless otherwise agreed to by Lessor, Lessee, and the Hospital Subtenant (if there is a Hospital Sublease then in effect).

(b) Additional Covenants Regarding Use. Lessor, Lessee, and Hospital Subtenant, by its joinder below, also agree that:

(i) until the expiration or earlier termination of the Seton Affiliation Agreement or the 2014 Hospital Sublease in accordance with their respective terms: (A) the Teaching Hospital shall be used and operated by Seton as a teaching hospital in support of Dell Medical School and the educational mission of UT Austin, and in furtherance of the medical education programs sponsored by UT Austin contemplated by the Seton Affiliation Agreement, in accordance with the terms and subject to the conditions set forth therein and in satisfaction of the Teaching Hospital Requirement; and (B) all uses of the Premises shall be consistent with the provisions of the Seton Affiliation Agreement, unless otherwise agreed to by Lessor, Lessee, and Seton;

(ii) after any early termination of the Seton Affiliation Agreement and continuing until the expiration of the Seton DMS Affiliation Period, the Teaching Hospital shall be used and operated as a teaching hospital in support of Dell Medical School and the educational mission of UT Austin and otherwise in compliance with the Teaching Hospital Requirement for the remainder of the Seton DMS Affiliation Period and during any Future DMS Affiliation Period;

(iii) if S/SHF is the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor) or Teaching Hospital Operator, then the Teaching Hospital shall be used and operated by Lessee and/or S/SHF in compliance with the Seton Safety Net Requirement during the Term (and the term of any Renewal Terms, but in any event for not less than sixty (60) years beginning on the Commencement Date) unless otherwise agreed to by Lessee, Lessor, and S/SHF;

(iv) if S/SHF is not the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor), or Teaching Hospital Operator, and provided that Central Health is the Lessee, then the Teaching Hospital shall be used and operated by Lessee and, if applicable, the Hospital Subtenant or Teaching Hospital Operator, in compliance with the Central Health Safety Net Requirement for the Term (and the term of any Renewal Terms) unless otherwise agreed to by Lessee and Lessor and, if applicable, the Hospital Subtenant or Teaching Hospital Operator; and

(v) until the expiration or earlier termination of the Omnibus Healthcare Services Agreement or the 2014 Hospital Sublease in accordance with their respective terms, which ever shall be the first to occur: (A) the Teaching Hospital shall be used and operated by Seton to provide the healthcare services contemplated by the Omnibus Healthcare Services Agreement to eligible residents of Travis County, Texas, in

accordance with the terms and subject to the conditions set forth therein; and (B) all uses of the Premises shall be consistent with the provisions of the Omnibus Healthcare Services Agreement, unless otherwise agreed to by Lessor, Lessee, and Seton.

(c) Restrictive Covenant Relating to the Use and Operation of the Teaching Hospital. Lessor, Lessee, and Hospital Subtenant, by its joinder below, also agree that:

(i) Except as may be otherwise agreed between Lessor, Lessee, and Seton, and until the expiration or earlier termination of this Lease in accordance with its terms, the Teaching Hospital will not be used or operated, and Lessee and Seton will not allow the Teaching Hospital to be used or operated, as an inpatient or outpatient clinical teaching site or facility in support of or in conjunction with any undergraduate medical education program or graduate medical education program sponsored by any academic institution other than UT Austin.

(ii) Notwithstanding the foregoing, the Teaching Hospital may be used or operated by Seton (or Lessee or a future Hospital Subtenant or Teaching Hospital Operator, if Seton is no longer the Hospital Subtenant) as an inpatient or outpatient clinical teaching site or facility for the training, as part of rotations or temporary educational assignments, of medical students, residents and fellows enrolled in other accredited academic institutions; provided, however, that during the Seton DMS Affiliation Period and any Future DMS Affiliation Period: (A) any such rotations or temporary educational assignments may not unreasonably limit the access of medical students enrolled in the Dell Medical School to appropriate clinical experiences or compromise LCME accreditation of Dell Medical School in any manner, (B) medical students enrolled in Dell Medical School will continue to have priority for undergraduate medical education rotation experiences at the Teaching Hospital over any such other medical student rotations or temporary educational assignments, and (C) so long as Seton or any affiliate of S/SHF is the Hospital Subtenant or Teaching Hospital Operator, Seton will not co-brand or advertise such medical student rotations or temporary educational assignments and will not authorize any such other accredited academic institutions to utilize the Seton name or trademarks in the advertisement or marketing of such rotations or temporary educational assignments.

4.02 Use of UT Names; Hospital Name. Without Lessor's written consent, Lessee shall not erect or place any signage on the Premises that includes the name "The University of Texas" or any variation thereof or which infringes on any of Lessor's or UT Austin's trademarks or other intellectual property. Lessor has approved the name "**Seton Medical Center at The University of Texas**" for the Teaching Hospital. The name of the Teaching Hospital cannot be changed without Lessor's prior written approval.

4.03 Signs. All signage of any type on the Premises and which is on the exterior of the Teaching Hospital or otherwise on the Real Property and outside of the Teaching Hospital shall comply with the UT Guidelines unless otherwise approved by Lessor. All signage placed or erected by Lessee or any Hospital Subtenant anywhere on the Real Property shall comply with all Applicable Laws. Notwithstanding anything to the contrary set forth in this Lease, Lessor

and Lessee hereby approve the form of signage depicted in Exhibit "H" attached to and incorporated in this Lease. Lessor shall respond to Lessee's or Hospital Subtenant's request for formal approval of signage within fifteen (15) Business Days after receipt by Lessor, and if Lessor fails to respond within such 15-Business Day period, then the signage for which Lessor's approval was sought will be deemed approved. Provided, however, any signage submitted to Lessor for formal approval must be submitted in writing to Lessor to the parties set forth in and the manner prescribed in Section 22.02 below, with a cover letter or memo which states at the top of such letter or memo in all capital letters, bold, and 12-point type: "NOTICE: REQUEST FOR REVIEW AND APPROVAL OF SIGNAGE UNDER SECTION 4.03 OF GROUND LEASE".

4.04 **Identification Signage.** Lessee agrees to cooperate with Lessor in the placement of signage designed by Lessor on the Real Property which identifies the Teaching Hospital's affiliation with UT Austin and the Dell Medical School (the "*Identification Signage*"). All aspects of the Identification Signage, including, without limitation, location, size, and color, will be subject to the prior written approval of Lessor, Lessee, and Seton, which approval will not be unreasonably withheld.

4.05 **Compliance with Laws.** Lessee shall comply and the Hospital Sublease shall require the Hospital Subtenant (and/or the Teaching Hospital Operator if applicable) to comply with all Applicable Laws with respect to the development, construction, ownership, maintenance, repair, management, and operation of the Premises.

4.06 **Inspection by Lessor.** Once each calendar year, and with at least forty-eight (48) hours advance written notice to Lessee and Seton, Lessor reserves the right to inspect the Project Improvements for compliance with Applicable Laws and the terms and conditions of this Lease. In addition, but not in limitation of the foregoing, upon at least twenty-four (24) hours prior written notice to Lessee and the Hospital Subtenant, Lessor shall have the right to inspect the Premises if Lessor receives notice of a violation of any Applicable Laws or if Lessor otherwise reasonably believes that a potential violation of any Applicable Laws may exist. In such event, Lessor may enter upon the Premises on twenty-four (24) hours prior notice to Lessee and the Hospital Subtenant, which notice shall be deemed effective when received, however given. All inspections by Lessor are solely for the benefit of Lessor. Lessor will not unreasonably interfere with Lessee's or the Hospital Subtenant's use or enjoyment of the Premises or operation of the Teaching Hospital in connection with any inspections by Lessor.

(a) Subject to Section 4.06(b) below, if the Project Improvements fail to comply with the fire and life safety requirements and similar requirements promulgated by the City or other Governmental Authorities with jurisdiction in such matters, then Lessee will have ninety (90) days to cure the non-complying items after receiving written notice from the City, the other applicable Governmental Authority, or Lessor of such non-compliance; provided, that, if the item of non-compliance is of a nature that cannot reasonably be expected to be cured within ninety (90) days, then Lessee will have such longer time as may be reasonably necessary so long as Lessee commences the cure within ninety (90) days and thereafter diligently prosecutes the same to completion. The foregoing notwithstanding, if Applicable Laws require that any non-compliance of the Project Improvements be cured in a time period shorter than ninety (90) days,

then Lessee will cure such non-compliance within the time period required by Applicable Laws, subject to any extension of such cure period granted by the applicable Governmental Authority, if any.

(b) If such non-compliance relates to health, safety, environmental, fire protection, or similar issues involving risk to human life or property damage to the Project or other property owned by Lessor (including without limitation the Medical District Common Areas or other buildings near the Land), then Lessee will have fourteen (14) days after receiving written notice from Lessor of such non-compliance to cure the non-complying item or to take such action as may be reasonably necessary to provide temporary protection against such risks until such items have been cured, provided, that, such 14-day period will be extended for as long as may be reasonably necessary under the circumstances so long as Lessee commences the cure within such 14-day period and thereafter diligently pursues the same to completion.

(i) The foregoing notwithstanding, if Applicable Laws require that any non-compliance of the Project Improvements be cured in a time period shorter than fourteen (14) days, then Lessee will cure such non-compliance within the time period required by Applicable Laws, subject to any extension of such cure period granted by the applicable Governmental Authority, if any.

(ii) The foregoing notwithstanding, if at any time after the initial 14-day cure period any non-compliance with a health, safety, environmental, fire protection, or a similar issue involving risk to human life or property damage is continuing, then Lessor may at its option (but shall not be required to) cause any such matter to be cured and remedied, and in such event Lessee agrees to reimburse Lessor for all reasonable costs and expenses incurred by Lessor within thirty (30) days after receipt of an invoice from Lessor therefor, along with reasonable backup documentation.

4.07 Limitation on Detrimental Uses. Lessee shall not use or permit the use of the Premises for any unlawful purpose or cause, permit or suffer any waste, damages, or injury to, or nuisance upon, any portion of the Premises. Lessee shall not permit any use of the Premises that involves (i) the sale of packaged alcoholic beverages or tobacco products, (ii) political uses, such as campaign headquarters, or (iii) any sexually-oriented or adult-oriented business or any sexually explicit business.

4.08 Environmental Compliance and Covenants. The covenants in this Section are binding upon Lessee, the Hospital Subtenant, the Teaching Hospital Operator, and each Sublessee. Lessee will incorporate these provisions or similar provisions in each Hospital Sublease, each Teaching Hospital Operator Agreement, and each Sublease.

(a) **Prohibitions.** Lessee, the Hospital Subtenant, the Teaching Hospital Operator, and each Sublessee will not, and will not allow any other person, to (i) introduce or transfer to the Premises any Hazardous Materials except as permitted by this Lease, (ii) dump, flush, or otherwise dispose of any Hazardous Materials into the drainage, sewage or waste disposal systems serving the Premises, (iii) store, use, release, spill or dispose of any Hazardous Materials in or on the Premises except as permitted by this Lease, (iv) transfer any Hazardous

Materials from the Premises to any other location except as permitted by this Lease, or (v) commit or suffer to be committed in or on the Premises any act which would require any reporting or filing of any notice with any Governmental Authority pursuant to any Environmental Laws or other Applicable Laws. Lessor and Lessee acknowledge and agree that Lessee and/or the Hospital Subtenant and/or the Teaching Hospital Operator will store, use, and dispose of Hazardous Materials in the operation and maintenance of the Teaching Hospital, including Hazardous Materials that are customarily present in hospitals (including biohazards, radioactive materials, and pharmaceuticals) as well as fuel for helicopters and other aircraft and other emergency vehicles and for back-up power systems. All Hazardous Materials used for or in connection with hospital operations or generated as a result of hospital operations will be used, stored, transported, and disposed of in strict compliance with all Environmental Laws, the manufacturer's instructions and recommendations for the safe use, storage, and disposal of such products, and any other requirements that may be imposed by Lessor.

(b) Removal and Remediation. If Lessee, the Hospital Subtenant, the Teaching Hospital Operator, or any other Sublessee or any other Lessee Responsible Party generates, stores, releases, spills, disposes of or transfers to the Premises any Hazardous Materials in violation of this Lease or applicable Environmental Laws (collectively, "*Lessee Hazardous Materials*"), then Lessee shall promptly remove, remediate, and clean-up the Lessee Hazardous Materials so as to restore the Premises to at least as good as the condition prior to the release, spill, or disposal of the subject materials, at its sole cost and expense, to the extent and in the manner provided by all applicable Environmental Laws regardless of when such Lessee Hazardous Materials shall be discovered. In addition, Lessee will diligently pursue and obtain from any applicable Governmental Authorities the necessary clearance, closure letter, or other similar approval or documentation from the applicable Governmental Authority for such removal, remediation and clean-up of the Lessee Hazardous Materials. Lessee shall pay any fines, penalties, or other assessments imposed by any Governmental Authority with respect to any such Lessee Hazardous Materials and shall promptly repair and restore any portion of the Premises and any other land or property owned by Lessor damaged in removing any such Lessee Hazardous Materials and any removal or remediation efforts. Lessee shall provide to Lessor all of the tests, investigations, studies or reports, and all related correspondence, related to any removal, remediation, or clean-up of Lessee Hazardous Materials, and further Lessee shall provide to Lessor in advance of any removal, remediation, or clean-up (excepting only actions taken in an emergency situation where there is an imminent threat to human health or the environment) the work plans for such activities for Lessor's review and approval. Lessee, the Hospital Subtenant, the Teaching Hospital Operator, and each Sublessee shall deliver promptly to Lessor any notices, orders or similar documents received from any Governmental Authority concerning any violation of any Environmental Laws or with respect to any Hazardous Materials affecting the Premises.

(i) If Lessee, the Hospital Subtenant, the Teaching Hospital Operator, or any other Sublessee or any other Lessee Responsible Party defaults under this Section 4.08, then Lessee and/or the Hospital Subtenant or Teaching Hospital Operator, as applicable, shall diligently and in accordance with Applicable Laws pursue the cure of such default within ninety (90) days after notice of such breach or default from the

applicable Governmental Authority or notice from Lessor of such default under this Section 4.08. If the applicable default cannot be cured within such 90-day period, then Lessee and/or the Hospital Subtenant or Teaching Hospital Operator, as applicable, shall diligently and in accordance with Applicable Laws and the requirements of the TCEQ, EPA, or other applicable Governmental Authority pursue the cure, clean-up, and remediation, in which event such 90-day period will be extended for as long as is necessary to effectuate the cure, clean-up, and remediation, but not beyond any applicable deadlines under Applicable Laws or beyond any time periods mandated by the TCEQ, EPA, or other applicable Governmental Authority overseeing or monitoring such cure, clean-up, and remediation (as any such applicable deadlines and/or mandated time periods may be amended and/or extended).

(ii) “*Lessee Responsible Party*” means Lessee, the Hospital Subtenant, the Teaching Hospital Operator, or any other Sublessee, and the respective employees, guests, invitees, patients, customers, agents, contractors of Lessee, the Hospital Subtenant, the Teaching Hospital Operator, or any other Sublessee, and any other person or party with respect to whom Lessee is responsible under Environmental Laws.

(c) Lessor Hazardous Materials. Notwithstanding anything to the contrary in this Lease, Lessee will not be responsible for any Lessor Hazardous Materials. The term “*Lessor Hazardous Materials*” means those specific Hazardous Materials that (i) are present in, on, or under the Premises as of the Commencement Date; (ii) are generated, stored, released, spilled, handled, disposed of, or transferred by Lessor or a Lessor Responsible Party (as defined below) (iii) migrate to the Premises from other property owned by Lessor; or (iv) are discovered in, on, or under any property located adjacent to the Premises that is owned by Lessor and were not introduced or released by any Lessee Responsible Party or otherwise caused by any Lessee Responsible Party. Lessor shall promptly remove the Lessor Hazardous Materials, at its sole cost and expense, to the extent and in the manner provided by all applicable Environmental Laws regardless of when such Lessor Hazardous Materials shall be discovered. “*Lessor Responsible Party*” means Lessor, UT Austin, and Lessor’s and UT Austin’s employees, agents, and contractors.

(d) Other Contamination or Violation. If there is any contamination of the Premises by Hazardous Materials or other violation of any Environmental Law that is not caused by any Lessee Responsible Party or any Lessor Responsible Party, then the rights, duties, obligations, responsibilities, and liabilities regarding such contamination or violation shall be determined and apportioned in accordance with Environmental Laws and other applicable laws.

(e) ENVIRONMENTAL INDEMNITY BY LESSEE. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF A LESSOR RESPONSIBLE PARTY, LESSEE SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS LESSOR AND LESSOR’S REGENTS, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, “*LESSOR PARTIES*” AND INDIVIDUALLY, A “*LESSOR PARTY*”) FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY OR EXPENSES RELATED TO, ARISING

OUT OF, OR REGARDING A BREACH OF LESSEE'S, THE HOSPITAL SUBTENANT'S, THE TEACHING HOSPITAL OPERATOR'S, AND/OR ANY SUBLESSEE'S COVENANTS IN THIS SECTION 4.08 OR A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAWS IN, ON, OR UNDER THE PREMISES, EXCEPT FOR ANY SUCH VIOLATION OF APPLICABLE ENVIRONMENTAL LAWS CAUSED ONLY BY LESSOR HAZARDOUS MATERIALS. THIS SECTION 4.08(e) SHALL SURVIVE TERMINATION OF THIS LEASE.

(f) ENVIRONMENTAL INDEMNITY BY LESSOR. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF A LESSEE RESPONSIBLE PARTY, LESSOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS LESSEE AND LESSEE'S OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, CONTRACTORS, SUBTENANTS, SUBLESSEES, SUCCESSORS, AND ASSIGNS (COLLECTIVELY, "*LESSEE PARTIES*" AND INDIVIDUALLY, A "*LESSEE PARTY*") FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY, OR EXPENSES RELATED TO, ARISING OUT, OF OR REGARDING ANY LESSOR HAZARDOUS MATERIALS OR LESSOR'S BREACH OF ITS OBLIGATIONS UNDER SECTION 4.08(c) ABOVE. THIS SECTION 4.08(f) WILL SURVIVE TERMINATION OF THIS LEASE.

ARTICLE V

RENT

5.01 **Base Rent**. On the Commencement Date, rent shall begin to accrue and shall be payable as provided in this Section 5.01 and Article V.

(a) **Lease Year**. The term "*Lease Year*" as used in this Lease means twelve (12) consecutive calendar months during the Term beginning on Commencement Date if such date falls on the first day of a calendar month. If the Commencement Date does not fall on the first day of a calendar month, then, for the purposes of this Lease, the first year of the Term shall consist of such initial partial month plus the immediately following twelve (12) consecutive calendar months. The second Lease Year and each succeeding Lease Year shall consist of the twelve (12) months beginning on the date immediately following the expiration of the immediately preceding Lease Year. Base Rent (defined below) shall be prorated for any fractional years.

(b) **Base Rent**. Starting on the Commencement Date and continuing through the end of the Term, Lessee shall pay to Lessor without setoff, demand, abatement or claim, except as otherwise expressly provided for herein, annual base rent ("*Base Rent*") for each Lease Year, subject to adjustment as set forth in this Article V, in twelve (12) equal monthly installments as indicated below, on the first day of each calendar month for each Lease Year. In the event of a partial month, Base Rent for such month will be prorated on a per diem basis.

(c) **Initial Base Rent**. Base Rent for the first Lease Year shall be Eight Hundred Seventy-Seven Thousand Six Hundred Twenty and 74/100s Dollars (\$877,620.74),

which will be payable in monthly installments of Seventy-Three Thousand One Hundred Thirty-Five and 06/100 Dollars (\$73,135.06).

(d) Annual Adjustment of Base Rent. On each Base Rent Adjustment Date, Base Rent will be increased by an amount proportional to the percentage increase in the CPI-U during the preceding year (the “*Annual Increase*”); provided, however, in no event shall the Annual Increase be less than one percent (1%). For purposes of determining Base Rent under this Lease, the following terms shall have the meanings ascribed to such terms below:

(i) “*Base Rent Adjustment Date*” shall mean the first day of the second Lease Year and the first (1st) day of each successive Lease Year thereafter.

(ii) “*CPI-U*” shall mean the Consumer Price Index for All Urban Consumers (1982-1984 = 100): U.S. City Average, published by the Bureau of Labor Statistics of the U.S. Department of Labor. For purposes of this Lease, in the event the United States Department of Labor should no longer compile and publish the CPI-U, the price index published by any other branch or department of the federal government and generally used as a replacement for the CPI-U shall be used in replacement of the CPI-U, and if no such index is compiled and published by any branch or department of the federal government, the statistics reflecting cost of living increases as compiled by any institution or organization generally recognized as an authority, as selected by a majority of three (3) economists (one selected by Lessor, one selected by Lessee, and the third selected by the two economists so selected), shall be used in replacement of the CPI-U.

5.02 Reset Rent. Beginning on the first day of the 15th Lease Year, and then on the first day of the 30th Lease Year, and the first day of the 45th Lease Year, and if this Lease is renewed in accordance with its terms on the first day of the first Lease Year in the First Renewal Term and if applicable on the first day of the first Lease Year in the Second Renewal Term (the “*Reset Years*” and each a “*Reset Year*”), Lessor and Lessee shall determine the Market Rental Rate (as defined below) as set forth herein. Such Market Rental Rate is referred to as the “*Reset Rent*”, which shall be the Base Rent for each Lease Year subsequent to the Reset Year for which the Reset Rent was determined until the next applicable Reset Year.

(a) Not less than sixty (60) days and not more than one hundred eighty (180) days prior to the end of each Lease Year which precedes a Reset Year, Lessor and Lessee shall each select an appraiser who is mutually acceptable to Lessor and Lessee and the Hospital Subtenant (each, an “*Appraiser*”) to appraise the Land and provide an opinion of the Fair Market Value of the fee simple interest in the Land. The fee and expenses of the Appraiser selected by Lessor shall be paid by Lessor, and the fee and expenses of the Appraiser selected by Lessee shall be paid by Lessee.

(b) The Appraisers will be given identical information regarding the Land, including any use restrictions contained in this Lease. Each Appraiser will then gather information necessary to formulate an opinion of the Fair Market Value of the Land. The Appraisers shall share information (e.g., comparable sales and comparable rents) throughout the process, but they shall not share their respective opinions of Fair Market Value of the Land

(exclusive of the value associated with any improvements or alterations to the Premises that were paid for by Lessee or the Hospital Subtenant). The two final opinions of Fair Market Value shall be compared to each other, and if the opinions of Fair Market Values are within ten percent (10%) of each other based on the higher value, then the two opinions of Fair Market Values will be averaged and that amount will be used as the Fair Market Value of the Land for the purpose of determining the Market Rental Rate. If the one of the two opinions of Fair Market Value is more than ten percent (10%) greater than the other, then the two selected Appraisers shall select a third Appraiser mutually acceptable to Lessor and Lessee and Hospital Subtenant to formulate an additional opinion of the Fair Market Value of the Land. Lessor and Lessee will each pay one-half (1/2) of the fees and expenses of such third Appraiser. Upon completion of the appraisal of the Land by the third Appraiser, the third opinion of Fair Market Value shall be compared to the other two opinions of Fair Market Value, and the two opinions of Fair Market Value that are closest to each other will be averaged and that amount will be used as the Fair Market Value of the Land for purposes of determining the Market Rental Rate; provided, however, in no event will the Fair Market Value of the Land for purposes of determining the Market Rental Rate be less than the lower of the first two submitted valuations or more than the higher of the first two submitted valuations.

(c) The “*Fair Market Value*” means the price for the Land for its highest and best use which a willing purchaser would pay and a willing seller would accept for a comparable transaction involving similar land and use restrictions as the Land, where neither purchaser nor seller is under any compulsion to purchase or sell and both have reasonable knowledge of the relevant facts, if offered for sale in the open market with a reasonable period of time in which to consummate a transaction.

(d) The “*Market Rental Rate*” is the Fair Market Value of the Land, as determined in accordance with this Section 5.02, multiplied by the market rate of return on the Fair Market Value of Land during the applicable Reset Year (as such market rate of return is determined by the Appraisers), which Market Rental Rate is an annual rental rate.

(e) All Appraisers shall be independent appraisers with at least seven (7) years’ experience appraising commercial real estate in the greater Austin metropolitan area. Each Appraiser shall be licensed by the State of Texas. Each Appraiser shall be a member of and shall have an “MAI” designation (or the then equivalent designation) by the American Institute of Real Estate Appraisers or any comparable successor certifying organization if such institute is not then in existence.

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

5.03 **Interest on Late Payment.** If Lessor has not received at the address set forth in Section 5.06, any undisputed installment of Base Rent within twenty (20) days after the date due, the outstanding and unpaid rent shall bear interest at a rate per annum equal to the lesser of eighteen percent (18%) or the maximum rate of interest allowed under applicable laws (the “*Default Rate*”), commencing on the twenty-first (21st) day after the date on which such Base Rent was due.

5.04 **Common Areas Assessment.** The term “*Common Area Assessment*” means the assessment established by UT Austin for the maintenance of the Medical District Common Areas, as such term is defined in UT Medical District Declaration. UT Austin will calculate the Common Area Assessment allocable to the Premises each year and will give Lessee notice of the Common Area Assessment at a reasonable time, prior to the end of each calendar year. The Common Area Assessment shall be Additional Rent, and will be payable as provided in the UT Medical District Declaration.

5.05 **Additional Rent and Rent.** All amounts required to be paid by Lessee under this Lease other than Base Rent are herein from time to time collectively referred to as “*Additional Rent*”. Base Rent and Additional Rent are collectively called “*Rent*”.

5.06 **Place of Payment and Form of Payment of Rent.** Rent shall be payable to UT Austin at the following address: c/o Campus Real Estate Office, 1616 Guadalupe, Suite 2.508, Austin, Texas, 78701, Attention: Campus Director of Real Estate, or to such other persons or at such other addresses as Lessor and UT Austin may designate from time to time in writing to Lessee, or by such other method as may be agreed to from time to time by Lessor and Lessee and, if applicable, the Hospital Subtenant, such as wire transfer or electronic funds transfer to an account designated by UT Austin. Rent shall be paid to UT Austin by Lessee in lawful money of United States of America without notice or demand except as otherwise provided herein. Rent may be paid by Seton or any successor Hospital Subtenant directly to Lessor for the account of and on behalf of Lessee.

5.07 **No Abatement.** Except as otherwise expressly provided for in this Lease, no happening, event, occurrence, or situation during the Term, whether foreseen or unforeseen, and however extraordinary, shall relieve Lessee from its obligations hereunder to pay Rent, or entitle Lessee to an abatement of Rent. Except as expressly provided herein and to the extent authorized by the Constitution and laws of the State of Texas, Lessee waives any rights now or hereafter conferred upon it by statute, proclamation, decree, order, or otherwise, to any abatement, diminution, reduction, offset, or suspension of Rent because of any event, happening, occurrence, or situation whatsoever.

(a) Lessor agrees that Rent shall abate if Lessor or UT Austin terminates the Hospital Subtenant or the Teaching Hospital Operator under the Teaching Hospital Affiliation Agreement and if the Teaching Hospital is closed or does not open because of such action by Lessor and/or UT Austin, and in such event Rent shall remain abated for so long as the Teaching Hospital is closed or does not open because of such action by Lessor or UT Austin. Rent shall resume at such time as the Teaching Hospital opens or re-opens under a new Teaching Hospital

Affiliation Agreement or a new Hospital Sublease or a new Teaching Hospital Operator Agreement.

(b) Lessor agrees that Rent shall abate in the event of a Lessor Default which deprives Lessee of the full use and enjoyment of the Premises in accordance with this Lease, and Rent shall remain abated until such Lessor Default is cured.

(c) Lessor agrees that Rent shall abate as provided elsewhere in this Lease or in any other agreement between Lessee and Lessor or UT Austin (provided that any such agreement between Lessee and UT Austin has been approved by the Board of Regents of UT System).

5.08 **Unrelated Business Income.** If Lessor becomes aware at any time that any part of the payments by Lessee to Lessor under this Lease may be subject to the Internal Revenue Code or its regulations as unrelated business taxable income or may not be excludable from unrelated business taxable income, then Lessee, at the option of Lessor, shall enter into an amendment of this Lease, reasonably acceptable to Lessee, that will enable Lessor to avoid such tax, so long as the amendment does not increase Lessee's obligations hereunder or diminish Lessee's rights hereunder, unless acceptable to Lessee.

5.09 **Seton Healthcare Family Guaranty.** On or before the Commencement Date, Lessee and Seton shall cause Seton Healthcare Family to execute and deliver to Lessor a Guaranty (the "*SHF Guaranty*") in the form attached hereto as Exhibit "I" and incorporated herein for all purposes, pursuant to which Seton Healthcare Family will, *inter alia*, guarantee completion of the Initial Construction of the Project Improvements in accordance with the HDC Agreement, as more particularly set forth in the SHF Guaranty.

5.10 **Future Lease Guaranty.** If requested by Lessor (which request may be made at any time), any Hospital Subtenant or Teaching Hospital Operator, other than Seton or any Seton affiliated entity, will guarantee the full and prompt payment and performance by Lessee of all of Lessee's obligations under this Lease pursuant to a Lease Guaranty (the "*Lease Guaranty*") substantially in the form attached hereto as Exhibit "J" and incorporated herein for all purposes.

ARTICLE VI **TAXES, UTILITIES, AND NET LEASE**

6.01 **Real Property Taxes.** Lessee, with Lessor's reasonable cooperation, shall act diligently to cause the Real Property to be recognized as a separate tract for real estate tax purposes. Lessee shall pay or cause to be paid any and all taxes, special assessments, impact fees, user fees, development fees, land use exactions, and any other fees, levies or charges pertaining to, affecting, or assessed against Lessee's leasehold estate, the Hospital Subtenant's leasehold estate, and/or the Land or the Improvements (defined herein) or any Personal Property, and any "gross receipts" or similar tax ever imposed on Lessor in lieu of or as a supplement for ad valorem property taxes, which tax relates to the rentals due hereunder, made or approved by any Governmental Authority, including, without limitation, the City, County, Austin Independent School District, Central Health, or the State of Texas (collectively, the

“*Impositions*”), levied, assessed, accrued, or payable on and after the Commencement Date and for periods during the Term only. Subject to Section 6.02 below, Lessor will be responsible for, and must pay prior to delinquency, all Impositions levied, assessed, accrued, or payable with respect to the Land that are not Lessee’s obligation pursuant to the preceding sentence. Lessee shall pay the Impositions before delinquency directly to the taxing authority or authorities concerned. TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LESSEE HEREBY AGREES TO DEFEND AND INDEMNIFY AND HOLD HARMLESS LESSOR FROM AND AGAINST ALL CLAIMS AND ALL COSTS, EXPENSES, AND LIABILITIES INCURRED IN CONNECTION WITH ALL CLAIMS, INCLUDING ANY ACTION OR PROCEEDINGS BROUGHT THEREON, ARISING FROM OR AS A RESULT OF OR IN ANY WAY RELATED TO THE IMPOSITIONS PAYABLE BY LESSEE PURSUANT TO THE TERMS OF THIS LEASE.

6.02 **Accrual Date.** Lessee will not be in possession of the Premises prior to the Commencement Date (although Lessee and/or Seton shall have the right of entry on the Land for the purpose of conducting its tests, studies, and analyses pursuant to one or more separate agreements between and/or among UT System, UT Austin, Central Health, and/or Seton) and Lessor and Lessee do not anticipate that any Impositions will be levied, assessed, accrue or be payable with regard to the Premises prior to the Commencement Date. If any such amounts shall be levied, assessed, accrue or be payable prior to the Commencement Date due to the execution of this Lease or Lessee’s or Seton’s activities on the Land, Lessee shall pay the same in accordance with the provisions of Section 6.01 above.

6.03 **Other Taxes.** Lessee shall pay (or, as applicable, cause the Hospital Subtenant and any other Sublessees to pay) without abatement, deduction, or offset all personal property taxes, general and special assessments, and other charges of every description levied on or assessed against all personal property located on the Real Property by Lessee or the Hospital Subtenant or any other Sublessee and all business and other taxes levied or assessed because of Lessee’s occupancy of the Premises under this Lease or Hospital Subtenant’s occupancy of the Premises, or on the business or income of Lessee, Hospital Subtenant, or any other Sublessees generated from or with respect the Premises (collectively referred to in this Section 6.03 as “*Taxes*”). Except for those Taxes being diligently contested in good faith by appropriate proceedings, and subject to the provisions of Section 6.04, Lessee shall make (or cause to be made) all such payments directly to the applicable taxing authority before the later of (i) the date of delinquency, or (ii) the date on which any fine, interest or penalty shall become due or be imposed by operation of law for their nonpayment. If, however, the law expressly permits the payment of any or all of such Taxes in installments (whether or not interest accrues on the unpaid balance), the Lessee or the other applicable party may utilize the permitted installment method.

6.04 **Lessee’s Right to Contest.** Lessee and the Hospital Subtenant may contest the legal validity or amount of any Taxes or Impositions for which Lessee is responsible under this Lease, and may institute such proceedings as Lessee and/or the Hospital Subtenant consider necessary. If Lessee and/or Hospital Subtenant contests any such Tax or Imposition, Lessee, to the extent permitted by applicable law, may withhold or defer payment or pay under protest; provided, however, that in no event shall Lessee and/or Hospital Subtenant permit the Land, the Improvements, any portion of the Premises, or Lessee’s leasehold estate to be forfeited to any

taxing authority. Prior to the date any contested Taxes or Impositions shall become due, Lessee and/or Hospital Subtenant shall advise Lessor in writing that Lessee and/or Hospital Subtenant intends to contest the same. Lessee shall, at Lessee's election, either (i) bond over the contested lien in accordance with Applicable Law, or (ii) deposit with Lessor or, at the election of Lessee, a bank or trust company having its principal place of business in Texas, selected by Lessee and reasonably satisfactory to Lessor, an amount sufficient to pay such contested item, together with any interest and penalties thereon and the estimated fees and expenses of the trustee or escrow agent holding such funds, which amount shall be applied to the payment of such Taxes or Impositions when the amount thereof shall be finally determined. Upon thirty (30) days' prior written notice to Lessee and the Hospital Subtenant, Lessor may pay directly to the taxing authority or direct the application of amounts so deposited or so much thereof as may be required to pay any unpaid Taxes or Impositions, together with penalties and interest thereon, for the benefit of Lessee or the Hospital Subtenant if, and only if, Lessee or Hospital Subtenant is not in good faith pursuing a protest of such Taxes or Impositions or to prevent the sale of the Premises, the Improvements, or Lessee's leasehold estate or Hospital Subtenant's leasehold estate under the Hospital Sublease by applicable taxing authorities as a consequence of Lessee's or Hospital Subtenant's failure to pay Taxes or Impositions accruing during the Term. If Lessor pays all or any portion of such Taxes or Impositions when permitted under this Section 6.04, Lessee shall pay to Lessor, as Additional Rent hereunder, the amount so paid by Lessor within thirty (30) days after receipt of an invoice from Lessor therefor, along with reasonable backup documentation, together with interest thereon from the date paid by Lessor until repaid by Lessee at the Default Rate.

6.05 **Exemptions.** Lessor and Lessee agree to cooperate with each other and with the Hospital Subtenant to obtain and maintain any available exemptions or special valuations for ad valorem tax purposes which may be available with respect to the Land and/or Premises.

6.06 **Utilities.** Lessee shall pay (or cause to be paid) when due all bills for water, heat, gas, telephone, electricity, garbage disposal and collection, and other utilities used on the Premises and shall pay (or cause to be paid) all connection charges, capital recovery fees, utility expansion charges, tap fees, sewer rents, sewer charges, and all other similar fees and charges associated therewith.

6.07 **Net Lease.** Except as otherwise expressly set forth in this Lease, Lessor will not have any obligation with respect to the financing, ownership, construction, maintenance, operation, or repair of the Real Property or any other portion of Premises.

ARTICLE VII **IMPROVEMENTS**

7.01 **Construction of Project.** The "*Project Improvements*" referred to in this Article VII shall mean and refer to the Teaching Hospital, as depicted on Exhibit "G", to be constructed on the Land by the Hospital Subtenant in accordance with the Plans and Specifications approved by Lessor for the construction of the Project Improvements. Lessee shall place all utilities within the Land underground to the point of entry into the building(s) constituting the Improvements.

(a) Plans and Specifications. The term “*Plans and Specifications*” means, with respect to the development of the Land and construction of any improvements on the Land, the engineering and architectural plans and specifications that are necessary for such development and construction under Applicable Laws and which are appropriate, customary, and necessary under sound engineering, architectural, design, development, and building practices.

(b) Improvements. “*Improvements*” shall mean the Project Improvements and any and all other improvements now existing or hereafter placed on the Land as permitted by this Lease.

7.02 Initial Construction. The construction of the initial Project Improvements may be referred to as the “*Initial Construction*”. UT System, UT Austin, Central Health, and Seton have executed that certain Hospital Development and Construction Agreement dated October 17, 2014, relating to the Initial Construction (the “*HDC Agreement*”). This Lease and the HDC Agreement shall govern and control the rights, duties, and obligations of UT System, UT Austin, Central Health, and Seton with respect to the Initial Construction. Lessor and Lessee acknowledge and agree that because the Initial Construction will be performed by Seton, the obligations of Lessee under this Article VII with respect to the Initial Construction will be performed by Seton and the use of “Lessee” shall include Seton with respect to the Initial Construction and any future Hospital Subtenant with respect to any Structural Renovations (as defined below) or any other future construction on the Land. Lessor and Seton acknowledge and agree that Lessee has no obligation to perform the Initial Construction. The Initial Construction must commence by January 1, 2015, subject to Force Majeure and delays arising from the acts or omissions of Lessor (including without limitation delays in Lessor’s delivery of the Land in the Delivery Condition) or of any Lessor Responsible Party. Commencement of the Initial Construction means that Seton has begun actual construction activities on the Land.

7.03 Future Construction. All future alterations, remodeling, and Structural Renovations shall be subject to the terms of this Lease. Lessor and Lessee agree to cooperate with each other and with the Hospital Subtenant in the negotiation and execution of any agreements necessary for any permitted alterations, remodeling, or Structural Renovations.

7.04 Plans and Specifications. Lessor has approved the preliminary Plans and Specifications for the Initial Construction. All Plans and Specifications shall be prepared by architects and engineers registered in the State of Texas. Lessor shall have the right to ensure that the Project Improvements and future Improvements that constitute “Material Improvements” (but not other Improvements) are compatible with the existing or permitted uses of property in and around the Land, and that the design of the architectural elements of the Project Improvements are consistent with the UT Medical District Guidelines and the UT Guidelines, but not with respect to any Material UT Guideline Changes (as defined below) that have not been approved and accepted by Seton and/or Lessee. “*Material Improvements*” means Improvements that affect or violate one of the seven items noted below in the definition of Material Plan Changes. Therefore, if Lessor’s approval of planned Improvements is required under this Lease, Lessee shall provide, or cause Hospital Subtenant to provide, to Lessor, samples of actual materials (including color) for the following: roofing, exterior masonry, exterior paint, and other exterior finishes (“*Exterior Finishes*”). Lessor shall respond to Lessee’s or Hospital Subtenant’s

request for formal approval of the Plans and Specifications within fifteen (15) Business Days after receipt by Lessor, and if Lessor fails to respond within such 15-Business Day period, then the Plans and Specifications for which Lessor's approval was sought will be deemed approved. Provided, however, any Plans and Specifications submitted to Lessor for formal approval must be submitted in writing to Lessor to the parties set forth in and the manner prescribed in Section 22.02 below, with a cover letter or memo which states at the top of such letter or memo in all capital letters, bold, and 12-point type: "NOTICE: REQUEST FOR REVIEW AND APPROVAL UNDER SECTION 7.04 OF GROUND LEASE". If Lessor objects to the Plans and Specifications, Lessee shall provide or cause Hospital Subtenant to provide to Lessor for further review revised copies of such plans within a reasonable time period after receipt of such objections. This process of preparation, submittal, review, and resubmittal shall continue until the Plans and Specifications are approved by Lessor. All subsequent versions of the Plans and Specifications (after Lessor's approval thereof) and all changes, modifications, and amendments to the approved Plans and Specifications shall be provided to Lessor, and Lessee agrees that Lessee will not make, and the Hospital Sublease will provide that Hospital Subtenant will not make, any material changes to the approved Plans and Specifications without Lessor's consent and approval (not to be unreasonably withheld, conditioned, or delayed). Lessor has approved the Plans and Specifications and the Exterior Finishes for Initial Construction of the Project Improvements. The approved Plans and Specifications for the Initial Construction of the Project Improvements are the plans prepared by HKS Inc. under HKS Inc's project number 16977.00, and which are described in the HDC Agreement, reference to which is hereby made for all purposes.

(a) Material UT Guideline Change. The term "*Material UT Guideline Change*" means a change to the UT Guidelines as the same exist as of the Effective Date that would directly and materially increase the cost of developing or improving the Premises as planned by Seton for the Initial Construction.

(b) Material Plan Changes. For purposes hereof, the following are material changes to the Plans and Specifications ("*Material Plan Changes*"): (i) changes adversely affecting or shortening the life of the Project Improvements or building systems; (ii) changes which could reasonably be expected to have an adverse impact on the health or safety of tenants, occupants, or other persons who will be working in the Project Improvements and patients, visitors, and other such persons; (iii) changes to vehicular and pedestrian circulation and access points for the Land and Improvements from public rights-of-way and the Access Easements; (iv) changes affecting easements, licenses, or other rights Lessor may elect or be required to grant to other parties or obligations to other parties which Lessor must assume; (v) changes to the building envelope and façade or Exterior Finishes of the Project Improvements; (vi) during the any DMS Affiliation Period, changes that are inconsistent with the use of the Project Improvements as the Teaching Hospital in accordance with the Teaching Hospital Affiliation Agreement then in effect or which are inconsistent with the Teaching Hospital Requirement or the then applicable Safety Net Requirement; (vii) changes that are inconsistent with the use of the Project Improvements as a general hospital and the applicable Safety Net Requirement and the Teaching Hospital Requirement; and (viii) other changes that violate the UT Guidelines and the UT Medical District Guidelines (except for Material UT Guideline Changes that have not

been approved or accepted by Seton and/or Lessee, as applicable). Provided, however, Lessor agrees that interior improvements, renovations, changes, and alterations that do not impact the building envelope and façade or Exterior Finishes are not subject to Lessor's approval (unless the same would constitute Material Improvements) or the UT Guidelines and the UT Medical District Guidelines.

7.05 **Required Entitlements**. Lessee and Hospital Subtenant are and shall be solely responsible for obtaining and maintaining all permits or entitlements required from the City of Austin or any other Governmental Authority for the development of the Land and/or construction, occupancy, or use of any of the Project Improvements with respect to the Initial Construction of Project Improvements and any future alterations, expansion, remodeling, or additions of or to the Project Improvements ("*Required Entitlements*").

(a) Prior to submittal of any applications for any Required Entitlements to any Governmental Authority, Lessee (or if applicable, the Hospital Subtenant) shall provide to Lessor a copy of the proposed submittal if such Required Entitlements require signature by Lessor or UT Austin and/or if such Required Entitlements relate to Structural Renovations or any other Material Improvements.

(b) Lessor agrees to cooperate with Lessee and the Hospital Subtenant in the execution of such applications for permits and licenses from any Governmental Authority as may be reasonably necessary, which cooperation shall include taking any actions necessary to satisfy requirements that are not expressly specified in this Lease to be Lessor's obligations but that are imposed generally upon Lessor as an agency of the State of Texas when acting in a similar capacity, if any. Notwithstanding the foregoing, Lessor shall not be obligated to take any action which it determines, in Lessor's reasonable discretion, could subject Lessor or Lessor's property to the ordinances and regulations of the City and/or the County or any other Governmental Authority with respect to which Lessor, as an agency of the State of Texas, has sovereignty. If Lessor refuses to take any action because Lessor determines that such action could subject Lessor or Lessor's property to the ordinances and regulations of the City and/or the County or any other Governmental Authority with respect to which Lessor, as an agency of the State of Texas, has sovereignty, and such action is necessary (as reasonably determined by Lessee) for Lessee's development of the Land and/or construction, occupancy, or use of any of the Project Improvements for the permitted use, then, at Lessee's election, Lessee may terminate this Lease or seek a fair and equitable adjustment to Base Rent.

(c) If the City or any other Governmental Authority with jurisdiction over the Premises and construction of the Project Improvements requires any changes or modifications to the Plans and Specifications, Lessee will promptly provide or cause Hospital Subtenant to promptly provide notice thereof to Lessor, and Lessor will not unreasonably withhold, condition, or delay its approval of any such required changes or modifications to the applicable Plans and Specifications.

(d) Upon the granting, approval, or issuance of any Required Entitlement, Lessee will provide or cause Hospital Subtenant to provide a copy thereof to Lessor.

Not in limitation of any of the foregoing or any other provision in this Lease, Lessee or the Hospital Subtenant, as applicable, shall obtain (i) a building permit from the City of Austin for the Initial Construction of the Improvements, and (ii) a certificate of occupancy from the City of Austin upon completion of the Initial Construction of the Improvements.

7.06 Pre-Construction Requirements. Lessee shall deliver or cause Hospital Subtenant to deliver to Lessor (i) a copy of the signed contract between the Hospital Subtenant and the general contractor for construction of the Project Improvements and (ii) prior to undertaking any Structural Renovations (as defined below), any contract between Lessee and/or the Hospital Subtenant and the general contractor for such Structural Renovations (each, a “*Construction Contract*”). With respect to any Construction Contract where the contract price is equal to or greater than \$6,000,000, or Construction Contracts relating to a single construction project, the budget for which is equal to or greater than \$6,000,000, based on the aggregate contract prices of such multiple Construction Contracts (as adjusted during the Term based on the CPI-U using 2015 as the base year), Lessor reserves the right to require Lessee to provide, or cause the Hospital Subtenant to provide, either (i) payment and performance bonds in an amount equal to the contract price set forth in the Construction Contract, as applicable, naming Lessee and Lessor as dual obligees, satisfactory in form and content to Lessor, and issued by a surety satisfactory to Lessor and Lessee, or (ii) a completion guaranty for such construction project by a third party reasonably acceptable to Lessor and Lessee. Lessor has agreed that no such bonds are required in connection with the Initial Construction. Lessor shall notify Lessee in writing any required changes or corrections to the payment bonds and performance bonds for work to be done pursuant to the Structural Renovation Plans within five (5) Business Days after receipt thereof. Lessor agrees that no payment or performance bonds are required for the Initial Construction.

7.07 Lessor’s Inspection Rights During Construction. During construction, Lessor and its agents and employees shall have the right, from time to time during normal business hours during the construction of any Improvements, and after giving 24 hours prior notice to Lessee and the Hospital Subtenant to enter upon the Premises for the purpose of inspection of the Premises in order to verify reports of construction, determine compliance with safety, fire, and building codes, determine compliance with approved Plans and Specifications (to the extent Lessor’s approval was required), and determine compliance with Applicable Laws, or such other inspections as may be necessary in Lessor’s reasonable opinion. In no event shall such inspection activities by or on behalf of Lessor unreasonably interfere with or delay the progress of the construction of the Improvements or otherwise interfere with Lessee’s or the Hospital Subtenant’s use or enjoyment of the Premises or operation of the Project. During any such inspections, Lessee or the Hospital Subtenant will have the right to accompany, or have a contractor, representative, or agent of Lessee or the Hospital Subtenant accompany, the representatives or agents of Lessor making any such inspection. Lessor’s representatives or agents making any such inspection shall comply with Lessee’s, the Hospital Subtenant’s, and the applicable contractor’s safety policies and procedures for the project and work site. Lessor’s inspection shall not constitute an assumption of any responsibility for or liability with respect to the construction of the Improvements. All inspections by Lessor are solely for the benefit of Lessor.

7.08 Completion of Initial Construction. Lessee shall cause Seton, as the Hospital Subtenant, at Lessee's sole cost, risk and expense, to commence, and diligently pursue to completion, the Initial Construction of the Project Improvements in accordance with the terms of this Lease and the HDC Agreement.

(a) With respect to Seton and the Initial Construction, the Target Dates and Seton Deadline Date (as those terms are defined in the HDC Agreement and as more fully set forth in the HDC Agreement) shall control over this Section 7.08 as to Seton only.

(b) Seton's default under the HDC Agreement will not constitute a Lessee Default under this Lease. If Seton defaults under the HDC Agreement and will not or does not complete the Initial Construction, then Lessor and Lessee will negotiate in good faith as to which party will take over the Initial Construction; provided that Lessor and Lessee acknowledge that at the time of execution of this Lease, Lessor is better suited to pursue and complete such Initial Construction. In any event, if either Lessor or Lessee takeover the Initial Construction, then Lessor and Lessee will cooperate in good faith with respect to the exercise of their respective rights under the collateral assignments described in Section 7.18 below regardless of priority and the negotiation of a new schedule for construction and completion of the Project Improvements. The party which undertakes the construction and completion of the Project Improvements will construct the Project Improvements in accordance with the Plans and Specifications for the Project Improvements and the terms of the HDC Agreement, both of which will be amended as appropriate based on who undertakes the obligation to construct and complete the Project Improvements.

(c) Notwithstanding any delays due to Force Majeure but subject to the next sentence, if Central Health undertakes completion of the Initial Construction after a default by Seton and if such Initial Construction is not complete and the Teaching Hospital is not open and operating with all necessary licenses by May 1, 2022 (the "*Central Health Deadline Date*"), then a Lessee Default will exist unless (i) the Initial Construction is not complete or the Teaching Hospital does not open because of UT Delays, or (ii) as of such date the Dell Medical School is also not complete and ready to open. If the Dell Medical School is not complete and ready to open by May 1, 2022, then a Lessee Default will not exist so long as the Teaching Hospital is open and operating with all necessary licenses within ninety (90) days after the Dell Medical School is completed, opens, and begins operating. The Central Health Deadline Date will be extended by one day for each day that a UT Delay exists which prevents or materially impairs Central Health's ability to construct and complete the Initial Construction. Lessor and Lessee agree to negotiate in good faith to establish a new Central Health Deadline Date in the event of a catastrophic event which causes a Force Majeure Delay (as such term is defined in the HDC Agreement) which prevents completion and opening of the Teaching Hospital by May 1, 2022 subject in all events to Central Health's compliance with the other terms, conditions, and covenants of this Lease and the HDC Agreement. The term "*UT Delays*" means and refers to: (i) delays resulting from the failure of Lessor to comply with the requirements of this Lease, the HDC Agreement, or the TCE Agreement; (ii) delays resulting from the failure of UT Austin to comply with the requirements of this Lease, or the HDC Agreement; (iii) delays resulting from Lessor's requirements for special work or materials, finishes, or installations other than Seton's standard building materials for the Project Improvements in connection with the Initial

Construction; (iv) any Lessor-requested change order (that is not a change order initiated by Seton or Central Health if it undertakes completion of the Initial Construction after a default by Seton) to the Construction Contract for the Initial Construction resulting in delay; (v) delays caused by Lessor's failure to cooperate in good faith with Lessee with regard to the exercise of rights under the collateral assignments as described in Section 7.18 below or with regard to a replacement Hospital Subtenant or Teaching Hospital Operator as provided in Section 19.05 below; or (vi) any other act or omission (including, without limitation, failure or refusal to provide necessary consents or approvals for the Project) of Lessor or any contractor of Lessor that causes a delay in Seton's or Lessee's completion of the Initial Construction.

7.09 Construction Standards. Any and all Improvements shall be constructed, and any and all Alterations or other development and construction work and activities of any kind on the Land performed by or on behalf of Lessee or the Hospital Subtenant ("*Construction Work*") shall be performed in accordance with the following "*Construction Standards*" (herein so called):

(a) All such work shall be performed without cost, expense or other liability to Lessor (except that Lessor shall be responsible for any costs associated with Lessor's inspections of Lessee's or the Hospital Subtenant's construction activities) and in a good and workmanlike manner substantially in accordance with good industry practice for the type of work in question and in accordance with the Plans and Specifications approved by Lessor (to the extent Lessor's approval of Plans and Specifications is required). All Construction Work shall be performed by Lessee's contractors, subcontractors or agents and at the sole cost and risk of Lessee. Lessee shall pay all architectural and engineering fees, any permit or license fees, and all other costs and expenses associated with the Construction Work;

(b) All Construction Work shall be executed pursuant to and in compliance with the applicable approved Plans and Specifications and in compliance with this Lease and all Applicable Laws;

(c) No Construction Work shall be commenced until Lessee or the Hospital Subtenant has obtained all Required Entitlements that are necessary for the commencement of the Construction Work;

(d) Lessee and the Hospital Subtenant shall have obtained and shall maintain in force and effect the insurance coverage required in Article XI with respect to the Construction Work in question or any insurance required under any Insurance Agreement, as defined below, and Lessee's contractor shall also obtain and maintain the insurance coverage required in Article XI;

(e) Lessee shall, upon written request of Lessor, make or cause the Hospital Subtenant to make, in such detail as may reasonably be required and forward to Lessor, reports as to the actual progress of the Construction Work if the Construction Work relates to Material Improvements;

(f) During any construction of Material Improvements, the Construction Work shall be subject to inspection by Lessor's representatives as provided in this Lease and City inspectors and personnel;

(g) After commencement, such Construction Work shall be prosecuted with reasonable due diligence to its completion, subject to Force Majeure and delays caused by the acts or omissions of Lessor or any Lessor Parties; and

(h) Lessee shall cause all Improvements and alterations to the Premises to be designed, constructed, maintained, and operated in accordance with all Applicable Laws, including without limitation (i) the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*), the Texas Architectural Barriers Act (Texas Revised Civil Statutes article 9102), and all regulations promulgated thereunder, (ii) fire and life safety requirements promulgated by the Fire Marshal of the State of Texas, and (iii) the ordinances and codes of the City and County, notwithstanding the applicability or non-applicability of such ordinances and codes to construction located on property owned by the State of Texas. Lessee shall obtain all necessary building permits from the City for all Construction Work and shall cooperate fully with all inspectors and other officials of the City concerning design, construction, maintenance, and operation of all Improvements; nothing herein shall be deemed or interpreted to impose upon the Premises City zoning, density, or other development requirements or to waive any immunity or other rights which Lessor may have with respect thereto. Lessee shall provide to Lessor a copy of all final inspections and a Certificate of Occupancy (which initially may be a temporary or partial Certificate of Occupancy issued by the City building official as to any portion of the Premises permitted to be entered and occupied) prior to opening for business in the Premises and in any event no later than the date by which such Certificate of Occupancy must be obtained to prevent the expiration of the building permit(s) for the Project Improvements.

7.10 Protection of Lessor against Cost or Claim. Lessee shall not permit or acquiesce to the foreclosure of any mechanic's or materialmen's lien or other statutory lien against the Land, Improvements, or any other portion of the Premises by reason of work, labor, services, or materials supplied in connection with any construction on the Real Property. Lessee shall pay and discharge, cause to be paid and discharged, or bond around any such mechanic's or materialmen's lien filed against the Premises within thirty (30) days after receipt of written notice of the filing thereof. Notwithstanding anything contained in this Lease to the contrary, Lessee shall not be responsible for any liens or claims caused by any act or omission of Lessor or any Lessor Responsible Party. Lessee may in good faith and at Lessee's own expense contest the validity of such asserted lien, claim or demand, in which event Lessee shall, at Lessee's election, either (i) bond around such lien or claim or (ii) deposit with Lessor or, at the election of Lessee, a bank or trust company having its principal place of business in Texas, selected by Lessee and reasonably satisfactory to Lessor, cash in an amount equal to one hundred fifty percent (150%) of any contested claim. In no event shall Lessee have the right, authority, or power to bind Lessor or any interest of Lessor in the Premises for any claim for labor or material or for any other charge or expense incurred in the construction or alteration of the Improvements. Lessee shall provide to Lessor within thirty (30) days of receipt by Lessee a copy of partial and final waivers of lien from its general contractor and major subcontractors, including those for mechanical, electrical, and plumbing systems, as well as for roofing, framing/drywall, concrete

and masonry, and final lien waivers from the general contractor and major subcontractors within thirty (30) days after receipt of the same by Lessee.

7.11 **Post-Completion Obligations.** Upon completion of the Project Improvements (and any subsequent Construction Work costing in excess of \$1,000,000.00 (as the same may be adjusted during the Term based on the CPI-U using 2015 as the base year), Lessee will comply and will cause the Hospital Subtenant to comply with the obligations of this Section. Lessee and/or if appropriate the Hospital Subtenant will execute and file of record in the Official Public Records of Travis County, Texas an affidavit of completion which complies with Section 53.106 of the Texas Property Code. Lessee shall cause or the Hospital Subtenant shall cause the general contractor for the Initial Construction or other Construction Work to execute and deliver to Lessee and Lessor a full and final waiver of liens and claims for recording. Within a reasonable period after completion of construction of all of the Project Improvements or any subsequent Construction Work, Lessee will provide, or cause the Hospital Subtenant to provide, to Lessor copies of all shop drawings, amendments to plans, and other plans and specifications of the Project Improvements and “as built” plans of the Project Improvements (as the same may be remodeled, added to, reconstructed, or renovated in accordance with this Lease), all of which may be provided to Lessor as set forth in Section 7.13 below.

7.12 **Maintenance.** Throughout the Term hereof, Lessee, at Lessee’s sole cost and expense, shall maintain and shall cause the Hospital Subtenant to maintain the Premises and Improvements in good condition and repair (ordinary wear and tear excepted) and operate and maintain the same in accordance with all Applicable Laws or other requirements or orders of any Governmental Authority having jurisdiction over the Premises. Lessor shall have no obligation to maintain or repair the Premises or any Improvements. Lessee shall provide and/or cause the Hospital Subtenant to provide to Lessor copies of all construction warranties obtained by Lessee or the Hospital Subtenant within forty (40) days after Lessee’s completion of the Improvements and after completion of other Construction Work during the Term, which may be provided as set forth in Section 7.13 below. Lessor will be obligated to repair any damage to the Premises or any Improvements caused by the negligence or willful misconduct of any Lessor Responsible Party (subject to Section 11.01(b) below, which will be controlling).

7.13 **Providing Information to Lessor.** Lessor and Lessee, and if applicable the Hospital Subtenant, will cooperate in establishing protocols and procedures for providing plans, contracts, Governmental Approvals and Permits, warranties, and other information to Lessor as required by this Article VII and any other provisions of this Lease in a cost effective and efficient manner, taking into account best industry practices then in effect and technology available to the parties at the applicable time. Lessor, Lessee, and Seton contemplate that with respect to the Initial Construction and the Project Improvements, Seton will cause the plans and specifications and as-built plans and other records and information relating to the Initial Construction and the Teaching Hospital to be made available to and provided to Lessor and Lessee using a mutually acceptable and secure FTP (File Transfer Protocol) service or site. The costs associated with such FTP site shall be shared equally by Lessor and Seton so long as Seton is the Hospital Subtenant and thereafter by Lessor and Lessee.

7.14 **Ownership of Improvements.** All Improvements shall be owned by Lessee (or by the Hospital Subtenant, under the terms of the Hospital Sublease but subject to Lessee's option to purchase in the Option Agreement) until the expiration or earlier termination of this Lease. Lessor acknowledges that Lessee has an option to purchase the Improvements under the Option Agreement. Except as otherwise provided herein in respect to Lessee's right to remove its personal property, equipment, and trade fixtures, or as provided below following a condemnation or casualty, all Improvements on the Premises at the expiration or earlier termination of this Lease shall, without compensation to Lessee or Hospital Subtenant (except as otherwise provided herein), become Lessor's property free and clear of all claims to or against them by Lessee or Hospital Subtenant or anyone claiming by, through, or under Lessee and/or Hospital Subtenant and/or the Teaching Hospital Operator and/or any Sublessee.

7.15 **Alterations, Remodeling, Renovations, and Additions.** Lessor and Lessee acknowledge that this is a 60-year Lease and that Lessee and/or the Hospital Subtenant may from time to time remodel the Project Improvements and make significant renovations of and alterations to the Project Improvements. Further, Lessor and Lessee acknowledge that Seton has designed the initial Project Improvements in a manner which contemplates and allows for significant expansion of the Project Improvements based upon the Applicable Laws as of the Commencement Date. Lessor and Lessee agree to cooperate in good faith with each other and with the Hospital Subtenant to allow for remodeling and expansion of the Project Improvements in order to meet the needs and requirements of the Dell Medical School and UT Austin and to meet the needs of Lessee in providing healthcare to the residents of Travis County, to the extent practicable and subject in any event to the Teaching Hospital Requirement during a DMS Affiliation Period and to the applicable Safety Net Requirement.

7.16 **Structural Renovations.** At least sixty (60) days prior to undertaking any significant or material structural alteration, renovation, or expansion of, or addition to, the Improvements ("*Structural Renovations*"), Lessee shall submit plans for such Structural Renovations (the "*Structural Renovation Plans*") to Lessor for approval, which approval shall not be unreasonably withheld or conditioned provided that the Structural Renovation Plans (i) are consistent with this Lease and the Teaching Hospital Affiliation Agreement during a DMS Affiliation Period and the applicable Safety Net Requirement, (ii) are consistent with the UT Guidelines and UT Medical District Guidelines then in effect (except for Material UT Guideline Changes that have not been approved or accepted by Seton and/or Lessee, as applicable); and (iii) comply with all Applicable Laws. Structural Renovation Plans shall be reviewed and approved by Lessor as set forth in Section 7.04 above (which review and approval processes, including the Material Plan Changes, expressly apply to Structural Renovation Plans); provided, however, the time periods for Lessor's review of and response to Structural Renovation Plans shall be lengthened as reasonably necessary in Lessor's determination based on the scope of the proposed Structural Renovations.

7.17 **Garage and Hospital Parking.**

(a) **Use of Central Health Downtown Campus.** Lessee acknowledges and agrees that the use of all or portions of the Central Health Garage or one or more other parking facilities on the Central Health Downtown Campus is necessary for the operation of the Teaching

Hospital. Lessee further acknowledges that Lessor is not providing and has no obligation to provide any parking for the Teaching Hospital on the UT Austin campus or any other property owned by Lessor. Lessor and Lessee acknowledge that during the term of this Lease, Lessee may desire to redevelop all or portions of the Central Health Downtown Campus and that in the course of such re-development, the current Central Health Garage may be replaced or substituted with one or more other structured or other parking facilities on the Central Health Downtown Campus. If the Central Health Garage in use as of the Commencement Date is replaced or substituted with one or more other structures or facilities for parking on the Central Health Downtown Campus, then Lessee will provide replacement or substitute parking for the Teaching Hospital on the Central Health Downtown Campus in such new structure or facilities.

(b) Garage Agreement. The term “*Garage Agreement*” means that certain Parking Garage Lease Agreement to be executed by Lessee and Seton, for the use of the existing Central Health Garage, all renewals, extensions, amendments, and restatements of that lease agreement, and any future lease agreement, parking agreement, or similar agreement between Lessee and the Hospital Subtenant or Teaching Hospital Operator which provides for parking spaces on the Central Health Downtown Campus which are reserved for the Teaching Hospital and which are sufficient in number and type to comply with the requirements of Applicable Laws for the operation of the Teaching Hospital (“*Required Parking Spaces*”). The Garage Agreement will be subject to review and approval by Lessor prior to execution by Lessee and Seton, which approval will not be unreasonably withheld provided that such Garage Agreement is consistent with the terms and requirements of this Lease. Lessee and Seton by its joinder below agree that they will not amend the Garage Agreement in any manner which would reduce the number of parking spaces allocated for benefit of the Teaching Hospital below the Required Parking Spaces and, in that circumstance only, without consultation with Lessor and obtaining Lessor’s prior written consent. Subject to the preceding sentence, Lessor agrees that Lessee and Seton may amend the Garage Agreement to substitute or replace the Central Health Garage with another parking facility or facilities, whether or not connected to the Aerial Bridge; provided, however, the replacement Required Parking Spaces must be located on the Central Health Downtown Campus. Lessee and Seton will not terminate the Garage Agreement so long as this Lease is in effect, subject to the other terms of this Section 7.17, unless Lessor consents to such termination or the termination is in connection with the execution of a new Garage Agreement. Lessee will provide to Lessor copies of all renewals, extensions, amendments, and restatements of the Garage Agreement.

(c) Central Health Garage. Lessee has leased the Central Health Garage to Seton, and Lessee and Seton plan to utilize the Central Health Garage to provide parking for patients and visitors to the Teaching Hospital and doctors, employees, and other guests. Lessor, Lessee, and Seton acknowledge and agree that Seton intends to connect the Central Health Garage to the Project Improvements with an aerial bridge over 15th Street (the “*Aerial Bridge*”). Lessor acknowledges that Lessee and Seton use and intend to continue to use and honor contractual rights of third parties to use space in the Central Health Garage for parking for other buildings on and occupants and guests of the Central Health Downtown Campus.

(d) Lessor's Rights with Respect to Garage Agreement. Lessor, Lessee, and Seton acknowledge and agree as follows:

(i) The rights of Lessee under the Garage Agreement will be collaterally assigned to Lessor to secure this Lease and Lessee's performance hereunder.

(ii) The rights of Seton and any successor Hospital Subtenant or Teaching Hospital Operator under the Garage Agreement which benefit the Premises and which provide the Required Parking Spaces will be collaterally assigned to Lessor to secure this Lease.

(iii) If Seton or any successor Hospital Subtenant or Teaching Hospital Operator, as applicable, defaults under the Garage Agreement and upon satisfaction of the conditions set forth in the next sentence, Lessor shall have the right to assume the rights of the tenant under the Garage Agreement which benefit the Premises and which provide the Required Parking Spaces and to assign such rights to any future Hospital Subtenant, Teaching Hospital Operator, or successor to Lessee. Any assumption or assignment of the Garage Agreement shall be subject to the terms of the Garage Agreement and this Lease. Any assumptor or assignee of the Garage Agreement must cure simultaneously with its assumption any monetary defaults of tenant under the Garage Agreement and assume in writing in a form acceptable to Lessee (which shall include a right of offset against Rent due hereunder if Lessor defaults in the payment of any sums due to Lessee under the Garage Agreement) the duties and obligations of the tenant under the Garage Agreement (including the obligation to cure any non-monetary defaults in accordance with the terms of the Garage Agreement, the obligation to maintain and repair, or share equitably in the cost of maintenance and repair, of the parking facilities in which the parking spaces are located, etc.). If Lessor assumes the rights and obligations of the tenant under the Garage Agreement then Lessor's duties, obligations, covenants, and liabilities under the Garage Agreement shall be subject to and limited by the provisions of Section 22.09 below.

(e) Aerial Bridge. The Aerial Bridge will be part of the Project Improvements when completed. All permits, agreements, and entitlements obtained from the City of Austin or any Governmental Authority for the Aerial Bridge shall be collaterally assigned by the Hospital Subtenant to Lessee (to secure the Hospital Sublease) and to Lessor (to secure this Lease). The Hospital Sublease will require the Hospital Subtenant to maintain all permits and agreements necessary for the Aerial Bridge. All rights to the Aerial Bridge including any Governmental Approvals and Permits for the Aerial Bridge shall be appurtenant to the Project Improvements and the Land. If the Central Health Garage in use as of the Commencement Date is replaced with another structure or structures on the Central Health Downtown Campus, and if such alternate parking structures are connected to the Teaching Hospital with an aerial bridge or similar structure or means, including any subterranean tunnel, then Lessor agrees to cooperate with Lessee and the Hospital Subtenant in obtaining any necessary Governmental Approvals and Permits for such alternate structure or mode of access.

7.18 **Collateral Assignments.** Lessee acknowledges and consents to the Collateral Assignment of Plans, Contracts, Permits, and Development Rights, executed by Lessor and Seton, pursuant to which Seton has collaterally assigned to Lessor, among other things, the Plans and Specifications, Construction Contract, and Governmental Approvals and Permits related to the Initial Construction. Lessor acknowledges and consents to the Collateral Assignment of Plans, Contracts, Permits, and Development Rights, executed by Lessee and Seton, pursuant to which Seton has collaterally assigned to Lessee, among other things, the Plans and Specifications, Construction Contract, and Governmental Approvals and Permits related to the Initial Construction as security for the Hospital Sublease, which assignment to Lessee is subject to and subordinate to the collateral assignment in favor of Lessor.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES; COVENANTS

8.01 **Lessee's Representations and Warranties.** Lessee represents and warrants that:

(a) Lessee is a political subdivision of the State of Texas. Lessee has the power and authority to carry on its business as presently conducted and to enter into and perform its obligations under this Lease; and the execution, delivery and performance by Lessee of this Lease has been duly authorized by all necessary action by the Board of Central Health and any other applicable Governmental Authority.

(b) As of the Effective Date, the execution, delivery and performance of this Lease by Lessee will not violate any Applicable Laws, including without limitation the Texas Health and Safety Code and the Texas Government Code, or Lessee's organizational and constituent documents.

(c) Lessee is not and all subsidiaries and affiliates of Lessee are not, (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 133224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac> or any replacement website or other replacement official publication of such list.

8.02 **Lessor's Representations, Warranties, and Covenants.** Lessor covenants with Lessee and represents and warrants to Lessee as follows:

(a) As of the Effective Date, Lessor is the sole record owner of the Land and Lessor has all power and authority necessary to enter into this Lease, and the execution, delivery, and performance by Lessor of this Lease have been duly authorized by all necessary action and no other authorizations or approvals are required or necessary. There are no parties other than Lessor who own or hold title to any portion of the Land in undivided interests or otherwise.

(b) Lessor will not enter into or grant any easements, restrictive covenants, leases, contracts, or other agreements of any kind or nature that would have a material adverse effect on the leasehold estate granted by this Lease without the prior written approval of Lessee

and the Hospital Subtenant (provided, however, that this restriction does not apply to conveyances of the Premises or to the mortgage, pledge or assignments of Lessor's rights under this Lease).

(c) Lessor acknowledges and agrees that Lessee will be entitled, for and on Lessee's own behalf as lessee of the Land: (i) to seek and obtain Required Entitlements; and (ii) to seek and obtain all approvals, permits, consents, and/or licenses of any kind or nature that are considered by Lessee to be necessary in order to obtain water, wastewater, electric, natural gas, cable television, telephone, telecommunications, internet access, and other utility services of any kind or nature relating to or benefitting the Land and Improvements ("*Utility Approvals*"); provided that Lessee will pay all costs and expenses in connection with the Required Entitlements and Utility Approvals and provided further that none of the Required Entitlements or Utility Approvals will be binding upon the fee simple title to the Land, or be binding upon, or impose any cost or liability upon Lessor, without the prior written consent of Lessor. Subject to the provisions of this Lease, Lessor agrees to cooperate with Lessee and any Hospital Subtenant with respect to the execution of applications, consents, and other instruments of any kind or nature that may be requested by Lessee or any Hospital Subtenant in order to obtain the Required Entitlements or the Utility Approvals.

(d) As of the Effective Date, to Lessor's current actual knowledge, Lessor has not received any written notice of any violation of any applicable zoning regulation, ordinance, or any other law, covenant, condition, or restriction relating to the Land from any Governmental Authority having jurisdiction over the Land.

(e) To the extent authorized by the constitution and laws of the State of Texas, Lessor agrees to indemnify and save and hold Lessee harmless from and against any and all costs, damages, liabilities, expenses (including attorneys' fees and costs of litigation), suits, actions, legal or administrative proceedings, demands, fines, losses, costs or claims of any kind or nature arising because of or in connection with any mechanic's, materialmen's, and other liens relating to work done on or for the benefit of the Premises prior to the Effective Date and all mechanic's and materialmen's liens filed with respect to any work done at the direction of Lessor, whether before or after the Effective Date.

(f) As of the Effective Date, to Lessor's current actual knowledge: (i) Lessor has received no written notice of any pending condemnation or similar proceedings with respect to the Land; and (ii) Lessor has received no written notice of any pending litigation or similar proceedings with respect to the Land.

(g) As of the Effective Date, to Lessor's current actual knowledge, Lessor has received no written notice that the Land is currently in violation of or subject to any pending investigation or inquiry by any Governmental Authority or to any remedial obligations under any applicable Environmental Laws.

(h) As of the Effective Date, to Lessor's current actual knowledge, there are no recorded liens encumbering the Land and there are no outstanding options to purchase, rights of first refusal, or letters of intent or rights to acquire an interest with respect to any of the Land.

Except for this Lease and the Hospital Sublease, to Lessor's current actual knowledge as of the Effective Date, there are no outstanding leases or rental agreements with respect to any of the Land.

(i) Lessor will not enter into any leases, contracts, or agreements of any kind or nature that would be binding upon Lessee or that, in Lessor's reasonable judgment, would have a material adverse effect on Lessee's rights under this Lease without the prior written approval of Lessee and the Hospital Subtenant.

(j) To Lessor's current actual knowledge, there are no maintenance or service contracts or other agreements of any kind or nature affecting any portion of the Land that are binding upon the Land or that will be binding upon or affect Lessee or the Hospital Subtenant after the Effective Date.

As used herein, the term "*Lessor's current actual knowledge*" means the conscious awareness of facts or other information by Amy Wanamaker, an employee of UT Austin and the UT Austin Campus Director of Real Estate, without any duty of investigation or inquiry. Amy Wanamaker does not have and will not have any personal liability for the breach of any representation or warranty.

8.03 Lessor's Limitation on Warranties. As of the Commencement Date, Lessee shall be deemed to be acknowledging that Lessee has full knowledge of all matters pertaining to the Land and Premises, including, but not limited to, the physical condition of the same, and that Lessee is leasing the Premises "AS IS", "WHERE IS", AND "WITH ALL FAULTS", subject to the terms and conditions of this Lease. Except for the express representations, warranties, and covenants in this Lease, Lessor makes no warranty of any kind or nature, express, implied or otherwise, or any representations or covenants of any kind or nature in connection with the condition of the Land, Premises, or any part thereof, and except as otherwise expressly provided in this Lease, Lessor shall not be liable for any latent or patent defects therein or be obligated in any way whatsoever to correct or repair any such latent or patent defects. Without limiting the above, Lessee acknowledges and agrees that except for the express representations and warranties made by Lessor in this Lease, neither Lessor, nor any brokers, any agents, employees or representatives of Lessor have made any representations or warranties on which Lessee is relying as to matters concerning the Land or Premises including, without limitation, taxes, permissible uses, covenants, conditions and restrictions, water or water rights, topography, utilities, zoning, soil, subsoil, the purposes for which the Land and Premises are to be used, drainage, environmental or building laws, rules or regulations or any other representations or warranties of any nature whatsoever, and except as otherwise expressly provided in this Lease, Lessee hereby assumes all risks relating to any of the foregoing and to all matters relating to the use and occupancy of the Premises, whether known or unknown, or foreseeable or unforeseeable.

8.04 Compliance With Healthcare Laws. This Section is in addition to and cumulative of all other covenants and provisions of this Lease regarding compliance with Applicable Laws. Lessor and Lessee recognize that this Lease and the Hospital Sublease and the operation of the Teaching Hospital are and will be subject to Healthcare Laws, and Lessor and Lessee intend to comply with all such Healthcare Laws. In particular, Lessor and Lessee enter

into this Lease with the intent of conducting their relationship and the relationships between and among Lessor, Lessee, the Hospital Subtenant, and/or the Teaching Hospital Operator, as applicable, in full compliance with (i) the federal anti-referral laws known as the “Stark” law, the Medicare and Medicaid Anti-Fraud and Abuse law, and (ii) the Texas Occupations Code patient non-solicitation law. Notwithstanding any unanticipated effect of any of the provisions in this Lease, Lessor and Lessee each agree that it will intentionally conduct itself under the terms of this Lease in a manner so as to avoid a violation of the Stark Law, the Medicare and Medicaid Anti-Fraud and Abuse law, and the Texas Occupations Code patient non-solicitation law.

(a) No Referrals or Other Business Generation. Lessor and Lessee have entered into this Lease following extensive, arms-length bargaining and negotiation without regard to or consideration of any referrals or other business generated or which in the future could be generated between Lessor and Lessee or with the Hospital Subtenant. Lessor and Lessee further acknowledge that none of the benefits granted to Lessor and Lessee hereunder are conditioned on any requirement that either Lessor or Lessee or the Hospital Subtenant make referrals to, or be in a position to make or influence referrals to, or otherwise generate business for the other party or any person affiliated with Lessor and Lessee. Lessor and Lessee agree that the amounts paid to Lessor are consistent with fair market value for the rights contracted for within this Lease.

(b) Compliance Program. Lessee shall maintain throughout the Term, and shall require the Hospital Subtenant and the Teaching Hospital Operator, if different than the Hospital Subtenant, to maintain throughout the term of the Hospital Sublease, a compliance program designed by Lessee or Hospital Subtenant, as applicable, in its sole and exclusive discretion to prevent and detect violations of Healthcare Laws. Lessee shall require its employees who are providing services under this Lease to complete all compliance related educational and other activities that may be required by Applicable Law and the Hospital Sublease and each other Sublease shall contain similar covenants which shall benefit and be enforceable by Lessor.

(c) Lessee’s Representations. Lessee represents and warrants that, to the best of its knowledge after due inquiry:

(i) Neither Lessee nor its employees is currently or has at any time been suspended, excluded or debarred from or sanctioned by any federally-funded health care program, including, without limitation, Medicare or Medicaid. Lessee represents that it has obtained this information regarding each current employee and will obtain this information from each future employee. Lessee agrees that it shall notify Lessor immediately if it becomes aware of any such exclusion, debarment, or sanction of any of its employees; and

(ii) The compensation payable by Lessee to Lessor under this Lease (A) is and shall remain set in advance and consistent with fair market value for the rights provided, and (B) has not been and will not be determined in a manner that takes into account the volume or value of any referrals or other business generated.

8.05 **Healthcare Regulatory Matters.** Lessee represents, warrants, covenants, and agrees as follows, and the following covenants and agreements shall be binding upon and apply to the Hospital Subtenant, the Teaching Hospital Operator, and each other Sublessee of the Premises:

(a) **Compliance.** The use of the Premises pursuant to this Lease shall at all times during the Term of this Lease be in material compliance with all rules and regulations under all Healthcare Laws affecting Lessee, Hospital Subtenant, Teaching Hospital Operator, and/or any other Sublessee and the Premises, as applicable. The Premises shall be operated as a duly and fully licensed hospital, and (i) Lessee and/or the Hospital Subtenant and/or the Teaching Hospital Operator shall be validly licensed, Medicare and/or Medicaid certified, and, if required, accredited to operate the Teaching Hospital and the Premises in accordance with the applicable rules and regulations of the State of Texas and any applicable Federal Governmental Authorities, and accrediting bodies, including, but not limited to, the Texas Department of State Health Services (“*TDSHS*”), the U.S. Department of Health and Human Services (“*DHHS*”), and the Centers for Medicare and Medicaid Services (“*CMS*”) or any successor agencies or organizations, (ii) Lessee and/or the Hospital Subtenant and/or the Teaching Hospital Operator, as applicable, shall be certified by and the holder of valid provider agreements with Medicare and Medicaid issued by DHHS, TDSHS, and/or CMS or any successor agencies or organizations and shall remain so certified and shall remain such a holder of such licenses and certifications for it to operate in accordance with (A) this Lease, (B) the Teaching Hospital Affiliation Agreement then in effect and if no Teaching Hospital Affiliation Agreement is in place, then in accordance with the Teaching Hospital Requirement during a DMS Affiliation Period, and (C) the applicable Safety Net Requirement, (iii) Lessee, the Hospital Subtenant, and/or the Teaching Hospital Operator, as applicable, shall be in substantial compliance with and shall remain in substantial compliance with all Healthcare Laws with regard to the operation of the Teaching Hospital and the Premises, including, without limitation, substantial compliance under HIPAA, and (iv) Lessee and/or the Hospital Subtenant and/or the Teaching Hospital Operator, as applicable, shall not abandon, terminate, vacate or fail to renew any license, certification, accreditation, certificate, approval, permit, waiver, provider agreement or any other authorization which is required for the lawful and proper operation of the Teaching Hospital and the Premises or in any way commit any act that will or may cause any such license, certification, accreditation, certificate, approval, permit, waiver, provider agreement or other authorization to be revoked by any Governmental Authority or accrediting body having jurisdiction thereof.

(b) **Notices.** Lessee agrees promptly to notify Lessor in writing of receipt of any (i) notice of investigation of any alleged Healthcare Law violation; (ii) notices from any licensing or certifying agencies that any license or certification, including, without limitation, the Medicare and/or Medicaid certification of the Teaching Hospital being or considered to be, downgraded, revoked or suspended, (iii) copies of all notices of adverse events or deficiencies as defined by the Joint Commission on the Accreditation of Healthcare Organizations regarding the operation of the Teaching Hospital or any part thereof, and (iv) copies of all notices that Lessee is not in compliance with the Standards for Privacy of Individually Identifiable Health Information and the Transaction and Code Set Standards promulgated pursuant to HIPAA.

(c) **Remedy.** If Lessee breaches any provision of this Section 8.05, the sole remedy available to Lessor shall be those remedies described in Section 15.03. A TRN Default, as described and defined in Section 14.06, and the remedies available as a result of a TRN Default shall be independent of this Section 8.05 and are in addition thereto and in addition to the remedies described in Section 15.03.

8.06 **Change in Laws.** Should any change in law, regulation, or procedure of any Governmental Authority, or the parties' reasonable interpretation thereof, materially affect the ability of a party to lawfully perform its obligations under this Lease, the parties shall forthwith and in good faith renegotiate the affected provision so that such provision can be satisfied in accordance with such changed law, regulation, or procedure.

8.07 **Private Security Services.** Lessee is responsible for obtaining, at its sole cost and expense, or requiring the Hospital Subtenant to obtain and pay for, any and all private security services for the Teaching Hospital to the extent required by the Applicable Laws.

8.08 **First Responders.**

(a) **Fire and Emergency Medical.** Lessor and Lessee expect and intend that the City and the County will provide fire and emergency medical first response to the Premises.

(b) **Police and Security.** Lessor, Lessee, and Seton will use their best efforts to engage in prompt, good faith negotiations to enter into an agreement by July 15, 2015, regarding what law enforcement agency (either the City of Austin or UT Austin Police Department) will have primary responsibility as first responders with respect to the Premises.

ARTICLE IX
ENCUMBRANCE

9.01 **Encumbrance.** Lessee shall have the right to mortgage, pledge, hypothecate or otherwise transfer or assign the leasehold estate granted hereby as security for a debt or other obligation incurred for the construction, maintenance, operation, repair or refinancing of the Project Improvements (collectively, a "*Mortgage*"), subject to the terms and conditions of this Lease. Lessor hereby consents to a Mortgage (whether one or more) becoming liens on the right, title, and interest of Lessee in and to the leasehold estate created pursuant to this Lease; provided, however, in no event shall any such Mortgage attach to or become a lien on Lessor's interest in the Premises or any interest other than Lessee's leasehold estate and other rights, title, and interests granted to Lessee hereunder. The lender to whom such Mortgage is granted is referred to as "*Lender*", and the loan made by such Lender to Lessee and secured by the Mortgage may be referred to as the "*Leasehold Loan*". The Mortgage and any other documents, instruments or agreements executed by Lessee in connection with the Mortgage or by any party related to or affiliated with Lessee and the Lender may be collectively referred to as the "*Loan Documents*".

(a) **Compliance of Loan Documents with Lease.** With respect to any Leasehold Loan, prior to making the related Mortgage effective, Lessee will provide to Lessor a written statement confirming that all Loan Documents comply with the provisions of this Lease.

Lessor's consent to the Mortgage pursuant to this Section 9.01 is conditioned on the veracity of and Lessor's receipt of such written statement.

(b) No Subordination. Each Lender must expressly agree in the Loan Documents that, subject to the rights of the Lender provided by this Lease, such mortgage, pledge, lien, or other encumbrance upon Lessee's leasehold estate hereunder is second, inferior and subordinate to the rights of Lessor in and to the Premises and the Improvements pursuant to the terms of this Lease. In no event and under no circumstances shall Lessor's fee estate in the Land or other rights, title, and interest in the Premises be subordinated to any mortgage, pledge, lien, other encumbrance upon Lessee's leasehold estate hereunder or upon any leasehold estate under a Hospital Sublease.

9.02 Mortgage Protective Provisions. Lessor agrees as follows:

(a) Lessor agrees that upon the occurrence of any event of default under the Loan Documents, Lender may (but shall not be obligated to) assume, or cause a new lessee or purchaser of the leasehold estate created hereby to assume, subject to the terms, conditions, and requirements of this Lease, the Teaching Hospital Affiliation Agreement, and the applicable Safety Net Requirement, all the interests, rights, and obligations of Lessee thereafter arising under this Lease; provided, however, that any prior defaults by Lessee must be cured pursuant to this Lease within sixty (60) days after the date of notice to Lender as herein provided (and additional time, as necessary, if such remedy cannot reasonably be completed within such 60-day period). Lessor hereby agrees to provide written notice of any Lessee Default which could result in termination of this Lease to each Lender whose name and address has been provided to Lessor and who is designated as a Lender pursuant to this Article IX. Lender shall have sixty (60) days after the date of such default notice (and additional time, as necessary, if such remedy cannot reasonably be completed within such 60-day period) to remedy such Lessee Default prior to Lessor being entitled to exercise any remedies provided for herein on account thereof.

(b) For so long as there exists a Mortgage of which Lessor has been notified in writing by Lessee, Lessor agrees that it will not accept a voluntary surrender from, or a voluntary termination by, Lessee of the leasehold estate created hereby or any of the rights, titles and interests of Lessee in the Premises without the express prior written consent of the Lender holding the same. This does not limit any rights or remedies of Lessor or UT Austin under any Teaching Hospital Affiliation Agreement. This does not limit any rights or remedies of Lessee under the Master Agreement. Lessee shall promptly give written notice to Lessor of the release of any Mortgage.

(c) Notwithstanding any other provision herein, Lessor may cure any Lessee Default without prior notice to a Lender or after giving a Lender notice of the Lessee Default if Lessor determines that curing such Lessee Default is necessary to protect the health or safety of any person, to protect and preserve the Premises, to preserve and maintain any accreditation, licenses, permits, or other approvals for the Premises and/or the Teaching Hospital, whether from any Governmental Authority, accrediting body, or other similar entity.

9.03 **Required Provisions of Mortgage.** Each Mortgage must contain the following provisions:

(a) **Notices to Lessor.** Each Mortgage must require the Lender to give to Lessor formal notice of Lender's address for notice and any changes in such address for notice and a copy of each notice of default given to Lessee at the same time as and whenever any such notice of default shall be given by Lender to Lessee. All such notices shall be addressed to Lessor at its address as set forth in this Lease or as otherwise last furnished to such Lender in advance and in writing. No such notice by a Lender to Lessee shall be deemed to have been duly given to Lessor unless and until a copy thereof has been received by Lessor in the manner provided in this Lease.

(b) **Performance.** Each Mortgage must require the Lender to accept performance by Lessor of any covenant, condition or agreement on Lessee's part to be performed under the Mortgage or other Loan Documents with the same force and effect as though performed by Lessee; provided, however, that Lessor shall have no duty or obligation to cure any default by Lessee under the Mortgage, any other Loan Document, or any other agreement between Lessee and any Lender.

(c) **Right to Cure.** Each Mortgage must provide that in the event of acceleration of a Leasehold Loan as a result of Lessee's uncured default under such Leasehold Loan, Lessor or its designee shall have the right to prepay the Leasehold Loan in full in accordance with the terms of the Loan Documents, and the right to terminate this Lease. In the event of the prepayment of the Leasehold Loan by Lessor or its designee, payment shall be made directly to the then holder of the Leasehold Loan, in exchange for either (i) a duly executed assignment of the Loan Documents in recordable form (without recourse but with warranty that the Loan Documents are assigned free and clear of any prior liens, security interests, or assignments) and delivery of all original Loan Documents (to the extent within Lender's possession or control) to Lessor or its assignee, including the promissory note endorsed, without recourse, payable to Lessor or its assignee, or (ii) a duly executed document in form reasonably satisfactory to Lessor releasing the Mortgage, and stating that the debt has been satisfied, delivered to Lessor at its sole option.

(d) **Benefit of Lessor.** The provisions of this Section 9.03 are for the benefit of Lessor and its successors and assigns and may be relied upon and shall be enforceable by Lessor and such successors and assigns. Neither Lessor nor its successors or assigns shall be liable upon the covenants, agreements or obligations of Lessee contained in any Mortgage or any other Loan Document by virtue of the exercise of any rights set forth in this Section 9.03.

9.04 **Hospital Sublease.** The Hospital Subtenant shall have the right to mortgage its interest and leasehold estate under the Hospital Sublease on terms and conditions similar to those set forth in this Article IX and subject to all terms and conditions of this Lease. Lessor will, for the benefit of the Hospital Subtenant, execute and deliver, at no material cost to Lessor, any documents reasonably requested by Hospital Subtenant or its Lender in connection with Hospital Subtenant's leasehold financing. Any estoppel certificates or other documents to be executed by Lessor shall be on Lessor's then standard form or otherwise in a form reasonably acceptable to

Lessor. Lessor shall not be required to execute and deliver estoppel certificates more than twice in any calendar year.

9.05 **Affiliation Agreement and Teaching Hospital.** Because of the unique nature of this Lease and the purpose of this Lease and the use of the Premises as the Teaching Hospital, the rights of any Lender and of any mortgagee of the Hospital Subtenant are limited, and notwithstanding any other provision herein, the Premises must be possessed and used by the Teaching Hospital Operator (i) acceptable to and approved by Lessor in writing under the Teaching Hospital Affiliation Agreement as then in effect, (ii) if no Teaching Hospital Affiliation Agreement is in effect, then during the Seton DMS Affiliation Period or a Future DMS Affiliation Period under a Teaching Hospital Operator Agreement which requires the Teaching Hospital Operator to operate the Teaching Hospital in a manner to satisfy the Teaching Hospital Requirement, and (iii) acceptable to and approved by Lessee in writing under the Master Agreement or a Future Master Agreement then in effect and in a manner to satisfy the applicable Safety Net Requirement. If a Lender acquires the leasehold estate hereunder, it must be subject to the Hospital Sublease or an agreement with the Teaching Hospital Operator which Lessor and UT Austin have previously approved in writing. Lessee, any Lender, and any mortgagee of the Hospital Subtenant take subject to these restrictions and limitations. Lessor is executing this Lease to provide land on the UT Austin campus and in the Medical District for the Teaching Hospital for UT Austin and the Dell Medical School.

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

(a) **Subordination, Non-Disturbance, and Attornment.** If during the Term Lessor shall encumber the Premises with a Fee Mortgage, then Lessor agrees to use Lessor's reasonable, good faith efforts to obtain the execution by Lessor, the Fee Mortgagee, Lessee and any Hospital Subtenant a subordination, non-disturbance, and attornment agreement in form reasonably acceptable to all parties thereto ("*Fee SNDA*"). Lessor, Lessee, and the Hospital Subtenant agree to cooperate and negotiate in good faith with respect to any such Fee SNDA. Provided, however, the following provisions are self-operative: (i) the Fee Mortgage will not encumber, and Fee Mortgagee will have no lien against, the leasehold estate of Lessee in and to the Premises; (ii) the Fee Mortgagee's lien under the Fee Mortgage will be subject to the rights of Lessee under this Lease; (iii) if the Fee Mortgagee forecloses its lien, it will provide to Lessee and any Hospital Subtenant notice that it has foreclosed such lien; (iv) that in the event of the foreclosure, assignment, or acquisition, the Fee Mortgagee or any other person or entity that acquires Lessor's fee title to the Premises will acquire such fee title subject to the obligations of Lessor under this Lease from and after the date of such foreclosure, assignment, or acquisition; and (v) no foreclosure, deed in lieu of foreclosure, or sale under the encumbrance, and no steps or procedures undertaken under any deed of trust, lien, encumbrance, security interest, or other instrument will affect Lessee's rights under this Lease or the Hospital Subtenant's rights under the Hospital Sublease then in effect, subject to Lessee's and the Hospital Subtenant's continued

performance under and compliance with this Lease and the Hospital Subtenant's continued performance under and compliance with the Hospital Sublease.

(b) Lessee's Agreements. Lessee agrees that while any Fee Mortgage is in force, if Lessee shall have been given written notice thereof and the name and address of the Fee Mortgagee, Lessee will give the Fee Mortgagee a duplicate copy of any and all notices of default or other notices in writing which Lessee may give or serve upon Lessor pursuant to the terms of this Lease, and any such notice shall not be effective until said duplicate copy is given to such Fee Mortgagee. Any such Fee Mortgagee may, at its option, within the time period provided to Lessor herein to cure a default by Lessor, make any payment or do any other act or thing required of the Lessor by the terms of this Lease; and all payments so made and all things so done or performed by any such Fee Mortgagee shall be as effective hereunder as the same would have been if done and performed by Lessor instead of by any such Fee Mortgagee. No such Fee Mortgagee shall be or become liable to Lessee as an assignee of this Lease until such time as said Fee Mortgagee shall by foreclosure or other appropriate proceedings in the nature thereof, or as the result of any other action or remedy provided for by the Fee Mortgage, or by proper conveyance from Lessor, acquire the rights and interests of Lessor under the terms of this Lease, and such liability of the Fee Mortgagee terminate upon such Fee Mortgagee's assigning such rights and interests to another party.

ARTICLE X ASSIGNMENT; SUBLETTING

10.01 Assignment. Following completion of the Initial Construction of the Project Improvements and provided that no Lessee Default exists hereunder beyond applicable notice and cure periods, Lessee shall have the right, with Lessor's consent, which shall not be unreasonably withheld or delayed, to assign or otherwise transfer Lessee's interest in this Lease or in the estate created by this Lease or any rights granted by this Lease (i) to a related successor governmental agency or political subdivision which succeeds to Lessee under the CH/CCC Affiliation Agreement with Lessor and/or UT Austin (or any future CH/UT Affiliation Agreement), and in any event subject to the Teaching Hospital Affiliation Agreement if one is then in effect and in any event subject to the Teaching Hospital Requirement and to the Hospital Sublease, if any, (ii) to a governmental agency or an entity that will be the Teaching Hospital Operator under a Teaching Hospital Affiliation Agreement or that will operate the Teaching Hospital under an arrangement reasonably satisfactory to Lessor to meet the Teaching Hospital Requirement, (iii) to governmental agency or entity approved by Lessor and UT Austin that will assume the obligations of Lessee under this Lease and of Lessee as landlord under the Hospital Sublease, if any, or (iv) Seton or any Permitted Transferee of Seton under Section 10.04 of this Lease. Any successor governmental agency or permitted assignee to whom Lessee's rights in this Lease may be assigned must assume all duties and obligations of Lessee under this Lease (and if applicable the Hospital Sublease) by written agreement reasonably acceptable to Lessor. Subject to approval by the Board of Regents of UT System, any consent by UT Austin to an assignment by Lessee of the CH/CCC Affiliation Agreement (or any future CH/UT Affiliation Agreement), shall also constitute Lessor's consent to an assignment of Lessee's interest in this Lease or in the estate created by this Lease or any rights granted by this Lease under this Section 10.01. Upon any assignment under this Section 10.01, Lessee shall be released from all future

obligations under this Lease arising or accruing after the effective date of such assignment (or the effective date of Lessor's consent to such assignment, if Lessor's consent was required), but all indemnities of Lessor by the assigning Lessee shall survive such assignment for a period of two (2) years which relate to claims arising during the time period prior to the date of the permitted assignment.

10.02 Provisions Relating to Assignment. Any permitted or approved assignment or other transfer of Lessee's interest in this Lease shall be made in writing and in a form reasonably acceptable to Lessor and such assignee shall assume in writing all of Lessee's obligations and covenants hereunder. No permitted assignment shall be effective unless and until Lessor shall have received an executed counterpart of such assignment, in recordable form, in form and content reasonably acceptable to Lessor, under which the assignee shall have assumed this Lease and agreed to perform and be bound by the covenants and conditions of this Lease required to be performed and observed by Lessee. Upon any such permitted or approved assignment, Lessee shall be relieved from all further obligations hereunder, but all indemnities of Lessor by the assigning Lessee shall survive such assignment for a period of two (2) years which relate to claims arising during the time period prior to the date of the permitted assignment. In all events, during the Seton DMS Affiliation Period and any Future DMS Affiliation Period, the Premises must be used by a Teaching Hospital Operator for the operation of the Teaching Hospital in support of Dell Medical School pursuant to a Teaching Hospital Affiliation Agreement unless otherwise agreed to by Lessor or as provided in and subject to Article XIX below. Assuming all other requirements for a permitted or approved assignment hereunder are satisfied, Lessor shall: (i) not withhold or delay its consent (and it shall be deemed unreasonable to do so) to an assignment or other transfer or Lessee's interest in this Lease or in the estate created by this Lease or any rights granted by this Lease to an assignee or transferee that is subject or a party to a Master Agreement, and (ii) to the extent Lessor will require one, negotiate in good faith with the proposed assignee or transferee to modify, amend, and/or restate the Teaching Hospital Affiliation Agreement, provided that in all events, the Teaching Hospital Requirement must be satisfied for the applicable DMS Affiliation Period.

10.03 Bankruptcy. If this Lease is assigned to any person or entity pursuant to the provisions of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the "*Bankruptcy Code*"), any and all monies or other consideration payable or otherwise to be delivered in connection with such assignment, up to an amount necessary (i) to cure all Lessee Defaults, (ii) to reimburse Lessor for all costs and expenses incurred by in connection with such Lessee Defaults and the bankruptcy of Lessee (including attorneys' fees for both internal and external counsel), and (iii) to reimburse Lessor for all costs, fees, and expenses incurred in connection with such assignment shall be paid or delivered to Lessor, shall be and remain the exclusive property of Lessor, and shall not constitute property of Lessee or of the estate of Lessee within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Lessor's property under the preceding sentence not paid or delivered to Lessor shall be held in trust for the benefit of Lessor and shall be promptly paid or delivered to Lessor.

10.04 Assignment of Hospital Sublease. The Hospital Sublease may only be assigned (by either the landlord thereunder or the Hospital Subtenant) to an entity: (i) approved by Lessor and in conjunction with a new Teaching Hospital Affiliation Agreement to which such assignee

is a party or in conjunction with a separate agreement with a Teaching Hospital Operator who is a party to such Teaching Hospital Affiliation Agreement (which separate agreement can be waived by Lessor but if not, shall be subject to prior written approval by Lessor and UT Austin), and (ii) approved by Lessee and in conjunction with a Master Agreement to which such assignee is a party or in conjunction with a separate agreement with a Teaching Hospital Operator who is a party to such Master Agreement (which separate agreement can be waived by Lessee but if not, shall be subject to prior written approval by Lessee). In all events, the Premises must be used by a Teaching Hospital Operator for the operation of the Teaching Hospital in support of Dell Medical School in compliance with the Teaching Hospital Requirement (whether or not pursuant to a Teaching Hospital Affiliation Agreement) for the Seton DMS Affiliation Period and thereafter for any Future DMS Affiliation Period (unless otherwise agreed to by Lessor) and in compliance with the applicable Safety Net Requirement (whether or not pursuant to the Master Agreement or a Future Master Agreement) unless otherwise agreed to by Lessee or as provided in and subject to Article XIX below; provided that Seton may assign its interest in the Hospital Sublease, without Lessor's consent, to any entity (i) controlled by, under common control with, or controlling Seton, (ii) that acquires all or substantially all of Seton's stock or assets, or (iii) resulting from a merger or consolidation between Seton and another entity (any such entity, a "Permitted Transferee"). The Permitted Transferee must (1) assume all of Seton's obligations under or appurtenant to the Hospital Sublease and under the Seton Joinder, (2) be an experienced hospital operator, (3) be financially sound and have a good reputation in the healthcare industry as a hospital operator, (4) if the assignment is during a DMS Affiliation Period, have experience with operating a teaching hospital affiliated with a medical school, (5) have experience operating hospitals which are part of a safety-net system for indigent care, (6) not be barred from being a party to the Hospital Sublease or this Lease under any applicable federal or state contracting requirements, and (7) be capable of holding all Required Hospital Permits. In addition, such Permitted Transferee must succeed to and assume, with Lessor's consent and approval, the rights, duties, and obligations of Seton under the Teaching Hospital Affiliation Agreement in accordance with and subject to the terms of the Teaching Hospital Affiliation Agreement or must otherwise agree to comply with the Teaching Hospital Requirement during the DMS Affiliation Period, if applicable, and, with Lessee's consent and approval, must succeed to and assume (A) the rights, duties, and obligations of Seton under the Master Agreement in accordance with and subject to the terms of the Master Agreement or have otherwise agreed to comply with the Seton Safety Net Requirement, or if applicable (B) the rights, duties, and obligations of a future Hospital Subtenant other than Seton under a Future Master Agreement in accordance with and subject to the terms of such Future Master Agreement or have otherwise agreed to comply with the Central Health Safety Net Requirement. Upon any permitted assignment by Seton under this Section 10.04, Seton will be released from all future obligations under this Lease arising or accruing after the effective date of such assignment by Seton and assumption of obligations under this Lease by the Permitted Transferee.

10.05 Future Hospital Subleases. Lessor and Lessee acknowledge that a new Hospital Sublease may be required during the Term of this Lease. Lessee will have the right to sublease the Premises to Hospital Subtenant subject to the terms and conditions of this Lease, including without limitation the requirement that such Hospital Subtenant agrees to fulfill the Teaching Hospital Requirement during the Seton DMS Affiliation Period or if applicable, a Future DMS

Affiliation Period (whether or not pursuant to a Teaching Hospital Affiliation Agreement with Lessor) and agrees to fulfill the applicable Safety Net Requirement (whether or not pursuant to a Future Master Agreement with Lessee). Lessor will have the right to review and approve each Hospital Sublease to verify that it is consistent with this Lease and the applicable Teaching Hospital Affiliation Agreement, if any and in any event, during the applicable DMS Affiliation Period, to verify that it is consistent with the Teaching Hospital Requirement. Lessor will not unreasonably withhold or delay Lessor's approval of any Hospital Sublease which meets the requirements of this Lease. Not in limitation thereof, each Hospital Sublease will (i) limit and restrict the use of the Premises to those uses permitted under this Lease; (ii) have a term that does not exceed the Term (or any subsequently modified term) of this Lease; and (iii) contain provisions acknowledging that it is subject and subordinate to this Lease and agreeing that a termination or expiration of this Lease shall, at Lessor's sole option, constitute a termination or expiration of the Hospital Sublease. Lessee shall provide Lessor with copies of all Hospital Subleases and all amendments thereto. No sublease of the Premises shall operate to relieve Lessee of any obligation under this Lease except as otherwise provided herein or in the Collateral Assignment of Lease, Option Agreement, and Rents of even date herewith, executed by Lessor and Lessee and joined in by Seton.

10.06 **Subleases.** Lessee and the Hospital Subtenant shall have the right to sublease portions of the Project Improvements without Lessor's prior approval provided that each such sublease agreement meets the requirements set forth in this Section 10.06. The term "*Sublease*" means any sublease of any portion of the Premises for uses permitted by this Lease and which complies with the terms of this Section. The terms "*Sublessee*" means the tenant under any Sublease.

(a) use of the Project Improvements shall be limited to uses permitted under this Lease and shall otherwise be in conformance with the terms and provisions of this Lease;

(b) the Sublease is for not more than five percent (5%) of the rentable area of the Project Improvements and that such Sublease, when considered with all other Subleases (other than the Hospital Sublease), does not cover and demise more than twenty percent (20%) of the rentable area of the Project Improvements;

(c) the term of any Sublease shall not exceed the Term (or any subsequently modified term) of this Lease; and

(d) each Sublease shall contain provisions acknowledging it is subject and subordinate to this Lease and agreeing that a termination or expiration of this Lease shall, at Lessor's sole option, constitute a termination or expiration of the Sublease; provided Lessor shall, upon request, grant nondisturbance protection to Sublessees upon terms reasonably acceptable to Lessor, including without limitation covenants of subordination and attornment from such Sublessees.

Lessee shall promptly provide Lessor with copies of all executed Subleases. No lease or sublease of the Project Improvements or any portion thereof shall operate to relieve Lessee of any obligation under this Lease. If a proposed Sublease does not meet the requirements of this

Section, then it must be reviewed and approved by Lessor, which approval may be granted or withheld in Lessor's sole discretion.

ARTICLE XI
INSURANCE; INDEMNITY

11.01 Insurance.

(a) Lessee's Insurance. During the Term and subject to the Insurance Agreement, if any, Lessee will keep and maintain, and cause to be kept and maintained in force by the Hospital Subtenant and any and all contractors and subcontractors, insurance policies described below with companies admitted in the State of Texas and having an A.M. Best Rating of A-(Excellent), FSC VII or better, and in amounts (unless otherwise specified in this Lease), as Lessor may require:

(i) All risk property insurance (also called causes of loss - special form insurance including flood and earthquake) on the Improvements or any replacements or substitutions therefor and Lessee's fixtures and personal property, with deductibles in an amount that Lessee may reasonably determine and Lessor reasonably approves, from and after commencement of construction of the Project Improvements, against Insurable Risks (hereinafter defined), and builder's risk completed value form during construction, in amounts not less than one hundred percent (100%) of actual replacement cost (exclusive of cost of excavation, foundations, footings below the surface of the ground and costs of underground flues, pipes and drains). The actual replacement cost shall be confirmed from time to time (but not more frequently than once in any twelve calendar months) at the request of Lessor, by one of the insurers or, at the option of Lessee, by an appraiser, engineer, architect or contractor approved by the issuer of such insurance policy and paid by Lessee. "*Insurable Risks*" means those risks covered by the Texas Standard Form Fire and Extended Coverage Policy (including fire and direct loss by windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft and land vehicles); sonic shock wave; and leakage from fire protective equipment.

(ii) Commercial general liability insurance with the following coverages: (A) premises/operations; (B) independent contractors; (C) broad form contractual liability specifically in support of, but not limited to, the indemnification provisions contained in this Lease; (D) broad form property damage; (E) personal injury liability with employee and contractual exclusions removed; (F) liquor liability; and (G) a severability of interest endorsement, and with the following limits: limits of not less than One Million Dollars (\$1,000,000) combined single limit per occurrence and not less than Three Million Dollars (\$3,000,000) in the aggregate for bodily injury, sickness or death, and property damage; the policy shall not exclude "XCU", explosion, collapse and underground perils.

(iii) Workers' compensation insurance with the statutory limits and employer's liability insurance with limits of not less than \$1,000,000 for each accident,

\$1,000,000 for disease--policy limit, and \$1,000,000 for disease--each employee. Policy must include (a) Other States endorsement to include Texas if business is domiciled outside the State of Texas, and (b) a waiver of all rights of subrogation in favor of Lessor.

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

(v) Umbrella/Excess liability insurance with limits of not less than \$20,000,000 per occurrence and aggregate with a deductible of no more than \$10,000, and (A) providing coverage in excess of the coverages of, and (B) be at least as broad as the provisions in the underlying policies required in clause (ii) - Commercial general liability insurance, clause (iii) - workers' compensation insurance, and clause (iv) - commercial auto liability insurance.

All such insurance shall be secured and maintained in a company or companies reasonably satisfactory to Lender and Lessor, and shall be carried in the name of Lessee. Lessee's insurance shall be primary and not contributory to that carried by Lessor or any Lender. Lessee shall provide copies of insurance policies required hereunder to Lessor on or before the Commencement Date. The all risk property insurance policy shall name Lessor as "loss payee" as its interest may appear.

The amounts of all insurance required to be carried hereunder shall be reviewed on the fifth (5th) anniversary date of this Lease and each third (3rd) year thereafter and shall be increased, if necessary in Lessor's reasonable discretion, so that the amount of such coverage is at all times generally equal to the limits described herein measured in 2014 dollars, using the CPI-U.

The foregoing notwithstanding, if any Lender requires more coverage or additional coverage against other risks, then Lessor shall also be named on such increased and/or additional coverages.

(b) Waiver of Subrogation. The all-risk property insurance obtained by Lessor and Lessee will include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Lessor and Lessee, their officers, directors, employees, managers, agents, invitees and contractors, in connection with any loss or damage thereby insured against. The failure of a party to insure its property will not void this waiver. Notwithstanding anything to the contrary contained herein, Lessee hereby waives and releases any claims against the Lessor Parties for any loss or damage insured against or required to be insured against by Lessee hereunder (whether by self-insurance or otherwise), regardless of whether the negligence or fault of Lessor caused such loss. Lessor hereby waives and releases any claims against the Lessee Parties for any loss or damage insured against by Lessor or required to be insured against hereunder (whether by self-insurance or otherwise), regardless of whether the negligence or fault of Lessee caused such loss. The foregoing waivers and releases will not apply to losses or damages in excess of actual or required policy limits, whichever is greater. THIS RELEASES DESCRIBED HEREIN WILL APPLY EVEN IF THE LOSS OR

DAMAGE IS CAUSED BY THE FAULT OR NEGLIGENCE OF THE RELEASED PARTY OR ANY PERSON FOR WHOM SUCH RELEASED PARTY MAY BE RESPONSIBLE.

(c) Lessor's Right to Obtain Insurance. If Lessee fails to carry and maintain any insurance coverages and policies required pursuant to this Section 11.01, and if such failure continues for ten (10) days after notice by Lessor to Lessee, then Lessor may at its option (but shall not be required so to do) cause any such insurance to be issued, and in such event Lessee agrees to pay the premium for such insurance as Additional Rent promptly upon Lessor's demand. Any amounts paid by Lessor under this provision after a breach of this Section 11.01 will be deemed to be uncontested Additional Rent.

11.02 Hospital Sublease Insurance. Lessor and Lessee acknowledge and agree that because of the unique structure of this Lease and the relationship of Lessor, Lessee, and the Hospital Subtenant, Lessor, Lessee, and the Hospital Subtenant (and/or the Teaching Hospital Operator) may from time to time enter into agreements between and/or among such parties which set forth their agreements with respect to the maintenance of insurance on the Premises and the Improvements by Lessee and the Hospital Subtenant and/or the Teaching Hospital Operator (an "*Insurance Agreement*"). If no such Insurance Agreement exists at any time during the Term, then the provisions of this Lease and this Article XI shall control, and Lessor agrees that the insurance obligations of Lessee under this Article XI may be satisfied and performed by the Hospital Subtenant, and Lessor agrees to accept insurance which complies with this Article XI and which is maintained by the Hospital Subtenant as required by this Article XI in satisfaction of Lessee's covenants herein. If Lessor, Lessee, and the Hospital Subtenant and/or the Teaching Hospital Operator do have an Insurance Agreement then such Insurance Agreement shall control the obligations of Lessee and Hospital Subtenant with respect to the provision and maintenance of insurance. If Lessee or the Hospital Subtenant and/or the Teaching Hospital Operator fails to carry and maintain any insurance coverages and policies required pursuant to any separate Insurance Agreement, and if such failure continues for ten (10) days after notice by Lessor to Lessee and Hospital Subtenant and/or the Teaching Hospital Operator, then Lessor may at its option (but shall not be required so to do) cause any such insurance to be issued, and in such event Lessee agrees to pay the premium for such insurance as Additional Rent promptly upon Lessor's demand.

11.03 INDEMNITIES; WAIVERS OF CERTAIN CLAIMS.

(a) INDEMNITY BY LESSEE. LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DEATH, DAMAGE OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM ANY USE OF THE PREMISES OR IMPROVEMENTS, OR ANY PART THEREOF, OR CAUSED BY ANY DEFECT, MALFUNCTION OR OTHER CHARACTERISTIC OF ANY BUILDING, STRUCTURE OR OTHER IMPROVEMENT THEREON OR IN ANY EQUIPMENT OR ANY OTHER FACILITY ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OR ASPECT OF THE PREMISES, OR CAUSED BY OR ARISING FROM ANY ACT OR OMISSION OF LESSEE, THE HOSPITAL SUBTENANT, THE TEACHING HOSPITAL OPERATOR, OR ANY OF LESSEE'S OR THE HOSPITAL SUBTENANT'S OR THE TEACHING HOSPITAL OPERATOR'S RESPECTIVE AGENTS, OFFICERS, EMPLOYEES,

GUESTS, PATIENTS, INVITEES OR PERMITTEES, OR FAILURE TO MAINTAIN THE PREMISES, INCLUDING ALL OF THE IMPROVEMENTS, IN SAFE CONDITION AND IN COMPLIANCE WITH ALL APPLICABLE LAWS, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; HOWEVER, TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LESSOR WILL BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PERSONS OR THE IMPROVEMENTS OR LESSEE'S PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LESSOR RESPONSIBLE PARTY. EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LESSOR RESPONSIBLE PARTY, AND IN ALL EVENTS ONLY TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LESSEE SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY LESSEE AND REASONABLY ACCEPTABLE TO LESSOR) AND HOLD HARMLESS THE LESSOR PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY AND RELATED EXPENSES (INCLUDING COURT COSTS, ATTORNEYS AND EXPERTS' FEES) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY LESSEE OR THE HOSPITAL SUBTENANT IN THEIR RESPECTIVE OBLIGATIONS UNDER THIS LEASE AND THE HOSPITAL SUBLEASE, OR (ii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE OCCURRING ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OF THE PREMISES CAUSED BY ANY ACT OR OMISSION OF LESSEE, THE HOSPITAL SUBTENANT, OR THEIR RESPECTIVE AGENTS, OFFICERS, EMPLOYEES, INVITEES, GUESTS OR PERMITTEES.

(b) **INDEMNITY BY LESSOR.** LESSEE SHALL NOT BE LIABLE FOR ANY LOSS, DEATH, DAMAGE OR INJURY OF ANY KIND OR CHARACTER TO ANY OF LESSOR'S PROPERTY ARISING FROM ANY USE OF THE PREMISES OR ANY PART THEREOF OR CAUSED BY ANY DEFECT, MALFUNCTION OR OTHER CHARACTERISTIC OF ANY BUILDING STRUCTURE OR OTHER IMPROVEMENT THEREON OR IN ANY EQUIPMENT OR ANY OTHER FACILITY ON LESSOR'S PROPERTY, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; HOWEVER, LESSEE WILL BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PERSONS OR LESSOR'S PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LESSEE RESPONSIBLE PARTY. EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LESSEE RESPONSIBLE PARTY, AND IN ALL EVENTS ONLY TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LESSOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY LESSOR AND REASONABLY ACCEPTABLE TO LESSEE) AND HOLD HARMLESS THE LESSEE PARTIES FROM AND AGAINST ANY AND ALL CLAIMS CAUSES, DAMAGES LIABILITY AND RELATED EXPENSES (INCLUDING COURT COSTS ATTORNEYS AND EXPERTS' FEES) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY LESSOR UNDER THIS LEASE, OR (ii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE, CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR OR ANY LESSOR RESPONSIBLE PARTY.

(c) This Section 11.03 shall survive termination of this Lease.

11.04 Contractor's Insurance. Lessee or Hospital Subtenant shall cause any contractor of Lessee, Hospital Subtenant, the Teaching Hospital Operator, or any other Sublessee performing work on the Premises to maintain commercial general liability, business automobile liability, worker's compensation and employer's liability insurance policies with the same terms and substantially the same coverages set forth in Section 11.01. Such insurance shall contain a waiver of subrogation provision in favor of Lessor and its employees and agents. Lessee's, Seton's, or any other Sublessee's contractor's insurance shall be primary and not contributory to that carried by Lessee, Lessor, or their agents. Lessee and Lessor shall be named as additional insureds on Lessee's, the Hospital Subtenant's, or any other Sublessee's contractor's insurance policies, except for worker's compensation insurance policies. If Lessor, Lessee, and the Hospital Subtenant and/or the Teaching Hospital Operator have an Insurance Agreement in place, then such Insurance Agreement shall control the obligations of Lessee and Hospital Subtenant with respect to the provision and maintenance of insurance under this Section 11.04.

(a) Lessor's Right to Obtain Insurance. If any contractor of Lessee, the Hospital Subtenant, Teaching Hospital Operator, or any other Sublessee fails to carry and maintain any insurance coverages and policies required pursuant to this Article XI, and if such failure continues for ten (10) days after notice by Lessor to Lessee, then Lessor may at its option (but shall not be required so to do) cause any such insurance to be issued (or such similar insurance as Lessor may obtain to insure against the risks intended to be covered by the contractor's insurance), and in such event Lessee agrees to pay the premium for such insurance as Additional Rent within thirty (30) days after receipt of an invoice from Lessor therefor, along with reasonable backup documentation. Any amounts paid by Lessor under this provision after a breach of this Section 11.04 will be deemed to be uncontested Additional Rent.

11.05 Unavailability of Coverage. Lessee shall promptly notify Lessor in writing if it is unable to obtain any coverage required under Article XI because such coverage is no longer available in Texas. At which time, Lessee shall provide (or cause to be provided) to Lessor coverage(s) in the same amounts as set forth herein which are available in Texas and which are reasonably equivalent to the coverage otherwise required hereunder.

ARTICLE XII CASUALTY

12.01 Damage to Improvements. Should the Improvements or any other fixtures on the Premises be wholly or partially destroyed or damaged by fire, or any other casualty whatsoever during the Term, Lessee shall commence the work of repair, reconstruction or replacement of the damaged or destroyed Improvements and fixtures and prosecute the same with reasonable diligence to completion, so that the same shall, at the sole expense of Lessee, be restored to substantially the same size, function, and value as existed prior to the damage (to the extent reasonably possible). Notwithstanding the foregoing, if the Improvements or any other fixtures on the Premises are damaged, destroyed, or rendered unusable as a hospital by fire or other casualty to the extent of more than fifty percent (50%) of the cost to replace the same during the last ten (10) years of the Term, then Lessee will have the right to terminate this Lease

effective as of the date of such casualty by giving to Lessor, within ninety (90) days after the happening of such casualty, written notice of such termination. If such notice is given, this Lease will terminate and Rent shall be abated as of the termination date and Lessee will promptly pay or assign to Lessor any and all insurance proceeds recoverable by Lessee as a result of such casualty, and the full amount of all prepaid Rent under this Lease, prorated as of the date of termination, will be refunded and returned by Lessor to Lessee (that is, any Rent paid and applicable to any period of time after the date of termination). Provided, however, if Lessee elects to terminate this Lease under this Section 12.01, then Lessor shall have the right to require demolition and remediation of the Premises as provided in Section 21.03, and Lessor agrees that insurance proceeds may be used by Lessee for any demolition and remediation required by Lessor.

12.02 **No Abatement of Rental.** In no event shall Lessee be entitled to any abatement, allowance, reduction, or suspension of Rent or other charges herein reserved, except as may otherwise be expressly provided in this Lease.

ARTICLE XIII **CONDEMNATION**

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

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

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

(c) *“Substantial Taking”* means the Taking of so much of the Land, Improvements, or the easements benefiting the Land necessary for the use and operation of the Teaching Hospital (unless such easements are replaced with other suitable easements for the required uses), such that the remaining Premises would not be economically and feasibly usable as a hospital, in Lessee’s reasonable opinion, by Lessee.

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

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

- (a) Notice of intended Taking.
- (b) Service of any legal process relating to condemnation of the Land or Improvements.
- (c) Notice in connection with any proceedings or negotiations with respect to such condemnation.
- (d) Notice of intent or willingness to make or negotiate a private purchase, sale, or transfer in lieu of condemnation.

13.03 **Representative of Each Party; Effectuation.** Lessor and Lessee shall each have the right to represent its respective interests in each proceeding or negotiation with respect to a Taking or intended Taking and to make full proof of his or its claims. Lessor and Lessee each agrees to execute and deliver to the other any instruments that may be required to effectuate or facilitate the provisions of this Lease relating to condemnation.

13.04 **Total or Substantial Taking.** If Lessee determines that the Taking is substantial under the definition appearing in Section 13.01(c) above, Lessee may, by notice to Lessor given within one hundred twenty (120) days after Lessee receives notice of intended Taking, elect to treat the Taking as a Substantial Taking. If Lessee fails to so notify Lessor, and provided that the Taking is not a Total Taking, the Taking shall be deemed a “*Partial Taking*”. A Substantial Taking shall be treated as a Total Taking if (1) the taking meets the definition of Substantial Taking; (2) Lessee delivers notice to Lessor within one hundred twenty (120) days after Lessee receives notice of intended Taking, as provided above; and (3) no Lessee Default exists under this Lease and Lessee has complied with all Lease provisions concerning apportionment of the award. If these conditions are not met, the Taking shall be treated as a Partial Taking.

13.05 **Delivery of Possession.** Lessee may continue to occupy the Premises and Improvements until the date possession of all or such part of the Premises is taken by, or conveyed to, the condemning authority.

13.06 **Total Taking or Substantial Taking.** In the event of a Total Taking or Substantial Taking:

- (a) Lessee’s obligation to pay Rent terminates, and the full amount of all prepaid Rent under this Lease, prorated to the date of termination, will be refunded and returned by Lessor to Lessee, unless such Rent has been addressed in the Award;
- (b) this Lease terminates on the date possession of all or such part of the Premises is taken by, or conveyed to, the condemning authority, and Lessee shall surrender possession of the Premises to Lessor; and

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

13.07 **Partial Taking**. In the event of a Partial Taking:

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

(b) This Lease remains in full force;

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

(d) Lessee shall promptly commence reconstruction of the Improvements damaged by such Partial Taking to as near the condition as existed prior to such Taking as is reasonably practicable and diligently prosecute the same to completion.

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

ARTICLE XIV

LESSEE DEFAULTS; REMEDIES

14.01 **Introduction**. Lessee Defaults fall into five categories ("*Lessee Defaults*"): (1) Primary Lease Termination Defaults, which can result in termination of this Lease or Lessee's rights under this Lease after notice and opportunity to cure, as provided herein; (2) Secondary Lease Termination Defaults, which can result in termination of this Lease or Lessee's rights under this Lease after notice and opportunity to cure as provided herein and, if applicable, after Dispute Resolution as provided herein; (3) Non-Termination Defaults, which can be defaults under this Lease by Lessee, a Hospital Subtenant, and/or a Teaching Hospital Operator and which will not result in termination of this Lease or Lessee's rights under this Lease but may result in a termination of the Hospital Sublease or Teaching Hospital Operator Agreement; (4) HS/THO Defaults, which are defaults by the Hospital Subtenant or Teaching Hospital Operator and which will not result in termination of this Lease or Lessee's rights under this Lease but may result in a termination of the Hospital Sublease or Teaching Hospital Operator Agreement; and (5) TRN Defaults, which are Lessee Defaults as a result of Threatening Regulatory Notice.

Defaults in one category, if not cured within the applicable cure period or if not resolved through Dispute Resolution (if applicable), can become defaults in other categories, as set forth in this Article XIV.

14.02 **Primary Lease Termination Defaults**. Each of the following events shall be a breach of this Lease and shall constitute a “*Primary Lease Termination Default*”:

(a) At any time after the opening of the new Teaching Hospital after completion of Initial Construction, the Required Teaching Hospital Services are not provided during a DMS Affiliation Period, and the same is not cured within sixty (60) days after notice of such failure from Lessor to Lessee and the Hospital Subtenant; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said sixty (60) days, then for such longer time as may be reasonably necessary so long as Lessee and/or the Hospital Subtenant commences the cure within said sixty (60) days and thereafter diligently prosecutes the same to completion within a reasonable period of time not to exceed one hundred twenty (120) days (an “*RTHS Default*”).

(b) At any time after the opening of the new Teaching Hospital after completion of Initial Construction, failure by Lessee, the Hospital Subtenant, and/or the Teaching Hospital Operator, as applicable, to maintain the Required Hospital Permits (a “*Hospital Licensing Default*”).

(c) Failure or refusal to pay when due the Base Rent and the Common Area Assessment as provided in Article V of this Lease if such failure to pay is not cured within twenty (20) days after written notice thereof is provided to Lessee and the Hospital Subtenant.

(d) Failure or refusal to pay when due any uncontested Additional Rent or other uncontested sums required by this Lease to be paid by Lessee if such failure to pay is not cured within forty-five (45) days after written notice thereof is provided to Lessee and the Hospital Subtenant; any contested amounts will be subject to Dispute Resolution, as provided below.

(e) The taking by execution of Lessee’s leasehold estate for the benefit of any person other than a Lender or purchaser at a foreclosure under a Mortgage in accordance with and subject to all terms, conditions, and restrictions in this Lease.

(f) Any impermissible assignment of this Lease or subletting of all or substantially all of the Premises by Lessee in violation of Article X of this Lease which is not cured within thirty (30) days after written notice of such default is provided by Lessor to Lessee.

(g) Any impermissible subletting of the Premises by Lessee in violation of Article X of this Lease which is not cured within ninety (90) days after written notice of such default is provided by Lessor to Lessee.

(h) A TRN Diligence Failure that (i) exists after notice and opportunity to cure and, if applicable, Dispute Resolution as provided in Section 14.06(c) of this Lease, or (ii) constitutes a Primary Lease Termination Default under Section 14.06(c)(iii) of this Lease.

14.03 **Secondary Lease Termination Defaults.** Each of the following events shall be a breach of this Lease and shall constitute a “*Secondary Lease Termination Default*”:

(a) The filing of a petition for relief against Lessee as debtor, with or without Lessee’s consent or acquiescence, or the commencement by Lessee of a voluntary case under, the Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state law of similar import, which is not dismissed within one hundred twenty (120) days after the commencement of such case; provided, however, none of the foregoing shall constitute a Secondary Lease Termination Default after the original 120-day period, provided that all covenants of Lessee under this Lease are continued in performance by Lessee, its successors, or legal representatives, or by any Lender such that no other Primary Lease Termination Default or Secondary Lease Termination Default (collectively, “*Lease Termination Defaults*”) has occurred and is continuing.

(b) The entry of a decree or order by a court having jurisdiction over the Premises, appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for Lessee or any substantial part of the properties of Lessee or ordering the winding up or liquidation of the affairs of Lessee, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) days after the original entry thereof; provided, however, none of the foregoing shall constitute a Secondary Lease Termination Default if the continuance of any such decree or order unstayed remains in effect for a period in excess of the original 90-day period but for no more than twenty-four (24) months, if all covenants of Lessee under this Lease are continued in performance by Lessee, its successors, or legal representatives, or by any Lender and such that no other Lease Termination Default has occurred and is continuing.

(c) Except as otherwise provided in this Section 14.03(c), any breach of or default under Sections 4.01(a), 4.01(c), 4.02, 4.03, 4.08, 7.08(c), 9.01, 9.03, 9.04, or 23.02 which is not cured within any applicable cure period stated for such default and if none is stated, then if such default is not cured within ninety (90) days after notice of such default from Lessor to Lessee and Hospital Subtenant; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within ninety (90) days, then for such longer time as may be reasonably necessary so long as Lessee and/or Hospital Subtenant commences the cure promptly after receipt of notice of default and thereafter diligently prosecutes the same to completion within a reasonable period of time not to exceed one hundred eighty (180) days. Secondary Lease Termination Defaults under this Section 14.03(c) shall be subject to Dispute Resolution. This Section 14.03(c) does not apply to a breach or default under Section 4.01(a) or Section 4.01(c) relating to the provision of the Required Teaching Hospital Services during a DMS Affiliation Period or the maintenance of the Required Hospital Permits. In the event of a conflict between the provisions of this Section 14.03(c) and the provisions of Sections 14.02(a), 14.02(b), and 15.01, the provisions of Sections 14.02(a), 14.02(b), and 15.01 will control.

14.04 **Non-Termination Defaults.** Each of the following events shall be a breach of this Lease and shall constitute a “*Non-Termination Default*”:

(a) Failure by Lessee to perform as required any covenant, agreement, or obligation (other than the payment of Rent or any other liquidated sum of money) or the breach of a provision or covenant by Lessee (or if applicable the Hospital Subtenant or Teaching Hospital Operator) that is not a Primary Lease Termination Default, a Secondary Lease Termination Default, or a TRN Default, and the same is not cured within sixty (60) days after written notice of such failure from Lessor to Lessee and Hospital Subtenant; provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said sixty (60) days, then for such longer time as may be reasonably necessary so long as Lessee and/or the Hospital Subtenant commences the cure within said sixty (60) days and thereafter diligently prosecutes the same to completion. If any other provision of this Lease has a different cure period for a specific default or breach, that provision shall control.

(b) Failure by Lessee to negotiate and cooperate in good faith as required under Sections 19.05(b) and 19.05(f).

14.05 **HS/THO Defaults.** Each of the following events shall be a breach of this Lease and shall constitute an “*HS/THO Default*”:

(a) The filing of a petition for relief against Hospital Subtenant as debtor, with or without the Hospital Subtenant’s consent or acquiescence, or the commencement by the Hospital Subtenant of a voluntary case under, the Bankruptcy Code, as now or hereafter constituted, or any other applicable federal or state law of similar import, which is not dismissed within one hundred twenty (120) days after the commencement of such case; provided, however, none of the foregoing shall constitute an HS/THO Default provided that all covenants of Lessee under this Lease are continued in performance by Lessee, its successors, or legal representatives, or by any Lender, such that no other Lease Termination Default has occurred and is continuing.

(b) The entry of a decree or order by a court having jurisdiction over the Premises, appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator, or other similar official of or for Hospital Subtenant or any substantial part of the properties of Hospital Subtenant which includes the Hospital Subtenant’s leasehold estate under the Hospital Sublease or ordering the winding up or liquidation of the affairs of the Hospital Subtenant, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days; provided, however, none of the foregoing shall constitute an HS/THO Default if the continuance of any such decree or order unstayed remains in effect for a period in excess of the original 90-day period but for no more than twenty-four (24) months, if all covenants of Lessee and the Hospital Subtenant under this Lease (and any guaranty of this Lease by such Hospital Subtenant) are continued in performance by Lessee, its successors, or legal representatives, or by any Lender, such that no other Lease Termination Default has occurred and is continuing.

(c) Any impermissible assignment of the Hospital Sublease or subletting of all or substantially all of the Premises by Seton or any future Hospital Subtenant in violation of

Article X of this Lease which is not cured within thirty (30) days after written notice of such default is provided by Lessor to Lessee and the Hospital Subtenant.

(d) Any impermissible subletting of the Premises by Seton or any future Hospital Subtenant in violation of Section 10.06 of this Lease which is not cured within ninety (90) days after written notice of such default is provided by Lessor to Lessee and the Hospital Subtenant.

14.06 **TRN Default.** A “*TRN Default*” means receipt by Lessor, Lessee, the Hospital Subtenant, and/or the Teaching Hospital Operator of a written notice (a “*Threatening Regulatory Notice*”) from any Governmental Authority or certifying or accrediting entity or organization that (i) Lessee, Hospital Subtenant, or the Teaching Hospital Operator either: (1) has (or may have) materially violated or is (or may be) in material violation of any Healthcare Laws or (2) has (or may have) failed to comply with or is not (or may not be) currently in compliance with any requirement necessary to maintain a Required Hospital Permit and (ii) threatens to take an action (or takes an action) that could potentially result in an RTHS Default or a Hospital Licensing Default. Except as otherwise provided below, upon the occurrence of a TRN Default, Lessor shall not have the right to terminate this Lease or Lessee’s right to possession of the Premises but the following provisions shall apply.

(a) **Response Plan.** If Lessee, the Hospital Subtenant, or the Teaching Hospital Operator receive a Threatening Regulatory Notice, then within ten (10) days thereafter, the recipient of such Threatening Regulatory Notice will give written notice to Lessor (and if Lessee was not the recipient, will give Lessee written notice) of its receipt of the Threatening Regulatory Notice and provide a copy thereof to Lessor (and Lessee if applicable). Within sixty (60) days after the receipt of a Threatening Regulatory Notice (or such earlier time period as may be necessary to comply with the requirements of the Threatening Regulatory Notice): (i) Lessee and Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) will confer with Lessor regarding the allegations in the Threatening Regulatory Notice, and (ii) Lessee and Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) shall develop an analysis of, plan to resolve, and proposed timeline (as the same may be amended and/or modified, the “*Response Plan*”) to resolve the allegations in the Threatening Regulatory Notice and share the Response Plan with Lessor to the extent it can without waiver of the attorney-client privilege. If and to the extent that the Response Plan or portions thereof are subject to the attorney-client privilege, then Lessee and Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) will provide to Lessor a non-privileged summary of the Response Plan and the proposed timeline to resolve the allegations in the Threatening Regulatory Notice. If the Threatening Regulatory Notice relates to the accreditation of Dell Medical School and/or the possible loss of such accreditation, then Lessor shall have the right to review and approve the Response Plan (which approval will not be unreasonably withheld, conditioned, or delayed) and to participate in the response and any appeals.

(b) **Ongoing Information and Reporting.** The Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) shall: (i) deliver any additional information reasonably requested by Lessor or Lessee regarding the allegations in the Threatening Regulatory Notice and the contents of the Response Plan, (ii) participate in any meetings

requested by either party to discuss the status of the allegations in the Threatening Regulatory Notice and of the Response Plan, (iii) provide Lessor with copies of information and responses given to the applicable Governmental Authority or to ACGME, LCME, or any other accrediting entity or organization, and (iv) give the Lessor and Lessee immediate notice of any material changes in the status of or further communications regarding the Threatening Regulatory Notice, changes in deadlines for responses to and/or appeals of Threatening Regulatory Notice or underlying regulatory violations, or any additional violations alleged by any Governmental Authority or by ACGME, LCME, or any other accrediting entity or organization. Lessor acknowledges and agrees that the Response Plan may be amended and/or modified from time to time by Lessee and/or the Hospital Subtenant based on changes in strategy and/or changes in deadlines for responses to and/or appeals of the Threatening Regulatory Notice or underlying regulatory violations, and Lessee and Hospital Subtenant agree to provide Lessor with information concerning such amendments and modifications and to update the Response Plan accordingly. Upon Hospital Subtenant's written request, Lessor and Lessee will cooperate with Hospital Subtenant in connection with Hospital Subtenant's response to the Threatening Regulatory Notice.

(c) TRN Diligence Failure. In the event that Lessee or Hospital Subtenant and/or the Teaching Hospital Operator, if applicable (collectively referred to as the "Respondent", whether one or more) is not pursuing a cure of the violation, breach, or failure to comply alleged in the Threatening Regulatory Notice with diligent legal and operational efforts consistent with the Response Plan then, subject to the other provisions of this Section 14.06(c), a "TRN Diligence Failure" will be deemed to have occurred, and Lessor may give Lessee and the Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) notice thereof in accordance with Section 14.06(c)(ii) below:

(i) In determining whether or not Respondent is pursuing diligent legal and operational efforts, if the response involves a formal response or appeals process with stated deadlines, then so long as the Respondent is complying with all timelines and deadlines of such formal response or appeals process and otherwise following the Response Plan, then Respondent will be deemed to be using diligent legal and operational efforts and no TRN Diligence Failure will exist.

(ii) If Lessor reasonably believes a TRN Diligence Failure has occurred, then Lessor may give Lessee and the Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) notice of such TRN Diligence Failure (a "TRN Diligence Failure Notice"), and Lessee and the Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) shall have ten (10) Business Days to provide to Lessor reasonable evidence that the Respondent is diligently pursuing the cure of the violation or breach alleged in the Threatening Regulatory Notice with diligent legal and operational efforts consistent with the Response Plan.

(iii) If such satisfactory evidence is not provided to Lessor, then, subject to Section 14.06(c)(iv) below, the TRN Diligence Failure will constitute a Primary Lease Termination Default if such TRN Default and subsequent TRN Diligence Failure will result in an RTHS Default and/or a Hospital Licensing Default, and Lessor

may give Lessee and the Hospital Subtenant written notice of a Primary Lease Termination Default.

(iv) If Respondent and/or Lessee, Hospital Subtenant, and/or the Teaching Hospital Operator disagree with Lessor's assertion set forth in a TRN Diligence Failure Notice that a TRN Diligence Failure has occurred, then any such party may give a Dispute Notice to Lessor (with copies to all other parties), and the applicable parties will pursue Dispute Resolution as provided in Article XVIII below, subject to the following: if the Threatening Regulatory Notice alleges a violation or breach that, if not cured will result in an RTHS Default or a Hospital Licensing Default, then all time periods for negotiation and mediation will be modified and shortened if necessary such that negotiation under Section 18.03 and mediation under Section 18.04 will be completed before any deadlines for curing or complying with the violation or breach alleged in the Threatening Regulatory Notice with a reasonable period of time after conclusion of mediation which will allow Lessor or any other party to exercise self-help rights (to which all parties hereby consent and agree) to cure any alleged violation or breach that, if not cured will result in an RTHS Default or a Hospital Licensing Default.

(d) Termination of Hospital Sublease. Notwithstanding the provisions of this Section 14.06, Section 15.01, or Section 15.02, Lessor shall not have the right to terminate this Lease or Lessee's right to possession of the Premises if Lessee is diligently pursuing the cure of the violation alleged in the Threatening Regulatory Notice or any rights it may have under the Hospital Sublease to terminate the Hospital Sublease or the Hospital Subtenant's right of possession under the Hospital Sublease due to a Threatening Regulatory Notice in conjunction and cooperation with Lessor and the pursuit of a replacement Hospital Subtenant or a Teaching Hospital Operator. Lessee agrees that it will not terminate the Hospital Sublease or the Hospital Subtenant's right of possession under the Hospital Sublease due to a TRN Default if for any reason Lessor and the Hospital Subtenant (or Teaching Hospital Operator) are working together to cure and are diligently pursuing the cure of such TRN Default.

(e) Teaching Hospital Operator. If at the time of any Threatening Regulatory Notice there is not a Hospital Subtenant but there is a Teaching Hospital Operator, then the foregoing provisions shall be interpreted to include and apply to the Teaching Hospital Operator.

ARTICLE XV LESSOR'S REMEDIES

15.01 Special RTHS/HL Cure Period. A default under Section 14.02(a) or 14.02(b) which is caused by the Hospital Subtenant is an "*RTHS/HL Default*". If an RTHS/HL Default occurs, then prior to issuing a Termination Notice (as defined in Section 19.03), Lessor must give Lessee and the Hospital Subtenant written notice of the RTHS/HL Default and Lessee and Hospital Subtenant will have one (1) year from the date of receipt of such notice to cure the RTHS/HL Default, subject to and in accordance with this Section 15.01 (such one year period, the "*Special RTHS/HL Cure Period*").

(a) Cure Plan. During the Special RTHS/HL Cure Period, Lessee and, if applicable, the Hospital Subtenant, must diligently pursue the cure of such RTHS/HL Default. Within fifteen (15) days after Lessee and the Hospital Subtenant receive Lessor's written notice of the RTHS/HL Default, Lessee and Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) will provide to Lessor a plan to cure the RTHS/HL Default and proposed timeline for such cure, which in no event shall be for a time period longer than the Special RTHS/HL Cure Period (as the same may be amended and/or modified, the "*Cure Plan*"). Provision of the Cure Plan to Lessor will not constitute a waiver by Lessee or Hospital Subtenant of their respective rights to assert the attorney-client privilege with respect to information in the Cure Plan. If Lessor determines in its reasonable discretion that the Cure Plan is inadequate, then Lessor, Lessee, and Hospital Subtenant will promptly meet to discuss Lessor's concerns and if necessary to negotiate in good faith to agree on changes to the Cure Plan. If the Cure Plan relates to a failure to provide Required Teaching Hospital Services at the Teaching Hospital and the accreditation of Dell Medical School or the loss of such accreditation, then Lessor shall have the right to participate in the actions outlined in the Cure Plan. During such Special RTHS/HL Cure Period, Lessor, Lessee, and Hospital Subtenant shall cooperate in good faith to ensure, to the extent possible taking into account the RTHS/HL Default, the continuation of the Required Teaching Hospital Services during the DMS Affiliation Period, the applicable Safety Net Requirement, and the Required Hospital Permits, including without limitation by providing services required under the 2014 Hospital Sublease, whether on the Premises or at other service sites as contemplated by the CH/CCC Affiliation Agreement and the Teaching Hospital Affiliation Agreement.

(b) Ongoing Information and Reporting. Lessee and the Hospital Subtenant (and/or the Teaching Hospital Operator, if applicable) shall: (i) deliver any additional information reasonably requested by Lessor regarding the status of reinstatement of any Required Hospital Permits or obtaining new Required Hospital Permits or regarding the reestablishment of the Required Teaching Hospital Services, (ii) participate in any meetings reasonably requested by Lessor from time to time to discuss the execution of and pursuit of the Cure Plan, (iii) provide Lessor with copies of information and responses given to the applicable Governmental Authority or to ACGME, LCME, or any other accrediting entity or organization, and (iv) give Lessor notice of any responses received from the applicable Governmental Authority or from ACGME, LCME, or any other accrediting entity or organization with respect to the accreditations and/or permits which are the subject to the Cure Plan. Lessor acknowledges and agrees that the Cure Plan may be amended and/or modified from time to time by Lessee and/or the Hospital Subtenant based on changes in strategy and/or responses received by the applicable Governmental Authority or by ACGME, LCME, or any other accrediting entity or organization with respect to the accreditations and/or permits which are the subject to the Cure Plan, and Lessee and Hospital Subtenant agree to provide Lessor with information concerning such amendments and modifications and to update the Cure Plan accordingly. Upon Hospital Subtenant's and Lessee's written request, Lessor will cooperate with Lessee and Hospital Subtenant in connection with the execution of the Cure Plan.

(c) Cure Diligence Default. In the event that Lessee and Hospital Subtenant are not pursuing a cure of the RTHS/HL Default with diligent legal and operational efforts

consistent with the Cure Plan then, subject to the other provisions of this Section 15.01(c), a “*Cure Diligence Default*” will be deemed to have occurred, and Lessor may give Lessee and the Hospital Subtenant notice thereof in accordance with Section 15.01(c)(ii) below.

(i) In determining whether or not Lessee and Hospital Subtenant are pursuing diligent legal and operational efforts, if the Cure Plan involves formal submittals and responses with stated deadlines, then so long as they are complying with all such timelines and deadlines and otherwise following the Cure Plan, then Lessee and Hospital Subtenant will be deemed to be using diligent legal and operational efforts and no Cure Diligence Default will exist.

(ii) If Lessor reasonably believes a Cure Diligence Default has occurred, then Lessor may give Lessee and the Hospital Subtenant notice of such Cure Diligence Default (a “*Diligence Default Notice*”), and Lessee and the Hospital Subtenant shall have ten (10) Business Days to provide to Lessor reasonable evidence that they are diligently pursuing the cure of the RTHS/HL Default with diligent legal and operational efforts consistent with the Cure Plan.

(iii) If such satisfactory evidence is not provided to Lessor, then, subject to Section 15.01(c)(iv) below the Cure Diligence Default will constitute a basis for Lessor to exercise its rights under Section 15.02 subject to its terms; provided, however, if the Cure Diligence Default was caused by the Hospital Subtenant and the Special RTHS/HL Cure Period has not expired, then Lessee may cure the Cure Diligence Default within the Special RTHS/HL Cure Period.

(iv) If Lessee and Hospital Subtenant disagree with Lessor’s assertion set forth in a Diligence Default Notice that a Cure Diligence Default has occurred, then any such party may give a Dispute Notice to Lessor (with copies to all other parties), and the applicable parties will pursue Dispute Resolution as provided in Article XVIII below. Provided, however, in all events the time periods for negotiation and mediation will be modified and shortened so that the Dispute Resolution will be completed not less than ten (10) Business Days before the expiration of the Special RTHS/HL Cure Period. Negotiation under Section 18.03 and mediation under Section 18.04 will not extend the Special RTHS/HL Cure Period.

15.02 Lessor’s Termination and Possession Remedies. Except as otherwise provided in this Lease (including Sections 15.01 and 15.04), (i) upon the occurrence of a Primary Lease Termination Default or (ii) if a Secondary Lease Termination Default is not cured as provided in Section 14.03 (after the conclusion of Dispute Resolution, if applicable), then Lessor has the following remedies in addition to all other rights and remedies provided by law or equity, to which Lessor may resort cumulatively or in the alternative:

(a) Lease Termination. Lessor may, at Lessor’s election, terminate this Lease by giving Lessee a Termination Notice. On the giving of the Termination Notice, all of Lessee’s rights in the Premises and in all Improvements shall terminate (unless provided otherwise in Article XIX because the Lease Termination Default was caused by the Hospital Subtenant or

Teaching Hospital Operator) and the applicable procedures set forth in Article XIX shall apply. After the Termination Notice is given but subject to and in accordance with Article XIX below, Lessee shall surrender and vacate the Premises and all Improvements and Lessor may reenter and take possession of the Premises and all Improvements and eject all parties in possession or eject some and not others or eject none (subject to the rights of the Hospital Subtenant under the Hospital Sublease and the rights of any Sublessees under other Subleases which may survive termination of this Lease in accordance with their terms or under other agreements with Lessor, such as attornment and non-disturbance agreements). Termination under this Section 15.02(a) shall not relieve Lessee from the payment of any sum then due to Lessor or from any claim for damages previously accrued or then accruing against Lessee in excess of the fair market value of all Improvements as of the date of termination of this Lease, based on an independent appraisal of the Improvements performed by an appraiser approved by Lessor and Lessee, assuming that Lessor will be taking title to the Improvements free and clear of all liens and encumbrances, including the Hospital Sublease or any other lease with the Hospital Subtenant, and after deducting any payment or offset claim that may be made by Seton for the value of the Improvements (it being agreed that to the extent a claim for offset may be made for the value of the Improvements that, as between Lessee and Seton, Seton will have the sole right to benefit from such claim, unless Lessee has unconditionally exercised its option to purchase under the Option Agreement within the Option Period [as defined in the Option Agreement] and has consummated its purchase of all of the Teaching Hospital Assets [as defined in the Option Agreement] in accordance with the terms and conditions of the Option Agreement, in which case Lessee will have the sole right to benefit from such claim). If the Hospital Subtenant will remain in possession of the Improvements after termination of this Lease and Lessee's rights under this Lease, then the fair market value of the Improvements will be discounted to take into account the Hospital Subtenant's rights in and to and right to occupy and use the Improvements. Nothing herein shall be construed to imply that Lessor is liable to Lessee or the Hospital Subtenant for any amount by which the fair market value of the Improvements may exceed a claim for damages against Lessee and/or Seton.

(b) Termination of Possession. Lessor may, at Lessor's election, reenter the Premises, and, without terminating this Lease, at any time and from time to time relet the Premises and Improvements or any part or parts of them for the account and in the name of Lessee or otherwise (subject to the rights of the Hospital Subtenant under the Hospital Sublease and the rights of any Sublessees under other Subleases which may survive termination of this Lease and the termination of Lessee's right of possession in accordance with their terms or under other agreements with Lessor, such as attornment and non-disturbance agreements). Lessor may terminate all rights of Lessee under this Lease (unless provided otherwise in Article XIX because the Lease Termination Default was caused by the Hospital Subtenant or Teaching Hospital Operator), except those that may survive during the Hospital Transition Period and that expressly survive termination of this Lease. Lessor may, at Lessor's election, eject all persons or eject some and not others or eject none (subject to the rights of the Hospital Subtenant under the Hospital Sublease and the rights of any Sublessees under other Subleases which may survive termination of this Lease and the termination of Lessee's right of possession in accordance with their terms or under other agreements with Lessor, such as attornment and non-disturbance agreements). Lessor shall apply all rents from reletting, if any, first to the reasonable costs and

expenses incurred by Lessor in reletting the Premises, then to the reasonable costs and expenses incurred by Lessor in operating and maintaining the Improvements, and then to rents and other sums payable by Lessee to Lessor, with the balance being retained by Lessor. Any reletting may be for the remainder of the Term or for a longer or shorter period. Lessor may execute any leases made under this provision either in Lessor's name or in Lessee's name and shall be entitled to all rents from the use, operation or occupancy of the Premises or Improvements or both. No act by or on behalf of Lessor under this provision shall constitute a termination of this Lease unless Lessor gives a Termination Notice. Nothing contained herein shall be deemed to place any obligation on Lessor to relet the Premises. Lessee acknowledges that in the event Lessor terminates Lessee's right of possession, then (i) all other rights of Lessee under this Lease will terminate except those that may survive during the Hospital Transition Period and that expressly survive termination of this Lease and (ii) Lessor may continue this Lease in effect with the Hospital Subtenant directly assuming this Lease as Lessee.

(c) Hospital Sublease. Notwithstanding anything contained herein to the contrary, the Hospital Sublease shall not be terminated solely by any termination of this Lease, any termination of Lessee's rights under this Lease, and/or by Lessor's reentering the Premises.

(i) Upon any termination of this Lease by Lessor or by any court action or order, then Lessor will elect, by written notice to the Hospital Subtenant, either of the following: (A) that Lessor chooses to succeed to all rights of Lessee under the Hospital Sublease, and in such event, the Hospital Subtenant shall attorn to Lessor, and the Hospital Sublease shall continue as a direct lease between Lessor and the Hospital Subtenant, but all duties, obligations, liabilities, and covenants of Lessor shall be limited to the extent that they are enforceable against Lessor as authorized by the Constitution and laws of the State of Texas, including without limitation as provided in Section 22.09 below; or (B) that Lessor chooses to have the Hospital Subtenant succeed to all rights, duties, and obligations of Lessee under this Lease. If Lessor chooses to have the Hospital Subtenant succeed to all rights, duties, and obligations of Lessee under this Lease, then the Hospital Subtenant will attorn to Lessor and assume all duties and obligations of Lessee under this Lease, and this Lease shall continue as a direct lease between Lessor and the Hospital Subtenant.

(ii) If this Lease is terminated as a direct or indirect result of an RTHS Default and/or a Hospital Licensing Default caused by the Hospital Subtenant, then Lessor's termination of this Lease shall also result in the termination of the Hospital Sublease, unless Lessor expressly agrees in writing to the continuation of the Hospital Sublease.

(d) Cooperation Following Termination. If Lessor exercises its rights under this Section and provided that (i) the Primary Lease Termination Default was not caused by the Hospital Subtenant (or, if applicable, the Teaching Hospital Operator), and (ii) Hospital Subtenant is in compliance with the Hospital Sublease in all material respects (and (A) Seton, if the Hospital Subtenant, is in compliance with the Seton Joinder and this Lease, or (B) any future Hospital Subtenant, if different from Seton, is in compliance with this Lease, the Seton Joinder (if applicable), and/or any guaranty of this Lease by such future Hospital Subtenant) and the

Teaching Hospital Affiliation Agreement (or, if applicable, the Teaching Hospital Operator is in compliance with the Teaching Hospital Operator Agreement and the Teaching Hospital Affiliation Agreement), then (1) Lessor will work with the Hospital Subtenant (or, if applicable, the Teaching Hospital Operator), to recommence and thereafter continue the effective operation of the Teaching Hospital, and (2) Lessee will cooperate in good faith with Lessor and Hospital Subtenant (or, if applicable, the Teaching Hospital Operator) to assure an orderly transition to a new arrangement under this Lease consistent with the terms of this Lease and the Teaching Hospital Affiliation Agreement (if applicable).

15.03 **Lessor's Non-Termination Remedies.** Except as otherwise provided in this Lease, upon the occurrence of a Non-Termination Default or an HS/THO Default (provided that such HS/THO Default does not become a Lease Termination Default), Lessor shall not have the right to terminate this Lease or Lessee's right to possession of the Premises pursuant to Section 15.02(a) or Section 15.02(b) but shall have the following remedies in addition to all other rights and remedies provided by law or equity, to which Lessor may resort cumulatively or in the alternative:

(a) **Other Agreements.** Subject to the terms of the applicable agreement, Lessor may exercise its rights under any other agreement, security instrument, collateral assignment, guaranty, or other document in any way securing this Lease or guaranteeing this Lease and Lessee's performance and obligations hereunder.

(b) **Self-Help.** Lessor may exercise and pursue reasonable self-help remedies to cure any Non-Termination Default or an HS/THO Default and to preserve and protect the Required Hospital Permits and to assure the continuation of Required Teaching Hospital Services during a DMS Affiliation Period, provided such remedies and actions by Lessor are reasonably consistent with the Affiliation Agreements then in effect and do not unreasonably interfere with the exercise by Lessee of its remedies under such Affiliation Agreements or the Hospital Sublease.

(c) **Judicial Resolution.** Lessor has the option to pursue Judicial Resolution (as defined below in Section 18.05) by giving written notice to Lessee of its intent to pursue Judicial Resolution ("*Lessor Notice of Suit*"). As used in this Section 15.03(c), Lessee Default means a Non-Termination Default or an HS/THO Default. Upon receipt of such a Lessor Notice of Suit, Lessee shall have the following options:

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

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

(iii) To the extent authorized by and allowed under the Constitution and laws of the State of Texas, Lessee may bring suit against Lessor seeking a declaratory judgment regarding the Lessee Default that is raised by Lessor and proceed to participate in the Judicial Resolution.

Nothing herein shall be construed to provide Seton or any Hospital Subtenant with the right to assert sovereign immunity or any similar defense that it does not have as a matter of law, nor shall any of these provisions limit the right of Lessor to pursue Judicial Resolution with respect to a Lessee Default caused in whole or in part by any act or omission of the Hospital Subtenant or any Teaching Hospital Operator or a breach by Seton of the Seton Joinder.

(d) Lessor's Suspension of Performance. If any of the following occurs: (i) Lessee refuses to participate in the Judicial Resolution, (ii) fails to respond to the Lessor Notice of Suit within sixty (60) days of such notice, (iii) Lessee responds in writing to the Lessor Notice of Suit that it will not file a declaratory judgment as described in Section 15.03(c)(iii) above, (iv) Lessee responds in writing to the Lessor Notice of Suit that it is unable or unwilling to effectively waive sovereign immunity as a defense to a lawsuit filed by Lessor seeking Judicial Resolution, or (v) either Lessee or Lessor files a suit seeking a Judicial Resolution and such suit is dismissed or otherwise terminated by final judicial decision because such suit is precluded by sovereign immunity applicable to Lessee, then Lessor may suspend the performance of any or all of Lessor's duties and obligations under this Lease by giving written notice to Lessee and until the applicable Lessee Default is resolved (and in no event shall any such suspension of performance by Lessor give rise to any right by Lessee, a Hospital Subtenant, or a Teaching Hospital Operator that Lessor is in default hereunder). If Lessor suspends performance of any of its obligations under this Lease and if such obligations are necessary for the continued operation of the Teaching Hospital, then Hospital Subtenant will have the right to perform such obligations and offset the actual and reasonable cost thereof against Rent.

(e) Termination. If a Judicial Resolution is not pursued because of Lessee's failure or inability to participate and the Lessee Default is not otherwise resolved by Lessee's (and if applicable, the Hospital Subtenant's or Teaching Hospital Operator's) good faith, diligent pursuit of a cure of such Lessee Default and by the good faith negotiations between and among the parties (Lessor, Lessee, and, if applicable or necessary given the nature and/or cause of the Lessee Default, the Hospital Subtenant or Teaching Hospital Operator) during the three (3) year period following the date of the Lessor Notice of Suit, then Lessor may terminate this Lease or Lessee's right of possession under this Lease by giving a Termination Notice to Lessee and the Hospital Subtenant. Any termination under this Section will not affect Seton's right to use and occupy the Premises as contemplated by the 2014 Hospital Sublease and this Lease. On the giving of such Termination Notice, the wind-down procedures set forth in Article XIX below shall apply. Lessor and Lessee intend that the 3-year period referenced herein coincide with and run concurrently with any similar period under the CH/CCC Affiliation Agreement, to the extent any Lessor Notice of Suit hereunder also constitutes and is given as a Notice of Material Breach by UT Austin under the CH/CCC Affiliation Agreement.

(f) Teaching Hospital – Reset Rent. A “*Reset Rent Trigger*” means: (1) there is an HS/THO Default which results in a termination of the Seton Affiliation Agreement or any subsequent Teaching Hospital Affiliation Agreement before the end of the DMS Affiliation Period, or (2) the Seton Affiliation Agreement terminates by its terms; or (3) any Teaching Hospital Affiliation Agreement, the term of which extends beyond the DMS Affiliation Period, terminates for any reason, or (4) if there is a cessation of Required Teaching Hospital Services

before the end of the DMS Affiliation Period. If a Reset Rent Trigger occurs, and if such Reset Rent Trigger occurs more than three (3) years before the first day of a Reset Year, then in addition to any other rights or remedies, the Base Rent will be reset in accordance with the procedures set forth in Section 5.02, with the following modifications and additional procedures:

(i) Within thirty (30) days after the occurrence of the Reset Rent Trigger, Lessor and Lessee shall each select an Appraiser to determine the Fair Market Value of the Land and the new Market Rental Rate in accordance with the terms, conditions, and procedures set forth in Section 5.02.

(ii) If Lessor and Lessee cannot agree on the two Appraisers despite their good faith efforts, then Lessor shall have the right to choose the first Appraiser, and that Appraiser will choose the second Appraiser.

Upon determination of the Market Rental Rate, the Base Rent will immediately adjust to such Market Rental Rate, effective with the next monthly payment of Rent.

15.04 Limitations on Lessor's Remedies.

(a) Central Health - Hospital Subtenant Agreements. Lessor agrees that it shall not have the right to terminate this Lease or Lessee's right to possession of the Premises based solely upon the occurrence of either of the following events: (1) a termination of or default under the Master Agreement or any Future Master Agreement by any party to that agreement; or (2) a termination of or default under the Omnibus Healthcare Services Agreement by any party to that agreement. Lessor agrees that it shall not have the right to terminate this Lease or Lessee's right to possession of the Premises based solely upon an HS/THO Default, provided that such default is not and does not result in a Lease Termination Default.

(b) Lessee's Exercise of Rights and Remedies. Notwithstanding anything to the contrary in this Lease, Lessor agrees it will not have the right to exercise any of the remedies in Section 15.02, including the right to terminate this Lease, as a result of a Lease Termination Default caused, directly or indirectly, by an act or omission of the Hospital Subtenant or Teaching Hospital Operator and not by Lessee (including without limitation an RTHS Default or a Hospital Licensing Default) (A) until thirty (30) days after Lessee's receipt of written notice from Lessor that the Hospital Subtenant or Teaching Hospital Operator has failed to cure such Lease Termination Default by the expiration of any applicable cure periods, and (B) so long as the following conditions are met:

(i) There is no other Lease Termination Default under Sections 14.02(c) through 14.02(g) or Sections 14.03(a) and 14.03(b) and either (1) Lessee is diligently pursuing the exercise of its option to purchase under the Option Agreement within the Option Period, (2) Lessee is diligently pursuing any rights or remedies it may have under the Hospital Sublease, including the right to terminate the Hospital Sublease or the Hospital Subtenant's right of possession under the Hospital Sublease as a result of a Lease Termination Default caused by an act or omission of the Hospital Subtenant, (3) diligently pursuing any rights it may have under the Master Agreement (or Future

Master Agreement, if the same has been approved by Lessor in accordance with the terms of this Lease), or (4) Lessee is complying with its obligations under Section 19.05(b). If for any reason Lessee successfully exercises its rights and/or remedies provided in any of clauses (1) through (4) of this subsection (i), then Lessor cannot terminate this Lease or Lessee's right of possession under this Lease because of the subject Lease Termination Default.

(ii) If the subject Lease Termination Default which was caused by an act or omission of the Hospital Subtenant or Teaching Hospital Subtenant is curable by Lessee, then while Lessee is pursuing its rights and/or remedies as provided in clauses (1) through (4) of the preceding subsection (i), Lessee will use reasonable and diligent efforts to cure such Lease Termination Default, taking into account Lessee's rights to pursue either the exercise of its option to purchase under the Option Agreement or termination rights under the Hospital Sublease; Lessor agrees to cooperate with Lessee and its efforts to cure such Lease Termination Default and to work with Lessee in determining whether it is in the best interests of Lessor and Lessee to cure such Lease Termination Default and to determine the best course of action for Lessor and Lessee, taking into account the need for delivery of Required Teaching Hospital Services and the preservation of the applicable Safety Net Requirement. If for any reason Lessee cures the Lease Termination Default, then Lessor cannot terminate this Lease or Lessee's right of possession under this Lease because of the subject Lease Termination Default.

(c) Cooperation. During any period of time when Lessee is pursuing its rights or remedies under Section 15.04(b) above, and thereafter if Lessee exercises its option to purchase under the Option Agreement and/or terminates the Hospital Sublease or the Hospital Subtenant's right of possession under the Hospital Sublease, and subject to Section 1.10(f) of this Lease, Lessor shall not terminate this Lease or Lessee's right of possession under this Lease with respect to the subject Lease Termination Default and with Lessee shall (1) cooperate in good faith to ensure the continuation of the Required Teaching Hospital Services (during a DMS Affiliation Period), applicable Safety Net Requirement, and Required Hospital Permits, including without limitation by providing services required under the 2014 Hospital Sublease, whether on the Premises or at other service sites as contemplated by the CH/CCC Affiliation Agreement, and (2) comply with the requirements of Section 19.05(b) to identify and pursue a replacement Hospital Subtenant or Teaching Hospital Operator which will meet Lessor's needs with respect to the Required Teaching Hospital Services for the DMS Affiliation Period (including being a party to a Teaching Hospital Affiliation Agreement, if necessary) and Lessee's needs with respect to the applicable Safety Net Requirement (including being a party to a Future Master Agreement, if necessary).

(d) Option Agreement. The rights of Lessee under the Option Agreement will be collaterally assigned to Lessor to secure this Lease and Lessee's performance hereunder pursuant to the Collateral Assignment of Leases, Option Agreement, and Rents (the "*Lessee Collateral Assignment*") of even date herewith, executed by Lessor and Lessee (and acknowledged by Seton).

(i) Lessee agrees that the Option Agreement will not be materially amended without Lessor's consent, which consent will not be unreasonably withheld. Any future or amended and restated Option Agreement will be subject to Lessor's approval, which approval will not be unreasonably withheld and which will also be collaterally assigned to Lessor to secure this Lease and Lessee's performance hereunder.

(ii) Lessor will have the right to enforce the Lessee Collateral Assignment with respect to the Option Agreement if and only if (A) Lessee has the right to exercise the Option Agreement in accordance with and subject to the terms of the Option Agreement and (B) either (1) a Lease Termination Default under Sections 14.02(c) through 14.02(g) or Sections 14.03(a) and 14.03(b) occurs which is not cured within an applicable cure period and then a Termination Notice is given to Lessee, or (2) a Lease Termination Default caused by the Hospital Subtenant or Teaching Hospital Operator which is not cured within an applicable cure period and Lessee is not diligently pursuing its rights and/or remedies as provided in clauses (1) through (4) of Section 15.04(b)(i). If Lessor does enforce and exercise its rights under the Lessee Collateral Assignment with respect to the Option Agreement, then Lessor may not exercise the Purchase Option under the Option Agreement until this Lease has terminated as to Lessee.

15.05 Mitigation of Damages. If Lessee abandons the Premises or vacates the Premises, or if Lessor terminates Lessee's right to possession of the Premises as a result of a Lessee Default, Lessor shall not have any obligation to relet or attempt to relet the Premises, or any portion thereof. To the fullest extent allowed by law and except as otherwise provided below, Lessee hereby waives any obligation on the part of Lessor to mitigate damages. Lessee acknowledges the unique nature of the Premises, the location of the Premises on the UT Austin campus, and the intended use of the Premises and the Teaching Hospital's function as part of the Dell Medical School, and Lessee agrees that Lessor shall have no obligation to lease the Premises to any party other than an entity or governmental agency that is or will be a party to the Teaching Hospital Affiliation Agreement or to a party who is subleasing the Premises to the Teaching Hospital Operator under a Hospital Sublease approved by Lessor and UT Austin. Notwithstanding anything to the contrary set forth in this Lease, Lessee will only be liable for damages due to a Lessee Default that results in a termination of this Lease to the extent such damages exceed the fair market value of all Improvements as of the date of termination of this Lease, based on an independent appraisal of the Improvements performed by an appraiser approved by Lessor and Lessee, assuming that Lessor will be taking title to the Improvements free and clear of all liens and encumbrances, including the Hospital Sublease or any other lease with the Hospital Subtenant, and after deducting any payment or offset claim that may be made by Seton for the value of the Improvements (it being agreed that to the extent a claim for offset may be made for the value of the Improvements that, as between Lessee and Seton, Seton will have the sole right to benefit from such claim, unless Lessee has unconditionally exercised its option to purchase under the Option Agreement within the Option Period and has consummated its purchase of all of the Teaching Hospital Assets in accordance with the terms and conditions of the Option Agreement, in which case Lessee will have the sole right to benefit from such claim). If the Hospital Subtenant will remain in possession of the Improvements after

termination of this Lease and Lessee's rights under this Lease, then the fair market value of the Improvements will be discounted to take into account the Hospital Subtenant's rights in and to and right to occupy and use the Improvements. Nothing herein shall be construed to imply that Lessor is liable to Lessee or the Hospital Subtenant for any amount by which the fair market value of the Improvements may exceed a claim for damages against Lessee and/or Seton. Notwithstanding the foregoing provisions of this Section 15.05, Lessee shall be under no obligation to pay Rent so long as the Hospital Subtenant or the Teaching Hospital Operator continues to operate the Teaching Hospital and pay Rent to the Lessor, and, if applicable, Lessor agrees that any direct payments of rent under the Hospital Sublease that Lessor receives will be offset against the Rent payable hereunder.

15.06 **Termination Generally.** Lessor, Lessee, and Seton acknowledge and agree as follows:

(a) Section 15.04 includes limitations on Lessor's right to terminate Lessee's rights under this Lease if the applicable Lease Termination Default was caused by the acts or omissions of Hospital Subtenant (or Teaching Hospital Operator). Accordingly, all provisions contained herein purporting to terminate Lessee's rights under this Lease are subject to Lessee's rights under Section 15.04.

(b) Section 20.01 and Section 20.02 recognize that Seton's right to use and occupy the Premises will not be affected by a termination of this Lease that arises from a default by Lessor or Lessee under this Lease. Accordingly, all provisions contained providing for termination of this Lease or of Seton's right to use and occupy the Premises are subject to the provisions of Section 20.01 and Section 20.02.

(c) Article XIX of this Lease contemplates a Hospital Transition Period following a termination during which Seton will be entitled to continue to use and occupy the Premises, notwithstanding a termination of Seton's rights under the 2014 Hospital Sublease and this Lease. Such Hospital Transition Period is in the best interests of Lessor, Lessee, and Seton or any future Hospital Subtenant and, as such, any termination of this Lease will be subject to the transition procedures set forth in Article XIX.

ARTICLE XVI **LESSOR DEFAULTS; LESSEE REMEDIES**

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

(a) Failure or refusal to pay when due any other sum required by this Lease to be paid by Lessor if such failure to pay is not cured within sixty (60) days after written notice thereof is provided to Lessor.

(b) Failure by Lessor to perform as required any other covenant, agreement or obligation (other than the payment of a liquidated sum of money) of Lessor under this Lease and the same is not cured within ninety (90) days after notice of such failure from Lessee to Lessor;

provided, that, if such default is of a nature that cannot reasonably be expected to be cured within said ninety (90) days, then for such longer time as may be reasonably necessary so long as Lessor commences the cure within said ninety (90) days and thereafter diligently prosecutes the same to completion. The foregoing shall not apply, however, to Lessor's obligations in this Lease to respond to submittals of the Plans and Specifications.

(c) Failure by Lessor during the Hospital Transition Period and after Lessor's takeover of the operation of the Teaching Hospital (to the exclusion of any participation by Lessee) to operate the Teaching Hospital in compliance with the applicable Safety Net Requirement for the Hospital Transition Period, unless such failure is caused by Lessee's failure to provide funding for the services necessary to assure compliance with the applicable Safety Net Requirement.

(d) Failure by Lessor to negotiate and cooperate in good faith as required under Sections 19.05(b) and 19.05(f) and/or Lessor's exercise of any rights to terminate or its termination of this Lease after a failure of the Dispute Resolution process initiated under Section 19.05(b).

16.02 **Lessee Remedies.** Upon the occurrence of a Lessor Default, Lessee has the following remedies in addition to all other rights and remedies provided by law or equity, to which Lessee may resort cumulatively or in the alternative:

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

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

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

(iii) To the extent authorized by and allowed under the Constitution and laws of the State of Texas, Lessor may bring suit against Lessee seeking a declaratory judgment regarding the Lessor Default that is raised by Lessee and proceed to participate in the Judicial Resolution.

(b) **Withholding of Base Rent.** If any one of the following occurs: (i) Lessor refuses to participate in the Judicial Resolution, (ii) fails to respond to the Lessee Notice of Suit within sixty (60) days of such notice, (iii) Lessor responds in writing to the Lessee Notice of Suit that it will not file a declaratory judgment as described in Section 16.02(a)(iii) above, (iv) Lessor responds in writing to the Lessee Notice of Suit that it is unable or unwilling to effectively waive sovereign immunity as a defense to a lawsuit filed by Lessee seeking Judicial Resolution, or (v) either Lessor or Lessee files a suit seeking a Judicial Resolution and such suit is dismissed or otherwise terminated by final judicial decision because such suit is precluded by sovereign

immunity applicable to Lessor, then Lessee may withhold Base Rent by giving written notice to Lessor, but such notice shall not relieve Lessee from its liability for such payments, subject to any final cost reconciliation during any Hospital Transition Period or Termination Notice Period and provided that all funds withheld by Lessee shall be held in trust by Lessee subject to the terms of this Lease unless a Judicial Resolution is achieved and Lessee is awarded damages for the breach of this Lease (and in no event shall any such withholding of Base Rent by Lessee give rise to any right by Lessor that Lessee is in default hereunder). If the Lessor Default is for a liquidated sum of damages, then at such time as Lessee has withheld Base Rent in an amount equal to Lessee's claim, then Lessee's right to withhold Base Rent shall cease. If Lessor cures the Lessor Default by paying the liquidated sum of damages to Lessee, then all of the withheld Base Rent shall be promptly remitted to Lessor.

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

(d) Termination. If a Judicial Resolution is not pursued because of Lessor's failure or inability to participate and the Lessor Default is not otherwise resolved by Lessor's good faith, diligent pursuit of a cure of such Lessor Default and by the good faith negotiations between and among the parties (Lessor, Lessee, and, if applicable or necessary given the nature of the Lessor Default, the Hospital Subtenant or Teaching Hospital Operator) during the three (3) year period following the date of the Lessee Notice of Suit, then Lessee may retain the amount withheld (or the applicable portion thereof) in accordance with the terms of this Section 16.02 and/or either (i) if Seton is the Hospital Subtenant, Lessee may assign its interest in and under this Lease to Seton in accordance with Section 10.01, or (ii) if Seton is no longer the Hospital Subtenant, terminate this Lease by giving a Termination Notice to Lessor and the Hospital Subtenant. If Lessee desires to assign its interest in this Lease to Seton in accordance with the preceding sentence, Seton agrees to accept such assignment and become the lessee under this Lease and such assignment will not affect or include Central Health's rights under Section 22.11(b), and upon such assignment by Central Health and assumption by Seton, Central Health will be released from this Lease as provided in Article X of this Lease. If Lessee assigns its interest in and under this Lease to Seton (or does not terminate this Lease, as applicable) at the end of such 3-year period, then Rent will resume the next month following the end of such 3-year period. If Lessee terminates this Lease by giving a Termination Notice, then on the giving of such Termination Notice, the wind-down procedures set forth in Article XIX below shall apply. Lessor and Lessee intend that the 3-year period referenced herein coincide with and run concurrently with any similar period under the CH/CCC Affiliation Agreement to the extent any Lessee Notice of Suit hereunder also constitutes and is given as a Notice of Material Breach by Central Health under the CH/CCC Affiliation Agreement.

ARTICLE XVII
GENERAL COVENANTS AND PROVISIONS
RELATING TO DEFAULT AND REMEDIES

17.01 **Limitation on Damages.** Notwithstanding anything to the contrary set forth in this Lease, neither Lessor nor Lessee will be liable for, and Lessor and Lessee each hereby waive any claims against the other for, special, exemplary, and/or punitive damages. This waiver shall be binding upon and inure to the benefit Seton, any future Hospital Subtenant, and any Teaching Hospital Operator.

17.02 **Unavoidable Default or Delay.** Any prevention, delay, nonperformance, or stoppage due to any of the following causes shall excuse nonperformance for the period of any such prevention, delay, nonperformance, or stoppage, except the obligations imposed by this Lease (i) for the payment of Rent, Additional Rent, Impositions, Taxes, insurance premiums, or obligations to pay money that are treated as Rent or Additional Rent, and (ii) the preservation of Required Hospital Permits, the provision of Required Teaching Hospital Services during the DMS Affiliation Period, and the preservation of the applicable Safety Net Requirement. The causes referred to above are strikes, lockouts, labor disputes, failure of power, acts of God, acts of public enemies of the State of Texas or of the United States of America, riots, insurrections, civil commotion, inability to obtain labor or materials or reasonable substitutes for either, weather events, governmental restrictions or regulations or controls, casualties, or other causes beyond the reasonable control of the party obligated to perform (collectively, “*Force Majeure*”).

17.03 **No Waiver.** No waiver of any default shall constitute a waiver of any other breach or default, whether of the same or any other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise. If either party brings any action or proceeding to enforce, protect or establish any right or remedy, the prevailing party shall be entitled to recover reasonable attorneys’ fees; provided, however, that Lessor shall be so obligated only to the extent permitted under the laws and Constitution of the State of Texas and Lessor’s attorneys’ fees for Lessor’s attorneys (and with respect to which Lessor is seeking recovery) shall be (i) the actual amount paid or (ii) an amount calculated at a rate equal to the average rate charged by attorneys for comparable services in law firms offering similar services with at least twenty (20) partners, shareholders, or members with offices in Austin, Texas, whichever is greater.

17.04 **Rights to Waive and/or Forbear.** Lessor, Lessee, and Hospital Subtenant covenant and agree as follows:

(a) **Waiver or Forbearance by Lessee.** Lessee shall have the sole right upon written notice to all other parties (i) to waive temporarily or permanently and in any event on conditions determined by Lessee, any Lessee Default caused by the Hospital Subtenant or Teaching Hospital Operator as a result of a breach by the Hospital Subtenant or Teaching Hospital Operator of the Safety Net Requirement (an “*SNR Default*”) and/or (ii) to forbear from exercising Lessee's rights and remedies with respect to an SNR Default, and any such waiver(s) or forbearance shall be binding on Lessor for so long as Lessee is waiving or forbearing from

exercising its rights and remedies under the Hospital Sublease or Teaching Hospital Operator Agreement, as applicable, with respect to an SNR Default. Lessee's waiver of any SNR Default under this Section 17.04(a) will not affect or impair any then-existing or future right of Lessor to exercise any rights or remedies that Lessor may have under this Lease.

(b) Waiver or Forbearance by Lessor. The term “*Lessor Waivable Default*” means: a Lessee Default arising from (i) a failure to pay Rent as required under this Lease, (ii) a failure to provide the Required Teaching Hospital Services as required under this Lease, or (iii) a TRN Diligence Failure that occurs in connection with a Threatening Regulatory Notice that could result in an RTHS Default (as distinguished from a Threatening Regulatory Notice that could result in a Hospital Licensing Default). Lessor shall have the sole right upon written notice to all other parties (1) to waive, temporarily or permanently and in any event on conditions determined by Lessor, any Lessor Waivable Default and/or (2) to forbear from exercising Lessor's rights and remedies with respect to any Lessor Waivable Default, and any such waiver or forbearance shall be binding on and shall inure to the benefit of Lessee. If Lessor waives such Lessor Waivable Default or agrees to forbear from exercising rights and remedies with respect to such Lessor Waivable Default, then Lessee agrees either to waive such Lessor Waivable Default as a default under the Hospital Sublease or Teaching Hospital Operator Agreement, as applicable, or to forbear from exercising rights and remedies which Lessee may have as a result of such Lessor Waivable Default under the Hospital Sublease or Teaching Hospital Operator Agreement for so long as Lessor is waiving or forbearing from exercising its rights and remedies under this Lease with respect to the applicable Lessor Waivable Default.

(c) Effect of Lessor's Waiver. Lessor's waiver of a Lessor Waivable Default or forbearance of its rights with respect to a Lessor Waivable Default under Section 17.04(b) will not affect or impair (i) Lessee's rights or remedies under the Hospital Sublease or Teaching Hospital Operator Agreement with regard to any default under such agreements that is not the particular Lessor Waivable Default or (ii) Lessee's rights or remedies under the CH/Seton Ancillary Agreements or any other agreements between Lessee (or its affiliates) and Seton (or its affiliates) with regard to any default under such agreements, even if such default is the particular Lessor Waivable Default.

17.05 **Payment on Default.** If any party to this Lease is compelled or elects to pay any sum of money or do any acts that require the payment of money by reason of the other party's failure or inability to perform any of the provisions of this Lease after passage of any notice and cure period or grace period (if any) provided under any other provisions of this Lease, which the applicable party may elect in its sole discretion, the non-performing party shall promptly, upon demand, reimburse the performing party for such sums, and all such sums shall bear interest at the Default Rate from the date of expenditure until the date of such reimbursement. Other sums payable hereunder that are not paid by the non-performing party when due shall bear interest at the Default Rate from and after the date of demand therefor by the performing party until the date of payment thereof.

17.06 **Teaching Hospital Operator and Teaching Hospital Operator Agreement.** If there is not a Hospital Subtenant or Hospital Sublease but there is a Teaching Hospital Operator and a Teaching Hospital Operator Agreement, then any references to Hospital Subtenant and

Hospital Sublease in the default and remedies provisions of this Lease shall be interpreted to include and apply to the Teaching Hospital Operator and the Teaching Hospital Operator Agreement respectively.

17.07 **Omnibus Remedies Agreement**. Lessor and Lessee recognize the mutual benefits that may be derived from a document that coordinates the various default, remedy, and termination provisions under this Lease, the 2014 Hospital Sublease, the Affiliation Agreements, and the other related affiliation and real estate agreements and arrangements between and/or among Lessor, Lessee, and/or Seton (an “*Omnibus Remedies Agreement*”). Lessor and Lessee will use their best efforts to engage in prompt, good faith negotiations with Seton to (i) develop an Omnibus Remedies Agreement that comprehensively addresses the various defaults, remedies, and termination rights or options under this Lease and the other affiliation and real estate arrangements between and/or among Lessor, Lessee, and/or Seton and (ii) if appropriate, implement amendments to this Lease and the other affiliation and real estate arrangements between and/or among the Lessor, Lessee and/or Seton. If the Omnibus Remedies Agreement is executed, then this Lease may be terminated pursuant to the terms and procedures set forth in such Omnibus Remedies Agreement, if any. Failure of the parties to agree on an Omnibus Remedies Agreement will not be a default by any Party under this Lease.

ARTICLE XVIII **DISPUTE RESOLUTION**

18.01 **Cooperation**. The parties agree to cooperate in good faith to resolve any disputes or disagreements between the parties and/or with the Hospital Subtenant. For purposes of this Article XVIII, the terms “*Parties*” shall mean Lessor, Lessee, and the Hospital Subtenant, unless the dispute is solely between Lessor and Lessee, in which case Parties shall mean Lessor and Lessee. “*Dispute Resolution*” means the process of good faith negotiation and then mediation of a Dispute as provided in Sections 18.03 and 18.04.

18.02 **Dispute Notice**. Notwithstanding any provision in this Lease to the contrary, if (i) Lessor delivers to Lessee a notice of default under Section 14.02(d), Section 14.03(c), Section 14.04(a), or Section 14.06 (a “*Non-Monetary Default Notice*”), and if Lessee disputes any matters set out in such Non-Monetary Default Notice, or (ii) if the Hospital Subtenant receives a copy of any a Non-Monetary Default Notice and if the Hospital Subtenant disputes any matters set out in such Non-Monetary Default Notice, or (iii) if Lessee alleges any non-monetary default by Lessor under this Lease, (iv) if Lessee, the Hospital Subtenant, and/or the Teaching Hospital Operator disputes Lessor’s assertion of a TRN Diligence Failure under Section 14.06(c), or (v) Lessee and/or the Hospital Subtenant disputes Lessor’s assertion of a Cure Diligence Default under Section 15.01(c), then Lessee, the Hospital Subtenant, or Lessor, as the case may be, may deliver to the other Parties a written notice (“*Dispute Notice*”) stating the matter or matters that are disputed (collectively, the “*Dispute*”). Upon delivery of a Dispute Notice and during the pendency of the Dispute Resolution, (i) the events described in the Non-Monetary Default Notice shall not constitute a Lessee Default or a Lessor Default, as the case may be, and (ii) the applicable cure periods for the default which is the subject to the Dispute shall be tolled until the conclusion of the dispute resolution as provided in this Article XVIII, at which time the applicable cure period will resume, provided, in no event shall such cure period be less than (ten)

10 days. If the Dispute is based on any matters set forth in a Non-Monetary Default Notice, then the Dispute Notice must be sent within ten (10) Business Days after the date of Lessee's receipt of the Non-Monetary Default Notice. If the Dispute is based on any alleged default by Lessor, then the Dispute Notice must be sent within ten (10) Business Days after the date of Lessor's receipt of written notice of the alleged default.

18.03 **Negotiation**. In the event of any Dispute between or among the Parties, the Parties will promptly and in good faith attempt to resolve such Dispute through negotiations. The president of UT Austin (provided that the president of UT Austin has the authority to negotiate on behalf of Lessor with respect to the subject matter of the Dispute), the president and CEO of Lessee, and the president of the Hospital Subtenant (or, if Seton is the Hospital Subtenant, the president of Seton Healthcare Family) will meet as soon as reasonably possible to attempt in mutual good faith to resolve the Dispute. Provided, however, based on the subject matter of the Dispute, any Party may designate a representative to attend negotiations on behalf of such Party. If the Parties are unable to resolve the Dispute within forty-five (45) days after a Dispute Notice, then the Parties will submit the Dispute to mediation as set forth below.

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

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

(b) **Conduct of Mediation**. The mediation will be conducted in the City and will be non-binding. Any non-binding mediation conducted under the terms of this **Section 18.04** will be confidential within the meaning of and subject to applicable laws. The cost of the mediation will be borne equally among the Parties. The mediation must be conducted and completed within ninety (90) days after the date of the Mediation Notice.

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

ARTICLE XIX
TRANSITION; WORK-OUT AND WIND-DOWN

19.01 **Guiding Principles and Goals.**

(a) **Affiliation and Ancillary Agreements.** Lessor and Lessee intend that the Premises will be used for the Teaching Hospital and that the Teaching Hospital serve the shared goals of Lessor and Lessee to have a teaching hospital affiliated with the Dell Medical School that also serves as a safety net hospital for Travis County as part of the applicable Safety Net System. Lessor, Lessee, and Seton and others have executed the Affiliation Agreements and the CH/Seton Ancillary Agreements to accomplish such purposes. Defaults under or terminations of those Affiliation Agreements and the CH/Seton Ancillary Agreements (sometimes collectively referred to as the “*Affiliation/Ancillary Agreements*”) will likely have an impact on the parties that might require adjustments to this Lease. Consequently, in this Article XIX, the Parties will set out the procedures and consequences of various defaults under or terminations of those Affiliation/Ancillary Agreements as well as set forth the termination process that must be followed in connection with any termination of this Lease or a termination of Seton’s rights to use and occupy the Premises under the 2014 Hospital Sublease.

(b) **Procedure.** Lessor and Lessee intend to provide procedures for the orderly transition of the Premises and Teaching Hospital in a manner that is consistent with the Affiliation/Ancillary Agreements which are in place depending on the type of default and the remedy or remedies chosen and pursued by the non-defaulting party. The provisions of this Article XIX are not exclusive and unless Lessor and Lessee agree otherwise, Lessor and Lessee intend that any transition of the leasing of the Premises, the Hospital Sublease, any Teaching Hospital Operator Agreement, or one or more assignments by Lessor, UT Austin, Lessee, Seton, or any future Hospital Subtenant (or Teaching Hospital Operator, if a party to an Affiliation/Ancillary Agreement) (collectively, the “*Affiliation Parties*”) of its rights under this Lease, the Hospital Sublease, a Teaching Hospital Operator Agreement, or under one or more of the Affiliation/Ancillary Agreements will be pursued in accordance with the terms of the assignment and subletting provisions in this Lease and the Hospital Sublease and the assignment provisions of the Affiliation/Ancillary Agreements and in a manner consistent with the principles and goals set forth in the Affiliation/Ancillary Agreements.

19.02 **Termination Process.** In the event Lessor or Lessee elects to exercise its right to terminate this Lease (including by Lessee for a Lessor Default) during the Term, then Lessor and Lessee shall follow the procedures described in this Article XIX, unless otherwise expressly stated in this Lease. This Article XIX does not apply to any termination of the Hospital Sublease (except as otherwise incorporated in the Hospital Sublease) or termination of the Hospital Subtenant’s right of possession prior to completion of Initial Construction, which is governed by the terms of the 2014 Hospital Sublease and the HDC Agreement. The Hospital Subtenant does not have the right to terminate this Lease under Section 19.03 below or any other provision of this Lease.

19.03 **Termination Date.** Subject to Section 15.01, if either Lessor or Lessee elects to exercise its right to terminate this Lease because of a Lease Termination Default or a Lessor

Default, as applicable, then the terminating party shall give written notice of termination (the “*Termination Notice*”) to the non-terminating party. The date such Termination Notice is received by the non-terminating party shall be the “*Termination Notice Date*”.

(a) Termination Date. Subject to Section 19.04 and Section 19.05, the effective date of termination of this Lease or, with respect to Lessee, Lessee’s right of possession of the Premises (the “*Termination Date*”) shall be thirty (30) days after the Termination Notice Date.

(b) Termination Notice Period. The period of time between the Termination Notice Date and the Termination Date shall be the “*Termination Notice Period*”. During the Termination Notice Period, Lessor and Lessee must comply with terms of this Lease, including without limitation the payment of Rent and Section 19.05(b). If for any reason the defaulting party cures the subject default within the Termination Notice Period, then this Lease will not terminate or if applicable Lessee’s right of possession will not terminate.

(c) Cure. If the Lease Termination Default that triggers the Termination Notice was caused by the Hospital Subtenant (or, if applicable, the Teaching Hospital Operator), then Lessor agrees that: (x) if Lessee timely cures the triggering Lease Termination Default and no other Lease Termination Default occurs which is caused by Seton or another Hospital Subtenant or Teaching Hospital Operator before the end of the Termination Notice Period (but if such other Lease Termination Default occurs, then the Termination Notice Period shall be extended until the expiration of the applicable cure period for such other Lease Termination Default), and (y) Lessee is cooperating in good faith with Lessor to (i) maintain the continuation of the Required Teaching Hospital Services (during the DMS Affiliation Period, if applicable) and the Required Hospital Permits and (ii) secure a new Hospital Subtenant or Teaching Hospital Operator that meets the requirements of this Lease, then this Lease and Lessee’s rights to possession of the Premises will not terminate.

19.04 Effect of Master Agreement.

(a) 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, then 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 Lessor, Lessee, and Seton, Lessee hereby acknowledging that Lessor shall have the right to approve any second Post-Termination Services Period so long as Designated Transferee has been appointed or agreed upon in accordance with Section 19.05).

(b) Lessor’s and Lessee’s Obligations. During the Post-Termination Services Period, Lessor and Lessee will cooperate with each other in good faith to replace Seton under the Teaching Hospital Affiliation Agreement, the Hospital Sublease, the Master Agreement, and all other related documents and agreements in accordance with the terms of Section 19.05(b). Lessee must comply with all terms and conditions of this Lease, including the payment of Rent.

(c) Termination without Post-Termination Services Period. If this Lease is terminated and the Post-Termination Services Period under the Master Agreement is not initiated before or during the Termination Notice Period, then the Lease shall terminate at the end of the Termination Notice Period in which case Section 19.05 shall apply.

19.05 Transition to New Owner or Operator of the Teaching Hospital. This Section 19.05 shall govern the transition of the ownership and operation of the Teaching Hospital under (and only under) the circumstances set forth in this Section 19.05.

(a) If this Lease is being terminated as a result of a Lease Termination Default (and, in each case, caused solely by an act or omission of the Lessee) and the Hospital Sublease is also terminated or is no longer in effect, then Lessor and Lessee agree that Lessor may elect, in Lessor's sole discretion, to take over the operation of the Teaching Hospital or to designate the entity which will take over the operation of the Teaching Hospital, provided that Lessor and Lessee (or, if applicable, the Hospital Subtenant or the Teaching Hospital Operator) will continue the operation of the Teaching Hospital consistent with the CH/CCC Affiliation Agreement or any CH/UT Affiliation Agreement and the applicable Safety Net Requirement and Master Agreement or Future Master Agreement, if in effect, during the Hospital Transition Period, but subject to Section 1.10(f) of this Lease.

(b) Notwithstanding any other provision of this Lease, if this Lease is not being terminated but there is termination of the Hospital Sublease or the Hospital Subtenant's right of possession under the Hospital Sublease, or if there is a Lease Termination Default caused, directly or indirectly, by an act or omission of the Hospital Subtenant or Teaching Hospital Operator that could or does result in termination of this Lease, then the following provisions apply:

(i) Lessor and Lessee must negotiate and cooperate in good faith and agree on all of the following: (x) the entity that will take over the operation of the Teaching Hospital, which shall be either Lessor, Lessee or a third party, (y) the negotiation and execution of a Teaching Hospital Affiliation Agreement (if during the DMS Affiliation Period and if the Lessor in its sole discretion requires one) and, if necessary, one or more new other Affiliation/Ancillary Agreements, including a Future Master Agreement if Lessee in its sole discretion requires one, and (z) a new Hospital Sublease (or, if applicable, a Teaching Hospital Operator Agreement) with the entity chosen to take over the operation of the Teaching Hospital pursuant to this Section 19.05(b).

(ii) Lessor and Lessee agree that for the remaining Term of this Lease: (1) whatever entity takes over the operation of the Teaching Hospital must operate it in accordance with a Teaching Hospital Affiliation Agreement if one is required by Lessor for not less than the remaining term of the applicable DMS Affiliation Period, a Future Master Agreement if one is required, and in compliance with the Teaching Hospital Requirement and the applicable Safety Net Requirement (collectively, the "*Takeover Requirement*"), and (2) if the CH/CCC Affiliation Agreement (or a similar CH/UT Affiliation Agreement) is in effect, such entity may be, but shall not be required to be, a

non-profit entity with the tax-exempt status required by the CH/CCC Affiliation Agreement. If the Lessor and Lessee cannot reach agreement under this subsection during the one hundred eighty (180) days after the Termination Date or the date of termination of the Hospital Sublease or of the right of possession of the Hospital Subtenant under the Hospital Sublease, as the case may be, then the parties will pursue Dispute Resolution; provided however, the parties agree that the Takeover Requirement cannot be the subject of the Dispute Resolution.

(iii) So long as there is no other Lease Termination Default under Sections 14.02(c) through 14.02(g) or Sections 14.03(a) and 14.03(b) and Lessee is complying with its obligations in this Section 19.05(b), then this Lease and Lessee's rights to possession of the Premises will not terminate.

(iv) If the Lease Termination Default caused by an act or omission of the Hospital Subtenant or Teaching Hospital Operator does result in termination of this Lease, then only upon execution of the new Hospital Sublease or Teaching Hospital Operating Agreement will Lessor agree to waive such Lease Termination Default and re-instate this Lease with Lessee on the same terms in existence at the time of such termination.

(v) If the Lease Termination Default caused by an act or omission of the Hospital Subtenant or Teaching Hospital Operator does not result in termination of this Lease, then this Lease with Lessee will continue according to its terms.

(c) Lessor or Lessor's designee under Section 19.05(a) or the party agreed upon to take over the Teaching Hospital under Section 19.05(b) is called the "*Designated Transferee*" and upon such appointment under Section 19.05(a), Lessor shall give written notice thereof to Lessee. If the circumstances set forth in Section 19.05(a) are applicable, the "*Hospital Transition Period*" will commence on the date of Lessor's appointment under Section 19.05(a) and shall continue for a period of two (2) years, subject to extension as provided below. If the circumstances set forth in Section 19.05(b) are applicable, the "*Hospital Transition Period*" will commence on the date the parties agree upon the Designated Transferee and shall continue for a period of two (2) years, subject to extension as provided below. Lessee shall be solely responsible for funding or obtaining the funding for services required at the Teaching Hospital necessary to satisfy the applicable Safety Net Requirement.

(d) During the Hospital Transition Period, Rent shall be abated during the period of time when the Hospital Transition Period overlaps with the DMS Affiliation Period if the Lessee Default which results in such Hospital Transition Period was not caused by any act or omission of Lessee and provided that in all events if Lessee is receiving rent or other income under the Hospital Sublease or Teaching Hospital Operator Agreement, then Lessee will pay to Lessor (i) the Rent under this Lease or (ii) if the rent or income received by Lessee under the Hospital Sublease or the Teaching Hospital Operator Agreement is less than the Rent then payable under this Lease, an amount equal to 95% of the rent or income received by Lessee under the Hospital Sublease or the Teaching Hospital Operator Agreement.

(e) During the Hospital Transition Period, Lessor and Lessee will cooperate to transfer and assign (or pursue and obtain) all Permits and Licenses and the Required Hospital Permits, including without limitation certifications, accreditations, and licensures (including those under Medicaid and Medicare and other Healthcare Laws) to the Designated Transferee.

(f) During the Hospital Transition Period, if Required Teaching Hospital Services and the services necessary to ensure the continuation of the applicable Safety Net Requirement are not being provided by the Hospital Subtenant or a Teaching Hospital Operator, Lessor and Lessee will cooperate in good faith to hire and retain or otherwise contract with a qualified hospital operator to operate and run the Teaching Hospital in compliance with the Teaching Hospital Requirement (if during the DMS Affiliation Period) and as part of the applicable Safety Net System. Lessor shall be solely responsible for funding the Required Teaching Hospital Services, and Lessee shall be solely responsible for funding the services necessary to ensure the continuation of the applicable Safety Net Requirement.

(g) Notwithstanding the provisions of this Section 19.05, Lessor's rights hereunder are subject to the Master Agreement and Lessee's option to purchase the Teaching Hospital in the Option Agreement if the Lease Termination Default was caused by an act or omission of the Hospital Subtenant or Teaching Hospital Operator and not as a result of any act or omission by Lessee and provided that such Lease Termination Default was not a Primary Lease Termination Default caused solely by Lessee.

19.06 Termination. Upon the termination or the expiration of this Lease for any reason and subject to Article XIX and Article XXI, 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. Lessee'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 Lessor. On the Final Termination Date, Lessee shall peaceably quit, deliver up, and surrender the Premises to Lessor in accordance with Article XXI free of all claims and liens other than (i) the Permitted Encumbrances, and (ii) encumbrances granted during the term to which Lessor consented in accordance with and subject to the terms of this Lease. Lessee will use commercially reasonable efforts to assist Lessor and/or a Designated Transferee in obtaining any and all licenses, permits, certifications, accreditations, and licensures (including those under Medicaid and Medicare and other Healthcare Laws) and other authorizations required by any Governmental Authority with respect to Lessor's operation of the Premises as the Teaching Hospital following the Final Termination Date.

(b) Turnover of Lessee Inventory. On the Final Termination Date, Lessee shall turn over to Lessor in good condition and appropriate containers all Inventory and any records relating thereto. "*Inventory*" means all disposable inventory and supplies (including without limitation laundry, housekeeping, nursing, pharmaceutical, medical supply, and food inventories) owned by or hereafter acquired by Lessee and used on or in connection with the Premises as of the Final Termination Date.

(c) Patient Obligations. Lessor 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, Lessor (or Lessor's Designated Transferee) shall accept such patients as patients of Lessor (or Lessor's Designated Transferee) 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 Lessor (or Lessor's Designated Transferee). Notwithstanding the foregoing, all liability arising from or in connection with treatment and care which was rendered to such patients by Lessee from the Effective Date through and including the Final Termination Date shall be borne solely by Lessee, regardless of whether it is asserted prior to, on, or after the Final Termination Date.

(d) Payment to Lessee. To compensate Lessee for services rendered and medicine, drugs, and supplies provided on or before the Final Termination Date (the "*Lessee Termination Services*") with respect to patients admitted to the Teaching Hospital 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 "*Transitioned Patient*"), Lessor shall pay to Lessee an amount (the "*Lessee Prorated Amount*") equal to (i) the total payments received from or with respect to each Transitioned 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 Transitioned Patient was a patient in the Teaching Hospital, and the denominator of which shall be the total number of days elapsed between such Transitioned Patient's admission to, and discharge from, the Teaching Hospital, minus (ii) any deposits or co-payments made prior to the Final Termination Date by or with respect to such Transitioned Patient. Lessor will pay the Lessee Prorated Amount with respect to any Transitioned Patient to Lessee within forty-five (45) days after receipt of payments by Lessor with respect to such Transitioned Patient, which shall be accompanied by such documentation as may be reasonably requested by Lessee.

(e) Timing. Lessor and Lessee acknowledge that depending on the type of default and the termination and turnover of operations, the following provisions and the time periods stated may not work. Lessor and Lessee will cooperate in good faith to achieve the intended result of these provisions with the actual time periods in effect for the situation.

(i) As promptly as practicable and in any case not less than ninety (90) days prior to the Final Termination Date, Lessee shall provide Lessor with a reasonable description of Lessee's Removable Personalty. Within sixty (60) days thereafter, Lessor shall identify in writing those items of Lessee's Removable Personalty which Lessor wishes to retain following the Final Termination Date (the "*Lessor-Retained Property*"). If Lessor fails to respond within such sixty (60) day period, then Lessor will be deemed to have waived its right under this process to identify and retain the Lessor-Retained Property. Lessee, at its option, may then identify the Lessor-Retained Property, if any. Within thirty (30) days following the identification of the Lessor-Retained Property, Lessee shall cause all items of Lessee's Removable Personalty other than the Lessor-Retained Property to be removed from the Premises. Lessor must pay Lessee for the book value of the Lessor-Retained Property as contemplated by Section 21.02.

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

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

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

(ii) For a period of 180 days following the Final Termination Date, Lessor will provide to Lessee any reasonable transition services requested by Lessee in connection with the termination of this Lease and the assumption of possession and operation of the Premises by Lessor. In addition, Lessee and Lessor may by mutual agreement engage an auditing or accounting firm to perform an audit of Lessee’s operations of the Premises for that portion of Lessee’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) The transition of and accounting for all accounts receivable and all accounts payable with respect to the Teaching Hospital shall be handled in accordance with the applicable Affiliation/Ancillary Agreements, and in any event in compliance with all Applicable Laws and sound accounting principles. Generally, but subject to any applicable Healthcare Laws, (A) Lessee will retain all accounts receivable relating to the Teaching Hospital and the Premises which accrued prior to the Final Termination Date and will be responsible for all accounts payable relating to the Teaching Hospital and the Premises which accrued prior the Final Termination Date, and (B) Lessor will be entitled to all accounts receivable relating to the Teaching Hospital and the Premises which accrue on and after the Final Termination Date and will be responsible for all accounts

payable relating to the Teaching Hospital and the Premises which accrue on and after the Final Termination Date.

(g) All provisions of this Section 19.06 apply to the Hospital Subtenant.

(h) If the provisions of this Section 19.06 conflict with the provisions of Article XXI, then the applicable provisions of Article XXI will control.

ARTICLE XX FUNDAMENTAL PRINCIPLES

Lessor, Lessee, and Seton acknowledge, covenant, and agree as follows:

20.01 **Lessor and Seton.** Lessor agrees that so long as all Rent (other than Central Health's liability to Lessor under specific indemnity covenants of Central Health in favor of Lessor in this Lease, for which Seton is not liable) is timely paid and provided that Seton is complying with its monetary and non-monetary obligations under the terms and conditions of this Lease, no default by Lessor or Lessee under the terms and conditions of this Lease shall impair Seton's rights and remedies under this Lease or shall result in any interference by Lessor with Seton's peaceful and exclusive use and possession of the Premises and the Improvements either under (i) this Lease or (ii) a new ground lease executed in replacement of this Lease, which new ground lease will have the same basic terms and provisions as this Lease, or (iii) under the 2014 Hospital Sublease.

20.02 **Central Health and Seton.** Lessee agrees that so long as Seton is complying with its obligations, both monetary and non-monetary, under the terms and conditions of the 2014 Hospital Sublease and has not caused by act or omission a Lessee Default under this Lease (including the failure to timely pay all Rent, other than Central Health's liability to Lessor under specific indemnity covenants of Central Health in favor of Lessor in this Lease), then in the event of a default by Lessee or Lessor of any of their obligations, monetary or non-monetary, under the terms and conditions of this Lease, Lessee will not seek to terminate the 2014 Hospital Sublease or this Lease or otherwise interfere with Seton's peaceful and exclusive use and possession of the Premises and the Improvements either under the 2014 Hospital Sublease or this Lease.

20.03 **University of Texas.** Lessor, Lessee, and Seton acknowledge and agree that in interpreting this Lease and the parties' respective rights and remedies, Lessor's and UT Austin's fundamental requirements are (i) Rent will be timely paid, unless there is an expressly stated provision which provides for the abatement of Rent (for example, Sections 5.07(a), (b), and (c)), (ii) that so long as there is a Teaching Hospital Affiliation Agreement in place but in any event for not less than the DMS Affiliation Period, Required Teaching Hospital Services will be provided at the Teaching Hospital in support and for the accreditation of Dell Medical School, and (iii) the Required Hospital Permits will remain in effect so that the Teaching Hospital does not get closed because of the loss of a Required Hospital Permit.

20.04 **Central Health.** Lessor, Lessee, and Seton acknowledge and agree that in interpreting this Lease and the parties' respective rights and remedies, Lessee's fundamental requirements are that (i) if S/SHF is the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor) or Teaching Hospital Operator, then S/SHF shall satisfy the Seton Safety Net Requirement by operating the Teaching Hospital as part of the Seton Safety Net System during the Term (and the term of any Renewal Terms, but in any event for not less than sixty (60) years beginning on the Commencement Date), (ii) if S/SHF is not the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor) or Teaching Hospital Operator, and provided Central Health is Lessee hereunder, the Central Health Safety Net Requirement shall be satisfied by operation of the Teaching Hospital in support of the Central Health Safety Net System at all times during the Term (and the term of any Renewal Terms), and (iii) the Required Hospital Permits will remain in effect so that the Teaching Hospital does not get closed because of the loss of a Required Hospital Permit.

ARTICLE XXI EXPIRATION AT END OF TERM

21.01 **Report on Useful Life Expectancy of Project Improvements.** Not earlier than six (6) years before the expiration of the Term and not later than five (5) years before the expiration of the Term, Lessor may obtain, or may require Lessee to obtain at Lessor's expense and based on Lessor's written directions, a report from a registered professional engineer or other qualified person as may be approved in writing by Lessor, which report will evaluate the physical condition of the Project Improvements and the useful life expectancy of the Project Improvements. Such report shall include (i) a program of recommended repairs, replacements, or other improvements that would be necessary for the Project Improvements to have a useful life expectancy of not less than ten (10) years after the expiration of the Term or fifteen (15) years from the date of report and any repairs, replacements, or improvements which would be necessary to bring the Project Improvements into compliance with then current Applicable Laws, and (ii) an estimated budget of the cost of such repairs, replacements, and improvements and any other capital expenditures necessary in order for the Project Improvements to have such useful life expectancy compliant with the then current Applicable Laws. Lessee will fully cooperate with Lessor, and shall cause the Hospital Subtenant or Teaching Hospital Operator, as applicable to fully cooperate with Lessor, with respect to such report. Lessor will provide Lessee and the Hospital Subtenant with a copy of any report described in this Section 21.01 and obtained by Lessor promptly after Lessor's receipt of any such report.

21.02 **Lessee's Duty to Surrender.** At the expiration of the stated Term of this Lease, Lessee shall surrender to Lessor possession of the Premises and the Improvements. Lessee shall also surrender to Lessor possession and title to all fixtures, equipment, and personal property located on the Premises which are reasonably necessary for the operation of the building and building systems (such as HVAC, fire protection and suppression, and security), but excluding the following (the "*Removable Personalty*") (i) fixtures, trade fixtures, medical equipment, and other personal property owned by Lessee (or the Hospital Subtenant) which is not necessary for the operation of the building and which may be removed without any material damage to the building and other Project Improvements that cannot be repaired by Lessee within a reasonable time (and which Lessee covenants to repair), and (ii) Lessee's (and/or the Hospital Subtenant's)

inventory, computers, equipment, furniture, furnishings, and other medical and office equipment, all of which Lessee (or the Hospital Subtenant) shall have the right and option to remove. Lessor reserves the right to purchase from Lessee any Removable Personalty and other personal property as may be reasonably agreed upon by Lessor and Lessee for a price equal to the book value of such Removable Personalty and other personal property as then carried on Lessee's books and accounts in accordance with generally accepted accounting principles, consistently applied. Not in limitation thereof, Lessee shall remove all patient files and information and all other information and data that may be private or protected under Healthcare Laws. Lessee shall leave the surrendered Premises, the Improvements, and any other property reasonably necessary to operate the building and building systems (that is, personal property which is not Removable Personalty) in good condition, ordinary wear and tear excepted (and except as otherwise provided in Section 12.01 and Section 21.03). All property that Lessee is required to surrender shall become Lessor's property at the expiration or earlier termination of this Lease without compensation to Lessee. All property that Lessee is not required to surrender but that remains on the Premises for ninety (90) days following the expiration or earlier termination of this Lease shall, at Lessor's election, become Lessor's property at the expiration or earlier termination of this Lease without compensation to Lessee.

(a) IF LESSEE FAILS TO SURRENDER THE PREMISES AT THE EXPIRATION OF THE TERMS OF THIS LEASE, LESSEE SHALL DEFEND AND INDEMNIFY LESSOR FROM ALL LIABILITY AND EXPENSE RESULTING FROM THE DELAY OR FAILURE TO SURRENDER, INCLUDING WITHOUT LIMITATION CLAIMS MADE BY ANY SUCCEEDING LESSEE FOUNDED ON OR RESULTING FROM LESSEE'S FAILURE TO SURRENDER.

(b) All provisions of this Section 21.02 apply to the Hospital Subtenant. If and to the extent the Hospital Sublease includes similar provisions with respect to the Removable Personalty and Lessee's rights (as landlord under the Hospital Sublease), then Lessor's purchase rights with respect to the Removable Personalty under this Lease shall have priority over Lessee's similar purchase rights under the Hospital Sublease at the expiration of the stated Term of this Lease.

(c) Lessee's obligations under this Section 21.02 or any other Section(s) of this Lease that may be affected are, in all respects, subject to and qualified by the provisions of Section 21.03 in the event Lessor exercises its option to require demolition, as set forth therein.

21.03 Lessor's Option to Require Demolition. Lessor shall have the option to require Lessee to demolish the Improvements and clear the Premises of all rubble and debris at Lessee's sole cost and expense upon the expiration of the Term of this Lease. All demolition work shall be performed in accordance with the Construction Standards in Section 7.09 to the extent they are applicable to demolition work. Lessor shall give Lessee notice of its exercise of this option no later than one (1) year before the expiration of the Term or thirty (30) days after the termination of this Lease for reasons other than the expiration of the Term. If Lessor exercises its option to require demolition of the Improvements, Lessee shall, subject to Force Majeure and any delays arising from any act or omission of Lessor or any Lessor Responsible Party, demolish the Improvements and clear the Premises within a reasonable period of time after the expiration of the Term, but in no event more than nine (9) months after the expiration or termination of this

Lease. Lessee shall not be obligated for the payment of Rent, Additional Rent, or liquidated damages for holding over (as provided in Section 21.04) during the period of demolition. Lessee's obligations and indemnities under Section 4.08 and under Article XI of this Lease shall survive for a period of two (2) years after the later to occur of (i) the full completion of demolition activities, and (ii) the full completion of any removal, remediation or clean-up activities of any Lessee Responsible Party in compliance with Section 4.08. Lessee's obligations under Section 21.02 or any other Sections of this Lease that may be affected are, in all respects, subject to and qualified by the provisions of this Section 21.03 in the event that Lessor exercises its option to require demolition, as set forth herein.

21.04 **Holding Over**. Lessee's rights under this Lease shall terminate without further notice at the expiration of the Term. Except as expressly provided for in this Lease or consented to by Lessor, any holding over by Lessee after expiration shall not constitute a renewal or extension or give Lessee any rights in or to the Premises except as otherwise expressly provided in this Lease, and Lessee shall pay, as liquidated damages, the then current fair market rental value of the Premises and the Improvements calculated on a per diem basis, multiplied by 1.25, for the period during which Lessee possesses the Premises beyond the expiration hereof.

ARTICLE XXII

GENERAL CONDITIONS; MISCELLANEOUS PROVISIONS

22.01 **Transactions Between Parties**.

(a) **Approval of Ancillary Agreements**. Lessor agrees that if it becomes necessary or desirable for Lessor to approve in writing any ancillary agreements or documents concerning the Premises or concerning the construction, operation or maintenance of the Project Improvements or to alter or amend any such ancillary agreements between Lessor and Lessee or to give any approval or consent of Lessor required under the terms of this Lease, Lessor hereby authorizes, designates and empowers the following officers of The University of Texas at Austin to execute any such agreement, approvals or consents necessary or desirable: the President or the Vice President and Chief Financial Officer of UT Austin or their successors in function, subject to required approvals (if any) by appropriate UT System officials.

(b) **Non-merger of Fee and Leasehold Estates**. Notwithstanding any other provision of this Lease to the contrary, if both Lessor's and Lessee's estates in the Premises or the Improvements or both become vested in the same owner, this Lease shall nevertheless not be destroyed by application of the doctrine of merger or any contrary provision of this Lease except at the express written election of the owner of the fee estate.

(c) **Estoppel Certificates**. At any time and from time to time, within thirty (30) days after notice of request by Lessor or Lessee, the other party shall execute, acknowledge and deliver to the other or to such recipient as the notice shall direct, a statement certifying that this Lease is unmodified and in full force and effect, or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement. The statement shall also state the dates to which the Rent and any other charges have been paid in advance and that there are no defaults hereunder, or if there are, specifying those defaults with particularity.

Any estoppel certificate to be executed by Lessor shall be on Lessor's then standard form or otherwise in a form acceptable to Lessor. Neither party shall be required to execute and deliver estoppel certificates more than twice in any calendar year.

22.02 **Notice.** As used in this Lease, notice includes but is not limited to the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver and appointment. No notice of the exercise of any option or election is required unless the provision giving the election or option expressly requires notice. All notices must be in writing. Notice is considered given either (a) when delivered in person to the recipient named as below, or (b) three (3) business days after deposit in the United States mail in a sealed envelope, wrapper or container, addressed by name and address to the party intended by either registered or certified mail, return receipt requested, postage and postal charges prepaid, or (c) on the next business day after being deposited with a national commercial overnight delivery service (such as, but not limited to, FedEx or UPS) for next business day delivery, addressed by name and address to the party or person intended, in any such case, as follows:

Notice to Lessor:

The University of Texas System
Real Estate Office
201 West 7th Street
Austin, Texas 78701
Attention: Executive Director of Real Estate
Telephone: (512) 499-4333
Fax: (512) 499-4523

With copies to:

The University of Texas at Austin
Campus Real Estate Office
1616 Guadalupe, Suite 2.508
Austin, Texas 78701
Attention: Campus Director of Real Estate
Telephone: (512) 471-8400
Fax: (512) 471-8412

The University of Texas at Austin
Office of Financial Affairs
P.O. Box 8179
Austin, Texas 78713
Attention: Vice President and Chief Financial Officer
Telephone: (512) 471-1422

Notice to Lessee:

Central Health
Attn: Director of Financial Planning and Management
1111 E. Caesar Chavez, Suite B
Austin, Texas 78702
Phone: (512) 978-8174

With copy to:

David Hilgers, Esq.
Adam I. Hauser, Esq.
Husch Blackwell
111 Congress Avenue, Suite 1400
Austin, Texas 78701-4093
Phone: 512.479.1142

Either party may, by notice given at any time or from time to time, require subsequent notices to be given to another person whether a party or an officer or representative, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

Lessor agrees to provide to the Hospital Subtenant copies of any notices to Lessee at the Hospital Subtenant's address provided to Lessor in writing and in accordance with this Section 22.02.

22.03 Interpretation of Lease. Lessor, Lessee, and Seton agree as follows:

(a) Captions, Table of Contents. The table of contents, if any, of this Lease and the captions of the various Articles, Sections and Subsections of this Lease are for convenience and ease of reference only and do not define, limit, augment or describe the scope, content or intent of this Lease or of any part or parts of this Lease.

(b) Gender. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the neuter, and each includes corporation, partnership or other legal entity when the context so requires.

(c) Singular and Plural. The singular number includes the plural whenever the context so requires. References herein to "*person*" mean one or more persons, or one or more entities, or any combination of persons and entities.

(d) Exhibits, Addenda. The following exhibits are incorporated herein for all purposes, whether or not they are actually attached, provided that any not attached have been signed or initialed by the parties:

<u>Exhibit "A"</u>	UT Austin Medical District
<u>Exhibit "B"</u>	UT Medical District Guidelines
<u>Exhibit "C"</u>	Description of the Premises
<u>Exhibit "D"</u>	Permitted Encumbrances
<u>Exhibit "E"</u>	Sidewalk Easements
<u>Exhibit "F"</u>	Driveway Easements
<u>Exhibit "G"</u>	Project Description
<u>Exhibit "H"</u>	Approved Signage
<u>Exhibit "I"</u>	SHF Guaranty
<u>Exhibit "J"</u>	Lease Guaranty
<u>Exhibit "K"</u>	Memorandum of Lease

Reference to "this Lease" includes matters incorporated by reference.

(e) Amendment. This Lease may not be amended and changed except by written instrument signed by Lessor and Lessee and if Seton is the Hospital Subtenant, by Seton. Lessee and Seton acknowledge that material amendments may require approval of the Board of Regents of The University of Texas System.

(f) Severability. The invalidity or illegality of any provision shall not affect the remainder of this Lease.

(g) No Partnership, Joint Venture, or Principal-Agent Relationship. Nothing in this Lease or any acts of the parties hereto shall be construed to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between the parties.

(h) Time of Essence. Time is of the essence with respect to the performance of each of the terms, provisions, covenants and conditions contained in this Lease. Any provision of this Lease to the contrary notwithstanding, if any day or date specified or provided in this Lease falls on a day that is not a Business Day then such day or date shall be automatically extended to the next following Business Day.

(i) TEXAS LAW TO APPLY. THIS LEASE SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN TRAVIS COUNTY, TEXAS.

22.04 Successors. Each and all of the covenants and conditions of this Lease shall be binding on and shall inure to the benefit of the heirs, successors, executors, administrators, assigns and personal representatives of the respective parties. References herein to "Lessor" shall mean the person who is the owner at the time in question of the Premises, whether singular or plural in number, and whether named in this Lease as Lessor or having become the successor in interest of the named Lessor, or the successor of a successor, whether by assignment, foreclosure, or other transfer, and whether intentional or inadvertent or by operation of law. References herein to "Lessee" shall mean the person named as Lessee in this Lease, whether singular or plural in number, or the person who at the time in question is the successor in interest of Lessee, or the successor of a successor, whether by assignment, foreclosure, or other transfer, and whether intentional or inadvertent or by operation of law. It does not, however, include any person claiming under any assignment or sublease or other transfer prohibited by this Lease, and this definition does not alter the provisions of this Lease relating to assignment or subletting.

22.05 Nondiscrimination. Any impermissible discrimination by Lessee or its agents or employees on the basis of race, color, sex, age, religion, national origin, veteran's status, or disability in employment practices or in the performance of the terms, conditions, covenants and obligations of this Lease is prohibited. Lessee acknowledges the policy of The University of Texas System Board of Regents to provide practical opportunities for women-owned and minority-owned business enterprises to participate in contracts awarded by component institutions of The University of Texas System. Accordingly, Lessee will exercise its reasonable efforts in good faith, consistent with prudent business practices, to include women-owned and

minority-owned small business enterprises as material suppliers, as contractors, and/or as subcontractors in planning, designing, developing, constructing, operating and maintaining the Premises during construction and following completion.

22.06 **Conflict of Interest.** Lessee acknowledges that it is informed that Texas law prohibits contracts between Lessor and its officers, and that the prohibition extends to contracts with any partnership, corporation or other organization in which any such officer has an interest. Lessee certifies (and this Lease is made in reliance thereon) that neither Lessee nor, to the best of Lessee's knowledge after due inquiry, any person having an interest in this Lease by, through, or under Lessee is an officer of Lessor.

22.07 **No Broker.** Lessor and Lessee each indemnifies and agrees to hold the other harmless from any claims for real estate, leasing commissions or finder's fees in respect to the transaction entered into under this Lease alleged to be due because of any act of the indemnifying party and from any loss, liability, damage, cost or expense (including attorney's fees) of defending or settling such claims. Lessor's obligation to indemnify Lessee shall apply to the extent authorized by the Constitution and laws of the State of Texas.

22.08 **Non-Waiver Provision.** Lessor is an agency of the State of Texas and nothing in this Lease will be construed as a waiver or relinquishment by Lessor of its right to claim such exemptions, privileges, and immunities as may be provided by law. Lessee is a political subdivision of the State of Texas and nothing in this Lease will be construed as a waiver or relinquishment by Lessee of its right to claim such exemptions, privileges, and immunities as may be provided by or allowed under the Constitution of the State of Texas or any other Applicable Laws.

22.09 **Prohibition on Violation of State Law and Constitution.** Notwithstanding anything to the contrary in this Lease, Lessor and Central Health agree that neither Lessor nor Central Health shall be required to perform any act or to refrain from any act if that performance or non-performance would constitute a violation of the Constitution or laws of the State of Texas. In addition, all obligations imposed upon Lessor or Central Health pursuant to this Lease and any related agreements shall be subject to the limitations set forth below in this Section 22.09:

(a) **Lessor: Waivers; Indemnity; and Attorneys' Fees.** Notwithstanding any provision in this Lease stating that Lessor limits, waives, or releases a right to make a claim against Lessee or any other party or exculpates Lessee or any other party from liability, such limitation, waiver, release, or exculpation shall be effective only to the extent authorized by the Constitution and laws of the State of Texas. Notwithstanding any provision in this Lease stating that Lessor will indemnify or hold harmless Lessee or any other party, Lessor, as an agency of the State of Texas, shall be obligated to indemnify and hold harmless only to the extent authorized by the Constitution and laws of the State of Texas. Notwithstanding any provision in this Lease stating that Lessor will pay attorneys' fees incurred by Lessee or any other party, Lessor, as an agency of the State of Texas, shall be obligated to pay attorneys' fees only to the extent authorized by the Constitution and laws of the State of Texas.

(b) Lessee: Waivers; Indemnity; and Attorneys' Fees. Notwithstanding any provision in this Lease stating that Central Health limits, waives, or releases a right to make a claim against Lessor or any other party or exculpates Lessor or any other party from liability, such limitation, waiver, release, or exculpation shall be effective only to the extent authorized by the Constitution and laws of the State of Texas. Notwithstanding any provision in this Lease stating that Central Health will indemnify or hold harmless Lessor or any other party, Central Health shall be obligated to indemnify and hold harmless only to the extent authorized by the Constitution and laws of the State of Texas. Notwithstanding any provision in this Lease stating that Central Health will pay attorneys' fees incurred by Lessor or any other party, Central Health shall be obligated to pay attorneys' fees only to the extent authorized by the Constitution and laws of the State of Texas.

(c) Remedies. Notwithstanding any provision in this Lease specifying remedies to which Lessor, Lessee, or the Hospital Subtenant shall be entitled, or stating that Lessor or Central Health consents to jurisdiction of any court, no provision in this Lease shall constitute nor is it intended to constitute a waiver of Lessor's, Central Health's, or the State of Texas' sovereign immunity to suit.

(d) State Property. Notwithstanding any provision in this Lease to the contrary, any grant by Lessor to Lessee or any other party of any right to take possession and control of personal property owned by the State of Texas or to have a security interest therein shall be effective only to the extent that Lessor has authority to grant such rights under the Constitution or laws of the State of Texas.

22.10 State Auditor's Office. Lessee understands that acceptance of funds by Lessor under this Lease constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "*Auditor*"), to conduct an audit or investigation in connection with those funds pursuant to Sections 51.9335(c), 73.115(c), and 74.008(c) of the Texas Education Code. Lessee agrees to cooperate with the Auditor in the conduct of the audit or investigation, including, without limitation, making available during business hours at Lessee's offices all records reasonably requested by the Auditor, provided that Lessor shall reimburse Lessee for all out-of-pocket costs incurred by Lessee, including a reasonable administrative fee, in complying with any such audit.

22.11 Enforcement by Hospital Subtenant and Lessee. Because of the unique nature of this Lease and the purpose of this Lease and the use of the Premises as the Teaching Hospital and the role of the Hospital Subtenant in connection therewith, Lessor acknowledges and agrees that:

(a) Subject to the terms of the Hospital Sublease (so long as it is in effect) and except as otherwise provided in this Lease, all rights and privileges granted to Lessee under this Lease will inure to the benefit of, and be enforceable by the Hospital Subtenant against Lessor, for so long as the Hospital Subtenant is the tenant under the Hospital Sublease, in the same manner and subject to all terms and conditions of this Lease. In connection therewith, Lessor and Lessee desire and intend that the Hospital Subtenant will have third party beneficiary rights under this Lease as if it was the "Lessee" under this Lease, excepting only the right to possession

of the Premises, which will be governed exclusively by the Hospital Sublease so long as it is in effect. The Hospital Subtenant's right to enforce this Lease and its provisions against Lessor shall be subject to the terms of this Lease and the Hospital Sublease (so long as it is in effect) and to the Hospital Subtenant's performance and satisfaction of all Lessee obligations under this Lease and the Hospital Subtenant's cure of any Lessee Defaults which are curable by the payment of money or otherwise capable of being cured by the Hospital Subtenant within a reasonable period of time after any removal of Central Health as Lessee and the Hospital Subtenant's assumption of this Lease.

(b) All rights and privileges under this Lease related to the Seton Safety Net Requirement will inure to the benefit of Lessee, survive the assignment of this Lease to Seton or a Permitted Transferee of Seton or the termination of this Lease or Lessee's right of possession under this Lease, and be enforceable by Lessee against S/SHF (or an affiliate thereof) for so long as S/SHF (or an affiliate thereof) is the Hospital Subtenant, lessee (under this Lease or a new direct lease with Lessor) or Teaching Hospital Operator (the "*S/SHF Operations Period*"). In connection therewith, Lessor and Lessee desire and intend and agree that if there is a termination of this Lease or Lessee's right of possession under this Lease at any time during the S/SHF Operations Period: (i) Lessor will not amend this Lease or the 2014 Hospital Sublease or enter into a new direct lease or Hospital Sublease or Teaching Hospital Operator Agreement with S/SHF (or any affiliate thereof) that modifies the Seton Safety Net Requirement without Lessee's prior written consent, and (ii) Lessee will still have third party beneficiary rights under this Lease for the purpose of enforcing the Seton Safety Net Requirement against S/SHF. Lessor agrees to cooperate, at no cost to Lessor, and not to interfere with any efforts by Lessee to enforce the Seton Safety Net Requirement against S/SHF, including by joining in any litigation Lessee chooses to commence to enforce the Seton Safety Net Requirement, subject to all rights and immunities to which UT System, on its own behalf and on behalf of UT Austin, is entitled as an agency of the State of Texas. Further, Lessor agrees that so long as Seton performs the obligations of Lessee as provided in the Seton Joinder, then Central Health's obligations as Lessee under this Lease with respect to the requirements and covenants of such provisions in the Seton Joinder will be satisfied.

22.12 Termination of Ancillary Agreements. This Lease contains references to a number of ancillary agreements which have stated terms that are different than the Term of this Lease, including, without limitation, the Teaching Hospital Affiliation Agreement. If one of such ancillary agreements expires or otherwise terminates prior to the termination of this Lease (and such expiration or termination does not give rise to a default under this Lease), then all provisions contained in this Lease requiring compliance with, or application of, such ancillary agreement will automatically become of no further force or effect; provided, however, the expiration or termination of the Master Agreement shall not excuse compliance with the Safety Net Requirement or any post-termination obligations of Central Health and Seton under the Master Agreement.

ARTICLE XXIII
EXECUTION; MEMORANDUM OF LEASE

23.01 **Execution in Counterparts.** This Lease, or the memorandum of this Lease, or both, are executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.

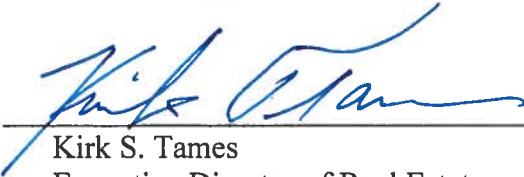
23.02 **Recordation of Memorandum Only.** This Lease shall not be recorded. Only a memorandum of this Lease in the form attached hereto as Exhibit “K” shall be recorded (the “*Memorandum of Lease*”). The Memorandum of Lease shall be recorded only on or after the Commencement Date or at such earlier date as may be necessary for Lessee to obtain a Leasehold Loan. Lessee’s recordation of this Lease or any other memorandum of this Lease (other than the Memorandum of Lease) shall be a Lessee Default.

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This Lease is executed on the dates shown below, to be effective for all purposes on the date first written above.

LESSOR:


**BOARD OF REGENTS OF THE
UNIVERSITY OF TEXAS SYSTEM**

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

Date: October 15, 2014

Approved as to Content:

The University of Texas at Austin

By: 
Amy Wanamaker
Campus Director of Real Estate

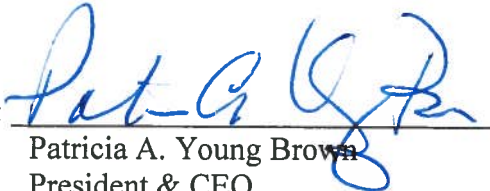
Date: October 15, 2014

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[LESSEE'S SIGNATURE ON FOLLOWING PAGE]

LESSEE:

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

By: 
Patricia A. Young Brown
President & CEO

Date: October 16, 2014

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[SETON JOINDER ON FOLLOWING PAGES]

JOINER BY SETON FAMILY OF HOSPITALS

Seton joins in the execution of this Lease as the initial Hospital Subtenant for the purposes set forth in this joinder (the “*Seton Joinder*”). For \$10.00 and other good and valuable consideration and as a material inducement to Lessor and Lessee to execute this Lease; Seton represents and warrants and covenants and agrees as follows:

1. **Authority.** Seton represents and warrants that (a) Seton’s execution of this Joinder and Seton’s performance of the provisions of this Lease applicable to or binding on Seton, as provided in this Lease, have been duly authorized and approved by all necessary action by Seton Healthcare Family and by Ascension Health Alliance, (b) Seton’s execution of this Joinder and agreements herein do not violate any Applicable Laws or Seton’s organizational and constituent documents, and (c) Seton is not and all subsidiaries and affiliates of Seton (including without limitation Seton Healthcare Family) are not, (i) in violation of any laws relating to terrorism or money laundering, or (ii) among the individuals or entities identified on any list compiled pursuant to Executive Order 133224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac> or any replacement website or other replacement official publication of such list.

2. **Direct Seton Obligation.** Seton acknowledges and agrees that the recitals and background information in Article I are true and correct in all material respects. Seton acknowledges and agrees that Seton, to and for the benefit of Lessor, (i) is bound by and Seton covenants, agrees, and promises to perform and discharge all of the obligations of Hospital Subtenant and Seton expressly set forth in the Lease, and (ii) is bound by and Seton covenants and agrees to comply with all of the provisions of the Lease, other than the “Excluded Provisions,” as if Seton were the “Lessee” under the Lease. Lessor and Lessee acknowledge and agree that Seton will not be responsible for performing or discharging any obligations of Lessee or Central Health under the Excluded Provisions. As used herein, “*Excluded Provisions*” means the following Sections of the Lease:

Section	Caption
1.10(b)	Central Health Safety Net System
1.10(d)	Central Health Safety Net Requirement
4.01(b)(iv)	Use
4.08(e)	Environmental Indemnity by Lessee
5.01	Base Rent
5.03	Interest on Late Payment
5.10	Future Lease Guaranty
7.08(c)	Completion of Initial Construction
7.17(a)	Use of Central Health Downtown Campus
7.18	Collateral Assignments
8.01	Lessee’s Representations and Warranties
10.01	Assignment
10.02	Provisions Relating to Assignment
10.05	Future Hospital Sublease

Section	Caption
11.03(a)	Indemnity by Lessee
19.05	Transition to new Owner or Operator of the Teaching Hospital
22.11(b)	Enforcement by Hospital Subtenant

3. **ENVIRONMENTAL INDEMNITY BY SETON.** EXCEPT TO THE EXTENT ARISING FROM THE NEGLIGENCE OR WILLFUL MISCONDUCT OF A LESSOR RESPONSIBLE PARTY, SETON SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS LESSOR AND THE LESSOR PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY OR EXPENSES RELATED TO, ARISING OUT OF, OR REGARDING A BREACH OF SETON'S COVENANTS IN SECTION 4.08 OF THE LEASE OR A VIOLATION OF ANY APPLICABLE ENVIRONMENTAL LAWS IN, ON, OR UNDER THE PREMISES, EXCEPT FOR ANY SUCH VIOLATION OF APPLICABLE ENVIRONMENTAL LAWS CAUSED ONLY BY LESSOR HAZARDOUS MATERIALS. THIS SECTION 3 SHALL SURVIVE TERMINATION OF THIS LEASE.

4. **INDEMNITY BY SETON.** LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DEATH, DAMAGE OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM ANY USE OF THE PREMISES OR IMPROVEMENTS, OR ANY PART THEREOF, OR CAUSED BY ANY DEFECT, MALFUNCTION OR OTHER CHARACTERISTIC OF ANY BUILDING, STRUCTURE OR OTHER IMPROVEMENT THEREON OR IN ANY EQUIPMENT OR ANY OTHER FACILITY ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OR ASPECT OF THE PREMISES, OR CAUSED BY OR ARISING FROM ANY ACT OR OMISSION OF LESSEE, SETON, OR ANY OF LESSEE'S OR SETON'S RESPECTIVE AGENTS, OFFICERS, EMPLOYEES, GUESTS, PATIENTS, INVITEES OR PERMITTEES, OR FAILURE TO MAINTAIN THE PREMISES, INCLUDING ALL OF THE IMPROVEMENTS, IN SAFE CONDITION AND IN COMPLIANCE WITH ALL APPLICABLE LAWS, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; HOWEVER, TO THE EXTENT AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, LESSOR WILL BE RESPONSIBLE FOR ANY DAMAGE OR INJURY TO PERSONS OR THE IMPROVEMENTS OR SETON'S PROPERTY TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LESSOR RESPONSIBLE PARTY. EXCEPT TO THE EXTENT CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY LESSOR RESPONSIBLE PARTY, SETON SHALL INDEMNIFY, DEFEND (WITH COUNSEL DESIGNATED BY SETON AND REASONABLY ACCEPTABLE TO LESSOR) AND HOLD HARMLESS THE LESSOR PARTIES FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES, DAMAGES, LIABILITY AND RELATED EXPENSES (INCLUDING COURT COSTS, ATTORNEYS AND EXPERTS' FEES) ARISING OUT OF OR RELATING TO (i) A DEFAULT BY SETON IN ITS OBLIGATIONS UNDER THIS LEASE AND THE HOSPITAL SUBLEASE, OR (ii) PERSONAL INJURY OR DEATH OR PROPERTY DAMAGE OCCURRING ON THE LAND, THE IMPROVEMENTS, OR ANY OTHER PORTION OF THE PREMISES CAUSED BY ANY ACT OR OMISSION OF SETON OR ITS AGENTS, OFFICERS, EMPLOYEES, INVITEES, GUESTS, OR PERMITTEES.

5. **Ethical and Religious Directives.** Any provision contained in this Lease to the contrary notwithstanding, as long as Seton or any affiliate of Seton shall be the Hospital Subtenant or the Teaching Hospital Operator, Lessor and Lessee acknowledge and agree that the Teaching Hospital shall be used and operated in compliance with 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.

6. **Seton Affiliation Agreement.** Lessor and Seton covenant and agree that they will not enter into any amendment to the Seton Affiliation Agreement that would be reasonably likely to have a material adverse effect on Central Health's rights under this Lease without Central Health's written approval, which approval will not be unreasonably withheld or delayed.

7. **Limitation on Liability.** Seton will only be bound by the terms of this Joinder for so long as Seton is the Hospital Subtenant in control of the Premises under this Lease. This Joinder will automatically terminate, and Seton will have no further liability hereunder, upon the termination of Seton's right to use and occupy the Premises under this Lease, subject to any statute of limitations which may be applicable to a claim by Lessor against Seton.

8. **Not a Guaranty.** The terms of this Joinder and Seton's liability hereunder are limited to the direct acts and omissions of Seton and are enforceable by Lessor only (and not Lessee). Seton's liability to Lessee will be governed exclusively by the 2014 Hospital Sublease. Seton will have no liability under this Joinder whatsoever for any claims, losses, costs, or other expenses arising from a breach of this Lease by Lessee. The purpose of this Joinder is to provide Lessor with a direct cause of action against Seton in the event that Seton's direct acts or omissions give rise to a breach of this Lease, and it is not intended that this Joinder create any contingent liability on Seton as a guarantor of Lessee's performance of Lessee's obligations under this Lease.

9. **Successors.** Each and all of the covenants and conditions of this Joinder shall be binding on and shall inure to the benefit of the affiliates, successors, assigns (including any Permitted Transferees) of Seton.

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[SETON SIGNATURE ON FOLLOWING PAGE]

SETON:

Seton Family of Hospitals
(a Texas nonprofit corporation)

By: Thomas E. Gallagher
Name: Thomas E. Gallagher
Title: Senior Vice President and Interim Chief
Financial Officer

Date: October 17, 2014

Seton Family of Hospitals
(a Texas nonprofit corporation)

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

Date: October 17, 2014

Address for Notice:

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

With a copy to:

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

With a copy to:

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

SETON JOINDER

EXHIBIT "A"

UT AUSTIN MEDICAL DISTRICT

The Medical District of The University of Texas at Austin is described on the following page and is outlined in red.

**THE UNIVERSITY OF TEXAS AT AUSTIN
Medical District**



Exhibit "A"

EXHIBIT "B"

UT MEDICAL DISTRICT GUIDELINES

[See following 21 pages]

THE UNIVERSITY OF TEXAS AT AUSTIN
**MEDICAL DISTRICT
URBAN DESIGN
GUIDELINES**
AUGUST 13, 2014



Exhibit "B"

Perry-Castaneda Library
 George I. Sanchez Building
 Jack 5 Blinn Museum of Art
 Brazos Garage
 Caven Leases Center at Clark Field
 San Jacinto Research Hall
 Recreational Sports Center
 Parking Garage
 Chilling Station (Perennial)

Lee & Joe Johnson Swimming Center
 Trinity Garage
 Arthur P. Weston House
 Research
 MCB (1)
 Parking Garage
 Hospital
 Education and Administration Building
 Parking Garage

Washoe Park

Texas Capital Building

I-35

E MARTIN LUTHER KING BLVD

15th ST

14th ST

13th ST

URBAN DESIGN GUIDELINES

PURPOSE

The Medical District Urban Design Guidelines capture the design intent of the Master Plan and provide urban design guidance as new buildings and public spaces are developed over time. The Urban Design Guidelines supplement the Architectural Design Guidelines (ADG) provided in the UT Austin Campus Master Plan. At this time, a Landscape Master Plan (LMP) is underway for the Medical District and for the Campus as a whole. The LMP will provide landscape architectural guidance. Together, these three sets of guidelines will provide the University with the tools to make decisions and provide direction to design consultants as the medical district evolves over time.

The urban design guidelines establish principles governing building siting and treatment to ensure that the overall campus setting is cohesive, climate-responsive, and supports the activities of all users in the Medical District. The goal of these urban design guidelines is to provoke strong and innovative individual building and landscape design while at the same time creating a distinctive and pervasive sense of place for the District as a whole.

The urban design guidelines are organized according to seven over-arching principles, that considered together, will create a cohesive, high quality, attractive, comfortable, and functional new district. To achieve the design principles, a number of guideline recommendations are described to provide urban design direction to urban designers, architects, and landscape architects as they design and build out the district over time.

PRINCIPLES

- 1 Urban Density
- 2 Public Realm
- 3 Functionality
- 4 Connectivity
- 5 Quality of Place
- 6 Sustainability
- 7 Identity



Exhibit "B"

CONCEPTUAL VIEW OF THE MEDICAL DISTRICT AT WALLER CREEK

PLAN FRAMEWORK

The UT Medical District Master Plan provides an urban design framework that creates the district wide structure for laying out blocks, streets and major open spaces. The fundamental organizing concept is to maintain and restore the Austin urban grid within the district so that it connects seamlessly to the context around it and provides a network of connections and visual corridors that is urban in scale. To achieve this goal, Red River Street south of Martin Luther King Boulevard is straightened and restored to its original north-south alignment. In the future, removing the curved part of Red River Street north of Martin Luther King Boulevard will create larger more regular development parcels that will support higher densities, especially adjacent to the highway. Ultimately, the goal is for Robert Dedman Drive and Red River Street to support pedestrian and transit connectivity, while through traffic for vehicular and service access would be accommodated along the Frontage Road.

The urban design principles and recommendations below provide additional design guidance that will ensure the vibrancy, human-scale, and attractiveness of the new UT Medical District.

PRINCIPLE 1: URBAN DENSITY

Maximize development potential to create a vibrant urban district, while maintaining a human scaled and high quality public realm.

DEVELOPMENTAL BLOCKS

The urban design framework for the UT Medical District aspires to restore the Austin urban grid and to create a strong pedestrian network throughout the new district.

RECOMMENDED HEIGHT AND FAR LIMITS

The heights of buildings in the Medical District are restricted in most areas by the Capitol View Corridor Ordinance that established view corridors of the State Capitol from various points of interest. These heights are strictly enforced. They range from 65 feet to 140 feet, have complex boundaries, and must be carefully considered when determining the overall massing of buildings within the district. Sites that fall outside the view corridors have no height limits. FAR recommendations vary by block from FAR2.0 to FAR7.0 with the majority of core Medical District blocks being FAR4.0. The recommended FAR's will achieve a dense, but human-scaled urban quality in the UT Medical District.

SCALE AND MASSING

As a goal along active public streets, the establishment of a height of no more than five stories before a step-back will give the district an overall human-scaled pedestrian quality. To ensure a human scale, large expanses of uniform façade treatment (especially top to bottom) should be avoided in favor of more responsiveness to context and building function. Behind the street, buildings may be as high as allowed within the Capitol View Corridor Ordinance. Floor area ratios (FAR's) are recommended for development blocks to ensure a balance of height and massing. For example, if buildings are tall, they should be more modulated or incorporate slender towers to limit massive, unarticulated design.

BUILDING ORIENTATION

Buildings in the district should be oriented in alignment with the Austin grid strengthening the urban realm of streets, plazas and courtyards. Where possible, buildings should be oriented with the long axis east-west to limit east- and west-facing façade area and maximize north and south facing façades. This will limit exposure to the most intense solar heat gain, assuming south facing façades incorporate sun shading or other technologies. When a building's long façade needs to face east/west to meet program requirements and/or reinforce a street edge or public space, sunshades and other architectural devices should be used to limit solar gain.



Exhibit "B"

PRINCIPLE 2: PUBLIC REALM

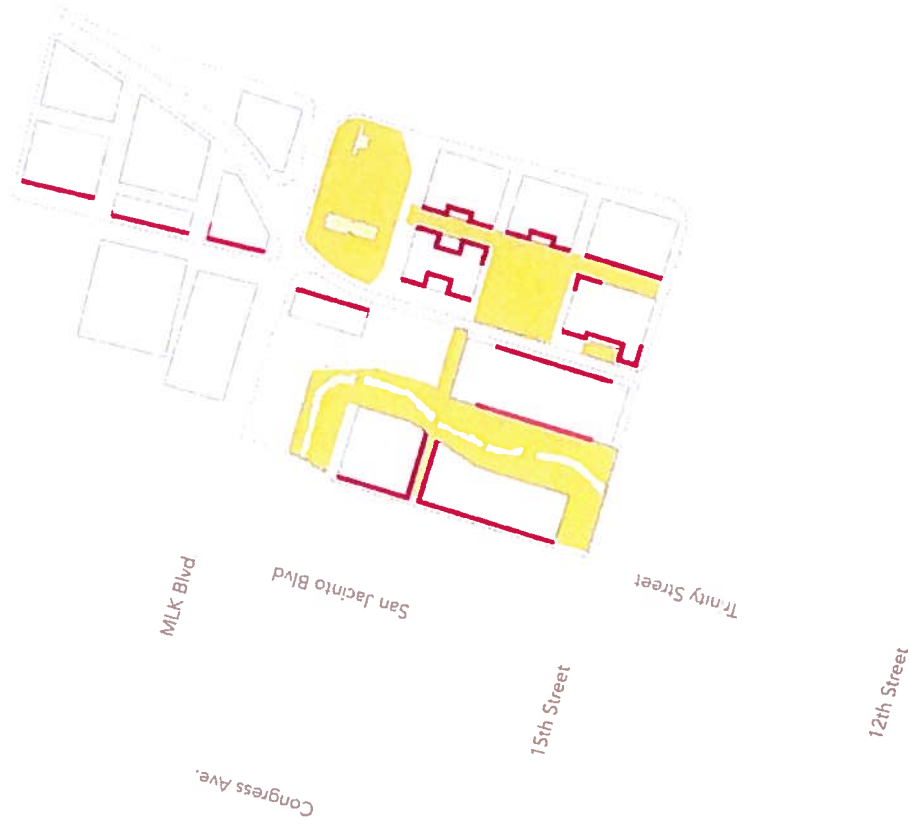
Design buildings to create well-defined edges that frame streets, courtyards, and open spaces that result in a comfortable, human-scaled, and connected public realm.

BUILD TO LINES

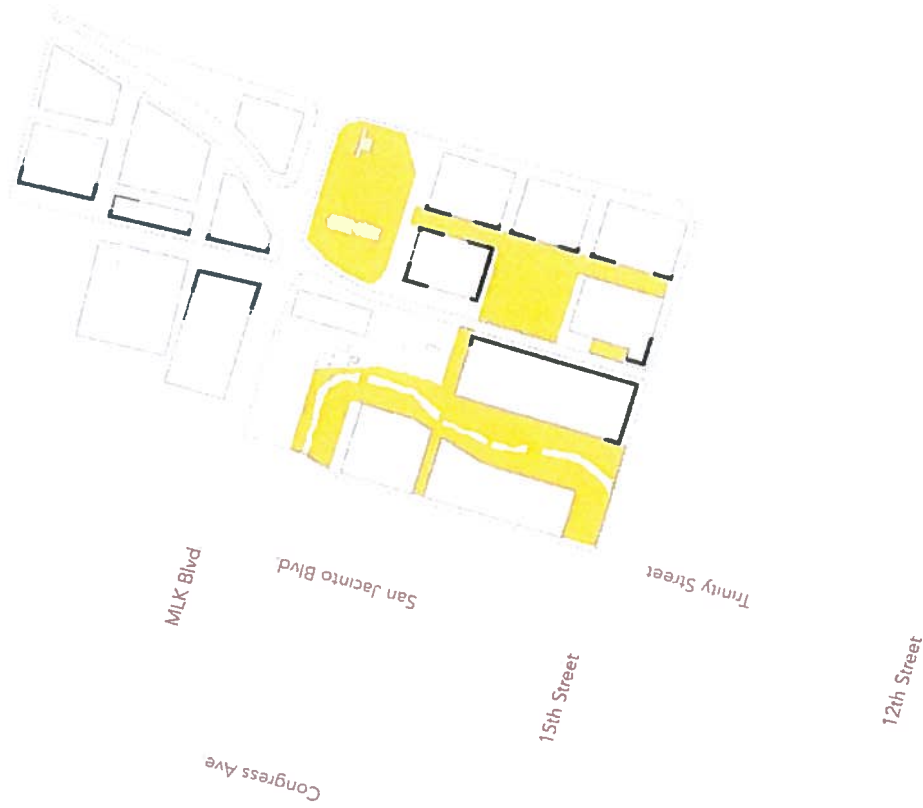
Several build-to-lines, where buildings come right to the edge of the street or public space, are recommended to create a strong sense of enclosure in certain parts of the district. Generally, ground level treatment along these edges should be transparent with visual access to active uses and commercial uses. Red River Street between the new hospital and the Dell Medical School and between the Medical Office Building and the Research Building off Trinity Street, are two important entrance plaza areas that should align with the urban grid and maintain pedestrian scale and connectivity. The north-south pedestrian mall that will occur in later phases of development between Red River Street and Frontage Road should also adhere to the build-to-line recommendations.

SETBACKS AND STEP-BACKS

In some instances, usually at the public entrances to buildings, setbacks from the property line will allow for a more generous entry court. For example, at the entry to the Dell Medical School off Red River Street, a setback is recommended to allow for the design of a tree-lined entry plaza with shady seating areas. Also, off Trinity Street, the Research building and the Medical Office Building may have setbacks to accommodate a more generous entry plaza area. In general, throughout the district, a 15-foot step-back at five story building height along active streets and other public places is recommended to ensure a pedestrian scale.



- Proposed Active Edges
- ACTIVITY EDGE
 - DEVELOPMENT BLOCK
 - OPEN SPACE



- Proposed Build to Lines
- BUILD TO LINE
 - DEVELOPMENT BLOCK
 - OPEN SPACE

Exhibit "B"

PRINCIPLE 3: FUNCTIONALITY

Balance pedestrian needs with functional needs of service, emergency, and vehicular requirements within the district.

FUNCTIONALITY ZONES

Medical districts are functionally complex with service, emergency and pedestrian needs all intertwined within the same compact geography. The success of the district relies on the careful and distinct design of specific zones and the coordination of pedestrian and vehicular movements within and between them.

The attached diagram illustrates three zones: pedestrian, shared, and service. The following describes the design recommendations for each zone:

- Pedestrian zones should have extensive shade throughout to create a cooler more comfortable microclimate for people walking in the district. Pathways, seating areas, pedestrian lighting, transit shelters, as well as other pedestrian amenities should be carefully located within the pedestrian zones of the district. These amenities are further defined in the Landscape Master Plan. Ground floors of buildings facing onto the pedestrian zones to the extent possible should be transparent and where possible accommodate a range of active uses.
- Shared zones should have shaded sidewalks. Curbs, bollards, and special paving should be used to delineate pedestrian zones that are safe and well protected from vehicular traffic and service vehicles. It is highly recommended that an operational system where delivery and pick up trips are scheduled, be coordinated and minimized to regulate and limit the number of large vehicles driving in the district during peak pedestrian

times. This is particularly important in the near-term when the Erwin Center continues to host large events with visitors parking in state run garages along Trinity Street.

- Service zones need to provide optimized functionality for service and emergency vehicles as well as for access to other equipment and loading docks. Roadways need to have proper width and turning radii for large service trucks to access loading docks. Loading areas should accommodate all of the service, storage, trash and recycling needs of the hospital, clinical, research, and academic facilities of the district. Ensuring that the operational needs of the users in the district is critical to its long-term success and functionality.

PEDESTRIAN CROSSINGS

Within the “Shared Zone” described above, special attention should be made to shepherd pedestrians to specific points of crossing. Critical to the functionality of the Medical District is the creation of well-defined and safe areas where pedestrian and vehicle paths cross. Midblock pedestrian crossings will be required on Red River aligned with 16th and 17th streets to ensure a regular increment of crosswalks that correspond with building entries and adjacent walkways. As described above, curbs, bollards, and special paving should be used to demarcate pedestrian crossings across streets and service lanes.



- Functionality Zones
- PEDESTRIAN
 - OPEN SPACE
 - WALLER CREEK AREA
 - SERVICE
 - SHARED

Exhibit "B"

PRINCIPLE 4: CONNECTIVITY

Ensure convenient connectivity throughout the district by maintaining a fine grain network of pedestrian access throughout the Medical District.

USER EXPERIENCE

Within the Medical District there are two general categories of users that will arrive and circulate in different ways. Each of these networks of users should have easy access and seamless transitions between modes. The experience categories are mapped in the accompanying diagram and described below:

- The patient/visitor experience usually begins when a patient or visitor drives into the District and begins looking for either parking in the Brackenridge Garage, new Trinity Street garage, or the patient drop off at the Hospital on Red River Street. Patients will also arrive at the emergency entrance on 15th Street either by ambulance or by car. Legible and logical signage that clearly directs people to drop offs and parking garages is critical to the efficiency and comfort of the patient/visitor experience. Whether at grade or in elevated bridges, connections between buildings that are direct, well signed, and preferably day-lit will improve the overall experience of all users.
- The student/faculty/physician experience is an important extension of the UT experience and must therefore be fully integrated with and connected to the main campus. Most of the pedestrian activity will occur along the major north-south spines: Waller Creek, Red River Street, and the north-south pedestrian mall in the eastern part of the new Medical District. The guidelines recommend that the pedestrian corridors outlined in the attached diagram be designed consistent with the look and feel of oak-lined and beautifully landscaped walkways in the core of the campus.

SKY BRIDGES

Several 2nd story sky bridges will be necessary to create enclosed and direct links between the new hospital, the Medical Office Building, the UT Research Building, the Dell Medical School, and associated parking garages. Sky bridges are expensive and will draw pedestrian activity from the street level of the district so they should be used with restraint and only when logistically necessary. These bridges will in many respects serve as gateway elements in the district and should be elegant, transparent and designed with attention to architectural detail. The master plan proposes a sky bridge connection over Red River between the Dell Medical School and the new hospital. The bridge over 15th Street that links the Brackenridge garage with the new hospital should flow seamlessly into the west side corridor that overlooks Waller Creek. Ideally the location of sky bridges creates a second level seamless connectivity between the core district buildings.



Exhibit "B"

ILLUSTRATIVE VIEW OF THE MEDICAL DISTRICT

PRINCIPLE 5: QUALITY OF PLACE

Create an identity and quality of place in the new Medical District that is consistent with the look and feel of the Core Campus.

SHADY STREETS AND OPEN PLACES

First and foremost, the University of Texas at Austin campus is characterized by an abundance of mature live oak trees that create an interconnected landscape of well-shaded campus spaces that support an array of outdoor activities. Extensive planting of shade trees on both streets and in courtyards and quads is an important recommendation for the Medical District. There are many mature and spectacular trees in the area. Efforts should be made to incorporate and/or transplant these trees. The urban design principles of Urban Density and Public Realm will ensure that buildings are organized within the grid of streets and pathways to create significant shade. Trees should be planted to supplement and provide continuous shade in pedestrian areas.

GROUND LEVEL TREATMENT AND BUILDING ENTRANCES

It is critical to the vibrancy of the new Medical District that the streets and public spaces are activated by the uses in the ground level of buildings. Retail and other active uses like public lounges, cafeterias, and other visually interesting uses should face the streets and public spaces as indicated in the attached “Active Edges” diagram. Activating the Waller Creek edge of the hospital to some degree, at least from a visual transparency perspective, is an opportunity to animate this natural amenity. Wherever possible, primary building entrances should face onto the “active edges” to contribute to the animation of these key public spaces in the District.

WALLER CREEK LANDSCAPE

One of the fundamental design strategies for the Main Campus is to reimagine Waller Creek as a unifying element and a distinctive “place” rather than a barrier and a forgotten zone. Waller Creek, as it passes through the Medical District should be designed as an extension of the improved Waller Creek to the north, connecting the campus core to the Waller Creek District in Downtown Austin to the south. A diverse ecology of trees and plant materials will provide ample shade for meandering paths and seating areas along the creek. The Landscape Master Plan provides guidance in this area. Appropriate lighting and carefully sculpted visual connection will create a safe and comfortable pedestrian environment that allows people to walk or bike along uninterrupted pathways. At least 75% of the ground level of building facades that face onto the Creek should be transparent providing “eyes on the park” and entrances with outdoor terraces are encouraged. It is recognized that functional requirements of medical and research uses may require a lower degree of transparency.

SCREENING OF EQUIPMENT

Critical to the success of a compact, urban Medical District is the careful screening of the extensive utility and service equipment and infrastructure that will be required to service its buildings and users. Service areas and outdoor equipment must be screened from public view using architectural walls, screens, and hedges where possible. Street entrances to loading areas should be screened. For example, the large loading area located directly to the north of the new hospital should be surrounded by an architecturally interesting wall and landscape screen.



Exhibit "B"

ILLUSTRATIVE VIEW OF THE MEDICAL DISTRICT

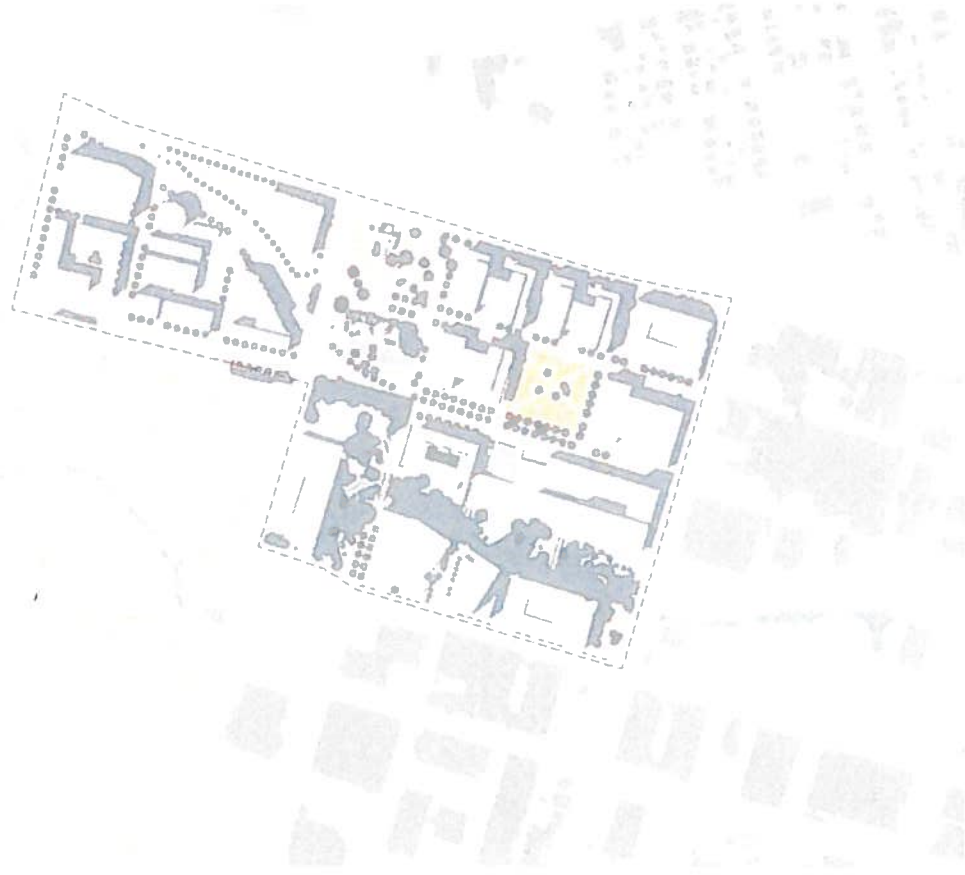
PRINCIPLE 6: SUSTAINABILITY

Establish urban design sustainability targets that aim to create a cooler microclimate and mitigate heat island effect in the District.

MICRO CLIMATE

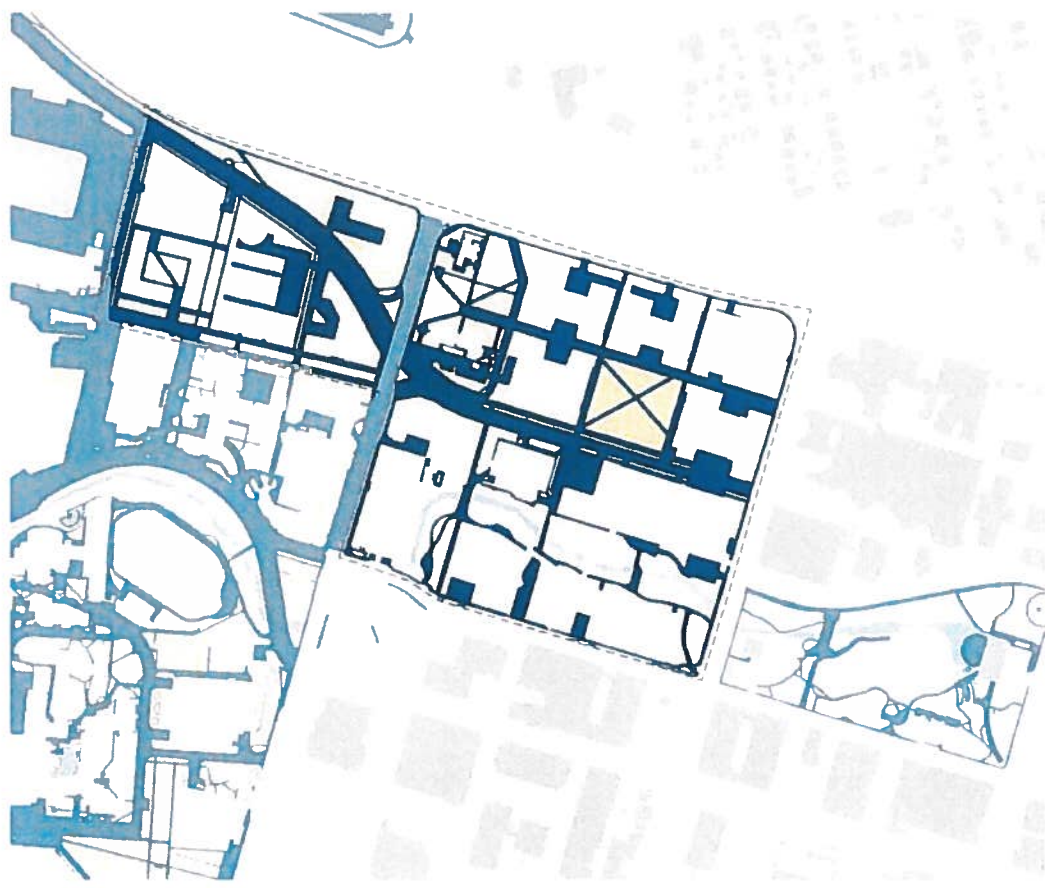
The University of Texas at Austin Campus Master Plan defines a comprehensive set of sustainability standards that should, at a minimum, be adhered to in the design of the Medical District. The Urban Design Guidelines focus primarily on how the footprint, siting, and treatment of the outdoor realm can influence the comfort level of the district. More comprehensive sustainability standards may be referenced with the *Natural Resource Management and Conservation Strategic Plan* (2011). The Austin climate, with average daily high's above 90 degrees Fahrenheit from June through September, is often uncomfortably hot. The design of outdoor spaces, the amount of shade created by the placement of buildings and trees, as well as the selection of paving and building materials, has an enormous effect on the microclimate of a particular outdoor space. Through design, the ambient temperature of an outdoor space can vary as much as 15-20 degrees depending on the amount of shade and reflectivity of surface materials. The generous use of trellises, loggias, and other shade structures is encouraged to provide additional shade for outdoor seating. The master plan recommends setting targets for shade and impervious surfaces to mitigate the hot summer weather and to create a more comfortable microclimate for people to hang out outdoors. The recommended target metrics to achieve cooler outdoor spaces are based on the characteristics of the most comfortable and iconic campus spaces in the Core Campus:

- Tree Canopy/Shade should cover 30-35% of the overall area, not including building footprints, within the district. This will ensure adequate shade for pedestrian paths, outdoor informal hang out spaces, and park and creek landscapes. Today in the Medical District, the Waller Creek area has approximately 47% shade while the zone with the Erwin Center has 19% shade.
- Impervious Surface should not exceed 65-70% of the overall surface area in the district to limit the amount of heat absorption of hard surfaces. Today in the district, the Waller Creek area has approximately 22% impervious surface while the Erwin Center zone has 59% impervious surface.
- Heat Island, the combination of shade and impervious surfaces, should not exceed 25-30% of the district area. Today the Waller Creek area is very

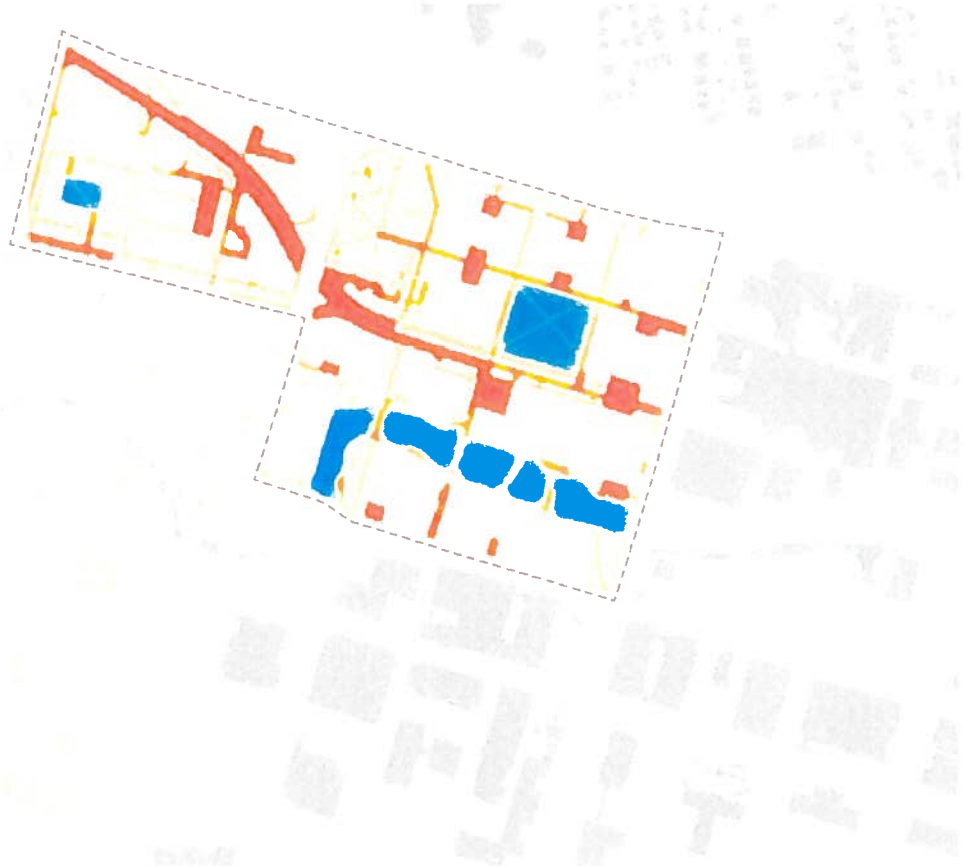


Proposed Shade Coverage
SHADE

shady and has only 5% heat island while the Erwin Center area has 59%. The goal of the microclimate guidelines is to set targets for tree canopy, shade, and impervious surfaces to increase the amount of outdoor space where temperatures are more comfortable for people to hang out: outdoor space where temperatures are more comfortable for people to hang out.



Proposed Impervious Surfaces
GROUND LEVEL IMPERVIOUS SURFACE



Proposed Outdoor Comfort Zones and Heat Island Effect
HOT: UNSHADED IMPERVIOUS SURFACE
WARM
COOLER
OUTDOOR SOCIAL SPACES

Exhibit "B"

PRINCIPLE 7: IDENTITY

Recognize the importance of particular buildings or places in the District that are iconic and act as landmarks for the broader University and Austin community.

DISTRICT CHARACTER

The District will evolve over time. New buildings will add to the fabric of existing buildings and the character of the District will be diverse. The goal is to allow for architectural diversity (as described in the Campus Architectural Guidelines) while maintaining overall cohesion through urban design guidelines and by implementing a landscape design strategy that ties the whole District together.

SPECIAL FEATURES

To underscore the importance of primary public places within the District and clearly demarcate the main entrances to buildings, special architectural features such as entrance canopies, building massing, and unique window or screening elements should be featured. The goal is to accentuate certain buildings like the new hospital and the Dell Medical School because of their broader community role and relatively greater importance to the public life of the District.



Exhibit "B"

CONCEPTUAL VIEW OF RED RIVER STREET

COMPLIANCE WITH THE URBAN DESIGN GUIDELINES

The Campus Master Plan Committee established to enforce the Architectural Design Guidelines for the Campus Master Plan shall evaluate compliance of proposed building designs for the Medical District as well. The committee is appointed by the President and consists of the Dean of the School of Architecture, Vice President for University Operations, the Senior Vice Provost for Resource Management, two architects and one landscape architect chosen from the faculty of the School of Architecture, the Chair of the Faculty Building Advisory Committee plus one member, the Director of the Office of Campus Planning, and one School of Architecture student. Additional information on this process is provided in the Architectural Design Guidelines of the Campus Master Plan.



Exhibit "B"

CONCEPTUAL VIEW OF THE MEDICAL DISTRICT PLAZA

EXHIBIT "C"

PREMISES

The property leased by Lessor to Lessee under this Lease includes, subject to the limitations, reservations, and exceptions described in this Lease: (i) all of the Land described on Exhibit "C-1" attached to and incorporated in this Lease by reference; (ii) Lessor's right, title and interest, if any, in and to all improvements of any kind or nature located in or under the Land (the "*Existing Improvements*"); (iii) Lessor's right, title and interest, if any, in all equipment, fixtures, and other items of any kind or nature that are attached or affixed to the Land or the Existing Improvements (the "*Fixtures*"); (iv) Lessor's right, title and interest, if any, in all appurtenances benefitting or pertaining to the Land and/or the Existing Improvements, including, without limitation, all of Lessor's right, title, and interest, if any, in and to all streets, alleys, rights-of-way, or easements (including, without limitation, the Access Easements described in Section 3.05 of the Lease) adjacent to or benefitting the Land (the "*Appurtenances*"); and (v) Lessor's right and interest, if any, in and to the Governmental Approvals and Permits, Utility Service Permits, Utility Service Rights, and Street and Drainage Rights described and defined in Exhibit "C-2" attached to and incorporated in this Lease by reference (all of the foregoing being referred to herein individually by the names set out above, and collectively as the "*Personal Property*"). The Land, Existing Improvements, Fixtures, Appurtenances and Personal Property are herein collectively referred to as the "*Premises*".

EXHIBIT "C-1"

DESCRIPTION OF THE LAND

[See following 8 pages]

DESCRIPTION

FOR A 3.510 ACRE TRACT OF LAND BEING A PORTION OF RED RIVER STREET AND SHOWN IN VOLUME 64, PAGE 28 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF THE VACATION OF THE NECHES STREET AND RECORDED AS TRACT NO. 5 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 490,899 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 1 IN VOLUME 5051, PAGE 1350 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF THE VACATION OF 16TH STREET AND RECORDED AS TRACT NO. 1 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 6,480 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 5 IN VOLUME 5051, PAGE 1350 OF THE DEED RECORDS OF SAID COUNTY, ALL OF A CALLED 590 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT NO. 2 IN VOLUME 4923, PAGE 1504 OF THE DEED RECORDS OF SAID COUNTY, ALL OF THE VACATION OF 16TH STREET AND RECORDED AS TRACT NO. 2 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, ALL OF A CALLED 16,640 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 6 IN VOLUME 4923, PAGE 1504 OF THE DEED RECORDS OF SAID COUNTY, ALL OF THE VACATION OF THE EAST 15TH STREET ALLEY AND RECORDED AS TRACT NO. 8 IN VOLUME 4767, PAGE 41 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 26,085 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT NO. 7 IN VOLUME 4923, PAGE 1504 OF THE DEED RECORDS OF SAID COUNTY, A PORTION OF A CALLED 0.87 ACRE TRACT AS DESCRIBED IN THAT DEED TO THE UNIVERSITY OF TEXAS AT AUSTIN AND RECORDED IN VOLUME 5379, PAGE 715, AND AS CORRECTED IN VOLUME 5596, PAGE 1919 OF THE DEED RECORDS OF SAID COUNTY, AND A PORTION OF A CALLED 93 SQUARE FOOT TRACT AND DESCRIBED IN THAT DEED TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM AND RECORDED AS TRACT 6 IN VOLUME 5051, PAGE 1350 OF THE DEED RECORDS OF SAID COUNTY, AS SHOWN ON THE ACCOMPANYING

SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND
BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 639.30 feet to a calculated point;

THENCE through the interior of said 0.87 acre tract, N 16° 24' 58" E for a distance of 12.35 feet to a calculated point for the southeast corner and **POINT OF BEGINNING** hereof;

THENCE in part through the interior of said 0.87 acre tract, in part through the interior of said 93 square foot tract, in part through the interior of said 26,085 square foot tract, in part through the interior of said Red River Street, in part through the interior of said vacation of Neches Street, in part through the interior of said vacation of East 15th Street, in part through the interior of said 6,480 square foot tract, in part through the interior of said vacation of East 16th Street, and in part through the interior of said 490,899 square foot tract, the following thirty-five (35) courses and distances:

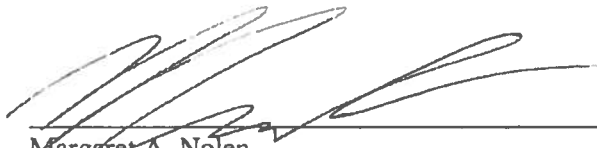
- 1) N 73° 32' 25" W for a distance of 291.83 feet for the southwest corner hereof, from which a Mag nail with "Baker-Aicklen" washer found on the intersection of the north right-of-way line of said East 15th Street and the east right-of-way line of Trinity Street bears, S 16° 24' 58" W for a distance of 12.57 feet to a point on the north right-of-way line of said East 15th Street and with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 345.65 feet,
- 2) N 17° 01' 31" E for a distance of 40.50 feet for an angle point hereof,
- 3) N 73° 32' 24" W for a distance of 12.93 feet for an angle point hereof,
- 4) N 16° 27' 36" E for a distance of 52.51 feet for an angle point hereof,
- 5) N 32° 36' 21" E for a distance of 15.08 feet for an angle point hereof,
- 6) N 33° 07' 28" E for a distance of 7.57 feet for an angle point hereof,
- 7) S 73° 32' 24" E for a distance of 16.39 feet for an angle point hereof,
- 8) N 16° 27' 36" E for a distance of 30.25 feet for an angle point hereof,

- 9) S 73° 32' 24" E for a distance of 25.75 feet for an angle point hereof,
- 10) S 16° 27' 36" W for a distance of 30.25 feet for an angle point hereof,
- 11) S 73° 32' 24" E for a distance of 10.33 feet for an angle point hereof,
- 12) N 16° 27' 36" E for a distance of 46.20 feet for an angle point hereof,
- 13) S 73° 32' 24" E for a distance of 9.92 feet for an angle point hereof,
- 14) N 16° 27' 36" E for a distance of 6.42 feet for an angle point hereof,
- 15) N 72° 12' 08" W for a distance of 5.75 feet for an angle point hereof,
- 16) N 16° 27' 36" E for a distance of 67.50 feet for an angle point hereof,
- 17) S 73° 32' 24" E for a distance of 5.75 feet for an angle point hereof,
- 18) N 16° 27' 36" E for a distance of 93.58 feet for an angle point hereof,
- 19) N 73° 29' 28" W for a distance of 23.79 feet for an angle point hereof,
- 20) N 16° 30' 32" E for a distance of 25.00 feet for an angle point hereof,
- 21) S 73° 29' 28" E for a distance of 23.77 feet for an angle point hereof,
- 22) N 16° 27' 36" E for a distance of 23.00 feet for an angle point hereof,
- 23) N 73° 32' 24" W for a distance of 7.59 feet for an angle point hereof,
- 24) N 16° 27' 36" E for a distance of 37.00 feet for an angle point hereof,
- 25) S 73° 32' 24" E for a distance of 7.58 feet for an angle point hereof,
- 26) N 16° 28' 04" E for a distance of 37.42 feet for an angle point hereof,
- 27) N 16° 27' 36" E for a distance of 7.00 feet for an angle point hereof,
- 28) S 73° 32' 24" E for a distance of 23.50 feet for an angle point hereof,

- 29) **N 16° 27' 36" E** for a distance of **116.88** feet for an angle point hereof,
- 30) **N 16° 27' 36" E** for a distance of **44.28** feet for an angle point hereof,
- 31) **N 73° 32' 24" W** for a distance of **16.78** feet for an angle point hereof,
- 32) **N 16° 27' 36" E** for a distance of **6.43** feet for the northwest corner hereof,
- 33) **S 72° 58' 07" E** for a distance of **226.68** feet for the northeast corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, **N 80° 49' 59" E** for a distance of 86.36 feet,
- 34) **S 13° 00' 04" W** for a distance of **26.40** feet for an angle point hereof, and
- 35) **S 16° 24' 00" W** for a distance of **596.99** feet to the **POINT OF BEGINNING** hereof and containing 3.510 acres of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

Surveyed under the direct supervision of the undersigned during January, 2014.

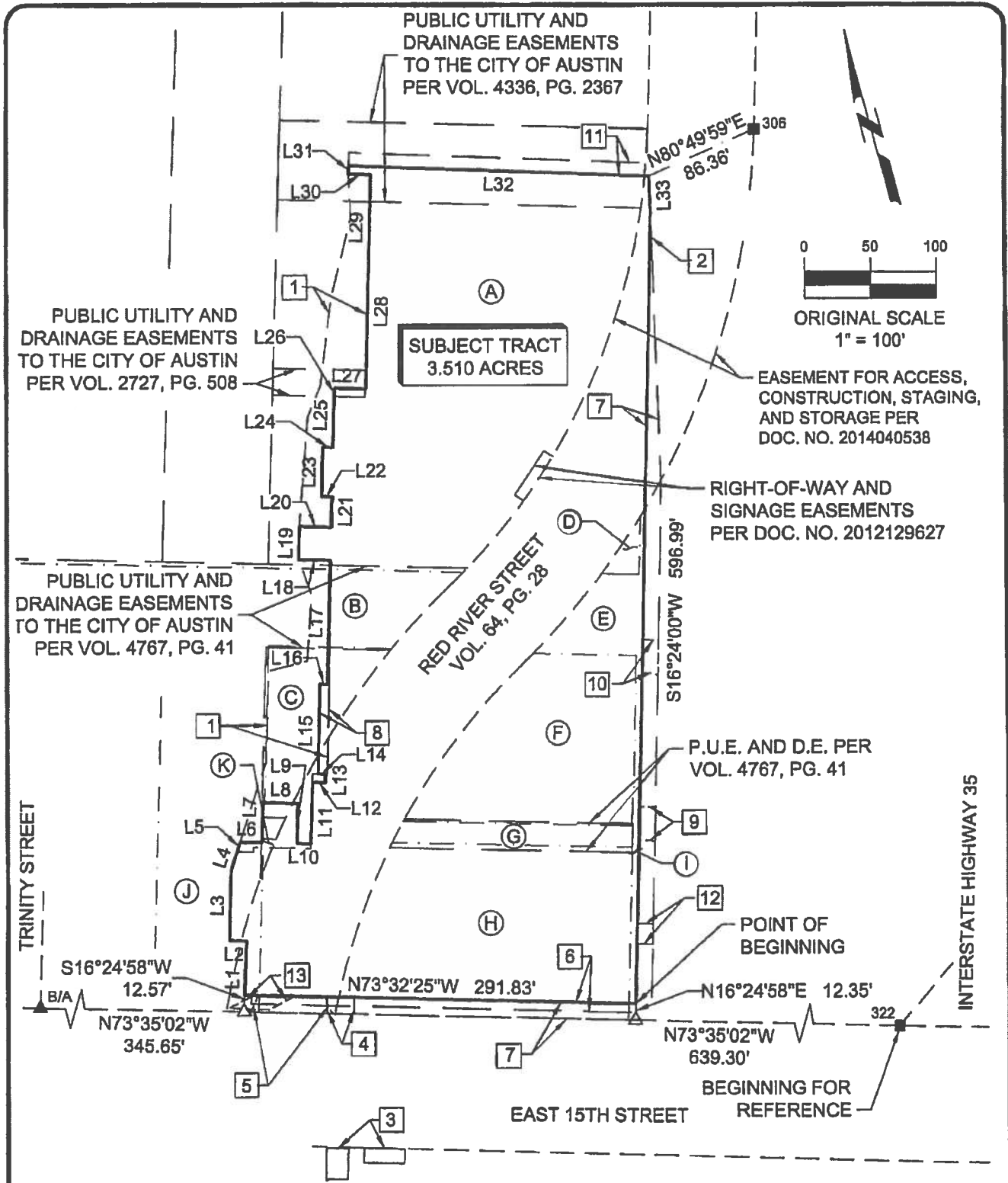


Margaret A. Nolen
Registered Professional Land Surveyor No. 5589
BAKER-AICKLEN & ASSOCIATES, INC.
507 West Liberty Avenue
Round Rock, TX 78664
(512) 244-9620



Job No.: 2147-3-019

Filename: K:\PROJECTS\2147-3-002_UT_Medical_School_BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Seton Lease DOC



PUBLIC UTILITY AND DRAINAGE EASEMENTS TO THE CITY OF AUSTIN PER VOL. 4336, PG. 2367

PUBLIC UTILITY AND DRAINAGE EASEMENTS TO THE CITY OF AUSTIN PER VOL. 2727, PG. 508

SUBJECT TRACT
3.510 ACRES



ORIGINAL SCALE
1" = 100'

EASEMENT FOR ACCESS, CONSTRUCTION, STAGING, AND STORAGE PER DOC. NO. 2014040538

RIGHT-OF-WAY AND SIGNAGE EASEMENTS PER DOC. NO. 2012129627

PUBLIC UTILITY AND DRAINAGE EASEMENTS TO THE CITY OF AUSTIN PER VOL. 4767, PG. 41

P.U.E. AND D.E. PER VOL. 4767, PG. 41

RED RIVER STREET
VOL. 64, PG. 28

TRINITY STREET

INTERSTATE HIGHWAY 35

EAST 15TH STREET

POINT OF BEGINNING

BEGINNING FOR REFERENCE

BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620
 ENGINEERING FIRM # P48
 SURVEY FIRM # 100231-D
 TBAE # 1787

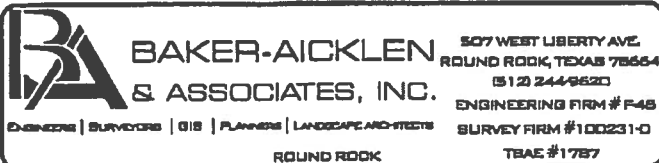
UNIVERSITY OF TEXAS
JANUARY, 2014

K:\PROJECTS\2147-3-002_UT_Medical_School\BA-Survey\DESCRIPTIONS\DWG\UT Salon Lease.dwg [PAGE 5] September 16, 2014 - 5:32pm

Exhibit "C-1"

- | | |
|--|---|
| <p>(A) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 490,899 SQUARE FOOT TRACT TRACT 1, VOL. 5051, PG. 1350</p> | <p>1 PROPOSED WEST TCE AND WATER QUALITY EASEMENT</p> |
| <p>(B) VACATION OF 16TH STREET ALLEY TRACT NO. 1, VOL. 4767, PG. 41</p> | <p>2 PROPOSED ACCESS EASEMENT 2.05</p> |
| <p>(C) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 6,480 SQUARE FOOT TRACT TRACT 5, VOL. 5051, PG. 1350</p> | <p>3 PROPOSED SOUTH AERIAL BRIDGE 7.08</p> |
| <p>(D) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 590 SQUARE FOOT TRACT TRACT NO. 2, VOL. 4923, PG. 1504</p> | <p>4 PROPOSED NORTH AERIAL BRIDGE 6.02</p> |
| <p>(E) VACATION OF THE EAST 16TH STREET ALLEY TRACT NO. 2, VOL. 4767, PG. 41</p> | <p>5 PROPOSED ACCESS EASEMENT 2.04</p> |
| <p>(F) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 16,640 SQUARE FOOT TRACT TRACT NO. 6, VOL. 4923, PG. 1504</p> | <p>6 PROPOSED SOUTH BUILDING OVERHANG EASEMENT 6.04</p> |
| <p>(G) VACATION OF THE EAST 15TH STREET ALLEY TRACT NO. 8, VOL. 4767, PG. 41</p> | <p>7 PROPOSED 15TH STREET/RED RIVER TCE 7.05</p> |
| <p>(H) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 26,085 SQUARE FOOT TRACT TRACT NO. 7, VOL. 4923, PG. 1504</p> | <p>8 PROPOSED WEST BALCONY EASEMENT 6.05</p> |
| <p>(I) UNIVERSITY OF TEXAS AT AUSTIN CALLED 0.87 ACRE TRACT VOL. 5379, PG. 715 AND AS CORRECTED IN VOL. 5596, PG. 1919</p> | <p>9 PROPOSED ACCESS EASEMENT 2.03</p> |
| <p>(J) VACATION OF NECHES STREET TRACT NO. 5, VOL. 4767, PG. 41</p> | <p>10 PROPOSED ACCESS EASEMENT 2.02</p> |
| <p>(K) THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM CALLED 93 SQUARE FOOT TRACT TRACT 6, VOL. 5051, PG. 1350</p> | <p>11 PROPOSED NORTH TCE 7.06</p> |
| | <p>12 PROPOSED IRRIGATION UTILITY EASEMENT 6.03</p> |
| | <p>13 PROPOSED WASTEWATER EASEMENT 6.01</p> |


ALL OF THE EASEMENTS AND AREAS SHOWN HEREON ARE PROPOSED AND THEIR CONFIGURATIONS MAY CHANGE.



UNIVERSITY OF TEXAS
JANUARY, 2014

LINE TABLE		
LINE NO.	BEARING	DISTANCE
L1	N17°01'31"E	40.50'
L2	N73°32'24"W	12.93'
L3	N16°27'36"E	52.51'
L4	N32°36'21"E	15.08'
L5	N33°07'28"E	7.57'
L6	S73°32'24"E	16.39'
L7	N16°27'36"E	30.25'
L8	S73°32'24"E	25.75'
L9	S16°27'36"W	30.25'
L10	S73°32'24"E	10.33'
L11	N16°27'36"E	46.20'
L12	S73°32'24"E	9.92'
L13	N16°27'36"E	6.42'
L14	N72°12'08"W	5.75'
L15	N16°27'36"E	67.50'
L16	S73°32'24"E	5.75'
L17	N16°27'36"E	93.58'
L18	N73°29'28"W	23.79'
L19	N16°30'32"E	25.00'
L20	S73°29'28"E	23.77'

LINE TABLE		
LINE NO.	BEARING	DISTANCE
L21	N16°27'36"E	23.00'
L22	N73°32'24"W	7.59'
L23	N16°27'36"E	37.00'
L24	S73°32'24"E	7.58'
L25	N16°28'04"E	37.42'
L26	N16°27'36"E	7.00'
L27	S73°32'24"E	23.50'
L28	N16°27'36"E	116.88'
L29	N16°27'36"E	44.28'
L30	N73°32'24"W	16.78'
L31	N16°27'36"E	6.43'
L32	S72°58'07"E	226.68'
L33	S13°00'04"W	26.40'



BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620
 ENGINEERING FIRM # F45
 SURVEY FIRM # 100231-0
 TRAE # 1787

ENGINEERING | SURVEYING | GIS | PLANNING | LANDSCAPE ARCHITECTURE

ROUND ROCK

UNIVERSITY OF TEXAS
 JANUARY, 2014

SURVEY NOTES: IMPROVEMENTS HAVE NOT BEEN SHOWN FOR THIS SURVEY.

ONLY THOSE EASEMENTS AS LISTED IN TITLE COMMITMENT GF NO. 201401193, ISSUED JULY 29, 2014 AND RELISTED BELOW WERE EVALUATED FOR THIS SURVEY. NO ADDITIONAL RESEARCH OF EASEMENTS OF RECORD WAS PERFORMED BY BAKER-AICKLEN AND ASSOCIATES, INC.


- B) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 2727, PG. 508, AS SHOWN.
- C) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 4575, PG. 951, NOT SHOWN, NOT ON SUBJECT TRACT.
- D) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 4767, PG. 41, AS SHOWN.
- E) RIGHT-OF-WAY AND SIGNAGE EASEMENTS TO THE CITY OF AUSTIN PER DOC. NO. 2012129627, AS SHOWN.
- F) ACCESS, CONSTRUCTION, STAGING AND STORAGE EASEMENTS TO THE BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS PER DOC. NO. 2014040538
- J) PUBLIC UTILITY AND DRAINAGE EASEMENTS RESERVED BY THE CITY OF AUSTIN PER VOL. 4336, PG. 2367, AS SHOWN.

SURVEYOR'S CERTIFICATE:

TO: SETON FAMILY OF HOSPITALS, TRAVIS COUNTY HEALTHCARE DISTRICT D/B/A CENTRAL HEALTH, BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM, THE UNIVERSITY OF TEXAS AT AUSTIN, HERITAGE TITLE COMPANY OF AUSTIN, INC. AND FIRST AMERICAN TITLE INSURANCE COMPANY


GF NO.: 201401193, ISSUED JULY 29, 2014

THE UNDERSIGNED DOES HEREBY CONFIRM THAT THIS PLAT IS A TRUE AND ACCURATE REPRESENTATION OF AN ACTUAL ON-THE-GROUND SURVEY MADE UNDER MY DIRECT SUPERVISION, DURING JANUARY, 2014. EASEMENTS AND OTHER MATTERS OF RECORD SHOWN OR ADDRESSED HEREON ARE LIMITED TO THOSE VISIBLE AND THOSE LISTED ON COMMITMENT FOR TITLE INSURANCE ISSUED BY HERITAGE TITLE COMPANY OF AUSTIN, INC., HAVING A GF NO.: 201401193 AND ISSUED JULY 29, 2014.


MARGARET A. NOLEN
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 5589



LEGEND	
▲ B/A	MAG NAIL WITH "BAKER-AICKLEN" WASHER FOUND
△	CALCULATED POINT
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)

 **BAKER-AICKLEN & ASSOCIATES, INC.**
ENGINEERS | SURVEYORS | GIS | PLANNERS | LANDSCAPE ARCHITECTS
507 WEST LIBERTY AVE.
ROUND ROCK, TEXAS 78664
(512) 244-9620
ENGINEERING FIRM # F45
SURVEY FIRM # 100231-C
ROUND ROCK TX 78664
TBAE #1787

UNIVERSITY OF TEXAS
JANUARY, 2014

K:\PROJECTS\2147-3-002_UT_Medical_School\BA-Survey\DESCRIPTIONS\DWG\UT Seton Lease.dwg [PAGE 8] September 18, 2014 - 6:32pm

Exhibit "C-1"

EXHIBIT "C-2"

PERSONAL PROPERTY DESCRIPTIONS AND DEFINITIONS

1. "*Governmental Approvals and Permits*" means and refers to all approvals, permits, licenses, and/or applications of any kind or nature that have been issued by or that are on file with any Governmental Authorities with respect to the Land and only the Land, including, without limitation, all zoning approvals, subdivision approvals, special permit approvals, land development permits, building permits, and/or certificates of occupancy.

2. "*Utility Service Permits*" means and refers to any water, wastewater, electric, gas, cable television, telephone, and other utility service rights, permits, and/or applications relating to or benefitting the Land and only the Land, including, without limitation, any utility taps, utility commitments, and/or utility meters.

3. "*Utility Service Rights*" means and refers to Lessor's right to access any off-site waterlines, wastewater lines, and all other lines, facilities, or improvements of any kind or nature that provide water, wastewater, electric, natural gas, cable television, telephone, telecommunications, internet access, and other services to the extent such utilities serve the Land.

4. "*Street and Drainage Rights*" means and refers to any Lessor's right to use off-site street and drainage improvements of any kind or nature that provide roadway access or drainage service to the Land and which are appurtenant to the Land.

EXHIBIT "D"

PERMITTED ENCUMBRANCES

1. Restrictive covenants set forth in the instrument recorded under Document No. 2014156207 of the Official Public Records of Travis County, Texas.
2. Water meter easement granted to the City of Austin, dated October 13, 2014, recorded under Document No. 2014156211 of the Official Public Records of Travis County, Texas.
3. Water meter easement granted to the City of Austin, dated October 13, 2014, recorded under Document No. 2014156212 of the Official Public Records of Travis County, Texas.
4. The terms, conditions, and stipulations of that certain unrecorded Option to Purchase, dated June 1, 2013, by and between Travis County Healthcare District doing business as Central Health and Seton Healthcare Family, as evidenced by Memorandum of Sublease recorded under Document No. 2014156411 of the Official Public Records of Travis County, Texas.
5. The easements, terms, conditions, ancillary agreements, and stipulations of that certain Ground Lease dated October 17, 2014, by and between The Board of Regents of the University of Texas System, as Lessor, and Travis County Healthcare District doing business as Central Health, as Lessee, as evidenced by Memorandum of Lease, recorded under Document No. 2014156410 of the Official Public Records of Travis County, Texas.
6. The easements, terms, conditions, ancillary agreements, and stipulations of that certain Ground Sublease dated October 17, 2014, by and between Travis County Healthcare District doing business as Central Health, as Sublessor, and Seton Family of Hospitals, as Sublessee, as evidenced by Memorandum of Sublease recorded under Document No. 2014156411 of the Official Public Records of Travis County, Texas.
7. The terms, conditions, and stipulations set out in that certain Declaration Regarding the University of Texas at Austin Medical District dated October 15, 2014, recorded under Document No. 2014156207 of the Official Public Records of Travis County, Texas.

EXHIBIT "E"

SIDEWALK EASEMENTS

[See following 6 pages]

DESCRIPTION

FOR A 0.141 ACRE TRACT OF LAND BEING A PORTION OF A CALLED 0.96 ACRE TRACT AS DESCRIBED IN THAT DEED TO THE UNIVERSITY OF TEXAS AT AUSTIN AND RECORDED AS TRACT 9 IN VOLUME 5379, PAGE 715 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS AND A PORTION OF RED RIVER STREET AND SHOWN IN VOLUME 64, PAGE 28 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.141 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 627.27 feet for the southeast corner and **POINT OF BEGINNING** hereof;

THENCE continuing with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 12.02 feet for the southwest corner hereof, from which a centerline monument previously found and shown in a CAD file provided by the City of Austin on the centerline of said 15th Street and the centerline of Trinity Street bears, N 73° 35' 02" W for a distance of 677.60 feet and S 16° 24' 58" W for a distance of 50.00 feet;

THENCE in part through the interior of said 0.96 acre tract and said Red River Street, the following three (3) courses and distances:

- 1) **N 16° 23' 15" E** for a distance of **611.57** feet for the north corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, **N 67° 38' 36" E** for a distance of 98.06 feet,
- 2) **S 13° 00' 04" W** for a distance of **204.77** feet for an angle point hereof, and
- 3) **S 16° 23' 53" W** for a distance of **407.16** feet to the **POINT OF BEGINNING** hereof and containing 0.141 acre of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

Surveyed under the direct supervision of the undersigned during June, 2013.



Margaret A. Nolen

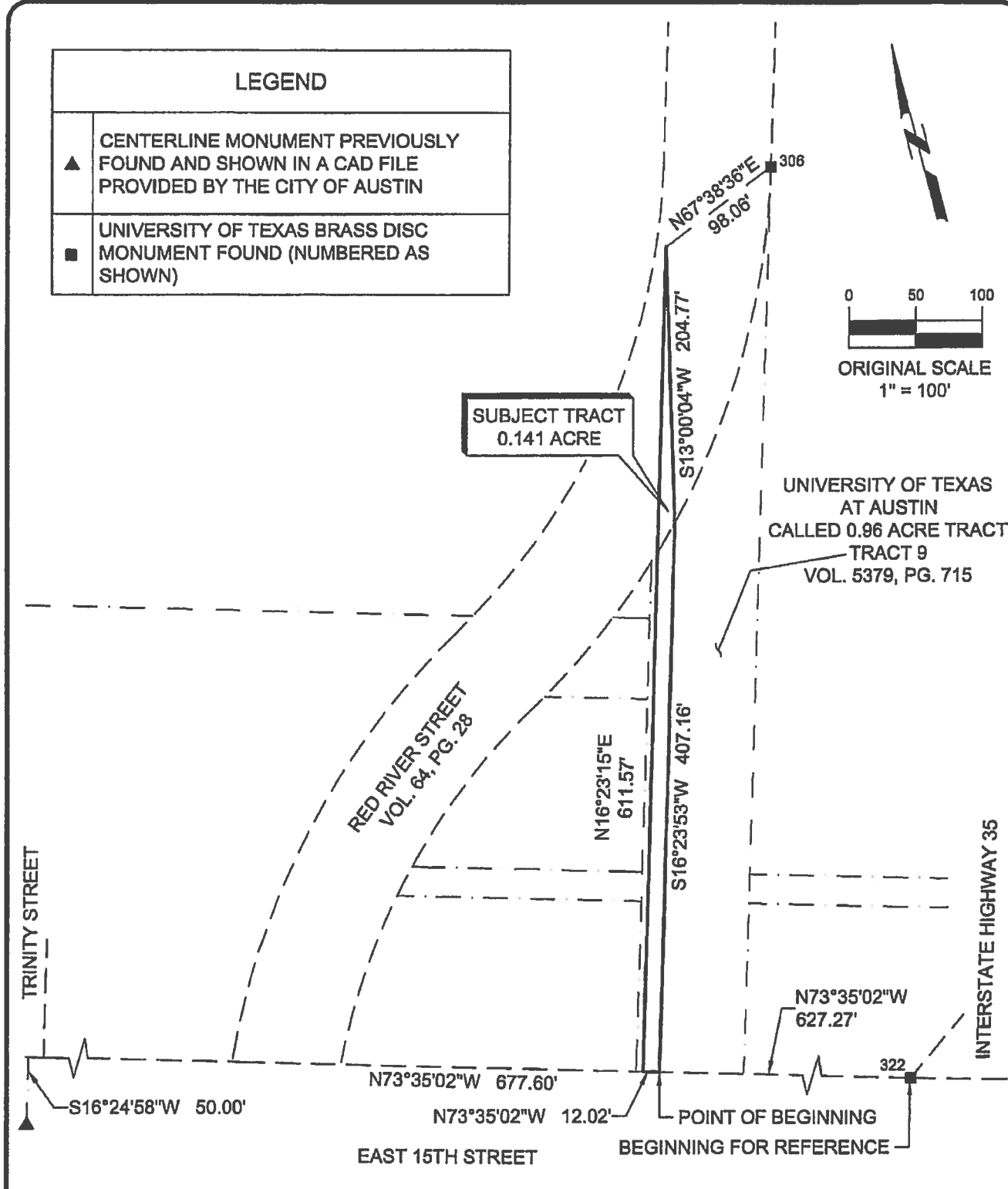
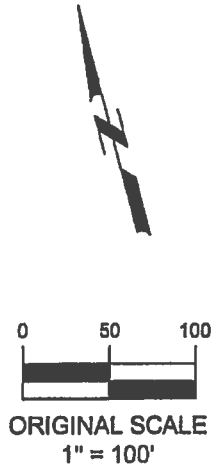
Registered Professional Land Surveyor No. 5589
BAKER-AICKLEN & ASSOCIATES, INC.
507 West Liberty Avenue
Round Rock, TX 78664
(512) 244-9620



Job No.: 2147-3-025-020

Filename: K:\PROJECTS\2147-3-002_UT_Medical_School_BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Easement 16 Sidewalk.DOC

LEGEND	
▲	CENTERLINE MONUMENT PREVIOUSLY FOUND AND SHOWN IN A CAD FILE PROVIDED BY THE CITY OF AUSTIN
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)



BAKER-AICKLEN & ASSOCIATES, INC.
 ENGINEERS | SURVEYORS | GIS | PLANNERS | LANDSCAPE ARCHITECTS
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620
 ENGINEERING FIRM # P45
 SURVEY FIRM # 1002310
 TBAE # 1787
 ROUND ROCK

UNIVERSITY OF TEXAS
 JUNE, 2013

K:\PROJECTS\2147-3-002_UT_Medical_School'

Exhibit "E"

DESCRIPTION

FOR A 0.164 ACRE TRACT OF LAND BEING A PORTION OF A CALLED 0.96 ACRE TRACT AS DESCRIBED IN THAT DEED TO THE UNIVERSITY OF TEXAS AT AUSTIN AND RECORDED AS TRACT 9 IN VOLUME 5379, PAGE 715 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.164 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 565.31 feet for the southeast corner and **POINT OF BEGINNING** hereof;

THENCE continuing with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 13.96 feet for the southwest corner hereof, from which a centerline monument previously found and shown in a CAD file provided by the City of Austin on the centerline of said 15th Street and the centerline of Trinity Street bears, N 73° 35' 02" W for a distance of 737.62 feet and S 16° 24' 58" W for a distance of 50.00 feet;

THENCE through the interior of said 0.96 acre tract, N 16° 23' 53" E for a distance of 535.91 feet to a point on the north line of said 0.96 acre tract, same being the east right-of-way line of Red River Street and shown in Volume 64, Page 28 of the Plat Records of said County, for the northwest corner hereof;

THENCE with the north line of said 0.96 acre tract, same being the east right-of-way line of said Red River Street, with the arc of a curve to the left, having a radius of 579.31 feet, an arc


length of **32.11** feet, a central angle of **003° 10' 33"**, and a chord which bears, **N 28° 26' 58" E** for a distance of **32.11** feet for the northeast corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, **N 21° 36' 30" E** for a distance of 106.11 feet,

THENCE through the interior of said 0.96 acre tract, the following three (3) courses and distances:

- 1) **S 16° 23' 50" W** for a distance of **93.45** feet for an angle point hereof,
- 2) **S 73° 36' 07" E** for a distance of **7.26** feet for an angle point hereof, and
- 3) **S 16° 23' 53" W** for a distance of **473.85** feet to the **POINT OF BEGINNING** hereof and containing 0.164 acre of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

Surveyed under the direct supervision of the undersigned during June, 2013.

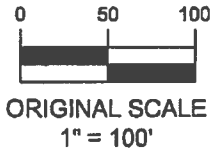
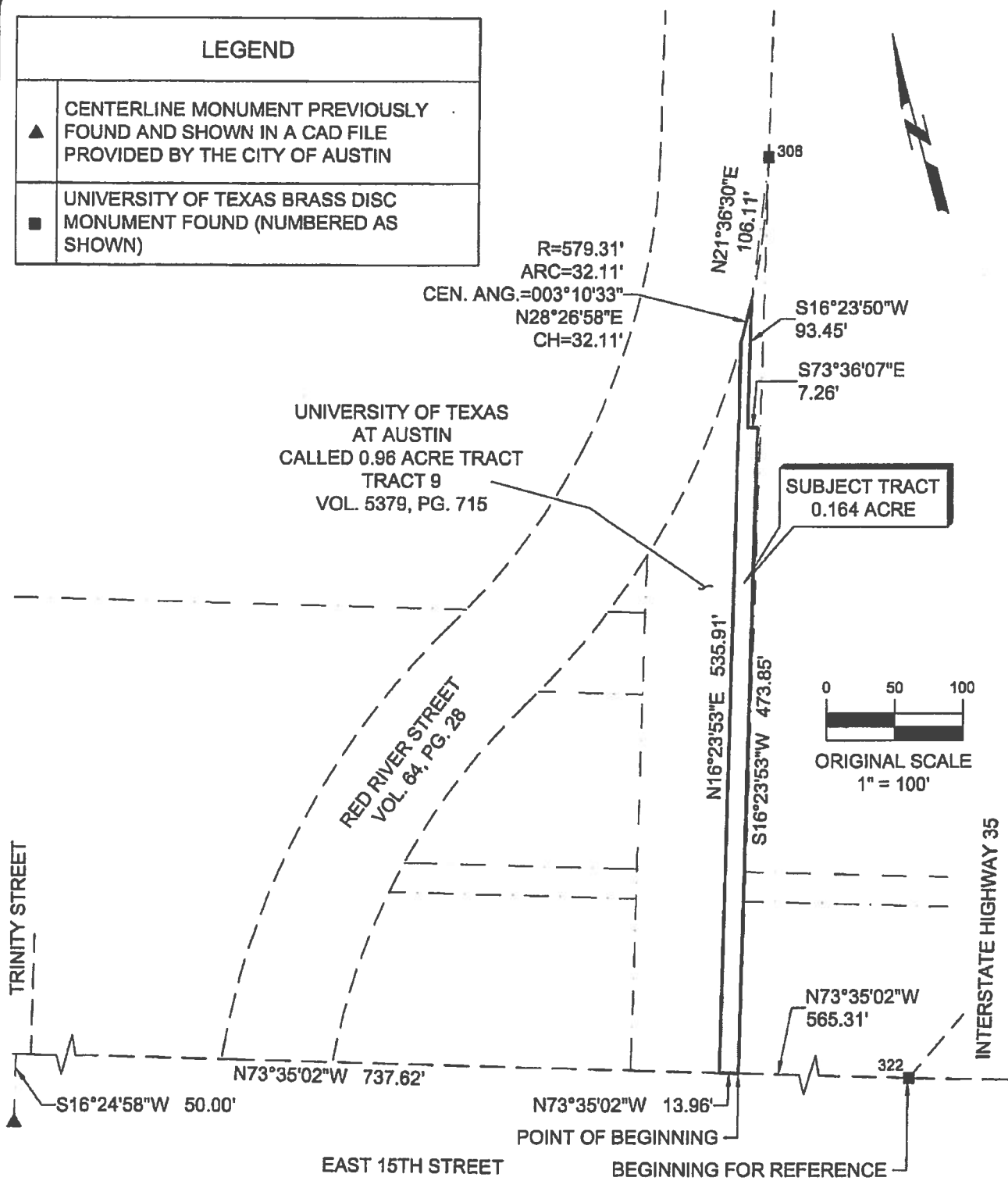

Margaret A. Nolen
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507 West Liberty Avenue
Round Rock, TX 78664
(512) 244-9620



Job No.: 2147-3-025-020

Filename: K:\PROJECTS\2147-3-002_UT_Medical_School_BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Easement 17 Sidewalk.DOC

LEGEND	
▲	CENTERLINE MONUMENT PREVIOUSLY FOUND AND SHOWN IN A CAD FILE PROVIDED BY THE CITY OF AUSTIN
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)



BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620
 ENGINEERING FIRM # F-45
 SURVEY FIRM # 100231-C
 TBAE # 1787

ENGINEERS | SURVEYORS | GIS | PLANNERS | LANDSCAPE ARCHITECTS

ROUND ROCK

UNIVERSITY OF TEXAS
JUNE, 2013

Exhibit "E"

EXHIBIT "F"
DRIVEWAY EASEMENTS

EXHIBIT "F-1"

[See following 3 pages]

DESCRIPTION

FOR A 20 SQUARE FOOT TRACT OF LAND BEING A PORTION OF RED RIVER STREET AND SHOWN IN VOLUME 64, PAGE 28 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, SAID 20 SQUARE FOOT TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of said East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 637.88 feet to a calculated point, from which a centerline monument previously found and shown in a CAD file provided by the City of Austin on the centerline of said 15th Street and the centerline of Trinity Street bears, N 73° 35' 02" W for a distance of 679.01 feet and S 16° 24' 58" W for a distance of 50.00 feet;

THENCE N 16° 24' 58" E for a distance of 582.84 feet for the southeast corner and **POINT OF BEGINNING** hereof;


THENCE through the interior of said Red River Street, the following four (4) courses and distances:

- 1) N 73° 36' 00" W for a distance of 1.57 feet for the southwest corner hereof,
- 2) N 16° 23' 53" E for a distance of 23.01 feet for the northwest corner hereof,
- 3) S 73° 36' 00" E for a distance of 0.21 feet for the northeast corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, N 65° 04' 56" E for a distance of 101.64 feet, and

- 4) **S 13° 00' 04" W** for a distance of **23.05** feet to the **POINT OF BEGINNING** hereof and containing 20 square feet of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

Surveyed under the direct supervision of the undersigned during June, 2013.

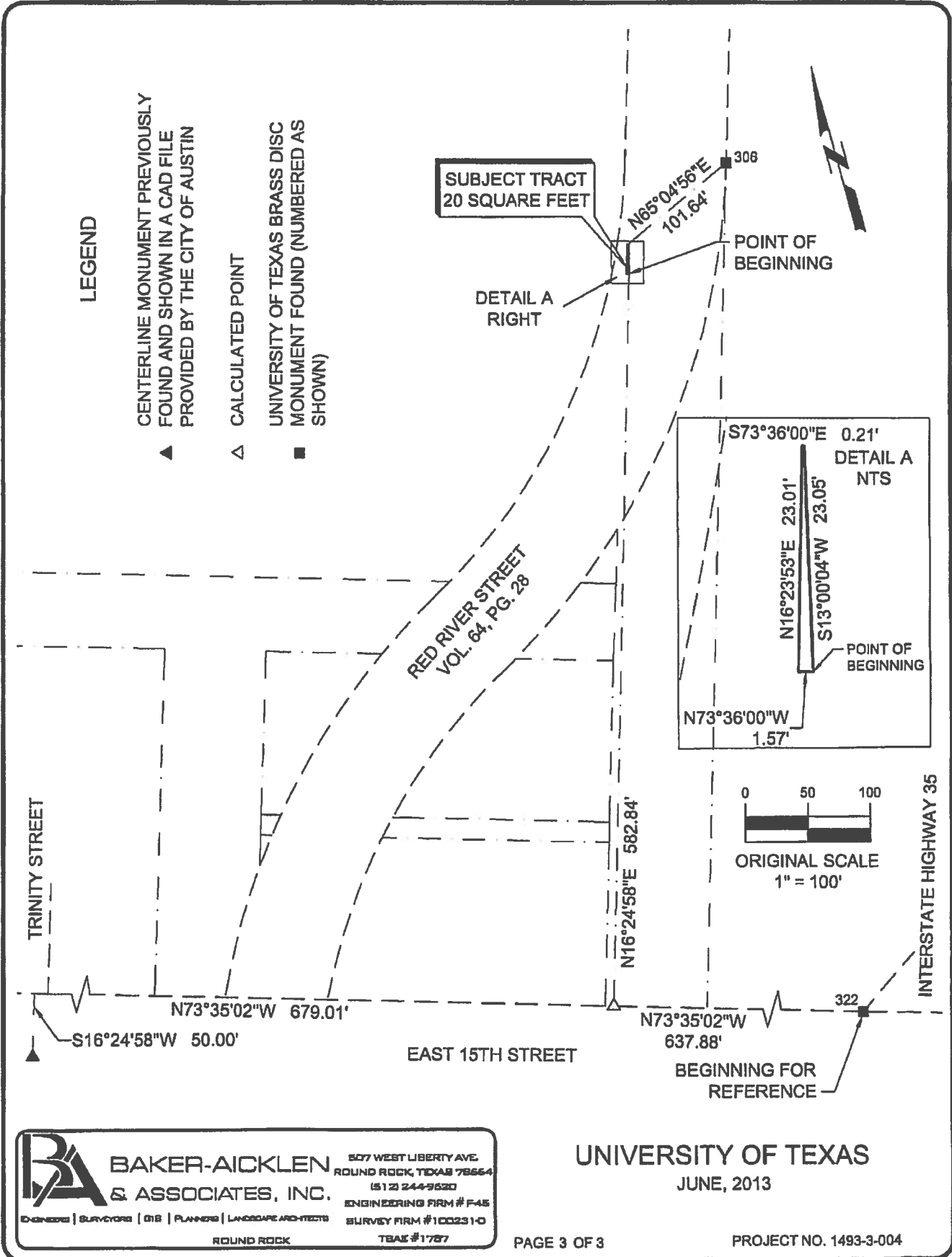


Margaret A. Nolen
Registered Professional Land Surveyor No. 5589
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507 West Liberty Avenue
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(512) 244-9620



Job No : 1493-3-004

Filename: K:\PROJECTS\21-47-3-002_UT_Medical_School\BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Easement 20 Access.doc



BA **BAKER-AICKLEN & ASSOCIATES, INC.**
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9520
 ENGINEERING FIRM # F45
 SURVEY FIRM # 100231-0
 ROUND ROCK TEXAS #1787

UNIVERSITY OF TEXAS
 JUNE, 2013

EXHIBIT "F-2"

[See following 8 pages]

DESCRIPTION

FOR A 0.007 ACRE TRACT OF LAND BEING A PORTION OF A CALLED 0.96 ACRE TRACT AS DESCRIBED IN THAT DEED TO THE UNIVERSITY OF TEXAS AT AUSTIN AND RECORDED IN VOLUME 5379, PAGE 715 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.007 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of said East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 627.31 feet to a calculated point, from which a centerline monument previously found and shown in a CAD file provided by the City of Austin on the centerline of said 15th Street and the centerline of Trinity Street bears, N 73° 35' 02" W for a distance of 689.58 feet and S 16° 24' 58" W for a distance of 50.00 feet;

THENCE N 16° 24' 58" E for a distance of 134.25 feet for the southeast corner and **POINT OF BEGINNING** hereof;


THENCE through the interior of said 0.96 acre tract, the following seven (7) courses and distances:

- 1) with the arc of a curve to the **left**, having a radius of **9.50** feet, an arc length of **4.04** feet, a central angle of **024° 23' 40"**, and a chord which bears, **N 61° 24' 17" W** for a distance of **4.01** feet for a point of tangency hereof,
- 2) **N 73° 36' 26" W** for a distance of **8.09** feet for the southwest corner hereof,
- 3) **N 16° 24' 00" E** for a distance of **25.04** feet for the northwest corner hereof,

- 4) with the arc of a curve to the **left**, having a radius of **3.00** feet, an arc length of **0.48** feet, a central angle of **009° 05' 59"**, and a chord which bears, **S 69° 03' 22" E** for a distance of **0.48** feet for a point of tangency hereof,
- 5) **S 73° 36' 43" E** for a distance of **7.55** feet for a point of curvature hereof,
- 6) with the arc of a curve to the **left**, having a radius of **9.50** feet, an arc length of **4.12** feet, a central angle of **024° 51' 36"**, and a chord which bears, **S 86° 04' 24" E** for a distance of **4.09** feet for the northeast corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, **N 23° 33' 39" E** for a distance of 516.01 feet, and
- 7) **S 16° 23' 53" W** for a distance of **26.73** feet to the **POINT OF BEGINNING** hereof and containing 0.007 acre of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

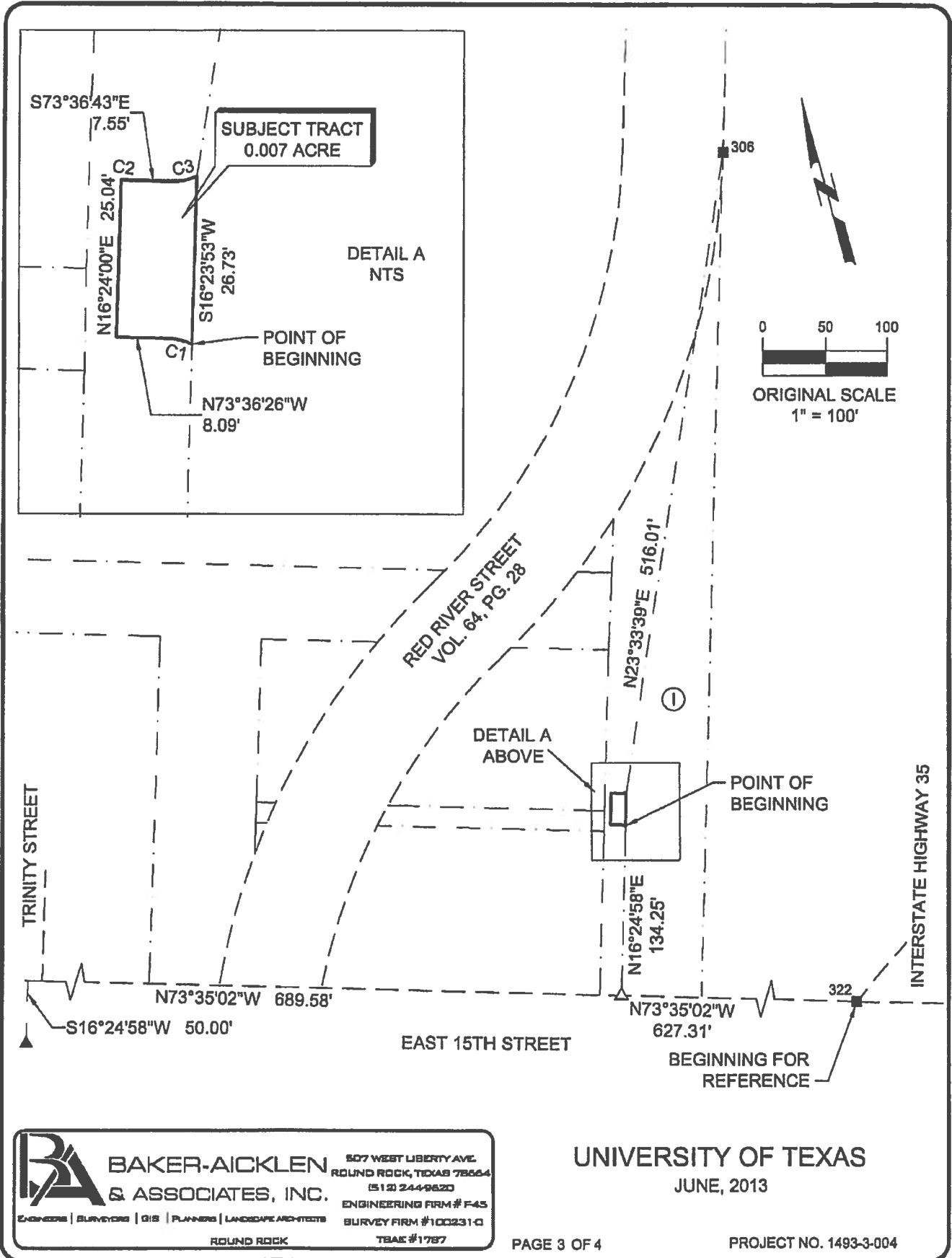
Surveyed under the direct supervision of the undersigned during June, 2013.


Margaret A. Nolen
Registered Professional Land Surveyor No. 5589
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(512) 244-9620



Job No.: 1493-3-004

Filename: K:\PROJECTS\2147-3-002_UT_Medical_School_BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Easement 30 Access.doc



CURVE TABLE					
CURVE NO.	RADIUS	ARC LENGTH	CENTRAL ANGLE	CHORD BEARING	CHORD DISTANCE
C1	9.50'	4.04'	024°23'40"	N61°24'17"W	4.01'
C2	3.00'	0.48'	009°05'59"	S69°03'22"E	0.48'
C3	9.50'	4.12'	024°51'36"	S86°04'24"E	4.09'

①

UNIVERSITY OF TEXAS
AT AUSTIN
CALLED 0.96 ACRE TRACT
VOL. 5379, PG. 715

LEGEND	
▲	CENTERLINE MONUMENT PREVIOUSLY FOUND AND SHOWN IN A CAD FILE PROVIDED BY THE CITY OF AUSTIN
△	CALCULATED POINT
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)

BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
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 (512) 244-9620
 ENGINEERING FIRM # P45
 SURVEY FIRM # 100231-C
 ENGINEERS | SURVEYORS | GIS | PLANNERS | LANDSCAPE ARCHITECTS
 ROUND ROCK TEXAS #1787

UNIVERSITY OF TEXAS
JUNE, 2013

DESCRIPTION

FOR A 0.007 ACRE TRACT OF LAND BEING A PORTION OF A CALLED 0.96 ACRE TRACT AS DESCRIBED IN THAT DEED TO THE UNIVERSITY OF TEXAS AT AUSTIN AND RECORDED IN VOLUME 5379, PAGE 715 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.007 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of said East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 627.35 feet to a calculated point, from which a centerline monument previously found and shown in a CAD file provided by the City of Austin on the centerline of said 15th Street and the centerline of Trinity Street bears, N 73° 35' 02" W for a distance of 689.54 feet and S 16° 24' 58" W for a distance of 50.00 feet;

THENCE N 16° 24' 58" E for a distance of 259.54 feet for the southeast corner and **POINT OF BEGINNING** hereof;

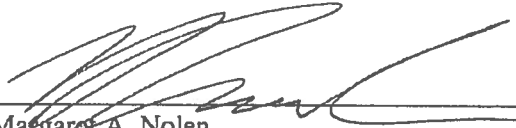
THENCE through the interior of said 0.96 acre tract, the following seven (7) courses and distances:

- 1) with the arc of a curve to the left, having a radius of 11.00 feet, an arc length of 5.73 feet, a central angle of 029° 50' 42", and a chord which bears, N 58° 31' 28" W for a distance of 5.67 feet for a point of tangency hereof,
- 2) N 73° 31' 28" W for a distance of 5.97 feet for a point of curvature hereof,

- 3) with the arc of a curve to the **left**, having a radius of **3.00** feet, an arc length of **0.58** feet, a central angle of **011° 03' 07"**, and a chord which bears, **N 79° 03' 53" W** for a distance of **0.58** feet for the southwest corner hereof,
- 4) **N 16° 24' 00" E** for a distance of **25.06** feet for the northwest corner hereof,
- 5) **S 73° 32' 28" E** for a distance of **8.04** feet for a point of curvature hereof,
- 6) with the arc of a curve to the **left**, having a radius of **9.50** feet, an arc length of **4.10** feet, a central angle of **024° 42' 52"**, and a chord which bears, **S 85° 57' 31" E** for a distance of **4.07** feet for the northeast corner hereof, from which a University of Texas brass disc monument numbered 306 found on the east right-of-way line of said Red River Street bears, **N 25° 51' 34" E** for a distance of 391.40 feet, and
- 7) **S 16° 23' 53" W** for a distance of **27.34** feet to the **POINT OF BEGINNING** hereof and containing 0.007 acre of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

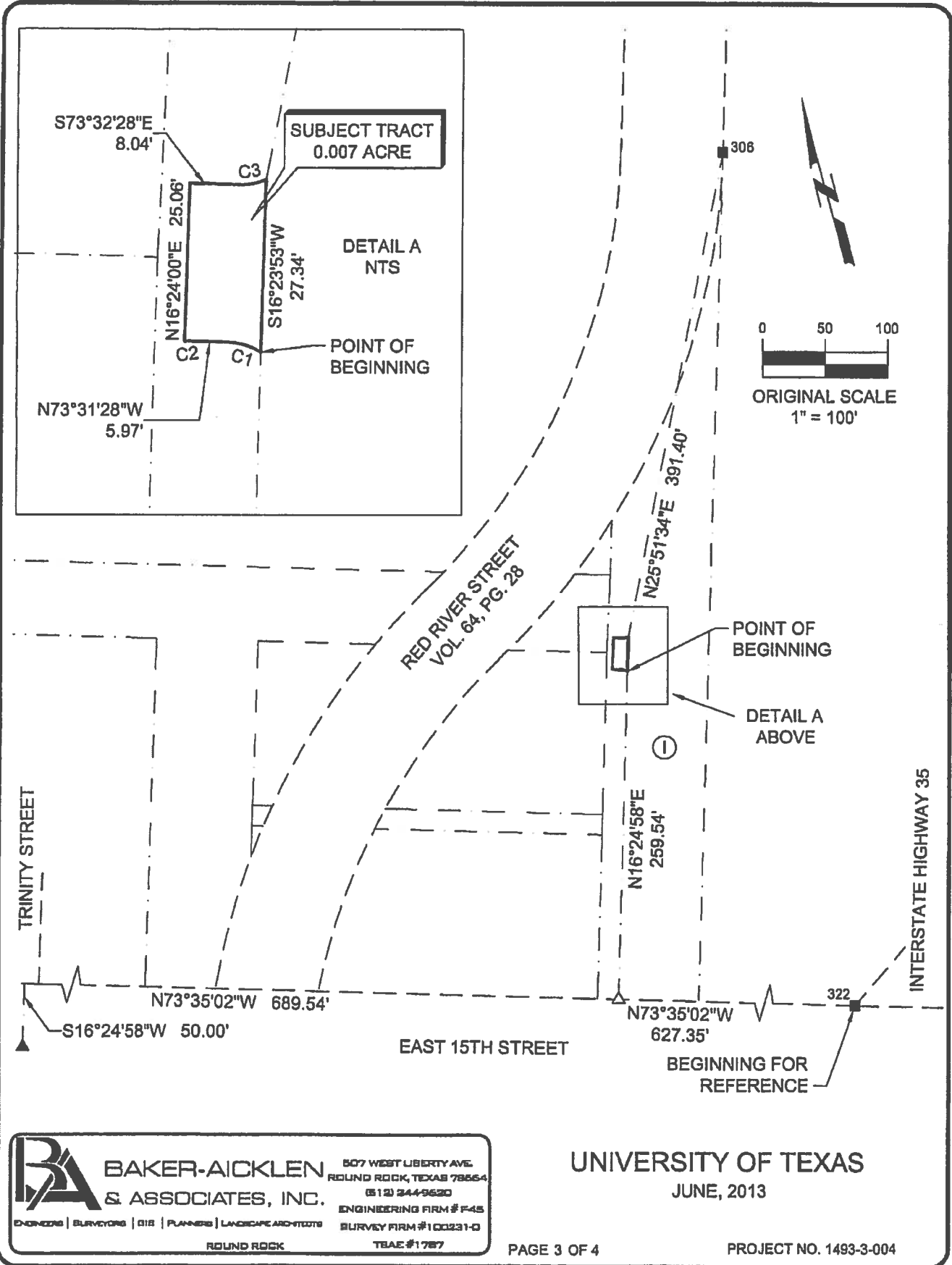
Surveyed under the direct supervision of the undersigned during June, 2013.


Margaret A. Nolen
Registered Professional Land Surveyor No. 5589
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507 West Liberty Avenue
Round Rock, TX 78664
(512) 244-9620



Job No.: 1493-3-004

Filename: K:\PROJECTS\2147-3-002_UT_Medical_School\BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Easement 31 Access.doc



CURVE TABLE					
CURVE NO.	RADIUS	ARC LENGTH	CENTRAL ANGLE	CHORD BEARING	CHORD DISTANCE
C1	11.00'	5.73'	029°50'42"	N58°31'28"W	5.67'
C2	3.00'	0.58'	011°03'07"	N79°03'53"W	0.58'
C3	9.50'	4.10'	024°42'52"	S85°57'31"E	4.07'

①

UNIVERSITY OF TEXAS
AT AUSTIN
CALLED 0.96 ACRE TRACT
VOL. 5379, PG. 715

LEGEND	
▲	CENTERLINE MONUMENT PREVIOUSLY FOUND AND SHOWN IN A CAD FILE PROVIDED BY THE CITY OF AUSTIN
△	CALCULATED POINT
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)

BAKER-AICKLEN & ASSOCIATES, INC.
 507 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9520
 ENGINEERING FIRM # F-45
 SURVEY FIRM # 100231-0
 ROUND ROCK TEXAS #1787

ENGINEERS | SURVEYORS | GIS | PLANNERS | LANDSCAPE ARCHITECTS

UNIVERSITY OF TEXAS
JUNE, 2013

EXHIBIT "F-3"

[See following 3 pages]

DESCRIPTION

FOR A 0.016 ACRE TRACT OF LAND BEING A PORTION OF RED RIVER STREET AND SHOWN IN VOLUME 64, PAGE 28 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, SAID 0.016 ACRE TRACT, AS SHOWN ON THE ACCOMPANYING SKETCH, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING FOR REFERENCE at a University of Texas brass disc monument numbered 322 found on the intersection of the north right-of-way line of East 15th Street and the west right-of-way line of Interstate Highway 35;

THENCE with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 865.27 feet to a calculated point for the southeast corner and **POINT OF BEGINNING** hereof;

THENCE continuing with the north right-of-way line of said East 15th Street, N 73° 35' 02" W for a distance of 61.62 feet for the southwest corner hereof, from which a centerline monument previously found and shown in a CAD file provided by the City of Austin on the centerline of said 15th Street and the centerline of Trinity Street bears, N 73° 35' 02" W for a distance of 390.00 feet and S 16° 24' 58" W for a distance of 50.00 feet;

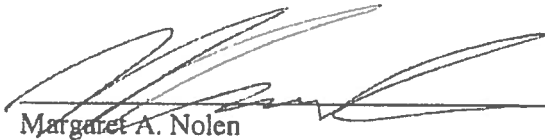
THENCE through the interior of said Red River Street, the following three (3) courses and distances:

- 1) with the arc of a curve to the left, having a radius of 25.00 feet, an arc length of 14.00 feet, a central angle of 032° 04' 47", and a chord which bears, N 40° 58' 22" E for a distance of 13.82 feet for the northwest corner hereof,
- 2) S 73° 32' 25" E for a distance of 50.29 feet for the northeast corner hereof, and

- 3) with the arc of a curve to the **left**, having a radius of **19.50** feet, an arc length of **14.02** feet, a central angle of **041° 11' 15"**, and a chord which bears, **S 07° 37' 51" E** for a distance of **13.72** feet to the **POINT OF BEGINNING** hereof and containing 0.016 acre of land.

Basis of bearings is based on Texas State Plane Coordinate System, Central Zone, NAD '83.

Surveyed under the direct supervision of the undersigned during June, 2013.

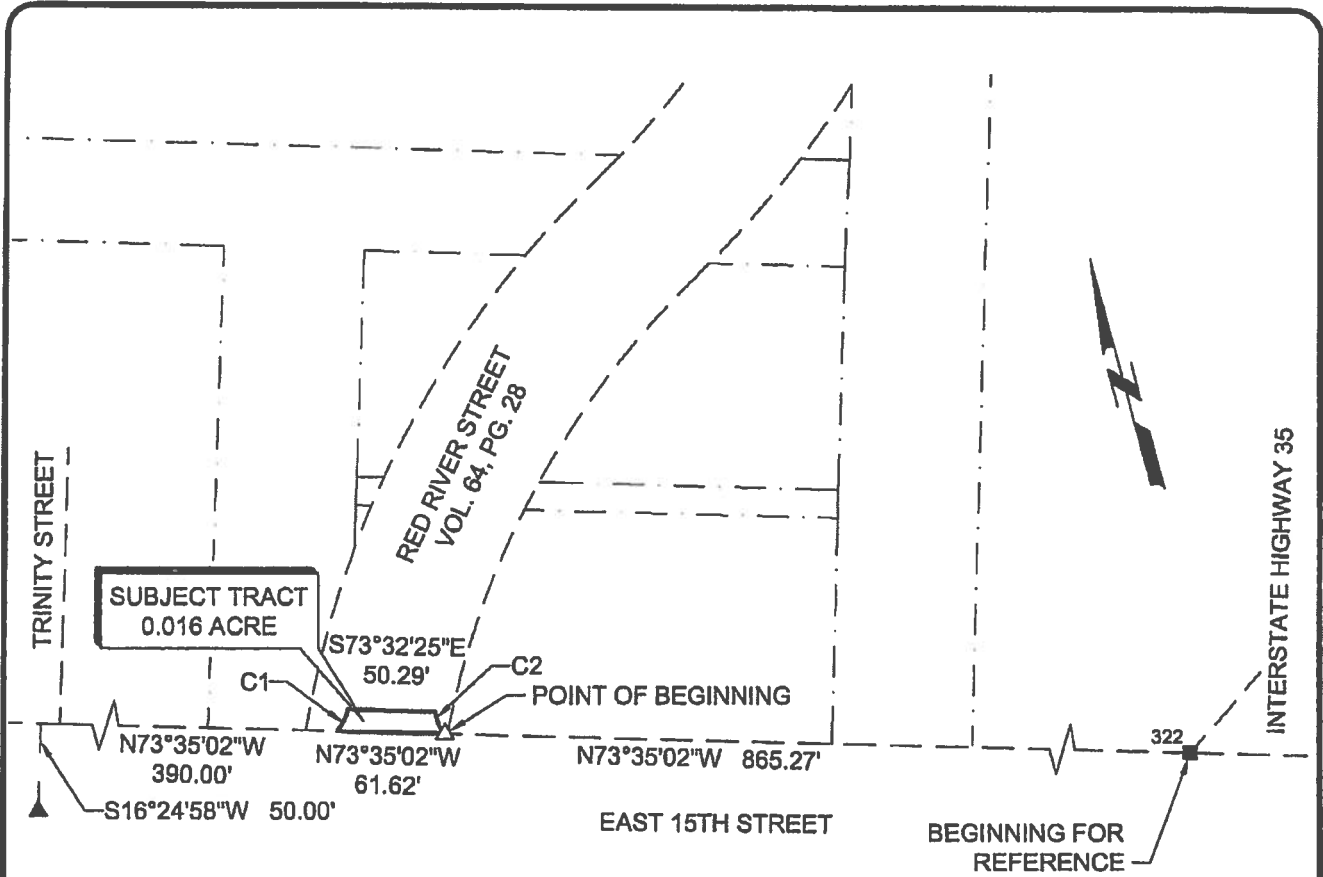


Margaret A. Nolen
Registered Professional Land Surveyor No. 5589
BAKER-AICKLEN & ASSOCIATES, INC.
507 West Liberty Avenue
Round Rock, TX 78664
(512) 244-9620



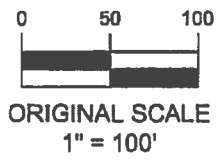
Job No.: 1493-3-004

Filename: K:\PROJECTS\2147-3-002_UT_Medical_School\BA-Survey\DESCRIPTIONS\METES AND BOUNDS\UT Easement 24 Access.doc



CURVE TABLE					
CURVE NO.	RADIUS	ARC LENGTH	CENTRAL ANGLE	CHORD BEARING	CHORD DISTANCE
C1	25.00'	14.00'	032°04'47"	N40°58'22"E	13.82'
C2	19.50'	14.02'	041°11'15"	S07°37'51"E	13.72'

LEGEND	
▲	CENTERLINE MONUMENT PREVIOUSLY FOUND AND SHOWN IN A CAD FILE PROVIDED BY THE CITY OF AUSTIN
△	CALCULATED POINT
■	UNIVERSITY OF TEXAS BRASS DISC MONUMENT FOUND (NUMBERED AS SHOWN)



BAKER-AICKLEN & ASSOCIATES, INC.
 907 WEST LIBERTY AVE.
 ROUND ROCK, TEXAS 78664
 (512) 244-9620
 ENGINEERING FIRM # F-45
 SURVEY FIRM # 100231-0
 TEAE #1787

ENGINEERING | SURVEYING | GIS | PLANNING | LANDSCAPE ARCHITECTURE

ROUND ROCK

UNIVERSITY OF TEXAS
 JUNE, 2013

K:\PROJECTS\2147-3-002_UT_Medical_School_BA-Survey\DESCRIPTIONS\DWG\UT Easement 24 Access.dwg [PAGE 3] July 28, 2014 - 1:38pm

EXHIBIT "G"

PROJECT DESCRIPTION

[See following page]

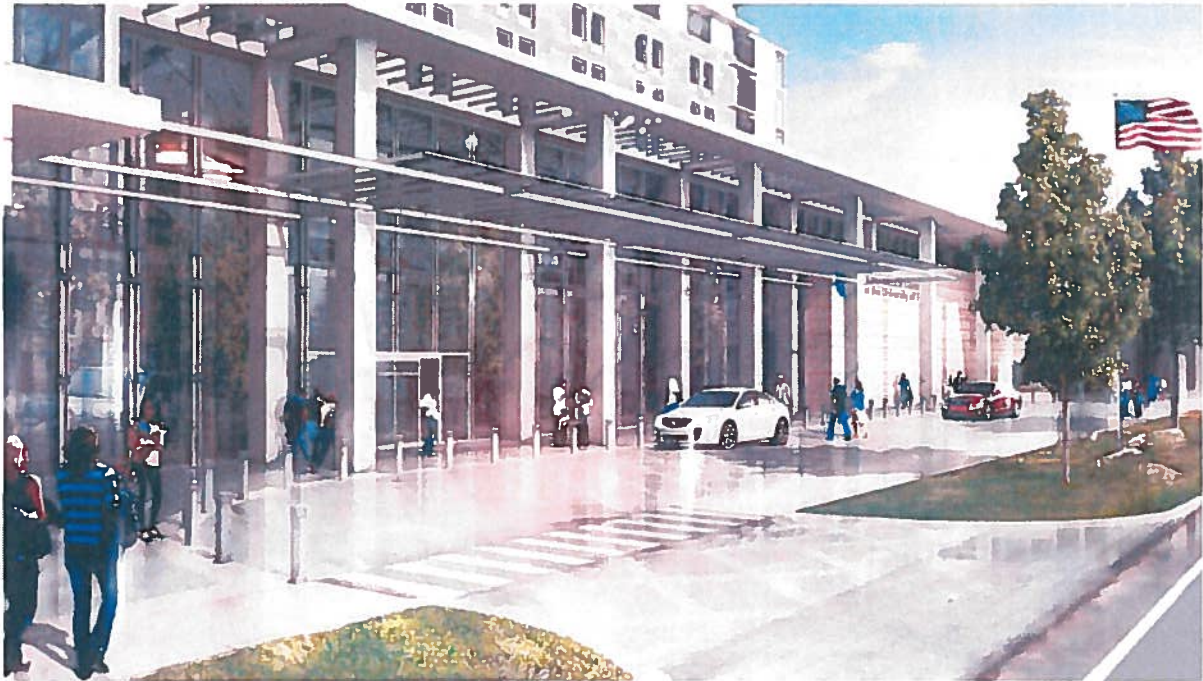


Exhibit "G"

EXHIBIT "H"

APPROVED SIGNAGE

[See following 12 pages]



WALLER CREEK

E4.00.01

E5.00.01

E3.00.01

Exhibit "H"



Exhibit "H"

Exhibit "H"

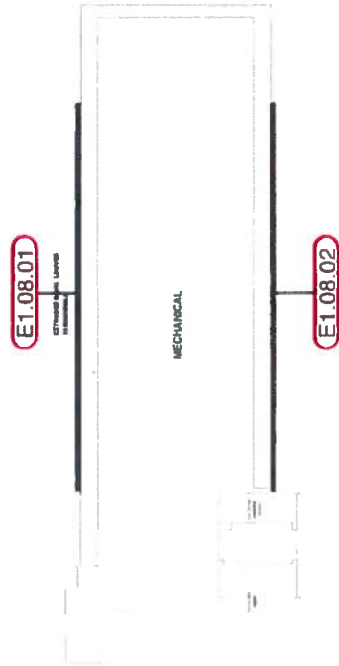


Figure No. 14224-001
Revised On 20 June 2014
Scale: 1/8" = 1'-0"
Project: 14224-001

G.08

focus EGO
1300 West 19th Street, Suite 416
Dallas, TX 75201
Tel: 214.645.3114



Seton Medical Center at University of Texas
Exterior Signage
Graphic Elements

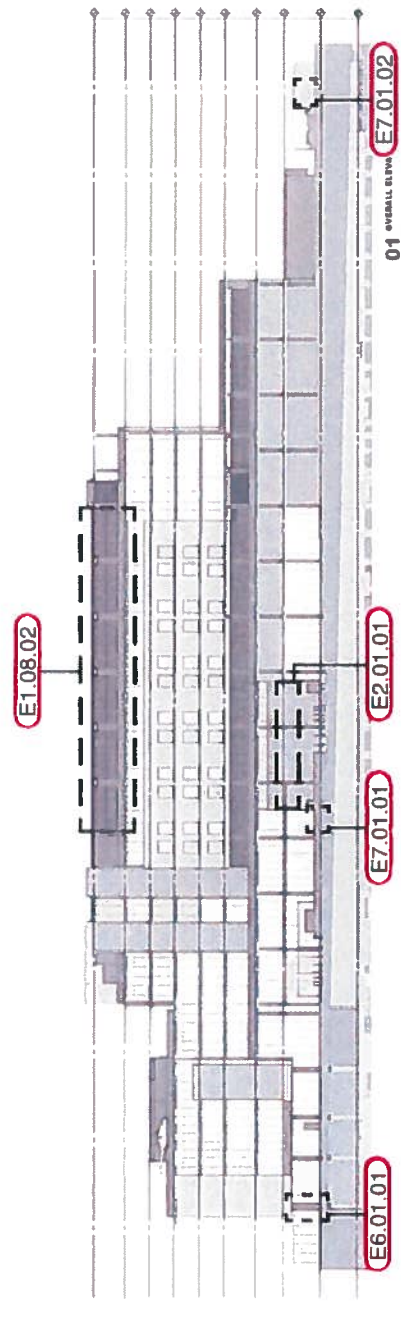
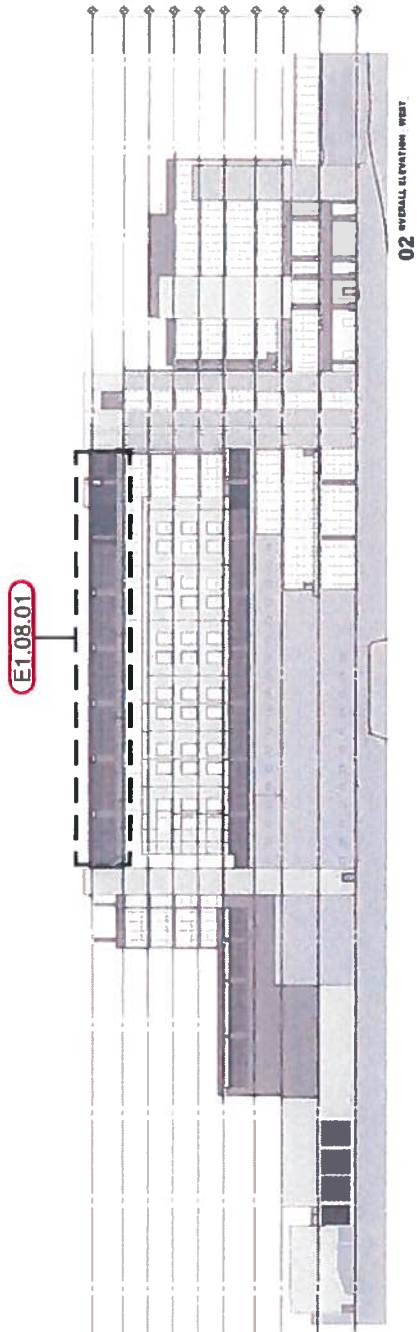
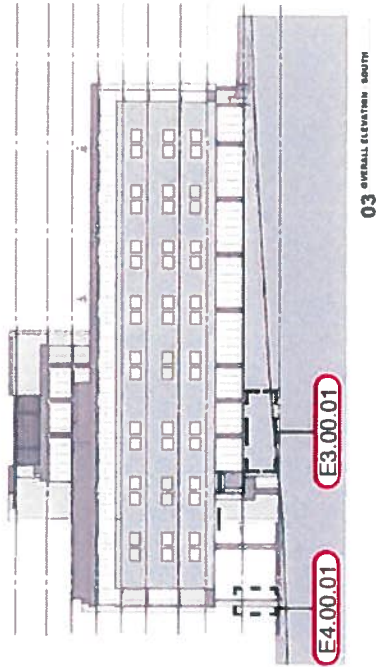


Exhibit "H"

Exhibit "H"



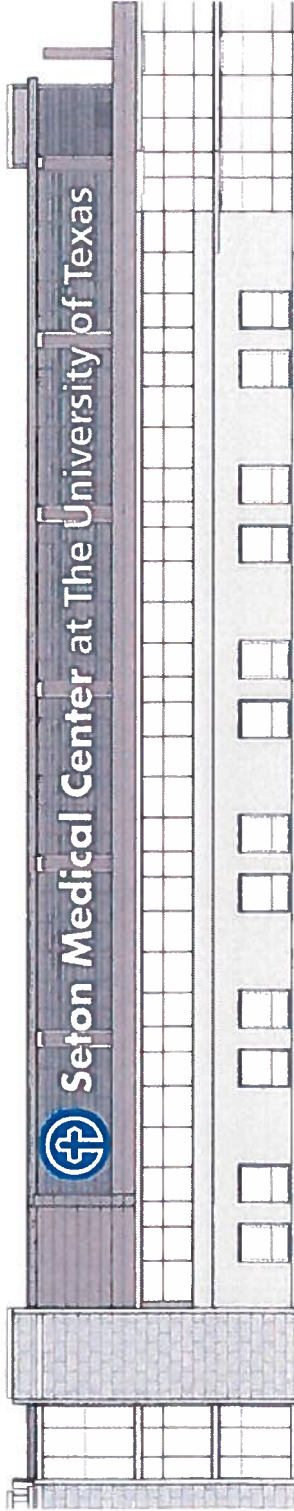
Seton Medical Center at University of Texas
Exterior Signage
Graphic Elements



focus EGO
1950 South Burnett Ave. Suite 405
Dallas, TX 75241
1.214.591.4576

Project No. 4984.001
Accession No. 20 June 2014
Drawn by CLO
Checked by

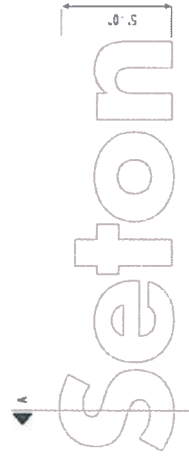
G5.02



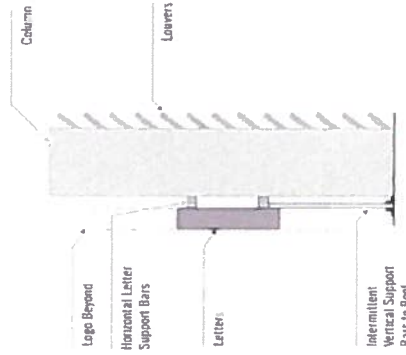
2 Elevation / 1" = 20' 0"



Blue & white illuminated logo with metallic silver painted returns



White illuminated letters with metallic silver painted returns



A Schematic Section Detail

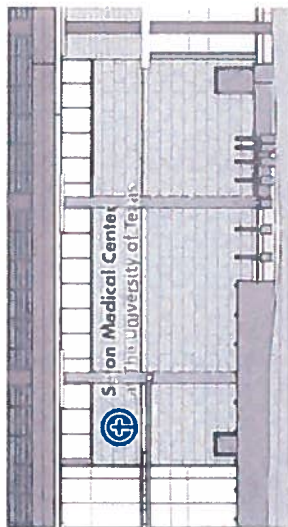
1 Engraved Elements / 3/16" = 1'-0"

Seton Medical Center at University of Texas
 Exterior Signage
 Graphic Elements



focus EGD
 1999 Woodloch Ratters for Seton LLC
 Dallas, TX 75201
 P: 214-651-8500

Sheet No. 14054.001
 Project No. 20 June 2014
 Sheet 2 of 2
 Project No. 14054.001



2 Elevation / 1" = 20'-0"

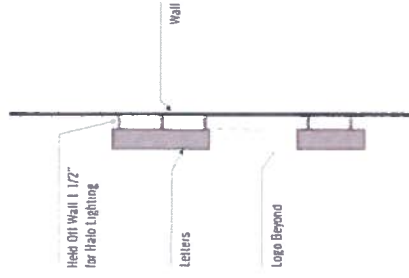


1 Blue & white illuminated logo with metallic silver painted returns

1 Energized Elevation / 3/16" = 1'-0"

Seton
at The

Metallic silver painted letters, halo lit against stone wall



A Schematic Section Detail / 3/16" = 1'-0"

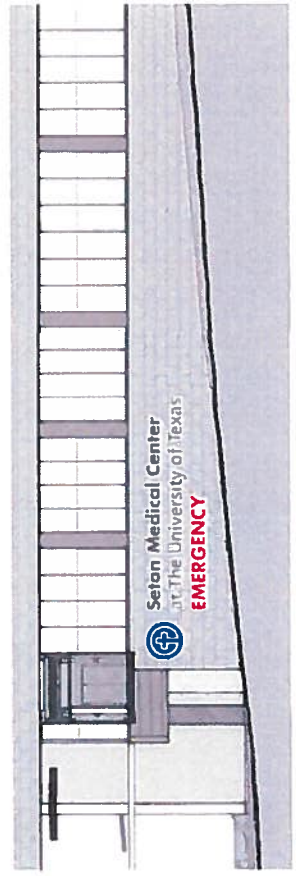
Seton Medical Center at University of Texas
Exterior Signage
Graphic Elements



focus EGD

1300 Westall Street, Suite 100
Dallas, TX 75241
214.466.2176

PROJECT: 14054-001
APPROVAL: 28 June 2014
DATE: 01/13/14
DRAWN BY: [illegible]



2 Elevation / 1" = 20'-0"

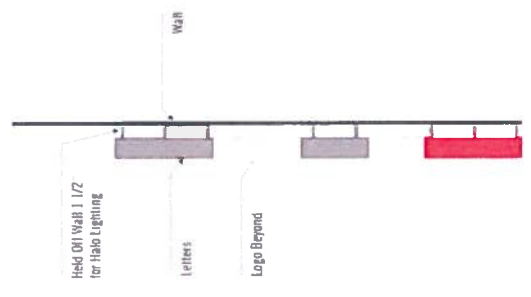


Blue & white illuminated logo with metallic silver painted returns



Face lit red illuminated letters with metallic silver painted returns

Metallic silver painted letters halo lit against stone wall



A Schematic Section Detail / 3/8" = 1'-0"

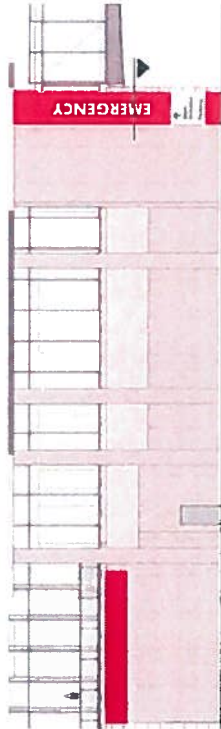
1 Enlarged Elevation / 3/8" = 1'-0"

Seton Medical Center at University of Texas
Exterior Signage
Graphic Elements



focus EGD
1995 Westside Parkway, Suite 411
Dallas, TX 75241
214.645.6766

Project No. 4-094-031
Project Date: 20 June 2014
Project LO
Project Page

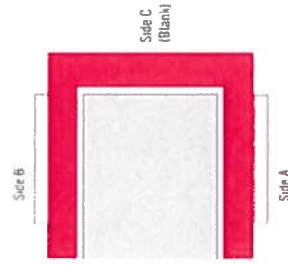


4 West Elevation / Approx. 1" = 20'-0"



3 Side A / Approx. 1/8" = 1'-0"

2 Side B / Approx. 1/8" = 1'-0"

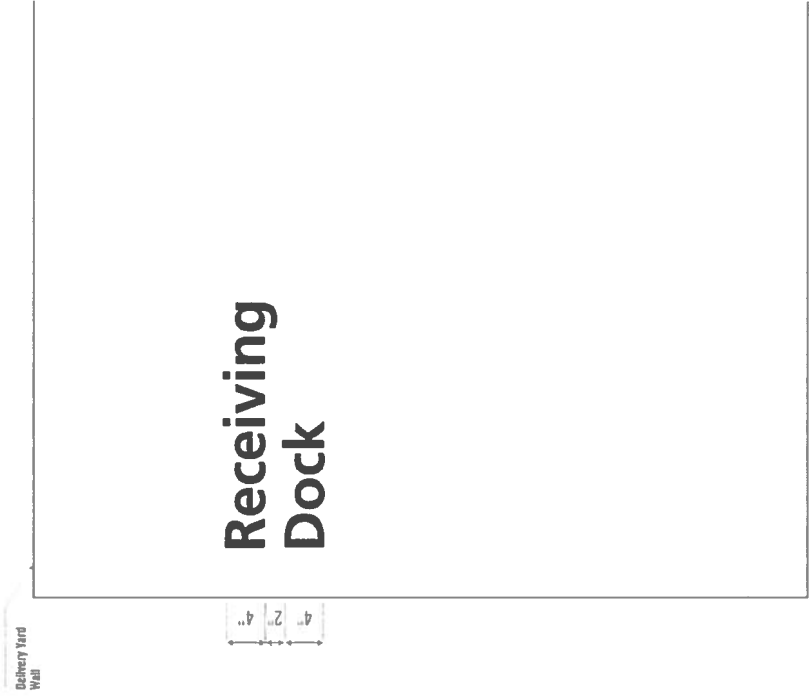


1 Schematic Plan View / ITS

Project No.	4824-001
Rev. No.	20 June 2014
Scale	AS SHOWN
Author	J. [unclear]
Checker	[unclear]
Appr.	[unclear]



Exhibit "H"



1 Elevation / 1" = 1'-0"
E7.01.02



2 Elevation / 1" = 1'-0"
E7.01.01
Cut letters painted silver metallic

Seton Medical Center at University of Texas
Exterior Signage
Graphic Elements

Seton Medical Center
at The University of Texas

focus EGD
599 Huddell Rogers Hwy, Suite 412
Dallas, TX 75201
314.551.6716

Revised: 10/04/01
Project No.: 20 June 2014
Seton E.G.D.
Graphic Elements

G.E7

EXHIBIT "I"

SETON HEALTHCARE FAMILY GUARANTY

[See following 4 pages]

GUARANTY

This Guaranty, dated as of October __, 2014 (“*Guaranty*”), is executed and delivered by **Seton Healthcare Family**, a Texas nonprofit corporation (“*Guarantor*”), in favor of the **Board of Regents of The University of Texas** (“*UT System*”), for the use and benefit of The University of Texas at Austin (“*UT Austin*”).

As a material inducement to UT System to enter into that certain Hospital Development and Construction Agreement, dated as of October __, 2014 (“*Agreement*”), by and between UT System, for the use and benefit of UT Austin, and Seton Family of Hospitals, a Texas nonprofit corporation (“*Seton*”), Guarantor hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Seton (and any assignee of Seton) 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 UT System 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 UT System’s power under the Agreement.

In each event that any obligation of Seton is not paid or performed as required by the Agreement, then, upon written demand by UT System to Guarantor in accordance with the notice provisions of this Guaranty, Guarantor will promptly pay the amount due or perform the obligation required under the Agreement.

Until all of Seton’s obligations to UT System under the Agreement have been discharged in full, Guarantor shall have no right of subrogation against Seton. UT System 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), or fail to perfect, or fail to continue the perfection of, any security interests granted under the Agreement. Without limiting the generality of the foregoing, if Seton elects to amend or modify Seton’s obligations under the Agreement, Seton’s execution of such amendment or modification shall constitute Guarantor’s consent thereto (and such amended or modified obligations of Seton under the Agreement shall constitute a guaranteed obligation hereunder); and Guarantor hereby waives any and all rights to consent thereto. Guarantor waives any right to participate in any security now or hereafter held by UT System. 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 UT System. 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 UT System, 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 UT System specifying such violation or default, UT System shall have all available remedies at law and in equity against Guarantor and Seton. Without limiting the generality of the foregoing, UT System may (i) declare a default under the Agreement, (ii) require Guarantor and/or Seton (at UT System's election) to deliver to UT System 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 UT System, and in an amount to be determined by UT System in its reasonable discretion. Any and all remedies set forth in this Guaranty: (a) shall be in addition to any and all other remedies UT System may have at law or in equity, (b) shall be cumulative, and (c) may be pursued successively or concurrently as UT System may elect. The exercise of any remedy by UT System shall not be deemed an election of remedies or preclude UT System from exercising any other remedies in the future.

Guarantor represents and warrants, as a material inducement to UT System 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 UT System all reasonable costs incurred by UT System 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 UT System in accordance with the terms of the Agreement; provided, however, that 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 UT System's legal representatives, 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 UT System 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 in 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 UT System has been properly notified in writing, and (b) nothing herein will affect UT System's right to effect service of process in any other manner permitted by applicable law.

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 UT System. 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

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

SETON HEALTHCARE FAMILY

By: _____

Name: _____

Title: _____

EXHIBIT "J"

LEASE GUARANTY

[See following 4 pages]

LEASE GUARANTY

THIS LEASE GUARANTY (this "*Guaranty*"), dated as of _____, 20____, is executed and delivered by *[**Guarantor**], a _____ ("*Guarantor*"), in favor of the **Board of Regents of The University of Texas ("UT System")**, for the use and benefit of The University of Texas at Austin ("*Lessor*" or "*UT Austin*").

UT System and Travis County Healthcare District, doing business as Central Health ("*Lessee*" or "*Central Health*"), executed that certain Ground Lease dated August __, 2014 (as amended from time to time, the "*Ground Lease*"), pursuant to which UT Austin ground leased the Premises, as described and defined in the Ground Lease, to Central Health. *Central Health subleased the Premises to Seton Family of Hospitals ("*Seton*") pursuant to the Ground Sublease dated August __, 2014 (as amended from time to time, the "*2014 Hospital Sublease*"), executed by Central Health and Seton.

*OPTIONAL CLAUSES:

*As a material inducement to UT System to consent to the assignment of the Ground Lease by Central Health to _____,

*As a material inducement to UT System to permit the assignment of the 2014 Hospital Sublease by Seton to _____ ("*Hospital Subtenant*"),

*As a material inducement to UT System to consent to the execution of the [Teaching Hospital Operator Agreement] by Central Health and [_____]
 ("*Teaching Hospital Operator*"),

*Guarantor hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Lessee (and any assignee of Lessee) under the Ground Lease and any extensions or renewals of and amendments to the Ground Lease.

This Guaranty is an absolute, primary, and continuing guaranty of payment and performance and is independent of Lessee's obligations under the Ground Lease. Guarantor shall be primarily liable, jointly and severally, with Lessee and any other guarantor of Lessee's obligations under the Ground Lease *[and with *Hospital Subtenant *Teaching Hospital Operator]. Guarantor waives any right to require UT System to (a) join Lessee with Guarantor in any suit arising under this Guaranty, (b) proceed against or exhaust any security given to secure Lessee's obligations under the Ground Lease, or (c) pursue or exhaust any other remedy in UT System's power under the Ground Lease *[and/or the Hospital Sublease *Teaching Hospital Operator Agreement].

In each event that any obligation of Lessee is not paid or performed as required by the Ground Lease, then, upon written demand by UT System to Guarantor in accordance with the notice provisions of this Guaranty, Guarantor will promptly pay the amount due or perform the obligation required under the Ground Lease.

Until all of Lessee's obligations to UT System under the Ground Lease have been discharged in full, Guarantor shall have no right of subrogation against Lessee. UT System 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 Ground Lease 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), or fail to perfect, or fail to continue the perfection of, any security interests granted under the Ground Lease. Without limiting the generality of the foregoing, if Lessee elects to amend or modify Lessee's obligations under the Ground Lease, Lessee's execution of such amendment or modification shall constitute Guarantor's consent thereto (and such amended or modified obligations of Lessee under the Ground Lease shall constitute a guaranteed obligation hereunder); and Guarantor hereby waives any and all rights to consent thereto. Guarantor waives any right to participate in any security now or hereafter held by UT System as security for the Ground Lease and/or any of Lessee's obligations under the Ground Lease. 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 Lessee to UT System. 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 Lessee's obligations under the Ground Lease. The liability of Guarantor under this Guaranty will not be affected by (1) the release or discharge of Lessee from, or impairment, limitation or modification of, Lessee's obligations under the Ground 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 Ground Lease in any such proceeding; or (3) the cessation from any cause whatsoever of the liability of Lessee under the Ground Lease.

Guarantor shall not, without the prior written consent of UT System, 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 UT System specifying such violation or default, UT System shall have all available remedies at law and in equity against Guarantor and Lessee. Without limiting the generality of the foregoing, UT System may (i) declare a default under the Ground Lease, (ii) require Guarantor and/or Lessee (at UT System's election) to deliver to UT System additional security for the obligations of Lessee and Guarantor under the Ground 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 UT System, and in an amount to be determined by UT System in its reasonable discretion. Any and all remedies set forth in this Guaranty: (a) shall be in addition to any and all other remedies UT System may have at law or in equity, (b) shall be cumulative, and (c) may be pursued successively or concurrently as UT System may elect. The exercise of any remedy by UT System shall not be deemed an election of remedies or preclude UT System from exercising any other remedies in the future.

Guarantor represents and warrants, as a material inducement to UT System *to enter into the Ground Lease *[revise as applicable with optional clauses above], 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; (4) Guarantor expects to receive substantial benefits from Lessee's financial success; and (5) Guarantor has received a complete copy of the Ground Lease.

Guarantor shall pay to UT System all reasonable costs incurred by UT System in enforcing this Guaranty (including, without limitation, reasonable attorneys' fees and expenses). The obligations of Lessee under the Ground Lease, if any, to execute and deliver estoppel certificate 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 UT System in accordance with the terms of the Ground Lease; provided, however, that any such estoppel certificate to be provided by Guarantor shall be with respect to this Guaranty rather than certifications regarding the Ground Lease. This Guaranty shall be binding upon the heirs, legal representatives, successors, and assigns of Guarantor and shall inure to the benefit of UT System's legal representatives, successors, and assigns.

Within fifteen (15) days after any request by Lessor, Guarantor will deliver to Lessor the most recent audited financial statements for Guarantor, or, if no such audited statements have been prepared, such other financial statements as may have been prepared and certified by an independent certified public accountant or chief financial officer for Guarantor. Guarantor shall not be required to deliver financial statements required more than once in any twelve (12) consecutive month period, unless a default by Lessee occurs under the Ground Lease *[or Hospital Sublease or *Teaching Hospital Operator Agreement].

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:

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

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 UT System 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 in 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 UT System has been properly notified in writing, and (b) nothing herein will affect UT System's right to effect service of process in any other manner permitted by applicable law.

The representations, covenants, and agreements set forth herein will continue and survive the termination of the Ground 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 UT System. The words "guaranty" and "guarantees" will not be interpreted to modify Guarantor's primary obligations and liability hereunder.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

***[Guarantor]**

By: _____
Name: _____
Title: _____

EXHIBIT "K"

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "*Memorandum*") executed by and between the **BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM** ("*Lessor*") and **TRAVIS COUNTY HEALTHCARE DISTRICT**, doing business as Central Health ("*Lessee*"), with regard to the Ground Lease dated effective October 17, 2014, executed by Lessor and Lessee, concerning the Land described in Exhibit "A" (the "*Land*"), attached to this Memorandum and incorporated herein.

For good and adequate consideration, Lessor leased the Premises to Lessee, and Lessee leased the Land from Lessor, for the term and on the provisions contained in the Ground Lease, which is incorporated in this Memorandum by reference.

The initial term is sixty (60) years beginning October 17, 2014, and ending October 17, 2074. The Ground Lease also provides for two (2) renewal terms of ten (10) years each.

Lessee has an option to purchase the Improvements to be constructed on the Land which is in effect as of the date of the Lease and this Memorandum and which ends on June 1, 2038, which option may also be exercisable by Lessor under certain circumstances.

Any third party entering into a contract with Lessee or with any subtenant of Lessee for improvements to be located on the Land, and any other party under said third party, is hereby put on notice that Lessor shall have no liability for satisfaction of any claims of any nature in any way arising out of a contract with Lessee or any subtenant of Lessee.

This memorandum is not a complete summary of the Ground Lease. Provisions in this memorandum shall not be used in interpreting the Ground Lease provisions. In the event of conflict between this memorandum and any provision of the Ground Lease, the Ground Lease shall control.

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EXECUTED effective as of October 17, 2014.

LESSOR:

**BOARD OF REGENTS OF
THE UNIVERSITY OF TEXAS SYSTEM**

By: _____

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

The University of Texas at Austin

By: _____

Amy Wanamaker
Campus Director of Real Estate

STATE OF TEXAS

§
§
§

COUNTY OF TRAVIS

This instrument was acknowledged before me, the undersigned authority, this ____ day of October, 2014, by Kirk S. Tames, Executive Director of Real Estate of The University of Texas system, on behalf of The Board of Regents of The University of Texas System, an agency of the State of Texas.

Notary Public ★ State of Texas

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[LESSEE'S SIGNATURE AND ACKNOWLEDGMENT ON FOLLOWING PAGE]

Exhibit "K"

LESSEE:

TRAVIS COUNTY HEALTHCARE DISTRICT
(doing business as **Central Health**)

By: _____
Patricia A. Young Brown
President & CEO

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me, the undersigned authority, this ____ day of October, 2014, by Patricia A. Young Brown, President & CEO of Travis County Healthcare District, a political subdivision of the State of Texas, on behalf of said district.

Notary Public ★ State of Texas

Exhibit "A" - Land

After Recording, Please Return To:

Timothy C. Taylor, Esq.
JACKSON WALKER L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701-4042

Exhibit "K"

EXHIBIT "D"

MEMORANDUM OF SUBLEASE

THIS MEMORANDUM OF SUBLEASE (this "*Memorandum*") executed by and between **TRAVIS COUNTY HEALTHCARE DISTRICT**, doing business as Central Health ("*Sublessor*") and **SETON FAMILY OF HOSPITALS** ("*Sublessee*"), with regard to the Ground Sublease dated effective October 17, 2014, executed by Sublessor and Sublessee, concerning the land described in **Exhibit "A"** (the "*Land*"), attached to this Memorandum and incorporated herein.

For good and adequate consideration, Sublessor subleased the Subleased Premises (as defined in the Ground Sublease) to Sublessee, and Sublessee subleased the Subleased Premises, including the Land, from Sublessor, for the term and on the provisions contained in the Ground Sublease, which is incorporated in this Memorandum by reference.

The initial term of the Ground Sublease is sixty (60) years beginning October 17, 2014, and ending October 17, 2074. The Ground Sublease also provides for two renewal terms of ten years each. Sublessor has an option to purchase the Improvements to be constructed on the Land which is in effect as of the date of the Ground Sublease and this Memorandum and which ends on June 1, 2038.

Any third party entering into a contract with Sublessee or with any subtenant of Sublessee for improvements to be located on the Land, and any other party under said third party, is hereby put on notice that Sublessor shall have no liability for satisfaction of any claims of any nature in any way arising out of a contract with Sublessee or any subtenant of Sublessee.

This Memorandum is not a complete summary of the Ground Sublease. Provisions in this Memorandum shall not be used in interpreting the Ground Sublease provisions. In the event of conflict between this Memorandum and any provision of the Ground Sublease, the Ground Sublease shall control.

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EXECUTED effective as of October 17, 2014.

SUBLESSOR:

**TRAVIS COUNTY HEALTHCARE
DISTRICT**, a political subdivision of the State of
Texas, doing business as Central Health

By: _____
Patricia A. Young Brown
President & CEO

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me, the undersigned authority, this ____ day of October, 2014, by Patricia A. Young Brown, President & CEO of the Travis County Health Care District, a political subdivision of the State of Texas and on behalf of said political subdivision of the State of Texas.

Notary Public ★ State of Texas

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[SUBLESSEE'S SIGNATURE AND ACKNOWLEDGMENT ON FOLLOWING PAGE]

SUBLESSEE:

SETON FAMILY OF HOSPITALS,
a Texas nonprofit corporation

By: _____
Tim LaFrey
Executive Vice President – Operations

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me, the undersigned authority, this ____ day of October, 2014, by Tim LaFrey, Executive Vice President – Operations of Seton Family of Hospitals, a Texas nonprofit corporation, on behalf of said corporation.

Notary Public ★ State of Texas

Exhibit "A" - Land

After Recording, Please Return To:

Adam I. Hauser, Esq.
HUSCH BLACKWELL LLP
111 Congress Avenue, Suite 1400
Austin, TX 78701-4093

EXHIBIT "E"

GUARANTY

THIS GUARANTY (this "*Guaranty*"), dated as of October 17, 2014, is executed and delivered by **Seton Healthcare Family**, a Texas nonprofit corporation ("*Guarantor*"), in favor of the **Travis County Healthcare District d/b/a Central Health**, a political subdivision of the State of Texas ("*Central Health*").

The Board of Regents of The University of Texas System ("*UT System*") and Central Health executed that certain Ground Lease dated October 17, 2014 (as amended from time to time, the "*Ground Lease*"), pursuant to which UT System ground leased the Premises, as described and defined in the Ground Lease, to Central Health. Seton Family of Hospitals ("*Seton*") joined in the Ground Lease for the purposes set forth in the Joinder by Seton Family of Hospitals to the Ground Lease. Central Health subleased the Premises to Seton pursuant to the Ground Sublease dated October 17, 2014 (as amended from time to time, the "*Ground Sublease*"), executed by Central Health and Seton. UT System and Seton also executed (and Central Health joined therein) that certain Hospital Development and Construction Agreement dated as of October 17, 2014 ("*HDC Agreement*") pursuant to which Seton agreed to develop and construct the Project (as that term is defined in the HDC Agreement) for the benefit of Central Health.

As a material inducement to Central Health to enter into the Ground Sublease and to join in the HDC Agreement and to permit the construction and development of the Project (as that term is defined in the HDC Agreement) by Seton pursuant thereto, Guarantor hereby unconditionally and irrevocably guarantees the complete and timely performance of each obligation of Seton (and any assignee of Seton) under the Ground Sublease, including without limitation the Master Lease Obligations (as that term is defined in the Ground Sublease), and the HDC Agreement and any extensions or renewals of and amendments to the Ground Sublease and the HDC Agreement.

This Guaranty is an absolute, primary, and continuing guaranty of payment and performance and is independent of Seton's obligations under the Ground Sublease and the HDC Agreement. Guarantor shall be primarily liable, jointly and severally, with Seton and any other guarantor of Seton's obligations under the Ground Sublease and the HDC Agreement. Guarantor waives any right to require Central Health 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 Ground Sublease or the HDC Agreement, or (c) pursue or exhaust any other remedy in Central Health's power under the Ground Sublease or the HDC Agreement.

In each event that any obligation of Seton is not paid or performed as required by the Ground Sublease or the HDC Agreement, then, upon written demand by Central Health to Guarantor in accordance with the notice provisions of this Guaranty, Guarantor will promptly pay the amount due or perform the obligation required under the Ground Sublease and the HDC Agreement.

Until all of Seton's obligations to Central Health under the Ground Sublease and all of Seton's obligations to UT System under the HDC Agreement have been discharged in full, Guarantor shall have no right of subrogation against Seton. Central Health 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 Ground Sublease and the HDC 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), or fail to perfect, or fail to continue the perfection of, any security interests granted under the Ground Sublease or the HDC Agreement. Without limiting the generality of the foregoing, if Seton elects to amend or modify Seton's obligations under the Ground Sublease or the HDC Agreement, Seton's execution of such amendment or modification shall constitute Guarantor's consent thereto (and such amended or modified obligations of Seton under the Ground Sublease and the HDC Agreement shall constitute a guaranteed obligation hereunder); and Guarantor hereby waives any and all rights to consent thereto. Guarantor waives any right to participate in any security now or hereafter held by Central Health as security for the Ground Sublease or the HDC Agreement and/or any of Seton's obligations under the Ground Sublease or the HDC Agreement. 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. 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 Ground Sublease and the HDC 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 Ground Sublease or the HDC 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 Ground Sublease or the HDC Agreement in any such proceeding; or (3) the cessation from any cause whatsoever of the liability of Seton under the Ground Sublease or the HDC Agreement.

Guarantor shall not, without the prior written consent of Central Health, 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 specifying such violation or default, Central Health shall have all available remedies at law and in equity against Guarantor and Seton. Without limiting the generality of the foregoing, Central Health may (i) declare a default under the Ground Sublease and the HDC Agreement, (ii) require Guarantor and/or Seton (at Central Health's election) to deliver to Central Health additional security for the obligations of Seton and Guarantor under the Ground Sublease, the HDC 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 in an amount to be determined by Central Health in its reasonable discretion. Any and all remedies set forth in this Guaranty: (a) shall be in addition to any and all other remedies Central Health may have at law

or in equity, (b) shall be cumulative, and (c) may be pursued successively or concurrently as Central Health may elect. The exercise of any remedy by Central Health shall not be deemed an election of remedies or preclude Central Health from exercising any other remedies in the future.

Guarantor represents and warrants, as a material inducement to Central Health to enter into the Ground Sublease and to join in the HDC 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; (4) Guarantor expects to receive substantial benefits from Seton's financial success; and (5) Guarantor has received a complete copy of the Ground Sublease and the HDC Agreement.

Guarantor shall pay to Central Health all reasonable costs incurred by Central Health in enforcing this Guaranty (including, without limitation, reasonable attorneys' fees and expenses). The obligations of Seton under the Ground Sublease and the HDC Agreement, if any, to execute and deliver estoppel certificates 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 in accordance with the terms of the Ground Sublease and the HDC Agreement; provided, however, that any such estoppel certificate to be provided by Guarantor shall be with respect to this Guaranty rather than certifications regarding the Ground Sublease and the HDC 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 legal representatives, successors, and assigns.

Within fifteen (15) days after any written request by Central Health, Guarantor will deliver to Central Health (i) a copy of the most recent audited annual consolidated financial statements of Guarantor, which financial statements shall be prepared in accordance with U.S. generally acceptable accounting principles, consistently applied, or (ii) if Guarantor shall no longer cause its annual consolidated financial statements to be audited by a firm of independent certified public accountants, a copy of the most recent unaudited annual consolidated financial statements of Guarantor, which financial statements shall be accompanied by a letter addressed to Central Health and signed by the Chief Financial Officer of Guarantor, certifying that such financial statements shall have been prepared in accordance with U.S. generally accepted accounting principles, consistently applied. Guarantor shall not be required to deliver financial statements required more than once in any twelve (12) consecutive month period, unless a default by Seton occurs under the Ground Sublease or the HDC Agreement.

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 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 in 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 has been properly notified in writing, and (b) nothing herein will affect Central Health'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 Ground Sublease, the HDC 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. The words "guaranty" and "guarantees" will not be interpreted to modify Guarantor's primary obligations and liability hereunder.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the day and year first above written.

Seton Healthcare Family, a Texas nonprofit corporation

By: _____
Tim LaFrey
Executive Vice President – Operations