

DRAFT January 3, 2025

January __, 2025

Dominic Dominguez
Chief Executive Officer
Christus Spohn Health System Corporation
613 Elizabeth St, Suite 300
Corpus Christi, Texas 78404

dom.dominguez@christushealth.org

Re: Escrow Amendment Conditions Letter Agreement

Dear Mr. Dominguez:

This Letter Agreement is entered into between CHRISTUS Spohn Health System Corporation (“Spohn”) and Nueces County Hospital District (“NCHD”) (herein each referred to as “Party” or “Parties”) effective January __, 2024 (“Effective Date”) to set forth the terms and conditions upon which NCHD will release and disburse the remaining Escrow Funds (as defined in Schedule 1 to the Amended and Restated Membership Agreement) to Spohn (“Escrow Release”) and NCHD’s right to request and obtain from Spohn relinquishment of the Applicable Property (as defined below) (“Call Right”).

As you know, prior to the expiration of the September 29, 2023 escrow release conditions set forth in Schedule 1 of the Amended and Restated Membership Agreement (the “Escrow Release Conditions”), Spohn and NCHD had discussions regarding an extension of the escrow deadlines for achievement of the Escrow Release Conditions. As part of these discussions, Spohn constructed a fence enclosing the Main Campus green space for safety and aesthetic reasons at NCHD’s request. Although the escrow performance deadline under Schedule 1 of the Membership Agreement has passed and the Escrow Release Conditions were not satisfied within the escrow deadlines, NCHD acknowledges that (i) Spohn constructed the fence around the Main Campus green space in an attempt to satisfy the Escrow Release Conditions, and (ii) Spohn contends the deadline for completion of the Escrow Release Conditions was extended until September 29, 2026. The Parties now seek to memorialize the terms and conditions of the Escrow Release and Call Right.

Now, therefore, in consideration of the premises, the mutual benefit to be derived from this Letter Agreement, and other good and valuable consideration, including the convenience of the Parties, the receipt and sufficiency of which is hereby acknowledged, the Parties agree that this Letter Agreement shall be performed as follows:

1. **Escrow Release.** In furtherance of the Escrow Release, NCHD and Spohn shall execute a joint written notice (“Disbursement Request”) within thirty (30) days of the Effective Date instructing the Escrow Agent (as defined in Schedule 1 of the Amended and Restated Membership Agreement) to release the remaining Escrow Funds to Spohn.
2. **Call Right.** In furtherance of the Call Right, Spohn hereby grants to NCHD the right to request and obtain from Spohn relinquishment of: (i) Spohn’s access to, and the right to the use and occupy the Real Property (as such term is defined in Schedule 1 of the Amended and Restated Membership Agreement) set forth in **Exhibit A** (collectively, the “Applicable Property”); and (ii) any leasehold interest it may possess in the future in the Applicable

Property under the Amended and Restated Memorandum of Understanding Relating to Termination of the Membership Agreement and re-instated Lease Agreement between the Parties, at any time during the term of the Membership Agreement or reinstated Lease Agreement, as applicable. Spohn's relinquishment of its access and right to use and occupy the Applicable Property under the Membership Agreement and/or its leasehold interest in the Applicable Property under the re-instated Lease Agreement shall have no impact on the amount of lease credit or rental payments, as applicable, due to NCHD; provided, however, the Applicable Property shall not be used, operated, leased, or licensed by NCHD to a third-party for the provision of Health Care Services (as such term is defined in Schedule 2 to the Membership Agreement) during the term of the Membership Agreement and/or re-instated Lease Agreement without Spohn's written consent. Notwithstanding anything herein to the contrary, NCHD shall not be prohibited from selling or conveying the Applicable Property to a third-party. The third-party buyer or grantee of the Applicable Property may not use or operate the Applicable Property for Health Care Services during the term of the Membership Agreement and/or re-instated Lease Agreement without Spohn's written consent, except the third-party buyer or grantee may use or operate the Applicable Property during the term of the Membership Agreement and/or re-instated Lease Agreement without Spohn's written consent as a nursing home, independent living facility, behavioral health facility, federally qualified health center, hospice, or physician office. In the event NCHD elects to exercise the Call Right, the Parties shall thereafter, as necessary and applicable to memorialize the terms under this Paragraph 2, execute amendments to: (y) Schedule 1 to the Amended and Restated Membership Agreement and Amended and Restated Memorandum of Understanding Relating to the Termination of the Membership Agreement and re-instated Lease Agreement; or (z) the re-instated Lease Agreement, subject in either case to approval of the Nueces County Commissioners Court.

These terms memorialize the commitments of the Parties related to the Escrow Release and Call Right. Please execute below to memorialize Spohn's agreement.

Very truly yours,

Jonny F. Hipp
Administrator/Chief Executive Officer
Nueces County Hospital District

AGREED AND ACCEPTED

Nueces County Hospital District

By: _____
Jonny F. Hipp, Administrator/CEO

Christus Spohn Health System Corporation

By: _____
Dominic Dominguez, CEO

EXHIBIT A

DESCRIPTION OF APPLICABLE PROPERTY

The Applicable Property shall mean, collectively, (i) those parcels of Real Property described in Sections A and B below; (ii) all Improvements (as defined in Schedule 1 of the Membership Agreement) on such parcels of Real Property; and (iii) all easements, licenses, rights-of-way and appurtenances relating to the such Real Property and Improvements; and (iv) all Fixtures (as defined in Schedule 1 of the Membership Agreement) located in or on such Real Property and Improvements.

- A. Former Memorial Medical Center Hospital.** The following Real Property (as described in Exhibit B-1), which is exclusive of the Dr. Hector P. Garcia – Memorial Family Health Center and immediately surrounding campus and parking lots:

14.15 ACRE TRACT - 14.15 ACRES OUT OF LOT 1, BLOCK 3 MEDICAL CENTER SUBDIVISION VOLUME 69. PAGE 443 MAP RECORDS NUECES COUNTY, TEXAS

LEGAL DESCRIPTION

BEING a 14.15 acre tract out of Lot 1, Block 3, Medical Center Subdivision, as shown on a map recorded in Volume 69, Page 443, Map Records, Nueces County, Texas, and being more particularly described as follows:

COMMENCING at a found 5/8" iron rod with red cap stamped "HANSON CRP, TX" on the north right-of-way of Hospital Street, same being at the southeast corner of said Lot 1, also being the southwest corner of Lot 2, Block 3, Medical Center Subdivision as recorded in Volume 69, Page 443, Map Records, Nueces County, Texas; THENCE South 88°32'01" West, with the south line of said Lot 1, a distance of 85.42 feet to a found fence corner post for the southeast corner and POINT OF BEGINNING of the herein described tract;

THENCE South 88°32'01" West, with the south line of said Lot 1, a distance of 1166.90 feet to a found iron pipe on said north right-of-way, for the southwest corner of said Lot 1, same being the southwest corner of the herein described tract;

THENCE North 01°33'59" West, with the west line of said Lot 1, a distance of 475.42 feet to a found drill hole in concrete for the northwest corner of said Lot 1, same being the northwest corner of the herein described tract;

North 88°32'51" East, with the north line of said Lot 1, a distance of 194.04 feet to a found mag nail, for an interior corner of said Lot 1, same being an interior corner of the herein described tract;

THENCE North 01°33'59" West, with the north line of said Lot 1, a distance of 30.92 feet to a found iron rod for an exterior corner of said Lot 1, same being an exterior corner of the herein described tract;

THENCE North 70°40'51" East, with the north line of said Lot 1, a distance of 105.00 feet to a found iron rod for a corner of said Lot 1, same being a corner of the herein described tract;

THENCE North 88°32'51" East, with the north line of said Lot 1, a distance of 890.51 feet to a found fence corner post for the northeast corner of the herein described tract;

THENCE South 01°25'57" East, with an existing chain-link fence, a distance of 110.82 feet to a found fence corner post for an exterior corner of the herein described tract;

THENCE North 90°00'00" West, with said fence line, a distance of 19.46 feet to a found fence corner post for an interior corner of the herein described tract;

THENCE South 01°33'01" East, with said fence line, a distance of 428.26 feet to the POINT OF BEGINNING and containing 14.15 acres of land.

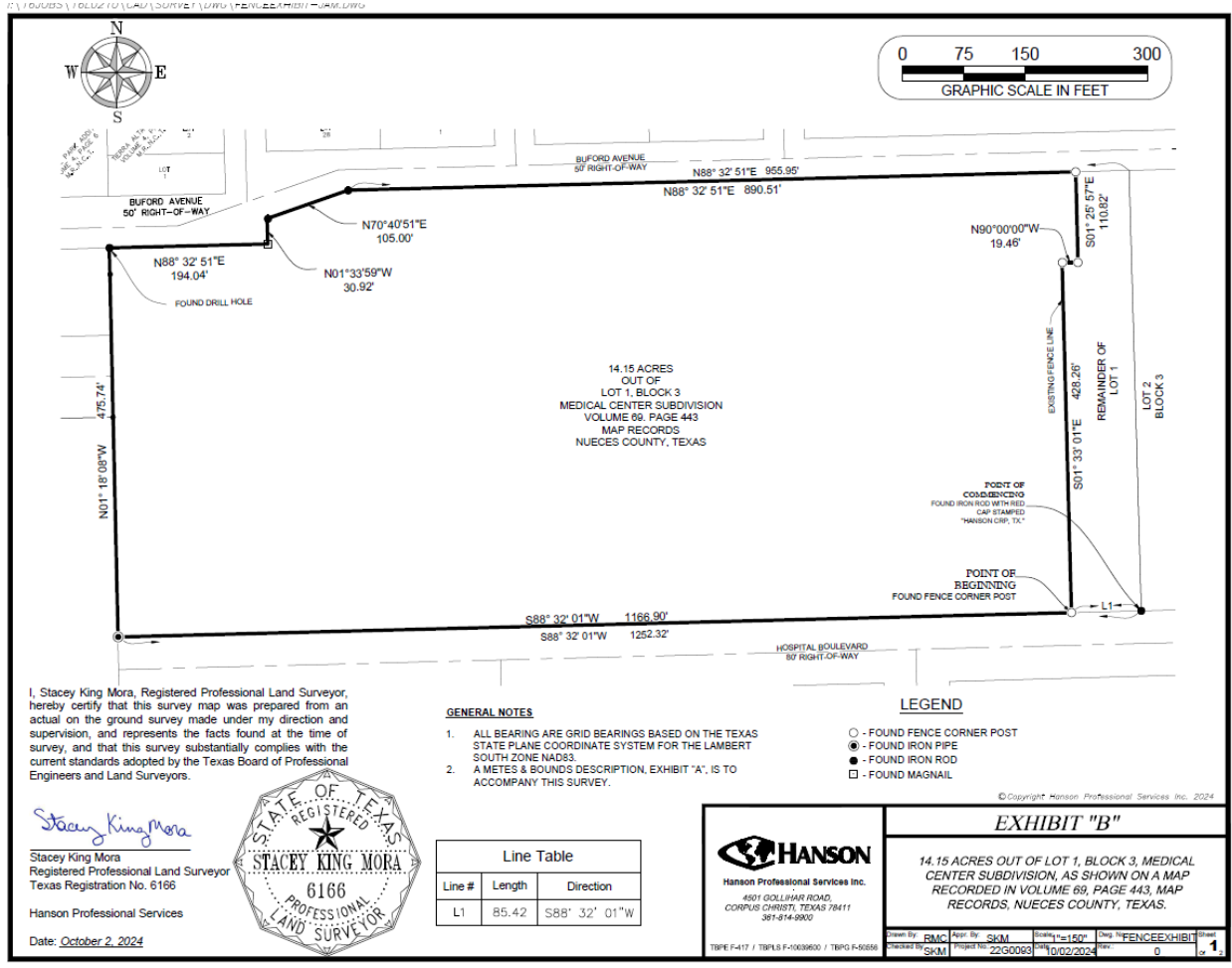
B. Nueces County Hospital District's Primary Care Clinic Under Construction.

Padre Island Neighborhood Care Clinic. 14000 South Padre Island Drive, Corpus Christi, Texas.

Lot Five (5), Block Four (4), Padre Island-Corpus Christi, Section 18, a Subdivision in the City of Corpus Christi, Texas, as shown by the map or plat thereof, recorded in Volume 57, page 105, Map Records of Nueces County, Texas; being a replat of Lots Fifteen' (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19) and Twenty (20), Block Three (3), Padre Island-Corpus Christi Section 18, a map or plat of which is recorded in Volume 42, page 125, Map Records of Nueces County, Texas and being a part of and out of Park Lane and Mozambique Drive closed by Commissioners Court of Nueces County, Texas as recorded in Volume 1909, page 629, Deed Records of Nueces County, Texas.

Exhibit A-1

Former Memorial Medical Center Hospital



I, Stacey King Mora, Registered Professional Land Surveyor, hereby certify that this survey map was prepared from an actual on the ground survey made under my direction and supervision, and represents the facts found at the time of survey, and that this survey substantially complies with the current standards adopted by the Texas Board of Professional Engineers and Land Surveyors.

Stacey King Mora

Stacey King Mora
Registered Professional Land Surveyor
Texas Registration No. 6166

Hanson Professional Services

Date: October 2, 2024



GENERAL NOTES

- ALL BEARING ARE GRID BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM FOR THE LAMBERT SOUTH ZONE NAD83.
- A METES & SOUNDINGS DESCRIPTION, EXHIBIT "A", IS TO ACCOMPANY THIS SURVEY.

LEGEND

- - FOUND FENCE CORNER POST
- - FOUND IRON PIPE
- - FOUND IRON ROD
- - FOUND MAGNAIL

Line Table		
Line #	Length	Direction
L1	85.42	S88° 32' 01"W



EXHIBIT "B"

14.15 ACRES OUT OF LOT 1, BLOCK 3, MEDICAL CENTER SUBDIVISION, AS SHOWN ON A MAP RECORDED IN VOLUME 69, PAGE 443, MAP RECORDS, NUECES COUNTY, TEXAS.

Drawn By: BMC, Date: 10/02/2024, Scale: 1"=150', Title: FENCEEXHIBIT, Sheet: 1 of 1