

**FIRST AMENDMENT TO CHRISTUS SPOHN HEALTH SYSTEM CORPORATION
AMENDED AND RESTATED MEMBERSHIP AGREEMENT**

This First Amendment to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement ("Amendment") among CHRISTUS Spohn Health System Corporation ("Spohn"), CHRISTUS Health ("CHRISTUS Health"), and the Nueces County Hospital District (the "District") is entered into to be effective as of October 17, 2017 ("Effective Date"). Spohn, CHRISTUS Health, and the District are sometimes referred to herein individually as "party" or collectively as "parties."

WHEREAS, the Parties previously entered into that certain Amended and Restated Membership Agreement effective November 18, 2015 ("Agreement");

WHEREAS, since the Amendment Date of the Agreement, there have been modifications to Spohn's plans for transitioning services from CHRISTUS Spohn Hospital – Corpus Christi Memorial ("Memorial") to CHRISTUS Spohn Hospital Corpus Christi Shoreline ("Shoreline") and other changes that affect the terms and conditions of Agreement;

WHEREAS, the Parties desire to amend the Agreement to address the foregoing changes as herein provided.

NOW, THEREFORE, in consideration of the premises, the mutual benefits to be derived from this Amendment, and other good and valuation consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Section 8.02(b) of the Agreement is amended in its entirety to read as follows:
 - (b) Indemnification of the District and CHRISTUS Health. Spohn agrees to indemnify the District and CHRISTUS Health, their officers, board of managers, employees, and agents, against (a) any Damages (as defined below) which arise out of or in connection with any claims by or on behalf or in the name of a government entity or authority, State or federal, or Medicaid managed care organization relating to Spohn's, CHRISTUS Health's, or the District's obligations under this Agreement, or related transactions, Spohn's receipt of payments under the Medicaid disproportionate share hospital program, the Medicaid Waiver, the Network Access Improvement Program, or any similar programs, or Spohn's receipt of payments under the Uniform Hospital Rate Increase Program or other Medicaid managed care provider payment initiative, whether received before or after the Effective Date of the Original Membership Agreement, and (b) Damages which arise out of or in connection with the negligence or malfeasance of any employee or agent of Spohn performing services under or in connection with this Agreement or Spohn's breach of any material requirement of this Agreement (the "Indemnity"). Subject to applicable law, Spohn shall have the right to select and engage defense counsel and manage the defense for any claim or action brought against the District or CHRISTUS Health by a third party. The District and CHRISTUS Health shall cooperate with Spohn in Spohn's engagement of legal counsel to defend any such third-party claim or action. Notwithstanding anything in this Section 8.02(b) to the contrary, in the event that representation of Spohn, CHRISTUS Health, and the District by the same

counsel to defend any third-party claim or action subject to this Section 8.02(b) would be a conflict of interest for such counsel under the Texas Disciplinary Rules of Professional Conduct then in effect, the District or CHRISTUS Health may require Spohn to select another independent counsel, in consultation with the District or CHRISTUS Health, as appropriate, without relieving Spohn of its obligation to indemnify and defend the District and CHRISTUS Health under this Section 8.02(b). In the event the District, CHRISTUS Health or Spohn becomes aware of a third-party claim or action subject to this Section 8.02(b), such party shall provide the other parties prompt written notice of the claim or action and shall use its best efforts to provide the other parties sufficient information to identify the circumstances of the claim or action. Such notice shall be made as soon as practical from the date of actual notice of the claim or action to the party possessing such knowledge.

For purposes of this Section 8.02(b), "Damages" shall mean judgments, liabilities, fines, penalties, costs, and other amounts or assessments of responsibility, if any, required to be paid or refunded to, or recouped by, any person or entity, governmental authorities or entities or persons acting on behalf or in the name of such governmental entities or authorities, including statutory or other attorneys' fees and similar costs, incurred by the District or CHRISTUS Health related to any claim or action that entitles the District or CHRISTUS Health to the Indemnity pursuant to this Section 8.02(b).

2. Subsections c and d of Section 3.9.7 of Schedule 1 to the Agreement are hereby deleted in their entirety and consolidated as follows:

- c. Spohn's Shoreline hospital campus shall obtain official designation from the Texas Department of State Health Services as a Level II Trauma facility. Upon Spohn's completion of such commitment and in accordance with the terms of the Escrow Agreement, Spohn shall be entitled to withdraw (i) twenty-five percent (25%) of the Escrow Funds, in the event that Spohn completes this commitment prior to completing any of the other commitments described in this Section 3.9.7, or (ii) an additional twenty-five percent (25%) of the cumulative Escrow Funds previously withdrawn by Spohn (e.g., if Spohn has previously withdrawn 50% of the Escrow Funds, Spohn shall be entitled to withdraw an additional amount equivalent to a cumulative of 75% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 3.9.7, in the event Spohn completes this commitment after Spohn completes one or more of Spohn's commitments described in this Section 3.9.7. In addition, Spohn shall reduce its subsequent Escrow Funds deposits by twenty-five percent (25%) upon completion of this commitment.

3. Subsections e through h of Section 3.9.7 of Schedule 1 to the Agreement are hereby renumbered as Subsections d through g.

4. Section 2.3 of Schedule 2 to the Agreement is hereby deleted in its entirety and replaced with the following:

2.3 Trauma and Emergency Department Services. Spohn shall maintain a designated Level II Trauma Services Center in Corpus Christi, Texas, in conformity with the rules

promulgated by the Texas Department of State Health Services. The parties acknowledge and agree that the Texas Department State of State Health Services may allow the transfer of CHRISTUS Spohn Hospital – Corpus Christi Memorial’s (“Memorial”) Level II Trauma Center designation to CHRISTUS Spohn Hospital – Corpus Christi Shoreline (“Shoreline”) since Memorial and Shoreline operate under the same hospital license; provided, however, the parties acknowledge and agree that, regardless of the manner in which Shoreline achieves or maintains Level II Trauma Center designation, Spohn shall operate Shoreline’s trauma center at the same level as a designated Level II Trauma Center. Notwithstanding anything herein to the contrary, Spohn shall be prohibited from ceasing operations at or demolishing Memorial until Shoreline’s trauma center is designated and operating as a Level II Trauma Center and meets such other requirements as set forth in this Schedule 2.

5. Except as expressly modified by this Amendment, the terms and conditions of the Agreement shall remain in full force and effect subsequent to the Effective Date of the Amendment. In the event that any provisions of the Amendment irreconcilably conflict in a material manner with provisions in the Agreement, or other relevant agreement(s), that are not amended by the Amendment, the provisions of the Amendment shall control on or after the effective date of the applicable provision of the Amendment. Should issues arise concerning the parties’ rights, obligations, and responsibilities under the Agreement for periods prior to the Effective Date of the Amendment, such rights, obligations, and responsibilities shall be governed by the provisions of the Agreement as it existed prior to the Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have executed this Amendment effective as of the Effective Date.

CHRISTUS SPOHN HEALTH SYSTEM CORPORATION

By: _____

Justin Doss, President

CHRISTUS HEALTH

By: _____

Ernie Sadau, Chief Executive Officer

NUECES COUNTY HOSPITAL DISTRICT

By: _____

Jonny F. Hipp, Administrator/Chief
Executive Officer

**APPROVED BY THE NUECES COUNTY
COMMISSIONERS COURT**

By: _____

Samuel L. Neal, Jr., County Judge