

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "*Agreement*") is made and entered into as of November 30, 2015, by and among **CHRISTUS Spohn Health System Corporation**, a **Texas nonprofit corporation** organized under the laws of the **State of Texas** ("**Spohn**"), the **Nueces County Hospital District**, a **political subdivision of the State of Texas** ("**District**"), (each a "*Party*" and together the "*Parties*") and **Bank of America**, National Association, a national banking association duly organized and existing under the laws of the United States of America, having an office in Chicago, Illinois (the "*Escrow Agent*").

WHEREAS, Spohn and the District are parties to that certain Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement ("*Membership Agreement*") and that certain Amended and Restated Memorandum of Understanding Relating to Termination of the Membership Agreement ("*MOU*");

WHEREAS, Schedule 1, Section 3.9.7 of the Membership Agreement and Attachment B, Paragraph 9 of the MOU (amending Section 6.8(d)(iii) of the Lease) require Spohn to perform specific commitments in connection with its construction, renovation, and demolition of certain Spohn and the District's facilities and infrastructure (the "*Commitments*"); and

WHEREAS, the foregoing Commitments in Schedule 1, Section 3.9.7 of the Membership Agreement and Attachment B, Paragraph 9 of the MOU (amending Section 6.8(d)(iii) of the Lease) are set forth in Article III of this Agreement; and

WHEREAS, the Parties wish the Escrow Agent to hold certain funds deposited by Spohn and disburse such funds to Spohn or the District, as applicable, only upon Spohn's completion of the Commitments or on the specific dates set forth in Article III of this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I **ESTABLISHMENT OF ESCROW**

1.1 On December 1, 2015, Spohn will deposit three million U.S. dollars (\$3,000,000) (the "*Initial Deposit*") with the Escrow Agent. Spohn shall make additional deposits in the amounts specified in the Membership Agreement and Attachment B, Paragraph 9 of the MOU (amending Section 6.8(d)(iii) of the Lease) on the dates set forth therein ("*Additional Deposits*").

The Initial Deposit as well as the Additional Deposits, together with any investment earnings thereon, less disbursements previously made from the Escrow Account as of any given time shall hereinafter collectively be referred to as the “*Escrow Fund*.”

1.2 The Parties hereto hereby appoint the Escrow Agent, and the Escrow Agent hereby agrees to serve, as the escrow agent and depository subject to the terms and conditions set forth herein. The Escrow Agent shall receive the Initial Deposit and Additional Deposits and agrees to hold the Escrow Fund in a separate and distinct account (the “*Escrow Account*”) which is hereby established and which will be held and disbursed by the Escrow Agent only in accordance with the express terms and conditions of this Agreement. The Escrow Agent will make Escrow Account statements available to Spohn and the District upon request.

ARTICLE II

INVESTMENT OF ESCROW FUND

2.1 The Escrow Fund, including earnings thereon, shall be invested as instructed in writing on Schedule I by Spohn, in a specific money market fund or bank deposit investment vehicle. It is understood and agreed Schedule I represents money market funds which are currently available for investment of funds held in Bank of America, N.A. escrow accounts, which availability is subject to change following the date of this Agreement.

2.2 Any investment made pursuant to Section 2.1 may be changed by delivery to the Escrow Agent of a written request executed by Spohn including a revised and re-executed Schedule I. Upon receipt of such request, the Escrow Agent will reinvest the Escrow Fund in the indicated investment within two (2) Business Days or such additional time as may be required due to circumstances beyond the Escrow Agent’s control.

2.3 The Escrow Agent shall not be responsible to any party hereto or to any other person or entity for any loss or liability arising in respect of any investment made in accordance with the terms of Article II.

2.4 In the event that a money market fund is designated herein as the initial investment for the Escrow Fund, the party or parties designating the investment acknowledge receipt of the prospectus for such fund at the time of execution of this Agreement.

ARTICLE III

DISBURSEMENTS FROM THE ESCROW ACCOUNT

3.1 The Escrow Agent shall only disburse amounts held in the Escrow Account upon receipt of a joint written notice (“*Disbursement Request*”) from and signed by authorized representatives of both Spohn and the District ten (10) Business Days prior to the requested disbursement date specifying (i) the amount to be disbursed stated in U.S.

Dollars, (ii) the date of disbursement, (iii) the recipient of the disbursement, and (iv) the manner of disbursement and delivery instructions. A form of Disbursement Request is attached hereto as Annex I. For the avoidance of doubt, if any Disbursement Request authorizes the disbursement of all of the then-remaining Escrow Funds, such Disbursement Request shall constitute a Termination Notice (as defined below) and shall be treated as such in accordance with the provisions of Article VI. Further, the Escrow Agent is authorized to obtain confirmation of such Disbursement Request by telephone call-back to the persons designated for verifying such requests on Exhibit B (such persons verifying the request shall be different than the persons initiating the request). The Escrow Agent is authorized to disinvest the requisite amount of Escrow Fund one (1) Business Day prior to the requested disbursement date, or may do so earlier if the Escrow Agent determines in its sole good faith discretion that disinvesting more than one (1) Business Day prior to the disbursement date is necessary in order to assure the availability of funds on the requested disbursement date.

3.2 Escrow Account disbursements may only be made in accordance with the following schedule as agreed between the Parties:

3.2.1. Spohn shall be entitled to withdraw twenty-five percent (25%) of the Escrow Fund once it obtains a certificate of occupancy for the Dr. Hector P. Garcia – Memorial Family Health Center and it provides healthcare services to indigent patients in the facility; provided, however, if Spohn is entitled to withdraw or has withdrawn any of the Escrow Fund prior to the date it receives such certificate, Spohn may withdraw from the Escrow Fund the cumulative amount of 25% plus the amount allowed for completion of any of the items referenced in Subsections 3.2.2 to 3.2.6.

3.2.2. Spohn shall be entitled to withdraw twenty-five percent (25%) of the Escrow Fund once it completes the Emergency Department renovations at the Shoreline hospital campus as described in Section 2.5 of Schedule 2 to the Membership Agreement; provided, however, if Spohn is entitled to withdraw or has withdrawn any of the Escrow Fund prior to the date it completes such renovations, Spohn may withdraw from the Escrow Fund the cumulative amount of 25% plus the amount allowed for completion of any of the items referenced in Subsections 3.2.1 or 3.2.3 to 3.2.6.

3.2.3. Spohn shall be entitled to withdraw twelve and a half percent (12.5%) of the Escrow Fund once Spohn's Shoreline hospital campus obtains designation from the Texas Department of State Health Services as "in active pursuit" of Level II Trauma status; provided, however, if Spohn is entitled to withdraw or has withdrawn any of the Escrow Fund prior to the date it is "in active pursuit" of Level II Trauma status, Spohn may withdraw from the Escrow Fund the cumulative amount of 12.5% plus the amount allowed for completion of any of the items referenced in Subsections 3.2.1 to 3.2.2 or 3.2.4 to 3.2.6.

3.2.4. Spohn shall be entitled to withdraw twelve and a half percent (12.5%) of the Escrow Fund once Spohn's Shoreline hospital campus obtained official designation from the Texas Department of State Health Services as a Level II Trauma facility; provided, however, if Spohn is entitled to withdraw or has

withdrawn any of the Escrow Fund prior to the date it receives such designation, Spohn may withdraw from the Escrow Fund the cumulative amount of 12.5% plus the amount allowed for completion of any of the items referenced in Subsections 3.2.1 to 3.2.3 or 3.2.5 to 3.2.6.

3.2.5. Spohn shall be entitled to withdraw twelve and a half percent (12.5%) of the Escrow Fund once it completes the demolition of the CHRISTUS Spohn Hospital Corpus Christi – Memorial Hospital (“Memorial”) buildings and infrastructure; provided, however, if Spohn is entitled to withdraw or has withdrawn any of the Escrow Fund prior to the date it completes such demolition, Spohn may withdraw from the Escrow Fund the cumulative amount of 12.5% plus the amount allowed for completion of any of the items referenced in Subsections 3.2.1 to 3.2.4 or 3.2.6.

3.2.6. Spohn shall be entitled to withdraw twelve and a half percent (12.5%) of the Escrow Fund once it restores the resulting “green space” following the Memorial buildings and infrastructure demolition, in accordance with Section 3.5.5 of Schedule 1 to the Membership Agreement; provided, however, if Spohn is entitled to withdraw or has withdrawn any of the Escrow Fund prior to the date it completes the “green space” restoration, Spohn may withdraw from the Escrow Fund the cumulative amount of 12.5% plus the amount allowed for completion of any of the items referenced in Subsections 3.2.1 to 3.2.5.

3.2.7. If any balance in the Escrow Account remains as of September 29, 2023 as a result of Spohn’s failure to perform one or more of the Commitments described in Subsections 3.2.1 through Subsections 3.2.6, the District shall be entitled to withdraw the remaining balance of the Escrow Fund unless the September 29, 2023 deadline to complete any of the Commitments listed in Subsections 3.2.1 to 3.2.6 above has been extended by the Parties through written notice to the Escrow Agent; provided, however, that the District shall not be entitled to withdraw the remaining balance of the Escrow Fund until September 30, 2026 if the Parties provide written notice to the Escrow Agent pursuant to this Subsection 3.2.7 of such extension.

It is understood and agreed among the parties that, notwithstanding any provision herein, the Escrow Agent shall not be required to review, monitor, inquire into or consider whether a party has complied with the requirements of the Membership Agreement or the provisions of Sections 3.2.1 to 3.2.7 above.

3.3 If the Escrow Fund is invested, any payment date will require an additional Business Day thereafter to disinvest in accordance with Section 3.1. Also in accordance with Sections 3.1 and 3.2, all instructions to disburse via Disbursement Request must specify the items listed in Section (i) – (iv) of Annex I.

ARTICLE IV
COMPENSATION; EXPENSES

As compensation for its services to be rendered under this Agreement, for each year or any portion thereof, the Escrow Agent shall receive a fee in the amount specified in Exhibit A to this Agreement and shall be reimbursed upon request for all expenses, disbursements and advances, including reasonable fees of outside counsel, if any, incurred or made by it in connection with the carrying out of its duties under this Agreement Spohn shall pay such fees and expenses. The Escrow Agent is hereby authorized and directed to withdraw from the Escrow Fund any fees or expenses that have been invoiced but that have remained unpaid for sixty (60) days or more. Further, and in addition to the right given to it in the preceding sentence, the Escrow Agent is hereby authorized to withhold any disbursement it would otherwise make from the Escrow Account if at the time of such disbursement any invoiced fees or expenses remain unpaid. Amounts due for fees and expenses at the time this Agreement is executed shall be deemed to have been invoiced at such time and for purposes of this Article IV shall be deemed an invoice. It is understood that the foregoing provisions may affect the disbursement of funds to parties not responsible for the payment of fees and expenses.

ARTICLE V
EXCULPATION AND INDEMNIFICATION

5.1 (a) The obligations and duties of the Escrow Agent are confined to those specifically set forth in this Agreement which obligations and duties shall be deemed purely ministerial in nature. No additional obligations and duties of the Escrow Agent shall be inferred or implied from the terms of any other documents or agreements, notwithstanding references herein to other documents or agreements. In the event that any of the terms and provisions of any other agreement between any of the parties hereto conflict or are inconsistent with any of the terms and provisions of this Agreement, the terms and provisions of this Agreement shall govern and control the duties of the Escrow Agent in all respects. The Escrow Agent shall not be subject to, or be under any obligation to ascertain or construe the terms and conditions of any other instrument, or to interpret this Agreement in light of any other agreement whether or not now or hereafter deposited with or delivered to the Escrow Agent or referred to in this Agreement. The Escrow Agent shall not be obligated to inquire as to the form, execution, sufficiency, or validity of any such instrument nor to inquire as to the identity, authority, or rights of the person or persons executing or delivering same. The Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any other agreement, instrument, or document. The parties hereto shall provide the Escrow Agent with a list of authorized representatives, initially authorized hereunder as set forth on Exhibit B; as such Exhibit B may be amended or supplemented from time to time by delivery of a revised and re-executed Exhibit B to the Escrow Agent. Notwithstanding the foregoing sentence, the Escrow Agent is authorized to comply with and rely upon any notices, instructions or other communications believed by it to have been sent or given by the parties or by a person or persons authorized by the parties. The Escrow Agent specifically allows for receiving direction by written or electronic transmission from an authorized representative with the following caveat, Spohn agrees to indemnify and hold harmless the Escrow Agent against any and all claims, losses, damages, liabilities,

judgments, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") incurred or sustained by the Escrow Agent as a result of or in connection with the Escrow Agent's reliance upon and compliance with instructions or directions given by written or electronic transmission, provided, however, that such Losses have not arisen from the gross negligence or willful misconduct of the Escrow Agent, it being understood that forbearance on the part of the Escrow Agent to verify or confirm that the person giving the instructions or directions, is, in fact, an authorized person shall not be deemed to constitute gross negligence or willful misconduct.

(b) In the event funds transfer instructions are given to the Escrow Agent pursuant to the terms of this Agreement (other than with respect to fund transfers to be made contemporaneously with the execution of this agreement), regardless of the method used to transmit such instructions, such instructions must be given by an individual designated on Exhibit B. Further, the Escrow Agent is authorized to obtain and rely upon confirmation of such instructions by telephone call-back to the person or persons designated for verifying such instructions on Exhibit B (such person verifying the instruction shall be different than the person initiating the instruction). The Escrow Agent may require any party hereto which is entitled to direct the delivery of fund transfers to designate a phone number or numbers for purposes of confirming the requested transfer. The parties hereto aside from the Escrow Agent agree that the Escrow Agent may delay the initiation of any fund transfer until all security measures it deems to be necessary and appropriate have been completed and shall incur no liability for such delay.

5.2 The Escrow Account shall be maintained in accordance with applicable laws, rules and regulations and policies and procedures of general applicability to escrow accounts established by the Escrow Agent. The Escrow Agent shall not be liable for any act that it may do or omit to do hereunder in good faith and in the exercise of its own best judgment or for any damages not directly resulting from its gross negligence or willful misconduct. Without limiting the generality of the foregoing sentence, it is hereby agreed that in no event will the Escrow Agent be liable for any lost profits or other indirect, special, incidental or consequential damages which the parties may incur or experience by reason of having entered into or relied on this Agreement or arising out of or in connection with the Escrow Agent's duties hereunder, notwithstanding that the Escrow Agent was advised or otherwise made aware of the possibility of such damages. The Escrow Agent shall not be liable for acts of God, acts of war, breakdowns or malfunctions of machines or computers, interruptions or malfunctions of communications or power supplies, labor difficulties, actions of public authorities, or any other similar cause or catastrophe beyond the Escrow Agent's reasonable control. Any act done or omitted to be done by the Escrow Agent pursuant to the advice of its attorneys shall be conclusively presumed to have been performed or omitted in good faith by the Escrow Agent.

5.3 In the event the Escrow Agent is notified of any dispute, disagreement or legal action relating to or arising in connection with the escrow, the Escrow Fund, or the performance of the Escrow Agent's duties under this Agreement, the Escrow Agent will not be required to determine the controversy or to take any action regarding it. The

Escrow Agent may hold all documents and funds and may wait for settlement of any such controversy by final appropriate legal proceedings, arbitration, or other means as, in the Escrow Agent's discretion, it may require. Furthermore, if confronted with conflicting demands such that it determines in good faith that it risks incurring expense or liability regardless of any action it may take or refrain from taking, the Escrow Agent may, at its option, file an action of interpleader requiring the parties to answer and litigate any claims and rights among themselves. The Escrow Agent is authorized, at its option, to deposit with the court in which such action is filed, all documents and funds held in escrow, except all costs, expenses, charges, and reasonable attorneys' fees incurred by the Escrow Agent due to the interpleader action and which Spohn agrees to pay. Upon initiating such action, the Escrow Agent shall be fully released and discharged of and from all subsequent obligations and liability otherwise imposed by the terms of this Agreement.

Spohn hereby agrees to indemnify and hold the Escrow Agent, and its directors, officers, employees, and agents, harmless from and against all costs, damages, judgments, attorneys' fees (whether such attorneys shall be regularly retained or specifically employed), expenses, obligations and liabilities of every kind and nature which the Escrow Agent, and its directors, officers, employees, and agents, may incur, sustain, or be required to pay in connection with or arising out of this Agreement, unless the aforementioned results from the Escrow Agent's gross negligence or willful misconduct, and to pay the Escrow Agent on demand the amount of all such costs, damages, judgments, attorneys' fees, expenses, obligations, and liabilities. Without limitation, the foregoing indemnities shall extend to any breach of the representations, warranties or covenants in Section 9.4 of this Agreement. The costs and expenses of enforcing this right of indemnification also shall be paid by Spohn. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Escrow Agent and the termination of this Agreement.

ARTICLE VI

TERMINATION OF AGREEMENT

This Agreement shall terminate:

(a) On the termination date set forth in a properly executed and delivered Termination Notice (as defined below). The Parties may, at any time, terminate this Agreement by delivering to the Escrow Agent written notice (the "*Termination Notice*") signed by the Parties setting forth (i) the requested termination date and (ii) instructions for the return or delivery of the parties' then-escrowed property. The Termination Notice shall be received by the Escrow Agent not fewer than two (2) Business Days prior to the requested termination date. If the Termination Notice does not set forth instructions for the return or delivery of the parties' then-escrowed property, the Escrow Agent shall presume that such property is to be returned to the party or parties from which it was received and the Escrow Agent shall incur no liability for so presuming. A form of Termination Notice is attached hereto as Exhibit C.

(b) Should the Parties terminate the Agreement pursuant to this Article VI, it is understood and agreed by each of them that the Escrow Agent shall be entitled (i) to keep any monies paid to it in respect of fees or expenses previously due and owing and (ii) to offset from the amount of Escrow Fund on deposit as of the date of the Termination Notice, any amounts due for fees and expenses that, as of such date, have been previously invoiced and remain unpaid or which are then due and payable on a *pro rata* basis. The Escrow Agent is authorized to disinvest the remaining Escrow Fund one (1) Business Day prior to the requested date of termination set forth in the Termination Notice, or may do so earlier if the Escrow Agent determines in its sole good faith discretion that disinvesting more than one (1) Business Day prior to the requested date is necessary in order to assure the availability of funds on the requested termination date. Notwithstanding any other provision hereof, this Agreement shall not terminate before all amounts in the Escrow Account (including interest which has accrued but cannot be distributed prior to being posted) shall have been distributed by the Escrow Agent in accordance with the terms of this Agreement.

ARTICLE VII **RESIGNATION OF ESCROW AGENT**

The Escrow Agent may resign at any time upon giving at least thirty (30) days prior written notice to Parties; provided that no such resignation shall become effective until the appointment of a successor escrow agent which shall be accomplished as follows: Spohn shall use its best efforts to select a successor escrow agent within thirty (30) days after receiving such notice. If Spohn fails to appoint a successor escrow agent within such time, the Escrow Agent shall have the right, at the expense of Spohn, to petition any court of general jurisdiction sitting in Nueces County, Texas for the appointment of a successor escrow agent. The successor escrow agent shall execute and deliver an instrument accepting such appointment and it shall, without further acts, be vested with all the estates, properties, rights, powers, and duties of the predecessor escrow agent as if originally named as escrow agent. Upon delivery of such instrument, the Escrow Agent shall be discharged from any further duties and liability under this Agreement. The Escrow Agent shall be paid any outstanding fees and expenses prior to transferring assets to a successor escrow agent.

ARTICLE VIII **NOTICES**

All notices required by this Agreement shall be in writing and shall be deemed to have been received (a) immediately if sent by facsimile transmission (with a confirming copy sent the same Business Day by registered or certified mail), or by hand delivery (with signed return receipt), (b) the next Business Day if sent by nationally recognized overnight courier or (c) the second following Business Day if sent by registered or certified mail, in any case to the respective addresses below.

Notices and other communications including Disbursement Requests hereunder may be delivered or furnished by electronic mail provided that any Disbursement Request or other formal notice be attached to an email message in PDF format and provided

further that any notice or other communication sent to an e-mail address shall be deemed received upon and only upon the sender's receipt of affirmative acknowledgement or receipt from the intended recipient. For purposes hereof no acknowledgement of receipt generated on an automated basis shall be deemed sufficient for any purpose hereunder or admissible as evidence of receipt.

If to **Spohn:**

CHRISTUS Spohn Hospital System Corporation
Attention: Pamela Robertson, CEO
1714 Santa Fe Street
Corpus Christi, TX 78404
Phone: (361) 881-3432
Fax: (361) 879-0978
Email: pamela.robertson@christushealth.org

with a copy to:

CHRISTUS Spohn Hospital System Corporation
Attention: Pamela Brower, Region CFO
1714 Santa Fe Street
Corpus Christi, TX 78404
Phone: (361) 881-3432
Fax: (361) 879-0978
Email: pamela.brower@christushealth.org

If to **District:**

Nueces County Hospital District
Attention: Jonny Hipp, Administrator
555 North Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835
Phone: (361) 808-3300
Fax: (361) 808-3274
Email: jonny.hipp@nchdcc.org

with a copy to

Nueces County Hospital District
Attention: Dena Bruni, Assistant Administrator
555 North Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835
Phone: (361) 808-3300
Fax: (361) 808-3274
Email: dena.bruni@nchdcc.org

If to the **Escrow Agent:**

Bank of America, National Association
Global Custody and Agency Services
135 S. LaSalle Street
IL4-135-14-01
Chicago, Illinois 60603
Attention: Tatjana Brown
Telephone: (312) 904-1455
Fax: (312) 992-9833
Email address: Tatjana.brown@baml.com

ARTICLE IX **TAX REPORTING**

9.1 The Escrow Agent shall, for each calendar year (or portion thereof) that the Escrow Account is in existence, report the income of the Escrow Account (i) to Spohn, and (ii) to the IRS, as required by law. The parties to this Agreement agree that they will not take any position in connection with the preparation, filing or audit of any tax return that is in any way inconsistent with the foregoing determination or the information returns or reports provided by the Escrow Agent.

9.2 The Parties understand and agree that they are required to provide the Escrow Agent with a properly completed and signed Tax Certification (as defined below) and that the Escrow Agent may not perform its duties hereunder without having been provided with such Tax Certification. Accordingly, the parties hereto other than the Escrow Agent understand and agree that unless and until all parties hereto have provided Tax Certifications to the Escrow Agent, the Escrow Account shall not be invested as otherwise provided herein nor shall disbursements be made from the Escrow Account as otherwise provided at Article III. In the case of a person that is a “United States person” within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the “Code”), an original IRS Form W-9 (or applicable successor form) will be provided. In the case of a person that is not a “United States person” within the meaning of Section 7701(a)(30) of the Code (hereinafter a “foreign person”), an original applicable IRS Form W-8ECI, W-8IMY, W-8EXP or W-8BEN (or applicable successor form), along with any required attachments, will be provided to the Escrow Agent. As used herein “*Tax Certification*” shall mean an IRS form W-9 or W-8 as described above. Under current law, the applicable IRS Form W-8ECI, W-8IMY, W-8EXP or W-8BEN generally will expire every three (3) years and must be replaced with another properly completed and signed original sent to the Escrow Agent. A new original IRS Form W-8, indicating the relevant Escrow Account number, (or such other information or forms as required by law) must be delivered by each foreign person to, and received by, the Escrow Agent either prior to December 31st of the calendar year inclusive of the third (3rd) anniversary date of the date listed on the previously submitted form or as otherwise required by law.

9.3 The Escrow Agent will comply with any U.S. tax withholding or backup withholding and reporting requirements that are required by law. With respect to earnings allocable to a foreign person, the Escrow Agent will withhold U.S. tax as

required by law and report such earnings and taxes withheld, if any, for the benefit of such foreign person on IRS Form 1042-S (or any other required form), unless such earnings and withheld taxes are exempt from reporting under Treasury Regulation Section 1.1461-1(c)(2)(ii) or under other applicable law. With respect to earnings allocable to a United States person, the Escrow Agent will report such income, if required, on IRS Form 1099 or any other form required by law. The IRS Forms 1099 and/or 1042-S shall show the Escrow Agent as payor and Spohn as payee(s).

9.4 The Parties hereby (i) represent and warrant each for themselves that, as of the date this Agreement is made and entered into, the Escrow Account is not a Qualified Settlement Fund, Designated Settlement Fund, or Disputed Ownership Fund within the meaning of Section 468B of the Code (and the regulations thereunder) and (ii) covenant that they shall not take, fail to take or permit to occur any action or inaction, on or after the date this Agreement is made and entered into, that causes the Escrow Account to become such a Qualified Settlement Fund, Designated Settlement Fund, or Disputed Ownership Fund at any time.

9.5 The Parties to this Agreement agree that they are not relieved of their respective obligations, if any, to prepare and file information reports under Section 6041 of the Code, and the Treasury regulations thereunder, with respect to amounts of imputed interest income, as determined pursuant to Sections 483 or 1272 of the Code. The Escrow Agent shall not be responsible for determining or reporting such imputed interest.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1 Each Party hereto represents and warrants that such Party has all necessary power and authority to execute and deliver this Agreement and to perform all of such party's obligations hereunder. This Agreement constitutes the legal, valid, and binding obligation of each party hereto, enforceable against such party in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability shall be considered in a proceeding in equity or at law.

10.2 This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the parties hereto consent to jurisdiction in the State of Texas and venue in any state or Federal court located in the City of Corpus Christi, Texas.

10.3 Any bank or corporation into which the Escrow Agent may be merged or with which it may be consolidated, or any bank or corporation to whom the Escrow Agent may transfer a substantial amount of its escrow business, shall be the successor to the Escrow Agent without the execution or filing of any paper or any further act on the part of any of the parties, anything herein to the contrary notwithstanding.

10.4 This Agreement may be amended, modified, and/or supplemented only by an instrument in writing executed by all parties hereto.

10.5 This Agreement may be executed by the parties hereto individually or in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same agreement. This Agreement, signed and transmitted by facsimile machine or pdf file, is to be treated as an original document and the signature of any party hereon, if so transmitted, is to be considered as an original signature, and the document so transmitted is to be considered to have the same binding effect as a manually executed original.

10.6 The headings used in this Agreement are for convenience only and shall not constitute a part of this Agreement. Any references in this Agreement to any other agreement, instrument, or document are for the convenience of the parties and shall not constitute a part of this Agreement.

10.7 As used in this Agreement, “*Business Day*” means a day other than a Saturday, Sunday, or other day when banking institutions in Chicago, Illinois are authorized or required by law or executive order to be closed.

10.8 This Agreement constitutes a contract solely among the parties by which it has been executed and is enforceable solely by the parties by which it has been executed and no other persons. It is the intention of the parties hereto that this Agreement may not be enforced on a third party beneficiary or any similar basis.

10.9 The parties agree that if any provision of this Agreement shall under any circumstances be deemed invalid or inoperative this Agreement shall be construed with the invalid or inoperative provisions deleted and the rights and obligations of the parties shall be construed and enforced accordingly.

10.10 No Party hereto shall assign its rights hereunder until its assignee has submitted to the Escrow Agent (i) Patriot Act disclosure materials and the Escrow Agent has determined that on the basis of such materials it may accept such assignee as a customer and (ii) assignee has delivered an IRS Form W-8 or W-9, as appropriate, to the Escrow Agent which the Escrow Agent has determined to have been properly signed and completed. In addition, the foregoing rights to assign shall be subject, in the case of any Party having an obligation to indemnify the Escrow Agent, to the Escrow Agent’s approval based upon the financial ability of assignee to indemnify it being reasonably comparable to the financial ability of assignor, which approval shall not be unreasonably withheld.

10.11 Any claim against the Escrow Agent arising out of or relating to this Agreement shall be settled by arbitration in accordance with commercial rules of the American Arbitration Association. Arbitration proceedings conducted pursuant to this Article X shall be held in Corpus Christi, Texas.

10.12 Escrow Agent will treat information related to this Agreement as confidential but, unless prohibited by law, the Parties authorize the transfer or disclosure of any information relating to the Agreement to and between the subsidiaries, officers, affiliates and other representatives and advisors of Escrow Agent and third parties selected by any of them, wherever situated, for confidential use in the ordinary course of business, and

further acknowledge that Escrow Agent and any such subsidiary, officer, Affiliate or third party may transfer or disclose any such information as required by any law, court, regulator or legal process.

The Parties will treat the terms of this Agreement, including any Fee Schedule, as confidential except on a "need to know" basis to persons within or outside such Party's organization (including affiliates of such Party), such as attorneys, accountants, bankers, financial advisors, auditors and other consultants of such party and its affiliates, except as required by any law, court, regulator or legal process and except pursuant to the express prior written consent of the other parties, which consent shall not be unreasonably withheld.

10.13 No Plan Assets. The Parties represent and warrant for themselves at the date of this Agreement and at all times until the termination of this Agreement that they are not and are not acting on behalf of (i) an "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") that is subject to Part 4 of Subtitle B of Title I of ERISA, (ii) a "plan" within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code"), to which Section 4975 of the Code applies, (iii) an entity whose underlying assets include "plan assets" subject to Title I of ERISA or Section 4974 of the Code by reason of Section 3(42) of ERISA, U.S. Department of Labor Regulation 29 CFR Section 25 10.3-101 or otherwise, or (IV) a "governmental plan" (as defined in ERISA or the Code) or another type of plan (or an entity whose assets are considered to include the assets of any such governmental or other plan) that is subject to any law, rule or restriction that is substantively similar or of similar effect to Section 406 of ERISA or Section 4975 of the Code ("Similar Law"). The Parties will provide written notice to Account Bank if it is aware that it is in breach of this representation and warranty or is aware that with the passing of time, giving of notice or expiring of any applicable grace period it will be in breach of this representation and warranty.

[signatures appear on the following page(s)]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

SPOHN:

**CHRISTUS Spohn Hospital System
Corporation**

By: Pamela Robertson
Name: Pamela Robertson
Title: CEO

DISTRICT:

Nueces County Hospital District

By: Jonny F. Hipp
Name: Jonny Hipp
Title: Administrator/CEO

Escrow Agent:

**BANK OF AMERICA, NATIONAL
ASSOCIATION**

By: Wayne M. Evans
Name: Wayne M. Evans
Title: Vice President