



May 2, 2017

Jonny Hipp  
Administrator  
Nueces County Hospital District  
555 North Carancahua Street, Suite 950  
Corpus Christi, Texas 78401

*jonny.hipp@nchdcc.org*

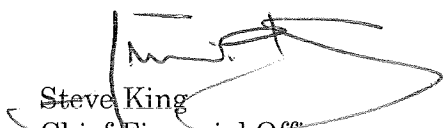
**Re: Notice of Milestone Achievement and Escrow Disbursement Request**

Dear Mr. Hipp:

We are writing to confirm that, pursuant to Schedule 1, Section 3.9.7(a) of the CHRISTUS Spohn Health System Corporation ("Spohn") Membership Agreement ("Membership Agreement"), Spohn completed its first milestone to obtain a certificate of occupancy for the Dr. Hector P. Garcia- Memorial Family Health Center and begin treating indigent patients. Attached is a copy of Spohn's certificate of occupancy and a patient's clinic record to demonstrate Spohn's achievement of the milestone. In accordance with Schedule 1, Section 3.9.7(a) of the Membership Agreement and Section 3.2 of the Escrow Agreement between Nueces County Hospital District (the "District"), the Bank of America (the "Escrow Agent"), and Spohn, Spohn is entitled to withdraw twenty-five percent (25%) of the funds in escrow upon completing this milestone.

Pursuant to Section 3.1 of the Escrow Agreement, Spohn intends to submit the attached Disbursement Request to the Escrow Agent in order to withdraw twenty-five percent (25%) of the funds in the account, which amounts to \$3,099,794.72. In order for the Escrow Agent to disburse the funds, a Nueces County Hospital District authorized representative must sign the Disbursement Request. Accordingly, please sign the attached Disbursement Request and return it to us via email in PDF format.

Very truly yours,

  
Steve King  
Chief Financial Officer  
CHRISTUS Spohn Health System Corporation

Enclosures

cc: Dena Bruni  
Gary Eiland  
Lance Ramsey  
Rachel Gilbert  
Becky Rios

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*geiland@kslaw.com*  
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*gilbert@gl-law.com*  
*becky.rios@christushealth.org*

**ANNEX I**  
**FORM OF DISBURSEMENT REQUEST**

May 2, 2017

Bank of America, National Association  
Global Custody and Agency Services  
135 South LaSalle Street  
IL4-135-14-01  
Chicago, Illinois 60603  
Attention: Tatjana Brown  
Fax: (312) 992-9833

**DISBURSEMENT REQUEST**

Ladies and Gentlemen:


We refer you to that certain Escrow Agreement (the "Agreement"), dated as of November 30, 2015, among the District, Spohn, and Bank of America, National Association, as Escrow Agent. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

Pursuant to the provisions of the Agreement, you are hereby directed to disburse Escrow Fund held in the Escrow Account as follows:

- (i) 25% of the funds in the Escrow Account, which amounts to \$3,099,794.72,
- (ii) on May 18, 2017,
- (iii) to CHRISTUS Spohn Health System Corporation,
- (iv) via wire transfer to the account in the attached instructions.

Very truly yours,

**Spohn:**  
CHRISTUS Spohn Hospital System

By: \_\_\_\_\_  
Name:  \_\_\_\_\_  
Title: \_\_\_\_\_

**District:**  
Nueces County Hospital District

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_