

ATTACHMENT B TO MEMORANDUM OF UNDERSTANDING

FOURTH AMENDMENT TO THE LEASE AGREEMENT

BY AND BETWEEN

**NUECES COUNTY HOSPITAL DISTRICT,
A POLITICAL SUBDIVISION OF THE STATE OF TEXAS**

AND

**CHRISTUS SPOHN HEALTH SYSTEM CORPORATION,
A TEXAS NON-PROFIT CORPORATION**

FOURTH AMENDMENT TO THE LEASE AGREEMENT

This Fourth Amendment to the Lease Agreement (the “*Fourth Amendment*”), effective as of the date the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (“*Membership Agreement*”) is terminated (the “*Effective Date*”), reinstates and amends that certain Lease Agreement between Nueces County Hospital District, a political subdivision of the State of Texas (“*Landlord*”) and CHRISTUS Spohn Health System Corporation, a Texas non-profit corporation formerly known as Spohn Health System Corporation (“*Tenant*”), dated September 30, 1996, as amended by Lease Amendments dated November 18, 2005, May 25, 2007 and September 30, 2012 (as amended, the “*Lease*”). Unless otherwise indicated herein, all capitalized terms shall have the same meaning attributed to such terms in the Lease.

RECITALS:

WHEREAS, the parties previously entered into the Lease;

WHEREAS, the parties terminated the Lease effective September 30, 2012 but agreed that they may decide to reinstate the Lease if their relationship set forth in the Membership Agreement changes in order to ensure the continuing availability of healthcare services for the indigent;

WHEREAS, the parties desire to reinstate and amend the Lease as provided herein;

WHEREAS, in compliance with its obligations under Section 6.8(b) of the Lease, Tenant desires to make material alterations to the Improvements on the Main Campus; and

WHEREAS, Landlord has approved Tenant’s proposed material alteration to the Improvements as set forth in the Tenant’s Material Alteration Notice.

NOW THEREFORE, for and in consideration of the premises, the mutual benefits to be derived from this Fourth Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, Landlord and Tenant agree as follows:

1. Section 1.1 of the Lease is amended to add the following definitions:

“Hospitals” shall mean, individually and collectively: (a) the hospital facility known as CHRISTUS Spohn Hospital Corpus Christi—Memorial (“Memorial”), located at 2606 Hospital Boulevard, Corpus Christi, Texas, (b) Landlord’s four (4) primary care clinics known as “Northside Neighborhood Care Center,” located at 1406 Martin Luther King Drive, Corpus Christi, Texas; “Westside Clinic,” located at 4617 Greenwood Road, Corpus Christi, Texas; “Robstown Clinic,” located at 1038 Texas Yes Boulevard, Corpus Christi, Texas; and “Padre Island Clinic,” located at 14202 S. Padre Island Dr., Corpus Christi, Texas; (c) Landlord’s three (3) medical office buildings located at 2400 Morgan Avenue, 2500 Morgan Avenue and 2601 Hospital Boulevard, Corpus Christi, Texas, each located on the Real Property as more particularly shown, and described, on Exhibit B attached hereto; and (d) the Dr. Hector P. Garcia – Memorial Family Health Center which shall be located at Main Campus, once completed and operational.

“Indigent Care Agreement” shall mean that certain Revised and Restated Indigent Care Agreement, as amended.

“Main Campus” shall mean the Real Property and Improvements, comprising the main campus located at 2606 Hospital Boulevard, Corpus Christi, Texas, as described in Exhibit B.

“Memorial Buildings and Infrastructure” shall have the meaning ascribed thereto in Section 6.8.

2. The definition of “JCAHO” in Section 1.1 of the Lease is removed in its entirety and replaced with the following:

“Joint Commission” shall mean The Joint Commission, which accredits and certifies hospitals and other health care organizations.

All references to “JCAHO” in the Lease are replaced with references to “Joint Commission”.

3. The definition of “Real Property” in Section 1.1 of the Lease amended to read as follows:

“Real Property” shall mean, collectively, (i) those parcels of Real Property described in Exhibit B attached hereto (including the Leased Property), (ii) the Dr. Hector P. Garcia – Memorial Family Health Center once completed and operational, (iii) all Improvements, (iv) all easements, licenses, rights-of-way and appurtenances relating to the aforementioned Real Property and Improvements, and (v) all Fixtures located in or on the Real Property or Improvements.

4. Section 3.1 of the Lease is deleted in its entirety and replaced with the following:

Subject to and upon the terms and conditions set forth in this Lease, the Initial Term of the Lease shall commence at 12:01 a.m. on the day immediately following the day upon which termination of that certain Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement between Landlord, Tenant, and CHRISTUS Health (“Amended Membership Agreement”) is effective and shall expire, unless otherwise extended by the parties hereto, at 11:59 p.m. Central Time, on September 30, 2036 (the “Termination Date”) or such earlier date as the parties may mutually agree upon in writing and subject to earlier termination pursuant to the expressed terms of the Lease.

5. The first sentence of Section 3.2 of the Lease is amended to read as follows:

Provided no uncured Event of Default then exists, the Initial Term of this Lease shall be extended, at Tenant’s sole option, for up to an additional twenty (20) years, in up to four (4) subsequent and successive five (5) year increments (each a “Renewal Term”).

6. The first sentence of Section 4.1 of the Lease is amended to read as follows:

Commencing as of the Effective Date of this Fourth Amendment and continuing thereafter until September 30, 2026, Tenant shall pay Landlord an annual base rent of Six Million, Two Hundred Fifty-Three Thousand, Eight Hundred Sixty-Five Dollars (\$6,253,865) (the “Base Rent”). Commencing on October 1, 2026 and continuing throughout the remainder of the Initial Term and each Renewal Term, if renewed and extended by Tenant, the Base Rent will be One Million Dollars (\$1,000,000) per year.

7. The reference to “medical office building” in the first sentence of Section 6.1 of the Lease is replaced with “Medical Office Building.”
8. The word “proceeding” in the second to last sentence in Section 6.8(b) of the Lease is replaced with the word “preceding”.
9. Section 6.8(d) of the Lease is amended to read as follows:

(i) Tenant agrees to assume sole responsibility for the preparation of a yearly capital expenditure budget for the Hospitals, which shall provide for the capital expenditures at each of the Hospitals at a monetary level sufficient to allow Tenant to continue to provide quality medical aid and hospital care to the citizens of Nueces County and to maintain the Hospitals in a commercially reasonable manner suitable for one of the permitted purposes hereunder. Tenant shall make average annual Capital Expenditures (as defined below) at the Memorial hospital facility located at 2606 Hospital Boulevard, Corpus Christi, Texas and Medical Office Buildings located at 2601 Hospital Boulevard, 2400 Morgan Avenue, and 2500 Morgan Avenue, Corpus Christi, Texas in the amount of Six Million Dollars (\$6,000,000), calculated on a rolling three-year average basis. For purposes of this Section, “Capital Expenditures” shall mean expenditures for buildings, building equipment, major movable equipment, land improvements and other improvements as those terms are defined in the Medicare Provider Reimbursement Manual Sections 104.2, 104.3, 104.4, 104.7 and 104.8 respectively; provided, however, that the definition of major movable equipment and leasehold improvements shall be modified to require that such equipment and improvements have a minimum life as specified in the then-current edition of the American Hospital Association publication Estimated Useful Lives of Depreciable Assets. The parties further agree that Capital Expenditures shall not include information technology or other CHRISTUS Health system-wide expenditures effective for calendar year 2017 and each calendar year thereafter during the Initial Term and any Renewal Term of the Lease. The above-referenced Six Million Dollars (\$6,000,000) average annual Capital Expenditures shall be segregated into two Capital Expenditures pools to be applied by Tenant as follows:

A. Three Million Dollars (\$3,000,000) to Capital Expenditures (excluding major movable equipment, landscaping and shrubbery) at the Memorial hospital facility; and

B. Three Million Dollars (\$3,000,000) to Capital Expenditures at the Memorial hospital facility and the Medical Office Buildings.

Landlord acknowledges and agrees that Tenant is a member of the CHRISTUS Health Obligated Group (the “CHRISTUS Obligated Group”) and may borrow monies, from time to time, to fund capital expenditures at the Hospitals. In addition, Landlord acknowledges that Tenant, as a member of the CHRISTUS Obligated Group, may be required to make a general pledge of all or a portion of receipts from the Hospitals as security for the repayment of the CHRISTUS Obligated Group’s outstanding obligations, and Landlord acknowledges and agrees that its statutory lien shall be subordinated to the pledge by Tenant of the receipts in the Hospitals.

(ii) Notwithstanding Section 6.8(d)(i) above, Tenant’s Capital Expenditures obligation for calendar years 2015 and thereafter shall be modified as follows:

A. *Calendar Year 2015.* Tenant shall be obligated to spend the remaining balance, if any, in connection with Tenant’s Capital Expenditures obligation for the three (3) year rolling average for 2012, 2013 and 2014 (collectively, the “2014 Deficit”), plus Three Million Dollars (\$3,000,000), in Capital Expenditures during calendar year 2015, which Capital Expenditures shall include (i) infrastructure and equipment Capital Expenditures for the Hospitals and (ii) the construction project costs incurred by Tenant with respect to the Dr. Hector P. Garcia – Memorial Family Health Center leasehold Improvements incurred by Tenant during calendar year 2015. The costs of maintaining the green space, i.e., the unimproved lawn areas, at the Main Campus shall be credited against Tenant’s Three Million Dollar (\$3,000,000) Capital Expenditures requirement for 2015. Any deficiency in Tenant’s Capital Expenditures obligation for the 2014 Deficit and Three Million Dollars (\$3,000,000) in Capital Expenditures and green space maintenance costs during calendar year 2015 shall be added to Tenant’s capital expenditure obligation for calendar year 2016 (collectively, the “2015 Deficit”).

B. *Calendar Year 2016.* Tenant shall be obligated to spend the remaining balance of the 2015 Deficit, if any, plus Two Million Dollars (\$2,000,000) in Capital Expenditures during calendar year 2016, which Capital Expenditures shall include (i) infrastructure and equipment Capital Expenditures for the Hospitals, including green space, i.e., the unimproved lawn areas, at the Main Campus, and (ii) the construction costs incurred by Tenant with respect to the Dr. Hector P. Garcia-Memorial Family Health Center leasehold Improvements incurred by Tenant during calendar year 2016. The costs of maintaining the green space, i.e., the unimproved lawn areas, at the Main Campus shall be credited against the Tenant’s Two Million Dollar (\$2,000,000) Capital Expenditures requirement for 2016. Any deficit in Tenant’s obligation for the 2015 Deficit and Two Million Dollars (\$2,000,000) Capital Expenditures and green space maintenance costs in 2016 shall be added to Tenant’s capital expenditure obligation for calendar year 2017 (collectively, the “2016 Deficit”).

C. *Calendar Year 2017 and Thereafter.* Tenant shall be obligated to spend Six Hundred Thousand Dollars (\$600,000) annually during calendar year 2017 and during each calendar year thereafter during the initial term and any renewal term of the Lease, which expenditures shall include (i) a minimum Two Hundred Thousand Dollars (\$200,000) in Capital Expenditures (exclusive of information technology system-wide expenditures or other CHRISTUS Health system-wide expenditures) at the Hospitals and (ii) other infrastructure, equipment, repairs, maintenance and minor equipment expenditures (exclusive of information technology system-wide expenditures or other CHRISTUS Health system-wide expenditures) for Landlord-owned facilities, which expenditures shall be calculated on a three (3) year rolling average. The costs of maintaining the green space, i.e., the unimproved lawn areas, at the Main Campus shall be credited against the latter of Tenant's two categories of Capital Expenditures requirements each year. In addition, the deficit in Capital Expenditures, including the 2016 Deficit, if any, rolled over from calendar years 2014, 2015 and 2016, shall be paid in full by Tenant to the Landlord following reconciliation of the Tenant's capital expenditures for the calendar year 2017.

(iii) Notwithstanding the reductions in Capital Expenditures for calendar years 2015 and thereafter, pursuant to the terms of the escrow agreement attached hereto as Exhibit H ("Escrow Agreement"), Tenant shall deposit (on the first day of the first month following the effective date of the Lease for the calendar year 2015 deposit and on January 1 of each year thereafter) into escrow an amount equal to the difference between Six Million Dollars (\$6,000,000) and the reduced Capital Expenditures obligation for each calendar year commencing with 2015 (excluding the 2014 Deficit, 2015 Deficit, 2016 Deficit, if any) ("Escrow Funds") until Tenant successfully completes its commitments as described in the following Subsections (A) through (F):

A. Tenant shall obtain a certificate of occupancy for the Dr. Hector P. Garcia – Memorial Family Health Center and treat an Indigent, as defined in the Indigent Care Agreement in that facility. Upon Tenant's completion of such commitment, and in accordance with the terms of the Escrow Agreement, Tenant shall be entitled to withdraw (i) twenty-five percent (25%) of the Escrow Funds, in the event that Tenant completes this commitment prior to completing any of the other commitments described in this Section 6.8(d)(iii), or (ii) an additional twenty-five percent (25%) of the cumulative Escrow Funds previously withdrawn by Tenant (e.g., if Tenant has previously withdrawn 25% of the Escrow Funds, Tenant shall be entitled to withdraw an additional amount equivalent to a cumulative of 50% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 6.8(d)(iii), in the event Tenant completes this commitment after Tenant completes one or more of Tenant's commitments described in this Section 6.8(d)(iii). In addition, Tenant shall reduce its subsequent Escrow Funds deposits by twenty-five percent (25%) upon completion of this commitment.

B. Tenant shall complete the Emergency Department renovations at the Shoreline hospital campus as described in Section 2.11 of the Indigent Care

Agreement. Upon Tenant's completion of such commitment, and in accordance with the terms of the Escrow Agreement, Tenant shall be entitled to withdraw (i) twenty-five percent (25%) of the Escrow Funds, in the event that Tenant completes this commitment prior to completing any of the other commitments described in this Section 6.8(d)(iii), or (ii) an additional twenty-five percent (25%) of the cumulative Escrow Funds previously withdrawn by Tenant (e.g., if Tenant has previously withdrawn 25% of the Escrow Funds, Tenant shall be entitled to withdraw an additional amount equivalent to a cumulative of 50% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 6.8(d)(iii), in the event Tenant completes this commitment after Tenant completes one or more of Tenant's commitments described in this Section 6.8(d)(iii). In addition, Tenant shall reduce its subsequent Escrow Funds deposits by twenty-five percent (25%) upon completion of this commitment.

C. Tenant's Shoreline hospital campus shall obtain designation from the Texas Department of State Health Services as "in active pursuit" of Level II Trauma status. Upon Tenant's completion of such commitment, and in accordance with the terms of the Escrow Agreement, Tenant shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Tenant completes this commitment prior to completing any of the other commitments described in this Section 6.8(d)(iii), or (ii) an additional twelve and a half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Tenant (e.g., if Tenant has previously withdrawn 50% of the Escrow Funds, Tenant shall be entitled to withdraw an additional amount equivalent to a cumulative of 62.5% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 6.8(d)(iii), in the event Tenant completes this commitment after Tenant completes one or more of Tenant's commitments described in this Section 6.8(d)(iii). In addition, Tenant shall reduce its subsequent Escrow Funds deposits by twelve and a half percent (12.5%) upon completion of this commitment.

D. Tenant's Shoreline hospital campus shall obtain official designation from the Texas Department of State Health Services as a Level II Trauma facility. Upon Tenant's completion of such commitment, and in accordance with the terms of the Escrow Agreement, Tenant shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Tenant completes this commitment prior to completing any of the other commitments described in this Section 6.8(d)(iii), or (ii) an additional twelve and a half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Tenant (e.g., if Tenant has previously withdrawn 62.5% of the Escrow Funds, Tenant 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 6.8(d)(iii), in the event Tenant completes this commitment after Tenant completes one or more of Tenant's commitments described in this Section 6.8(d)(iii). In addition, Tenant shall reduce its subsequent Escrow Funds deposits by twelve and a half percent (12.5%) upon completion of this commitment.

E. Tenant shall complete the demolition of the existing Memorial hospital building and other structures and infrastructure situated on the Main Campus (“Memorial Buildings and Infrastructure”). Upon Tenant’s completion of such commitment, and in accordance with the terms of the Escrow Agreement, Tenant shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Tenant completes this commitment prior to completing any of the other commitments described in this Section 6.8(d)(iii), or (ii) an additional twelve and a half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Tenant (e.g., if Tenant has previously withdrawn 75% of the Escrow Funds, Tenant shall be entitled to withdraw an additional amount equivalent to a cumulative of 87.5% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 6.8(d)(iii), in the event Tenant completes this commitment after Tenant completes one or more of Tenant’s commitments described in this Section 6.8(d)(iii). In addition, Tenant shall be entitled to reduce its subsequent Escrow Funds deposits by twelve and a half percent (12.5%) upon completion of this commitment.

F. Tenant shall restore the resulting “green space” following the Memorial Buildings and Infrastructure demolition to the standard Tenant currently provides on the existing “green space” on the Main Campus in accordance with Section 6.8(f)(v). Upon Tenant’s completion of such commitment, and in accordance with the terms of the Escrow Agreement, Tenant shall be entitled to withdraw (i) twelve and a half percent (12.5%) of the Escrow Funds, in the event that Tenant completes this commitment prior to completing any of the other commitments described in this Section 6.8(d)(iii), or (ii) an additional twelve and a half percent (12.5%) of the cumulative Escrow Funds previously withdrawn by Tenant (e.g., if Tenant has previously withdrawn 87.5% of the Escrow Funds, Tenant shall be entitled to withdraw an additional amount equivalent to a cumulative of 100% of the Escrow Funds) as a result of its completion of one or more of the commitments described in this Section 6.8(d)(iii), in the event Tenant completes this commitment after Tenant completes one or more of Tenant’s commitments described in this Section 6.8(d)(iii).

G. In accordance with Subsections (A) through (F) above, the parties agree that all remaining funds, and earnings thereon, held in the Escrow Fund on deposit with the escrow agent shall be disbursed to Tenant in accordance with the terms of the Escrow Agreement following Tenant’s successful completion of all the commitments described in Subsections (A) through (F) above, provided that Tenant completes such commitments on or before September 29, 2023; provided, however, that in the event Tenant’s performance of one or more commitments is delayed due to an act outside of Tenant’s control (such as a legal action preventing demolition of the Memorial Buildings and Infrastructure, natural disaster, act of war or the like), the parties shall extend the September 29, 2023 deadline for completion of Tenant’s commitments to September 29, 2026.

H. Notwithstanding the foregoing, any remaining Escrow Funds balance on deposit with the escrow agent as of September 30, 2023 as a result of Tenant’s

failure to perform one or more commitments described in subsections (A) through (F) above on or before September 29, 2023 that was not extended as set forth in subsection (G), shall be disbursed to Landlord in accordance with the terms of the Escrow Agreement, and Tenant's obligation to make Escrow Funds deposits will cease on that date, as adjusted pursuant to subsection (G).

10. The word "analyzes" in the second sentence of Section 6.8(e) of the Lease is replaced with the word "analyses".
11. Section 6.8(e) is amended to include a new Section 6.8(e)(i):

In accordance with the Material Alteration Notice procedures outlined above, the parties acknowledge that Tenant provided and Landlord consented to that certain Material Alteration Notice dated September 9, 2014 ("September Notice"). Pursuant to Landlord's approval of the September Notice, Landlord approved the construction by Tenant, at Tenant's sole expense, of a minimum 40,000 building gross square foot outpatient clinic, to be known as the Dr. Hector P. Garcia – Memorial Family Health Center, as a leasehold improvement on the Main Campus for the provision of comprehensive outpatient clinic care, the relocation of the inpatient beds and Level II Trauma Center from Memorial to the Spohn Shoreline hospital facility, and then, Tenant's demolition, at Tenant's sole expense, of the Memorial Buildings and Infrastructure on the Main Campus. The parties have also modified Tenant's Capital Expenditures obligation as set forth in Section 6.8(d) above.

12. The Lease is amended to include a new Section 6.8(f), which states the following:

To the extent the Amended Membership Agreement is terminated before Tenant erects the new Dr. Hector P. Garcia – Memorial Family Health Center, Tenant demolishes the Memorial Building and Infrastructure, or Tenant fully completes Tenant's obligations under Section 3.5 of Schedule 1 of the Amended and Restated Membership Agreement, the following provisions will be in effect:

(i) After the Effective Date, Tenant, at Tenant's sole cost and expense, shall be responsible for constructing an outpatient family health center clinic, to be known as the "Dr. Hector P. Garcia – Memorial Family Health Center," as a leasehold Improvement on the Main Campus, which leasehold Improvement shall contain at least forty thousand (40,000) gross square feet of space. Architectural drawings and construction plans and specifications (i) complying with all legal requirements and approved by all Governmental Entities whose approval is required and (ii) depicting the Dr. Hector P. Garcia – Memorial Family Health Center (collectively, the "Plans") shall be prepared by Tenant's architect at Tenant's sole cost and expense. Tenant shall cause (i) the Dr. Hector P. Garcia – Memorial Family Health Center to be constructed, furnished, installed and completed in accordance with the Plans and all applicable legal requirements; (ii) all utility services necessary for the operation of the Dr. Hector P. Garcia – Memorial Family Health Center as a health clinic to be available at the Dr. Hector P. Garcia – Memorial Family Health Center upon Tenant's commencement of operations therein; (iii) all roads and parking on site that are necessary for the full utilization of the Dr. Hector P. Garcia –

Memorial Family Health Center as a health clinic to be fully installed; (iv) Tenant's architect, Tenant's contractor, each subcontractor and all construction costs to be paid in full solely from Tenant's funds; (v) all construction at the Dr. Hector P. Garcia – Memorial Family Health Center to be performed by Tenant and Tenant's contractor with reasonable diligence in accordance with the Plans and all applicable legal requirements and in a good and workmanlike manner with new or functionally appropriate materials; and (vi) the Dr. Hector P. Garcia – Memorial Family Health Center to be equipped and furnished with the Replaced Equipment and Replaced Fixtures required by Tenant for the provision of Tenant's health care and social services under the Indigent Care Agreement and in accordance with Section 2.14 of the Indigent Care Agreement. Tenant agrees to provide periodic (but in no event less frequent than monthly) status reports to Landlord on the Dr. Hector P. Garcia – Memorial Family Health Center during the construction process. Landlord shall have ten (10) business days after Landlord's receipt of each such status report to inspect or cause its agents or representatives to inspect the Dr. Hector P. Garcia – Memorial Family Health Center during the construction process in compliance with this Section 6.8(f), and Tenant agrees to cooperate with such inspections. Tenant shall provide Landlord written notice that the Dr. Hector P. Garcia – Memorial Family Health Center will be ready for occupancy within thirty (30) days after the date of the notice. Upon Landlord's receipt of Tenant's written notice, Landlord shall have ten (10) business days from Landlord's receipt of such written notice to further inspect or cause its agents or representatives to inspect the Dr. Hector P. Garcia – Memorial Family Health Center, and Tenant agrees to cooperate with such inspection. Landlord and Tenant acknowledge and agree that the parties shall confer and consult in all aspects of the design, construction and furnishing of the Dr. Hector P. Garcia – Memorial Family Health Center, provided that Tenant shall have final control and responsibility with respect to all expenditures of Tenant's funds and the management of the design, construction and furnishing of the Dr. Hector P. Garcia – Memorial Family Health Center. Notwithstanding any provision in this Section 6.8(f) to the contrary, fee simple title in and to the Dr. Hector P. Garcia – Memorial Family Health Center, shall vest and belong to Landlord free and clear of all Liens during the term of the Lease and thereafter.

(ii) Section 2.14 of the Indigent Care Agreement describes the clinic services Tenant will provide at the Hector P. Garcia – Memorial Family Health Center.

(iii) Subject to the conditions precedent described below, Tenant shall be responsible for demolishing the Memorial Buildings and Infrastructure within the area designated for demolition as depicted in Exhibit I or as otherwise agreed to by Tenant and Landlord ("Demolition Area"). Tenant acknowledges and agrees that it will not cease operations at, nor demolish, the existing Memorial Buildings and Infrastructure until Tenant has completed the construction of the Dr. Hector P. Garcia – Memorial Family Health Center and obtained all requisite certificates of occupancy and federal, state or local government licenses and approvals required by all applicable Governmental Entities having jurisdiction over the Dr. Hector P. Garcia – Memorial Family Health Center. Tenant further acknowledges and agrees that it will not cease operations at, nor demolish, the Memorial Buildings and Infrastructure until Tenant has completed the construction to the Shoreline Emergency Department and Trauma Center as described in Sections 2.9 and 2.11 of the Indigent Care Agreement, ensuring that the community will have constant

access to an emergency department equipped to provide Level II Trauma services. The demolition, construction, and other costs described in this Section 6.8(f)(iii) shall be borne solely by Tenant.

(iv) The demolition of the Memorial Buildings and Infrastructure shall be conducted by a qualified contractor engaged by Tenant in accordance with demolition plans prepared by Tenant's representatives at Tenant's sole cost and expense ("Demolition Plans"). The demolition of the Memorial Buildings and Infrastructure shall be conducted by Tenant's contractor in a reasonable and good and workmanlike manner and in accordance with generally accepted demolition practices and applicable legal requirements. In demolishing the Memorial Buildings and Infrastructure, Tenant shall use reasonable efforts to re-use or recycle building materials where applicable, to reduce the volume of refuse from the demolition. Tenant shall provide to Landlord a copy of the Demolition Plans and consult with Landlord about such Demolition Plans. Tenant's demolition of the Memorial Buildings and Infrastructure shall not commence until ten (10) business days from providing Landlord a copy of the Demolition Plans, and said demolition shall result in the complete removal of the Memorial Buildings and Infrastructure (including, without limitation, the basement infrastructure, underground storage tanks, and any other existing above ground or below ground infrastructure) from the portion of the Main Campus demarked for Demolition Area in such manner that said area, including the former sites of the Memorial Buildings and Infrastructure, will be suitable for future development, including for the construction of facilities that require deep foundations. Tenant agrees to provide periodic (but in no event less frequent than monthly) status reports to Landlord on the status of the demolition of the Memorial Buildings and Infrastructure during the demolition process. Landlord shall have ten (10) business days after Landlord's receipt of each such status report to inspect or cause its agents or representatives to inspect the demolition site periodically during the demolition process to ensure compliance with this Subsection 6.8(f)(iv), and Tenant agrees to cooperate with such inspections. Prior to the completion of the demolition of the Memorial Buildings and Infrastructure, Tenant shall provide Landlord written notice that the Memorial Buildings and Infrastructure demolition is nearing completion. Upon Landlord's receipt of Tenant's written notice, Landlord shall have ten (10) business days after of Landlord's receipt of such written notice to inspect or cause its agents or representatives to inspect the demolition site for compliance with this Subsection 6.8(f)(iv), and Tenant agrees to cooperate with such inspection.

(v) Following the demolition of the Memorial Buildings and Infrastructure, Tenant shall maintain the "green space" (i.e., the unimproved lawn areas at the Main Campus) throughout the Term of the Agreement in a manner consistent with its maintenance of the remaining undeveloped space at the Hospitals and in accordance with Tenant's obligations under Section 6.8. Further, Tenant shall work collaboratively with Landlord to identify options for the use of the green space; provided, however, Tenant shall have no obligation to finance any modifications to the green space other than as described in this Subsection 6.8(f)(v).

13. Section 6.9 of the Lease is replaced in its entirety with the following:

Equipment/Replaced Equipment; Replaced Fixtures; Hospital Equipment.

- a. No later than sixty (60) days prior to the expiration or termination of this Lease and in the event the parties do not enter into any lease or similar agreement upon such termination, Tenant shall deliver written notice to Landlord describing each piece of Hospital Equipment still in use, each piece of Replaced Equipment, and each piece of Replaced Equipment which Tenant intends to acquire during the remainder of the term of this Lease. Landlord shall have the option, but not the obligation, to purchase from Tenant any or all of the Replaced Equipment by paying to Tenant, on or prior to the expiration of the term of this Lease, an amount equal to the Net Book Value (as of the date of purchase by Landlord) of the Replaced Equipment to be purchased by Landlord. Upon receipt of payment, Tenant shall deliver to Landlord a bill of sale for the equipment purchased by Landlord. No later than forty-five (45) days after Landlord's receipt of Tenant's notice describing the Replaced Equipment, Landlord shall send to Tenant written notice setting forth which Replaced Equipment Landlord elects to purchase, if any. Any Replaced Equipment which Landlord does not elect to purchase shall remain the sole property of Tenant and may be removed by Tenant from the Hospitals in accordance with the terms of this Lease.
- b. No later than sixty (60) days prior to the expiration or termination of this Lease and in the event the parties do not enter into any lease or similar agreement upon such termination, Tenant shall deliver written notice to Landlord describing each Replaced Fixture in use and each Replaced Fixture which Tenant intends to acquire during the remainder of the term of this Lease. Upon the expiration or termination of Lease and in the event the parties do not enter into any lease or similar agreement upon such expiration or termination, Tenant shall transfer by operation of law to Landlord all of the Replaced Fixtures.
- c. Landlord and Tenant hereby agree as follows with respect to the Hospital Equipment: (i) Tenant shall be permitted to remove and/or relocate, from time to time at Tenant's sole discretion, the Hospital Equipment, or any portion(s) thereof, from the Real Property; and (ii) Tenant shall from time to time, upon not less than thirty (30) days' prior written notice to Landlord, advise Landlord, in order to enable Landlord to comply with any statutory salvage requirements applicable to Landlord with respect to the Hospital Equipment, when Tenant no longer requires the use of any items of the Hospital Equipment, whereupon Landlord shall be required, at Landlord's sole cost and expense, to remove said item of the Hospital Equipment from the Real Property promptly following Tenant's delivery of said notice. To the extent Tenant removes and/or relocates any Hospital Equipment from the Real Property, upon the termination of this Lease, Tenant shall return, at Tenant's sole cost or expense, to the Real Property all such Hospital Equipment which has not been previously returned for salvage.
- d. Notwithstanding anything herein to the contrary, in acknowledgment of the contemplated demolition of the Memorial Buildings and Infrastructure during the term of this Lease, as described in Section 6.8(f), the parties agree that the

procedures set forth in this Section 6.9(d) shall apply to Hospital Equipment, Replaced Equipment, Replaced Fixtures, and other structural components, infrastructure, or materials located within or comprising the Memorial Buildings and Infrastructure as of the effective date of the demolition thereof. No later than sixty (60) days prior to the demolition of the Memorial Buildings and Infrastructure, Tenant shall deliver written notice to Landlord describing each piece of Hospital Equipment still in use and that had a fair market value equal to or greater than the Minimum Value as of the 1996 Transaction Date, as set forth in that certain valuation report prepared by Tenant in accordance with Section 6.8(b) of this Lease, in order to enable Landlord to comply with any statutory salvage requirements. Following Landlord's receipt of such notice, Landlord shall, at Landlord's sole cost and expense, remove any such item of the Hospital Equipment from the Memorial Buildings and Infrastructure promptly following Tenant's delivery of said notice. All other remaining items of Hospital Equipment, Replaced Equipment, Replaced Fixtures, and other structural components, infrastructure, or materials located within or comprising the Memorial Buildings and Infrastructure as of the effective date of the demolition shall belong to Tenant as of the effective date of the demolition of the Memorial Buildings and Infrastructure. As the owner of such remaining items of Hospital Equipment, Replaced Equipment, Replaced Fixtures, structural components, infrastructure and materials, Tenant shall have the right to sell such Hospital Equipment, Replaced Equipment, Replaced Fixtures, structural components, infrastructure and materials and retain the proceeds thereof to, among other things, offset Tenant's costs of demolishing the Memorial Buildings and Infrastructure.

14. Section 6.11(g) of the Lease is amended to read as follows:

Excluding any costs or expenses for the removal or containment of any asbestos or any material which contains any hydrated mineral silicate (collectively, "Asbestos Materials") related to the demolition of the Memorial Buildings and Infrastructure, Landlord and Tenant each agree to equally share any costs or expenses incurred by Tenant during the term of this Lease in connection with the removal or containment of any Asbestos Materials, whether friable or non-friable, from any of the Real Property which is required by law as a result of (i) Tenant's restoration or improvements to the Improvements, or (ii) other applicable legal requirements. Tenant shall provide Landlord written notice of Tenant's proposed removal or containment of any Asbestos Materials from the Real Property, and in connection therewith Landlord shall be provided with copies of any bids, plans, and contractor qualifications relating to such removal/containment project and the right to approve of the proposed removal/containment, which approval shall not be unreasonably withheld or delayed. In the event Landlord fails to approve the proposed removal/containment within twenty (20) days of receipt of written notice and the related materials, Landlord shall be deemed to have approved of such removal/containment plan. Landlord and Tenant each agree to pay their respective share of any such costs or expenses within thirty (30) days of a contractor's presentation of an appropriate invoice for services.

15. The word “condemnations” in the last sentence of Section 7.4 of the Lease is replaced with the word “condemnation”.
16. Except as modified by this Fourth Amendment, the Lease shall remain in full force and effect in accordance with its terms. In the event that any provisions of the Fourth Amendment irreconcilably conflict in a material manner with provisions in the Lease, or other relevant agreement(s) between the parties, that are not amended by the Fourth Amendment, the provisions of the Fourth Amendment shall control on or after the effective date of the applicable provision of the Fourth Amendment. Should issues arise concerning the parties’ rights, obligations, and responsibilities under the Lease for periods prior to the effective date of the Fourth Amendment, such rights, obligations, and responsibilities shall be governed by the provisions of the Lease as it existed prior to the Fourth Amendment.
17. This Fourth Amendment may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. Electronic mail signatures shall constitute and be enforceable as original signatures.
18. Tenant represents to Landlord that Tenant has not incurred any liability for commissions or similar compensation to third parties in connection with this Fourth Amendment. Tenant hereby indemnifies Landlord against any liability arising from any claims for such compensation, including costs and reasonable attorneys’ fees, made by parties claiming through or under Tenant. Landlord represents to Tenant that Landlord has not incurred any liability for commissions or similar compensation to Fourth parties in connection with this Fourth Amendment. To the extent permitted by applicable law, Landlord hereby indemnifies Tenant against any liability arising from any claims for such compensation, including costs and reasonable attorneys’ fees, made by parties claiming through or under Landlord.
19. In the event of litigation concerning this Fourth Amendment and to the extent permitted by applicable law, the prevailing party is entitled to reimbursement of its costs respecting such suit, or settlement thereof, including reasonable attorneys’ fees and fees of consultants, auditors, appraisers and other similar professionals. The term “prevailing party” is defined to mean the party who obtains a determination of wrongful conduct by the other party regardless of whether actual damages or equitable relief are awarded.
20. Tenant represents and warrants and agrees that: (i) the individual executing this Fourth Amendment is duly authorized to execute and deliver this Fourth Amendment on behalf of Tenant; (ii) this Fourth Amendment is binding upon Tenant; and (iii) Tenant is duly organized and legally existing in the State of Texas and is qualified to do business in the State of Texas.
21. Landlord represents and warrants and agrees that: (i) the individual executing this Fourth Amendment is duly authorized to execute and deliver this Fourth Amendment on behalf of Landlord; (ii) this Fourth Amendment is binding upon Landlord; and (iii) Landlord is

duly organized and legally existing in the State of Texas and is qualified to do business in the State of Texas.

22. The invalidity or unenforceability of any provision of this Fourth Amendment will not affect or impair any other provision in this Fourth Amendment.
23. With respect to the time for performance of any obligations hereunder, time shall be of the essence.
24. THIS FOURTH AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF TEXAS.
25. This Fourth Amendment is binding upon and inures to the respective parties herein, and their respective successors and permitted assigns.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties by their duly authorized representatives have executed duplicate originals of this Fourth Amendment, to be effective as of the Effective Date.

NUECES COUNTY HOSPITAL DISTRICT,
a political subdivision of the State of Texas

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

APPROVED BY THE NUECES COUNTY
COMMISSIONER'S COURT

By: _____
Name: Samuel L. Neal, Jr.
Title: County Judge

CHRISTUS SPOHN HEALTH SYSTEM
CORPORATION,
a Texas non-profit corporation

By: _____
Name: Pam Robertson
Title: Chief Executive Officer