

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "*Agreement*") is made and entered into as of November __, 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: _____

Name: Pamela Robertson

Title: CEO

DISTRICT:

Nueces County Hospital District

By: _____

Name: Jonny Hipp

Title: Administrator/CEO

Escrow Agent:

**BANK OF AMERICA, NATIONAL
ASSOCIATION**

By: _____

Name: _____

Title: _____

EXHIBIT A

ESCROW AGENT FEE SCHEDULE

Set-Up Fee:	\$0.00
Tax Reporting Set-up Fee:	\$250.00
Annual Administration Fee:	\$3,500.00
Wire or Check Disbursement Fee	\$20.00 per wire / check
Outside Counsel Pre-Closing:	[\$TBD/case-by-case]

THE SET-UP FEES AND FIRST YEAR'S ANNUAL ADMINISTRATION FEES ARE DUE UPON EXECUTION OF THE ESCROW AGREEMENT.

* After the initial twelve (12) month period, the Annual Administration will be invoiced in advance on a six-month basis. Wire and check disbursement fees will be invoiced on a quarterly basis.

With respect to any investment not listed on Schedule I, the Escrow Agent will, on a quarterly basis, invoice an Administrative Services Fee in an amount equal to twenty five (25) basis points per annum on the value of the investment.

All out-of-pocket expenses will be billed at the Escrow Agent's cost. Out-of-pocket expenses include, but are not limited to, professional services (e.g. legal or accounting), travel expenses, telephone and facsimile transmission costs, postage (including express mail and overnight delivery charges), and copying charges.

[AN "EXHIBIT B" MUST BE COMPLETED AND EXECUTED FOR EACH PARTY TO THE AGREEMENT]

EXHIBIT B

**Escrow Agreement Dated as of November __, 2015 by and among [Designate Parties]
Certificate of Authorized Representatives – [Designate Party]**

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

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 person or persons identified above including without limitation, to initiate and verify funds transfers as indicated.

[Name of Party]:

By: _____

Name:

Title:

Date: _____

[AN "EXHIBIT B" MUST BE COMPLETED AND EXECUTED FOR EACH PARTY TO THE AGREEMENT]

EXHIBIT B

**Escrow Agreement Dated as of November __, 2015 by and among Spohn and the District
Certificate of Authorized Representatives – Spohn and the District**

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

Name: _____

Title: _____

Phone: _____

Facsimile: _____

E-mail: _____

Signature: _____

Fund Transfer / Disbursement Authority Level:

- Initiate
- Verify transactions initiated by others

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 persons identified above including without limitation, to initiate and verify funds transfers as indicated.

Spohn:
CHRISTUS Spohn Hospital System
By: _____
Name:
Title:
Date: _____

District:
Nueces County Hospital District
By: _____
Name:
Title:
Date: _____

EXHIBIT C
FORM OF TERMINATION NOTICE

[Date]

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

NOTICE OF TERMINATION

Ladies and Gentlemen:

We refer you to that certain Escrow Agreement (the “*Agreement*”), dated as of **November __, 2015**, among Spohn, District, and Bank of America, National Association, a photocopy of which is attached hereto. Capitalized terms used but not defined in this letter shall have the meanings given them in the Agreement.

We hereby notify you, in accordance with the terms and provisions of Article VI(a) of the Agreement, that we are terminating the Agreement. Accordingly, we request that you terminate the Agreement as of ■¹. Those undertakings that, under the provisions of the Agreement, shall survive termination of the Agreement shall continue as provided therein. All Escrow Funds or items of property thereafter on deposit or held in the Escrow Account or by the Escrow Agent pursuant to the Agreement shall, concurrently with the termination of the Agreement, be delivered by, as applicable, federal wire transfer or nationally recognized overnight courier service as follows:

[Describe escrowed property or funds amount to be delivered]:

To *[Designate Party]*, at: *[insert fed wire instructions or physical address for overnight courier delivery]*.

Very truly yours,

Spohn:
CHRISTUS Spohn Hospital System
By:
Name: : _____
Title: _____

District:
Nueces County Hospital District
By:
Name: _____
Title: _____

¹ Date should be not fewer than two (2) Business Days after the date of this Notice.

SCHEDULE I
ESCROW ACCOUNT INVESTMENT SELECTION FORM
INFORMATION AND DISCLOSURES REGARDING INVESTMENTS

Institutional Deposit Account:

U.S and non U.S. Corporate and Institutional Investor Use Only

The Institutional Deposit Account is a Money Market Deposit Account held at Bank of America, N.A. For more complete information about IDA, please refer to the terms and conditions and fact sheet. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Funds deposited in IDA are insured to the maximum extent permitted by law and regulation by the Federal Deposit Insurance Corporation. IDA has a normal cutoff time of 4:00PM (central time) and any cash received after that time will not be invested until the next business day.

Repurchase Agreement Account:

U.S Corporate and Institutional Investor Use Only

The Repurchase Agreement Account ("RAA") is a Repurchase Agreement with Bank of America, National Association ("Bank") and is available with the establishment of an account with Global Custody and Agency Services, a division of Bank acting on your behalf ("GCAS"). For more complete information about RAA, please refer to the terms and conditions and fact sheet. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Repurchase Agreements are not deposits within the meaning of the Federal Deposit Insurance Act (12 U.S.C. 1813(l)), are not insured or guaranteed by the U.S. Government, the FDIC or any other government agency, and involve investment risk, including possible loss of principal. If a receiver were appointed for Bank of America, the client would have an ownership interest in the securities sold to the client that are described in the applicable trade confirmation received by GCAS on behalf of all clients investing in RAA or, if the transaction were deemed to be a loan, the client would be a secured creditor and have a perfected interest in such securities. RAA has a normal cutoff time of 1:00PM (central time) and any cash received after that time will not be invested until the next business day.

Money Market Funds:

U.S Corporate and Institutional Investor Use Only

For more complete information about a money market fund listed in this **form**, including expenses, investment objectives, and past performance, please refer to the prospectus. You should read and review this information carefully before investing. Past performance is no guarantee of future results. Investments in money market mutual funds are neither insured nor guaranteed by Bank of America, N.A. and its affiliates, or by any Government Agency. **There can be no assurance that the funds can maintain a stable net asset value of \$1.00 per share.** Bank of America, N. A. typically has a normal cut-off time of one hour prior to the money market mutual fund's stated cut off time and any cash received after that time will not be invested until the next Business Day.

The parties to the agreement understand and agree that the Escrow Agent may receive certain revenue associated with money market fund investments. These revenues take one of two forms:

Shareholder Servicing Payments: The Escrow Agent may receive shareholder servicing payments commensurate with the shareholder services provided for the money market fund company. Shareholder services typically provided by Bank of America, N.A. include the maintenance of shareholder ownership records, distributing prospectuses and other shareholder information materials to investors and handling proxy-voting materials. Typically shareholder servicing payments are paid under a money market fund's 12b-1 distribution plan and impact the investment performance of the fund by the amount of the fee. The shareholder servicing fee payable from any money market fund is detailed in the fund's prospectus provided to you.

Revenue Sharing Payments: The Escrow Agent may receive revenue sharing payments from a money market fund company. These payments represent a reallocation to the Escrow Agent of a portion of the compensation payable to the fund company in connection with a money market fund investment. Revenue sharing payments constitute a form of fee sharing between the fund company and the Escrow Agent and do not, as a general rule, result in any additional charge or expense in connection with a money market fund investment, are not paid under a 12b-1 plan, and do not impact the investment performance of the fund. The amount of any revenue share, if any, payable to the Escrow Agent with respect to your account's investments is available upon request.

In the event that a money market fund has been designated as the investment, the parties hereto acknowledge delivery of the prospectus for such fund. **The Parties hereto acknowledge that money market funds and other non-deposit investments are not deposits in or obligations of, or guaranteed by, Bank of America Corporation or any of its affiliates and are not insured by the FDIC or any government agency. Investments in money market funds involve investment risks, including possible loss of principal.**

Acknowledged and agreed to this ____ day of _____, 20__:
[DESIGNATE PARTY OR PARTIES]

By: _____

Name: _____

Title: _____

ESCROW ACCOUNT INVESTMENT SELECTION FORM (Con't)				
<input checked="" type="checkbox"/>		CUSIP	TICKER	INTERNAL
<i>Interest Bearing Deposit Account ("IBDA") held at Bank of America, N.A.</i>				
	Bank of America Interest Bearing Deposit Account (IBDA) (a Demand Deposit Account at Bank of America, N.A.)	N/A	N/A	9998SF557
<i>Prime Money Market Funds</i>				
	BlackRock Liquidity Fund: Temp Fund - Cash Management	09248U577	BRTXX	9998CT265
	BofA Cash Reserves - Daily Share	19765K605	NSHXX	999301229
	Dreyfus Cash Management - Participant Share	26188J503	DPCXX	9998SF227
	Federated Prime Obligations Fund - Trust Shares	60934N146	POLXX	9998SF268
	Fidelity Money Market Portfolio - Class III	316175702	FCOXX	9998SF276
	Fidelity Prime Money Market Portfolio - Class III	316175876	FCDXX	9998SF284
	Goldman Sachs Financial Square MMF - Service Share	38141W216	FSVXX	9998SF318
	Goldman Sachs Financial Square Prime Obligations - Service	38141W349	FBSXX	9998SF367
<i>US Government & Agency Money Market Funds</i>				
	BlackRock Liquidity Fund: FedFund - Cash Management	09248U882	N/A	9998CT315
	BofA Government Reserves - Daily Share	19765K761	NRDXX	999301195
	Dreyfus Government Cash Management - Participant Share	262006505	DPGXX	999300973
	Federated Government Obligations Fund - Trust Shares	60934N153	GORXX	999507031
	Fidelity Government Portfolio - Class III	316175603	FCGXX	9998SF292
	Goldman Sachs Financial Square Government Fund- Service	38141W257	FOSXX	9998SF342
<i>Treasury Money Market Funds</i>				
	BlackRock Liquidity Fund: T-Fund - Cash Management	09248U668	N/A	9998CT257
	BlackRock Liquidity Fund: Treas Trust - Cash Management	09248U536	BTCXX	9998CT448
	BofA Treasury Reserves - Daily Share	19765K282	NDLXX	999301138
	Dreyfus Treasury & Agency Cash Management - Participant Share	261908404	DTPXX	999301591
	Federated Treasury Obligations Fund - Trust Shares	60934N120	TOTXX	999507023
	Fidelity Treasury Portfolio - Class III	316175884	FCSXX	999170137
	Goldman Sachs Financial Square Treasury Oblig Fund - Service	38141W299	FYAXX	9998SF219
<i>Tax-Exempt Money Market Funds</i>				
<i>[List is available upon request]</i>				

Please indicate a selection by placing an "X" to the left of the investment name.

Please indicate a selection by placing an "X" to the left of the investment name.

[DESIGNATE PARTY OR PARTIES]

By: _____

Name: _____

Title: _____

Date: _____

ANNEX I
FORM OF DISBURSEMENT REQUEST

[Date]

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 __, 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) *[the amount to be disbursed],*

(ii) *[the date of disbursement],*

(iii) *[the recipient of the disbursement, and]*

(iv) *[the manner of disbursement and delivery instructions (including wiring instructions if applicable).]*

Very truly yours,

Spohn:

CHRISTUS Spohn Hospital System

By:

Name: : _____

Title: _____

District:

Nueces County Hospital District

By:

Name: _____

Title: _____