

**INTERLOCAL AGREEMENT FOR CLOSE-OUT AND
POST-TRANSITION SERVICES BETWEEN THE CITY OF AUSTIN AND
THE TRAVIS COUNTY HEALTHCARE DISTRICT**

This Interlocal Agreement for Close-Out and Post-Transition Services (“Agreement”) is entered into between Travis County Healthcare District (the “District”), a hospital district created under Chapter 281 of the Texas Health & Safety Code, as amended (the “Act”), and the City of Austin, Texas (the “City”), a Texas home rule city. The Agreement shall become effective on March 1, 2009 (“Effective Date”).

RECITALS

The District was created by an election held on May 15, 2004, the results of which were canvassed on May 25, 2004, and its Board of Managers were appointed and qualified on August 2, 2004.

The District and the City entered into an Interlocal Agreement effective September 30, 2004, under which the City provided Services, as defined therein, and transferred certain funds, property, and assets to the District to ensure that delivery of health care to eligible residents of the District continued uninterrupted in the transition of the responsibility for management of Community Health Centers from the City to the District. The District and City have entered into eight amendments or amendments and renewals since the Interlocal Agreement was executed in 2004. As amended and renewed, the 2004 Interlocal Agreement is referred to in this Agreement as the Original Interlocal. The Original Interlocal, unless extended as provided in the Renewal and Eighth Amendment, has a current termination date of February 28, 2009.

The District and the City jointly requested that the U.S. Health Resources and Services Administration’s Bureau of Primary Care approve the transfer of the Federally Qualified Health Center (“FQHC”) status from the City to the District to be effective on March 1, 2009, and the notice of grant award has been issued to approve such transfer.

The District has entered into a Co-Applicant Agreement and an Administrative, Equipment and Facilities Agreement with the Central Texas Community Health Centers, d/b/a CommUnityCare, (“CTCHC”), a Texas 501(c)(3) non-profit corporation, for CTCHC to operate the FQHC community health care system (“Community Health Centers”).

The Original Interlocal expired on February 28, 2009, and the District and the City desire to enter into this Agreement to address certain services they wish to provide to the other after this transfer and certain financial matters and other issues related to closing out the Original Interlocal.

IN WITNESS WHEREOF, and in consideration of the promises, the mutual covenants herein contained and intending to be legally bound, the District and the City agree as follows:

A. Services

1. The City agrees to provide certain transition services for telecommunications to District, as described below. Specifically, the City's Communications Technology Department shall (a) maintain District employees' voice mail announcements for sixty (60) days after the Effective Date, (b) forward e-mails to District's new e-mail address for ninety (90) days following the Effective Date, and (iii) continue to house surplus District information technology equipment in a City storage space for sixty (60) days after the Effective Date.

2. Two City-owned vehicles, a 1994 GMC passenger van and a 2001 Ford bi-fuel (propane and gas) pick-up truck, have been used by the City's Community Care Services Department ("CCSD") and the District may wish to purchase these vehicles. If District decides to purchase the vehicles, it shall send notice to City within ninety (90) calendar days of the Effective Date and shall pay City the fair market value. City shall then transfer possession and title of the vehicles to the District. District agrees to return the vehicles to City's fleet services department on March 2, 2009, so that the City may use and maintain insurance on the vehicle until District makes a purchase decision.

The City agrees to transfer to the District title to a van used to provide mobile dental services, and title to the City-owned equipment located in the van, at no charge, by May 8, 2009.

B. Financial Provisions

3. The parties agree that payment of vendor invoices for goods and services received prior to March 1, 2009, are the responsibility of the City, and City is authorized to pay such invoices as described in this section. In order to process such invoices, the District will identify a designated person who will promptly review the invoices and inform City, within seven business days of receipt of the invoice copy from City, if the goods or services were provided. If they were provided and are legal obligations of the City, the City will submit payment to the vendor from the balance of Service Payments, as defined in the Original Interlocal, received from District. If the District requires further investigation to determine if the vendor has provided the services or goods, District shall notify City in writing within the seven day period. Upon authorization of vendor invoice by the District, the City will pay the vendor from the balance of the Service Payments received by City. District shall be responsible for directly paying vendors for goods or services ordered or received on or after March 1, 2009, and City will promptly forward to District any invoices it receives for services or goods provided during this time period. Notices under this section may be provided to the other party by confirmed facsimile, e-mail or personal delivery.

4. District and/or its designee, CTCHC, shall diligently and promptly process and submit patient billings and claims for patient services provided at the community health centers prior to the Effective Date, and shall provide the City with an accurate monthly report of such activities. District will submit any necessary appeals for denied patient billings in accordance with applicable appeal deadlines. All patient payments for patient services provided during such time period will be input into the patient billing system of record as maintained by District and/or its designee, CTCHC. Payments received by the City for patient services provided at the Community Health Centers on or after the Effective Date will be forwarded to the appropriate District designee. Commingled payments will be deposited and transferred to the appropriate entity on a mutually agreed upon schedule.

5. No later than May 8, 2009, the City shall pay to the District the financial results of all related revenue and Service Payments received by the City and all costs and expenses of the City related to the Services provided during the fiscal year that ended on September 30, 2008, which is estimated to be \$981,249 (2008 Year End Balance) minus the amounts owed to City by District for the petty cash and un-issued pharmacy inventory referenced in Sections 13 and 14.

6. Within 180 days after the termination of the City's obligations to provide Services pursuant to the terms of the Original Interlocal, the City shall deliver to the District a report prepared on a budget (accrual) basis in accordance with the City's financial policies of the financial results of the City's Services, as this term is defined in the Original Interlocal, identifying for such period all related revenue of the City, all Service Payments received by the City and all costs and expenses of the City related to the Services provided from October 1, 2008, through February 28, 2009 ("First Year End Balance Report"). The First Year End Balance Report shall state the amount of any excess or deficiency in such revenues and payments over such costs and expenses, after factoring in the effect of any reversals of accruals made for the fiscal year ended September 30, 2008. All revenue, payments, costs and expenses related to the Services, including allocated or indirect costs and expenses, if any, will be recorded and reported in the First Year End Balance Report in a manner consistent with prior year reporting for the City's Community Care Services Department.

7. If there is an excess of such revenue and payments over such expenses and costs ("Positive Balance") reflected in the First Year End Balance Report, the City shall pay to the District any Positive Balance on or before September 30, 2009. If there is a deficiency in such revenue and payments over such expenses and costs ("Negative Balance") reflected in the First Year End Balance Report, then the District shall pay to the City any Negative Balance on or before September 30, 2009.

8. No later than January 31, 2010, the City shall deliver to the District a report prepared on a budget (accrual) basis in accordance with the City's financial policies of the financial results of the City's Services, as this term is defined in the Original Interlocal, identifying for such period (October 1, 2008 – February 28, 2009) all related revenue of the City, all Service Payments received by the City and all costs and expenses

of the City related to the Services that were not included in the First Year End Balance Report (the "Second Year End Balance Report"). The Second Year End Balance Report shall be prepared in a manner consistent with the First Year End Balance Report and shall state the final amount of any excess or deficiency in such revenues and payments over such costs and expenses, after factoring in the effect of any reversal of accruals made for the fiscal year ended September 30, 2008.

9. If there is an excess of such revenue and payments over such expenses and costs ("Positive Balance") reflected in the Second Year End Balance Report, the City shall pay to the District any remaining Positive Balance within thirty (30) days from the date of delivery of the Second Year End Balance Report. If there is a deficiency in such revenue and payments over such expenses and costs ("Negative Balance"), then the District shall pay an amount equal to any remaining Negative Balance to the City within thirty (30) days of the date of delivery of the Second Year End Balance Report. Amounts paid from the First Year End Balance Report shall be included in the calculation of the Positive or Negative Balance in the Second Year End Balance Report.

10. Either party, at that party's own expense, may have an independent, public accounting firm audit the books and records of the City, the District, and/or its designee, CTCHC, relevant to the First and/or Second Year End Balance Report, accounts payable and accounts receivable related to the Services provided by the City under the Original Interlocal prior to March 1, 2009, and/or related to services provided by the District and/or its designee, CTCHC, on March 1, 2009 or after for compliance with this Agreement. The audit shall be performed based on procedures mutually agreed to by City and District. Fees or expenses for additions to one party's procedures or scope of work will be paid by the requesting party. Disagreements between the parties regarding the audit procedures will be resolved in accordance with Section 33 of this Agreement, titled "Dispute Resolution". The auditor shall identify the correct Positive Balance or Negative Balance, and the parties shall make the payments (if any) necessary to implement this subsection based on such determination and in accordance with Sections 7 and 9 of this Agreement.

11. The District and the City acknowledge that certain funds in the sum of \$2,071,000.00 were in the FQHC/MAP Budget for Capital Improvements Projects (CIP) upon the parties entering into the Original Interlocal. Additionally, the parties acknowledge that the District has continued to budget, and the City has continued to spend, CIP funds annually. Accordingly, the parties agree that, to the extent that unobligated funds remain in CIP at the termination of the Original Interlocal, those funds belong to the District, and the City will transfer eighty percent (80%) of those funds to the District by May 8, 2009. The City shall transfer the remainder of those funds, after paying any valid outstanding invoices approved by the District, no later than January 31, 2010. In addition, at the termination of the Original Interlocal, the City shall transfer to the District assets that were purchased with such CIP funds but that have not been transferred to the District as of the termination date. Such asset transfer shall occur within sixty (60) days of the termination date. Any assets paid for by the City on March 1, 2009 or after shall be transferred to the District within sixty (60) days of such payment.

12. The City agrees that the petty cash funds at any of the District facilities as of the Effective Date may be retained by the District. The parties agree this amount is \$ 4,920 further agree that the City shall offset the amount against the payment due to District for financial results for the fiscal year that ended September 30, 2008, as referenced in Section 5.

13. The District agrees to compensate City for un-issued pharmacy inventory maintained for the Community Health Centers use at fair market value. Fair market value will equal the original purchase price of the pharmacy inventory. City agrees to perform a count of un-issued pharmacy inventory prior to the Effective Date and to provide a detailed list of type and quantity of un-issued pharmacy inventory. The parties agree that City shall offset the amount due for un-issued pharmacy inventory against payment due to the District for financial results for the fiscal year ended September 30, 2008, as referenced in Section 5.

14. The City shall pay the District interest income on positive cash balances held by City under this Agreement. The interest rate will be the same rate that City earns on other City maintained investment pool amounts.

C. Electronic Access and Document Submission

15. The City shall provide the District with information from the financial and payroll systems, currently the Advantage 3 and Banner Systems, in a format mutually acceptable to the Parties so that the District or its designee may complete cost reports and other documentation for the time period when the City was providing Services under the Original Interlocal and for such time periods that overlap between the City and the District and/or its designee, CTCHC, providing such services. The parties agree that the District or its designee will be responsible for preparing the Medicare and Medicaid cost reports and grant reports and other necessary documents in connection with the Services provided by the City under the Original Interlocal. The District or its designee shall provide the City with an opportunity to review and approve the documents prior to submission, and the City agrees that it shall not unreasonably withhold its approval and execution of such documents.

D. Post Office Box

16. The City and the District shall work cooperatively to change the name or take other steps as required regarding one post office box that was paid for out of the CCSD budget so that the post office box will remain accessible to the District and/or its designee, CTCHC, through the paid term. The post office box is P.O. Box 17395, Austin, Texas 78760-7395. Nothing in this Agreement shall obligate the District, the City and/or its designee, CTCHC, to continue to pay for this post office box after the previously paid term and the parties agree that the term will not be extended or renewed in the name of the City. Should the parties determine that the best way for the District

and/or its affiliated 501(c)(3) corporation to have access to the box is for the City to assign the remainder of the term for the box to the District or its designee, CTCHC, the parties agree to work together cooperatively to effect such transfer.

E. Employment Issues

17. The City agrees to exercise due diligence to complete all employment related investigations for CCSD transitioning employees prior to the Effective Date. However, if the investigation and any resulting appropriate disciplinary action are not completed by the Effective Date, the City agrees that, for any claim of violation of its policies and/or laws against discrimination, harassment, or retaliation of any kind arising after January 1, 2009, and before the Effective Date, it will hire qualified third-party consultant services to investigate such claim. The City agrees to continue to investigate the claim at its cost and to provide a copy of the written report of the findings and conclusions and all supporting material to the District immediately upon the conclusion of the investigation. The District will take whatever action it deems appropriate based upon the report of such investigation. If an aggrieved employee makes a complaint concerning violation of policies and /or laws against discrimination or retaliation in which both the City and the District are implicated, then the City and the District shall select a mutually agreeable third party investigator and shall share equally in the cost of said investigator. The third party investigator shall draft one report pertaining to the aggrieved employee's allegations and shall provide a copy of said report, along with all supporting documentation, to both the City and the District.

18. For any CCSD transitioning employee who is injured while working within the course and scope of his or her City job prior to the Effective Date and who qualifies for City benefits under the Texas Workers Compensation Act at the time of the injury, the following shall apply: the City shall pay the employee's claim and benefits under workers compensation until the workers compensation claim ends. However, the day before the Effective Date shall be the last day that the transitioning an eligible employee shall receive City wage continuation benefits and/or be qualified to participate in the City's return to work program.

19. The parties agree that the time that an employee worked at the City will be taken into consideration in determining an employee's Family and Medical Leave Act ("FMLA") eligibility after that employee starts working for the District, in accordance with the FMLA and the regulations promulgated there under. Any FMLA leave utilized by the employee while working for the City during the 12 month period prior to the date that the employee requests FMLA leave from the District will be counted against the employee's FMLA leave balance at the District.

20. The District and the City acknowledge and agree that the Community Care Services Department (CCSD) employees that are separating from City employment and transitioning to employment with the District on March 1, 2009, are allowed the option to transfer Obligated City Leave Time to their new paid time off leave account with the District effective March 1, 2009. Transitioning employees who are in the District's Tier

A category can transfer up to 240 hours and the transitioning employees in the District's Tier B category can transfer up to 280 hours and executives can transfer up to 480 hours. Obligated City Leave Time is sick and vacation time that the City, by its policies, is required to pay employees that separate from City employment. City acknowledges and agrees that its current policies provide that the City is required to pay any employee who separates from City employment up to 240 hours of accrued vacation leave, and for employees who were employed with the City prior to October 1, 1986, up to 720 hours of sick leave balances. The transfer of Obligated City Leave Time to the District is in lieu of a payment to the employee from the City for the cash value of that time. The City agrees to pay District the funds equivalent to the total value of all Obligated City Leave Time that the transitioning employees choose to transfer. The City agrees to pay that amount to the District by May 8, 2009.

F. Contract Assignments

21. The parties agree that they may identify some contracts after the Effective Date that are not included on Exhibit K to the Original Interlocal that should be assigned to the District. The parties agree to work together in good faith to identify, and subject to third party rights, assign any such contracts.

G. City Staff in District Facilities

22. During the term of the City and District lease agreement for the A.K. Black Clinic and the lease agreement for a portion of the East Austin Clinic, and during the term of the District's lease of the Northeast Clinic, the District agrees to allow City Health and Human Services Department employees to continue to occupy and use office space for the same program purposes in the District's space in three Community Health Centers as follows: a maximum of five City employees in the East Austin Clinic; a maximum of five City employees in the A.K. Black Clinic, and a maximum of nine City employees in the Northeast Clinic. The City shall be responsible for the administrative support and supervision of its employees, including the provision of necessary supplies, equipment, and computer and network connections.

H. Telecommunications and Network Issues

23. Separation of Co-Located Network Equipment.

(a) Payment for Network Separation

City and District share network equipment rooms at some locations. As used in this Article H, the terms "City" and "District" include any contractors or sub-contractors of the respective party. This section applies to District administrative offices at 1111 East Cesar Chavez, the CTCHC administrative offices in the RBJ building and to the following Community Health Center sites: Rosewood Zaragosa, David Powell, Montopolis, Northeast Clinic, A.K. Black, East Austin

and South Austin. The parties agree that the process of separating City and District network equipment will be completed no later than nine months from the Effective Date, and that District will contract with Titus Systems to perform these services. District agrees to pay for the costs incurred in separating the networks. District shall supervise the project but agrees that designated CTM employees (as of the Effective Date, Martin Negrón for building distribution and Martha Krischke for outside plant) shall be on the project team for purposes of project design, quality assurance and field coordination. As of the Effective Date, these costs are estimated to be \$127,400. City has provided to District a copy of Titus Systems' estimate for this work at all locations. In consideration of District's agreement to pay for these costs, the City agrees that District shall not owe City any funds for any CTM support services or CTM work stations provided to District prior to March 1, 2009, under the Original Interlocal.

As used below:

The term "emergency maintenance" means access to a co-located network equipment room is needed to resolve any situation where two or more of a party's users have no network connectivity of any kind. This can occur at the site where a co-located network equipment room is located or at another connected location that feeds through a co-located equipment room.

The term "scheduled routine maintenance" means access to a co-located network equipment room is needed to resolve any situation where one user does not have connectivity or for routine maintenance of the equipment that does not involve connectivity.

(b) Temporary Access to Network Equipment Rooms

City and District will each need access to network equipment rooms during the separation process described in subsection (a).

The parties agree to comply with and, as applicable, to direct their employees and contractors to comply with, the following procedures when accessing or servicing network equipment and connections at these sites:

- i. The individual will check in with the designated Building Administrator to obtain a key for access to the network equipment room. A sign-in sheet will be maintained in each network equipment room for purposes of an access control log, and each person who enters a network equipment room will sign and enter the date and time of entry/ date and time of departure, the name of the person accessing the equipment room, name of employer, reason for access, and name/description of contact made with the other party to notify party of such work.

- ii. Except as provided below, District and City will each ensure that all employees authorized to access the network equipment rooms have passed

criminal background (CBI) checks within the last three years and that any employee or agent of a contractor or sub-contractor that is authorized to access the rooms have passed criminal background checks within the last year. In the event that the District network requires emergency maintenance, an individual authorized by District who has not yet undergone a CBI may enter a network room to repair the District network if accompanied at all times by a City CTM employee who has passed a CBI and the District's representative agrees not to touch the City's equipment. CTM shall make an employee available for this emergency maintenance response on a 24/7 basis, with the following average response times: 15 minutes for call back and one hour to arrive on site.

iii. For scheduled routine maintenance activities, each party agrees to require its employees or contractors to notify the other party to the extent possible by telephone and/or electronic mail at least eight business hours (8:00 am – 5:00 pm Monday through Friday) in advance before entering the co-located network equipment room. City shall be notified through its Network Control Center and District shall be notified through its IT help desk. Notification shall include the time and date of scheduled maintenance and the nature of the work to be performed.

iv. If access is needed for emergency maintenance during business hours, each party will attempt to notify the other party first by telephone through the designated contact points identified in (b)iii. prior to entering the site. If phone notification is not possible, each party will notify the other party by e-mail, and include the time and date of emergency maintenance, and an explanation of the work to be performed. Emergency access after business hours will be coordinated through CTM Help Desk which is manned 24/7, or through District's Facilities Manager.

v. Each party's employees and contractors who shall have access to an equipment room are required to ensure that the room is locked and secured upon exit and to return the equipment room key to the Building Administrator.

vi. If there is a security breach, the party that did not commit or allow the breach may require that escorted access be required of the other party at that or all locations.

This subsection (b) shall be in effect from the Effective Date until the separation of any particular building's co-located network equipment room is completed. The parties anticipate that this process will be completed at all locations no later than December 1, 2009.

24. Sale of Information Technology Equipment.

City wishes to purchase from the District certain information technology and telecommunications equipment that the District no longer needs. The items to be

purchased are listed below. City agrees to pay fair market value, as shown below, for the items by June 1, 2009, and District agrees to permit City to continue to use the equipment, without compensation, until the purchases are completed. Fair market value has been determined by recent sales prices for the same or similar equipment from jointly agreed-upon re-sale sites. District shall transfer title to the City once payment has been received.

District equipment to be purchased by City

Equipment	Quantity	Location(s)
Cisco 3560 - -48 Network Switch	2	WS-C3560-48TS-S CAT0936R461 and WS-C3560-48TS-S CAT0936R465 East Austin Health Clinic, 211 Comal Street, Austin, TX 78702. Price: \$1800 each
Cisco 3560-48 Network Switch	1	WS-C3560-48TS-S CAT0936R45M Pflugerville Clinic, Pflugerville, TX Price \$1800 each
Cisco WS C2950 48g Network Switch	5	RBJ 5 th floor Price: \$180.00 each
Blade servers	10	Waller Creek data center – \$500 each for a total of \$5000
Dell 2900 (vmware)	1	Waller creek data center - PowerEdge 2900 2 dual core processors 24 GB RAM - \$1500
Dell 6850 (nexgen dev)	1	Waller creek data center – 2 each Power Edge 6850 4 processor 32 gb RAM - \$2000
Nortel i2004 Phone Handsets	75	\$185.00 each, for total of \$13,875

The City will make available the telephone handsets it does not wish to purchase for the District to pick up by May 8, 2009. After the Effective Date the parties may identify additional equipment that the District no longer needs and the City wishes to purchase. The City and the District will jointly identify any such equipment by June 1, 2009. City shall have the option of purchasing the additional equipment, at fair market value, by July 31, 2009. Fair market value shall be determined by recent sales of the same or similar equipment from jointly agreed-upon re-sale sites.

I. Miscellaneous Terms

25. Term.

(a) This Agreement shall be effective for a one-year term beginning on March 1, 2009. The parties may renew this Agreement for up to four (4) additional one-year terms.

If there are no substantive changes requiring approval of the parties' governing bodies, the renewal may be signed by the City Manager and the District's CEO.

(b) The City may, by written notice to the District terminate the City's obligation to comply with some or all of the provisions in this Agreement (i) as expressly permitted by other provisions of this Agreement, or (ii) if the District breaches any representation, warranty or covenant hereunder and does not cure the same within 90 days written demand by the City.

(c) The District may, by written notice to the City, terminate the City's obligation to comply with some or all of the provisions in this Agreement: (i) as expressly permitted by other provisions of this Agreement, or (ii) if the City breaches any representation, warranty or covenant hereunder and does not cure the same within 90 days written demand by the District.

(d) No termination of the City's or District's obligation shall affect the obligations of the parties (including payment obligations) that have accrued prior to the termination.

(e) The parties agree that the District's obligations to (i) prepare cost reports for Medicare, Medicaid and grants, as described in Section 15, and (ii) permit City employees to remain in certain clinic space leased by the District, as described in Section 22, shall survive the termination of this Agreement.

26. Notices. Any notice required or permitted by this Agreement shall be sufficient for all purposes if delivered in writing to the applicable party at its address set forth below or such other address as may be designated by such party in writing.

City:

Marc Ott
City Manager
P.O. Box 1088
Austin, Texas 78767-8804
(if by mail)

Marc Ott
City Manager
City Hall
301 West 2nd, Fourth Floor
Austin, Texas 78701
(if by hand-delivery)

With copies to:

David Allan Smith
City Attorney
P.O. Box 1088

Austin, Texas 78767-8804
(if by mail)

David Allan Smith
City Attorney
City Hall,
301 West 2nd, Fourth Floor
Austin, Texas 78701
(if by hand-delivery)

District:

Patricia A. Young Brown
President and CEO
Travis County Healthcare District
1111 E. Cesar Chavez, Suite B
Austin, Texas 78702
(if by mail or hand-delivery)

With copies to:

David Escamilla
County Attorney
Travis County Attorney's Office
Box 1748
Austin, Texas 78767
(if by mail)

David Escamilla
County Attorney
Travis County Attorney's Office
314 W. 11th Street, Suite 300
Austin, Texas 78701
(if by hand delivery)

27. Relationship of Parties. The City's relationship to the District is that of independent contractor, and the City shall have only the duties expressly set forth herein.

28. Force Majeure. With the exception of the obligation to make payments hereunder, each party shall be relieved of any obligation to the extent that its ability to perform the same is prevented or impaired by any act of a third party or other event or occurrence outside of its control, including without limitation:

- (a) strike, work stoppage, or slow down;
- (b) illness, death or disability of key employees;

- (c) fire, earthquake, flood, ice storm, tornado, hurricane, or other severe weather conditions;
- (d) criminal acts, acts of war, riot, vandalism, terrorism and the like;
- (e) unavailability or scarcity in the market of medicines, supplies or items;
- (f) failure or disruption in the operation of the Internet, any other telecommunications systems or hardware, any software program, or any equipment, or any outage of power, water or other utilities; and
- (g) any injunction or other court order, administrative order, administrative decision or similar action by any governmental authority that prohibits, restricts or increases the risk or cost to the City of performing the services.

29. Limitation on Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, CONSEQUENTIAL, INDIRECT, ENHANCED, OR PUNITIVE, DAMAGES, HOWSOEVER CAUSED, WHETHER AS A CONSEQUENCE OF NEGLIGENCE, STRICT LIABILITY, BREACH OF CONTRACT, OR INTENTIONAL MISCONDUCT, EVEN IF THE PARTY AGAINST WHOM SUCH DAMAGES ARE SOUGHT HAD REASON TO KNOW OF THE POSSIBLE EXISTENCE OR INCURRENCE OF SUCH DAMAGES.

30. Entire Agreement; Full Satisfaction of Obligations. This Agreement represents the full and final agreement between the parties related to the subject matter of this Agreement hereto and supersedes any and all prior written and verbal communications, understandings and/or agreements. The District accepts the transfers and obligations of the City set forth in this Agreement in full satisfaction of the City's obligations under the Act to transfer property, funds and other assets (real, personal, and mixed, tangible and intangible) to the District.

31. No Third Party Beneficiaries. Nothing in this Agreement is intended to benefit or give any rights to any person or entity other than the parties hereto.

32. No Waiver; Amendments. No course of conduct or verbal waiver or consent shall be deemed a waiver by either party of its rights hereunder. No amendment to or assignment of this Agreement shall be binding on the parties unless set forth in writing, approved by the parties' governing bodies, and signed by the party sought to be bound. Each party is on notice as to the legal requirements relating to authorizing waivers or amendments by the other party, except as otherwise provided in this Agreement.

33. Dispute Resolution. (i) If either the City or the District believes the other is in breach of this Agreement, and the other disagrees, either the City or the District may insist on non-binding mediation, provided, however, that this section shall not apply to any dispute or alleged breach regarding the non-payment or late payment of funds due by either party under this Agreement, including but not limited to Service Payments. If either the City or the District insists on non-binding mediation, the other will fully cooperate in the process of such mediation. Each party shall pay one-half of the costs of mediation. Such right to non-binding mediation shall be considered exercised upon receipt of notice by the other party. Upon receipt of such notice, the City and the District

shall choose a mediator within ten business days. If the City and the District choose different mediators, then the two chosen by the City and the District shall together choose a third person who shall be the sole mediator. Representatives of each party will meet with the mediator in Austin at mutually agreed upon times. The locations shall be chosen by the mediator. Each party shall fully participate with the mediator to try to resolve the disagreement over the alleged breach of this Agreement. Exercise of this right to require non-binding mediation shall not constitute a waiver of either party's rights to proceed under any other provision of this Agreement, and either party may pursue any other rights granted pursuant to this Agreement at the same time as and during any period of mediation. If the mediation does not successfully resolve the dispute, each party is free to pursue any other remedy available to it under law.

34. Current Revenues. This Agreement is authorized by Chapter 791 of the Texas Government Code, titled "Interlocal Cooperation Act". Notwithstanding any other provision of this Agreement, each party's payment obligations under this Agreement are payable solely from the current fiscal year revenues appropriated and available for the payment of such obligations.

35. Actions of Designee. Certain provisions of this Agreement allow the District or the District's designee, CTCHC, to take action or perform obligations. Because CTCHC is not a party to this Agreement, the District accepts responsibility for, and agrees to be liable for, any failure by its designee to perform as required under this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed and delivered on behalf of the District and the City as of the date set forth above by their duly authorized representatives in one or more counterparts, which together shall constitute one agreement.

**TRAVIS COUNTY HEALTHCARE
DISTRICT**

By: _____

Name: Patricia A. Young-Brown

Title: President and CEO

CITY OF AUSTIN, TEXAS

By: _____

Name: Marc Ott

Title: Manager, City of Austin