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By

RICHARD N TAKECHI
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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WHEN RECORDED MAIL TO:
Mr. P. Scott Dye
c/o BAIRD HOLM LAW FIRM
1500 Woodmen Tower
Omaha, Nebraska 68102

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UNDERTAKING OF RICHARD YOUNG CENTER (FORMERLY KNOWN AS METHODIST RICHARD YOUNG) WITH RESPECT TO NEBRASKA INVESTMENT FINANCE AUTHORITY HEALTH FACILITIES REVENUE BONDS (NEBRASKA METHODIST HEALTH SYSTEM - NEBRASKA METHODIST PROJECT), SERIES 1997

This Undertaking is entered into by and between Richard Young Center (formerly known as Methodist Richard Young) ("RYC"), a Nebraska nonprofit corporation and The Nebraska Methodist Hospital ("NMH") also a Nebraska nonprofit corporation as of the first day of September, 1999.

WITNESSETH:

WHEREAS, the Nebraska Investment Finance Authority ("NIFA") has issued on behalf of NMH and certain affiliates of NMH the NIFA's Health Facilities Refunding and Revenue Bonds (Nebraska Methodist Health System—Nebraska Methodist Project), Series 1997, in the original principal amount of \$48,960,000 (the "Series 1997 Bonds") and in connection therewith has required NMH to give certain covenants to assure that interest on the Series 1997 Bonds is and shall remain excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code") (such status being herein referred to as "Tax-Exempt"), as set forth in the following agreements:

Loan Agreement by and between the NIFA and NMH, dated as of November 1, 1997; and

Tax Regulatory Agreement (the "Tax Regulatory Agreement"), by and among, the NIFA, Nebraska Methodist Health System, Inc. ("NMHS") and First Trust National Association (as Trustee under that Indenture of Trust dated as of November 1, 1997 (the "Bond Indenture") by and between said trust company and the NIFA, authorizing the Series 1997 Bonds (the "Trustee");

which agreements are hereinafter referred to as the "Bond Documents".

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FEE 76.00 FB See attached
BKP _____ C/O _____ COMP BW
DEL _____ SCAN at FY _____

WHEREAS, RYC, NMH and Nebraska Health System, a Nebraska nonprofit corporation have entered into a Change of Sponsorship Agreement which will result in the loss of full control (directly or indirectly) and governance by NMH over RYC and its property;

WHEREAS, certain real estate and personal property which was financed and refinanced by the Series 1997 Bonds (the "Series 1997 Bond Financed Property"), as more specifically described on Exhibits "A" and "B" hereto attached (Exhibit "A" sets forth the legal description for the real estate which is subject to the terms of this Undertaking and Exhibit "B" generally describes and provides reference for the land, buildings, structures, portions of buildings and structures and equipment which constitute the Series 1997 Bond Financed Property) are now owned by RYC and it is necessary under the terms of the Bond Documents for NMH to be provided with certain undertakings for the benefit of NMH, NMHS, the NIFA, the Trustee and the owners of the Series 1997 Bonds;

NOW THEREFORE, in consideration of the Change of Sponsorship Agreement and the change in position for NMH provided for therein with respect to its control over the use and disposition of the Series 1997 Bond Financed Property, and for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, RYC hereby agrees with NMH for the benefit of NMH, NMHS, the NIFA, the Trustee and the owners of the Series 1997 Bonds as follows:

Section 1. Series 1997 Bond Financed Property to Remain Subject to the Terms and Conditions of Bond Documents. RYC agrees that so long as any of the Bond Documents remain in effect with respect to the Series 1997 Bonds (other than effectiveness for record keeping requirements as set forth in Section 4.7 and Article V of the Tax Regulatory Agreement), all of the Series 1997 Bond Financed Property shall remain subject to all of the terms and conditions of the Bond Documents. In the event of any sale, lease or other disposition of the Series 1997 Bond Financed Property, except as permitted under the terms of Section 4 hereof, and prior to the effecting thereof there shall be furnished to NMH an opinion of recognized bond counsel (qualifying as "Bond Counsel" within the definition set forth in the Bond Indenture) that such sale lease or other disposition will not affect the Tax-Exempt status of interest on the Series 1997 Bonds.

Section 2. Specific Undertakings of RYC. Without limiting the general undertaking set forth in Section 1 hereof, RYC hereby makes the following additional specific undertakings:

- a. RYC hereby agrees that none of the Series 1997 Bond Financed Property shall be used in any activity which constitutes an "unrelated trade or business" determined by applying Section 513(a) of the Code.

b. RYC hereby agrees that none of the Series 1997 Bond Financed Property shall be used for any "private business use" within the meaning of such term as used in Section 141 of the Code, other than use by a 501(c)(3) organization in activities which do not constitute an "unrelated trade or business" determined by applying Section 513(a) of the Code.

The specific undertakings set forth in this Section 2 are for the benefit of NMH and may be waived by NMH under circumstances where any such waiver would not result in any default or noncompliance under the terms of the Bond Documents.

Section 3. Covenants Running with the Land. RYC and NMH hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land as to the real estate described on Exhibit A hereto attached and by reference incorporated herein and shall pass to and be binding upon RYC's successors in title to the Series 1997 Bond Financed Property, provided, however, that on the termination of this Undertaking said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Series 1997 Bond Financed Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

Section 4. Disposition of Fixtures and Equipment/Obsolescence/Substitution. RYC shall be permitted to dispose of any items of the Series 1997 Bond Financed Property which have become obsolete or unusable for RYC's purposes and which have been fully depreciated on the books and records of RYC. RYC shall also have the right to trade in or to sell and substitute for any items of the Series 1997 Bond Financed Property which constitute fixtures or equipment determined to be no longer useful to RYC so long as the property acquired in connection with such trade-in, sale or substitution shall become substituted for the portion of the Series 1997 Bond Financed Property disposed of and subject to the terms of this Undertaking.

Section 5. Burdens and Benefits. RYC and NMH hereby declare their understanding and intent that the burden of the covenants set forth herein touch and concern the land (including buildings and structures) in that RYC's legal interest in the Series 1997 Bond Financed Property is rendered less valuable thereby. RYC and NMH hereby further declare their understanding and intent that the benefit of such covenants touch and concern the land by enhancing and increasing the enjoyment and use of property by RYC and NMH in connection with their respective missions by reducing interest costs related thereto and thus furthering the public purposes for which the Series 1997 Bonds were issued.

Section 6. Enforcement. Upon any default or failure to observe the requirements of this Undertaking, NMH may, at its option, take any one or more of the following steps:

a. by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require RYC to perform and observe its obligations and covenants hereunder or to enjoin any acts or things which may be unlawful or in violation of the rights of NMH hereunder;

b. have access to and inspect, examine and make copies of all of the books and records of RYC pertaining to the Series 1997 Bond Financed Property; and

c. take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of RYC hereunder,

The NIFA and the Trustee shall have such rights with respect to the Series 1997 Bond Financed Property and the enforcement of the limitations and restrictions set forth in the Bond Documents as are provided for in the Bond Documents.

Section 7. Term of Undertaking. This Undertaking shall remain in effect so long as the Bond Documents remain in effect with respect to the Series 1997 Bonds, other than effectiveness with respect to record keeping requirements set forth in Section 4.7 and Article V of the Tax Regulatory Agreement.

Section 8. Recording and Filing. RYC shall cause this Undertaking to be recorded and filed in the real property records of Douglas County, Nebraska. RYC shall pay all fees and charges incurred in connection with any such recording.

Section 9. Governing Law. This Undertaking shall be governed by the laws of the State of Nebraska.

Section 10. Severability/Interpretation and Application. If any provision of this Undertaking shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby. This Undertaking is for purposes of assuring that interest on the Series 1997 Bonds remains Tax-Exempt and shall be interpreted and applied to the fullest extent permitted by law to achieve such result.

Section 11. Multiple Counterparts. This Undertaking may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

IN WITNESS WHEREOF, the parties hereto have executed this Undertaking as of the date first above written.

RICHARD YOUNG CENTER (formerly known as Methodist Richard Young), a Nebraska non-profit corporation

By: [Signature]
Name: SANDRA C. CARSON
Title: PRESIDENT & CEO.


THE NEBRASKA METHODIST HOSPITAL, a Nebraska non-profit corporation

By: [Signature]
Name: JOHN W. FRASER
Title: President and CEO

ACKNOWLEDGEMENT OF RICHARD YOUNG CENTER

STATE OF Nebraska)
COUNTY OF Douglas) ss

The foregoing instrument was acknowledged before me this 3rd day of August, 1999, by Sandra C. Carson, as President / CEO of RICHARD YOUNG CENTER, a Nebraska non-profit corporation, on behalf of the corporation.

 **GENERAL NOTARY**-State of Nebraska
LINDA DAMMANN
My Comm. Exp. 7-18-2002

By: [Signature]
Notary Public, State of Nebraska
My commission expires July 18, 2002

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL A: Sublots 13, 14, and 15, of Lot 6, EXCEPT the Northerly 14 feet thereof, and all of Sublot 22, of Lot 6, all in CAPITOL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with the East Half (E½) of vacated 25th Avenue adjacent to said Sublots 13 and 22 on the West;

58-381 ✓ 23-05660

And,

Lots 16, 17 and 18, in KELLOGG PLACE, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, EXCEPT the Northerly 14 feet of said Lots 16 and 17, and EXCEPT that part of Lot 16 deeded to the City of Omaha.

30-450

16-19380

PARCEL B: Lots 11, 12, 13, 14, 15 and 16, and the North 54.16 feet of Lot 17, in THORNELLS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with the East Half (E½) of the vacated alley adjacent to said Lots 11, 12, 13, 14, 15, 16 and the North 37.16 feet of Lot 17 on the West.

48-409 ✓

16-38420

PARCEL C: The South Half (S½) of Lot 28, all of Lot 33, and all of that part of Lot 34 not taken for St. Mary's Avenue, all in GRIFFIN AND ISAACS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas county, Nebraska, together with the West Half (W½) of the vacated alley adjacent thereto on the East, and together with a 17 foot strip of vacated St. Mary's Avenue adjacent to said Lot 34 on the South.

16-14440

PARCEL D: Lots 32 and 35, in GRIFFIN AND ISAACS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with a strip of land seventeen feet wide adjacent to said Lot 35 on the South, being a part of St. Mary's Avenue vacated, all more particularly described as follows:

16-14440

Commencing at the Northeast corner of Lot 32, in said Griffin and Isaacs Addition; thence West, along the North line of said Lot 32, to the Northwest corner of said Lot 32; thence South, along the East line of the alley, to the North line of St. Mary's Avenue as now located; thence Northeast, along the North line of said St. Mary's Avenue, to the West line of 25th Avenue, said point being immediately South of the place of beginning; thence North, along said West line of 25th Avenue, to the place of beginning;

Together with the East Half (E½) of the vacated alley adjacent thereto on the West.

PARCEL E: Lots 1 through 27, inclusive, the North Half (N½) of Lot 28, and all Lots 29, 30 and 31, in GRIFFIN AND ISAACS ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska;

16-14440

Together with the vacated portion of 25th Avenue adjacent to said Lots 1, 6, 7, 12 and part of Lot 13 on the West, and adjacent to said Lots 2, 5, 8, 11 and part of Lot 14 on the East;

And, together with the vacated alley adjacent to said Lots 2, 5, 8, 11, 14, 17, 20, 23 and 26 on the West, and Lots 3, 4, 9, 10, 15, 16, 21, 22 and 27 on the East;

And, together with the West Half (W½) of the vacated alley adjacent to said North Half of Lot 28 on the East;

And, together with the East Half (E½) of the vacated alley adjacent to said Lot 29 on the West;

And, together with the West Half (W½) of the vacated alley adjacent to said Lots 1, 6, 7, 12, 13, 18 and part of Lot 19 on the East;

And, together with seventeen feet of vacated St. Mary's Avenue adjacent to said Lot 31 on the South;

And, together with the vacated portion of Dewey Avenue adjacent to said property on the North.

PARCEL F: Lots 13 and 14, in CLARKS ADDITION (ST. MARY'S AVENUE), an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, EXCEPT the North 68 feet thereof.

16-06540

PARCEL G: Lots 11 and 12, in CLARKS ADDITION (ST. MARY'S AVENUE), an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska.

16-06540

PARCEL H: The South 52 feet of Lot 1, the North 26 feet and the East 102 feet of the South 40 feet of Lot 2, the East 102 feet of Lot 3 and the East 15 feet of the South 78 feet of the North 92 feet of Lot 4, all in Block 3, in CAPITOL HILL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska.

16-05680

PARCEL I: Lots 22 and 23 and the South Half (S½) of Lot 24, in CLARKES ADDITION (ST. MARY'S AVENUE), an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska.

16-06540

PARCEL J: The South 52 feet of Lot 1 and all of Lots 2 and 3, in Block 4, in CAPITOL HILL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska;

23A-686

And,

17-179✓

16-05680

Lots 1 through 9, inclusive, in SWEETS SUBDIVISION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, together with all of vacated Sweetwood Avenue adjacent to said Lots 1, 2, 3, 4 and 5 on the West and adjacent to said Lots 6, 7, 8 and 9 on the East;

48-39✓

16-37920

And,

The North 96 feet of the West 89 feet of the East 116 feet, and the South 94 feet of the West 80 feet of the East 107 feet of Sublot 12 of Lot 6, in CAPITOL ADDITION, an Addition to the City of Omaha, as surveyed, platted and recorded, in Douglas County, Nebraska, EXCEPT that part of said Sublot 12 taken for Harney Street right-of-way, and TOGETHER WITH the West Half (W½) of vacated 25th Avenue adjacent to said portion of Sublot 12 on the East.

23-05660

EXHIBIT B

The Series 1997 Bond Financed Property as to land, buildings, building improvements, structures and equipment is specifically identified on listings in the books and records of NMH. The following is the summary description which forms a part of Exhibit A to the Tax Regulatory Agreement.

LMC Project			
Refinancing of Series A, B & C mortgage loans, including principal, interest and call premium	5,764,903	12.35	71,196,552
Capital Projects - 1991			
Equipment - Life over 5 years	27,403	0.35	9,591
Capital Projects - 1990			
Buildings and Related Structures	39,740	11.35	451,049
Equipment - Life over 5 years	210,516	3.35	705,229
Equipment - Life 5 years and under	29,989	0.00	0
Capital Projects - 1989			
Land	144,449		
Buildings and Related Structures	96,949	7.35	712,575
Equipment - Life over 5 years	277,777	2.35	652,776
Equipment - Life 5 years and under	183,746	0.00	0
Capital Projects - 1988			
Land	69,807		
Buildings and Related Structures	218,238	3.35	731,097
Equipment - Life over 5 years	170,157	1.35	229,712
Equipment - Life 5 years and under	439,405	0.00	0
Total LMC Project	7,673,079		74,688,581
Avg. Life			9.73