CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

CITY CLERK DEPT.

04 DEC 14 PM 12: 18

DEPARTMENT: Economic Development

AGENDA DATE: December 21, 2004

CONTACT PERSON/PHONE: David G. Dobson, Director 541-4872

DISTRICT(S) AFFECTED: 1

SUBJECT:
APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include $ amount if applicable.

Approve a Tax Abatement Agreement by and between the El Paso Healthcare System LTD, and the City of El Paso with regard to development at 1801 N. Oregon and authorize the Mayor to execute said Agreement.

BACKGROUND / DISCUSSION:
Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

In October of 2003 the City Council authorized and the Mayor executed a Tax Abatement Agreement with El Paso Healthcare Systems, LTD for the provision of a 50% tax abatement in relationship to the expansion of medical facilities at 1801 N. Oregon. It was later determined that mandatory City of El Paso Tax Abatement Guidelines had expired in June of 2003, in the absence of which the previously authorized and executed Tax Abatement Agreement was determined to be technically invalid.

New Interim Tax Abatement Guidelines have been drafted and are proposed for adoption by resolution in advance of City Council consideration of the proposed Agreement, which is the subject of this communication. While the proposed Agreement is being processed under the new Interim Guidelines, the level of abatement is identical (50%) to that which was granted in the October 2003 Agreement. Neither of the parties is advantaged nor disadvantaged by the proposed new agreement, as compared to the previously authorized and executed agreement, so long as it is authorized and executed prior to December 31, 2004.

The Staff recommends that the City Council approve the proposed Tax Abatement Agreement by and between the City of El Paso and El Paso Healthcare Systems, LTD and authorize the Mayor to execute same on behalf of the City.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one?

Yes, in October 2003 as stated above.

AMOUNT AND SOURCE OF FUNDING:
How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

BOARD / COMMISSION ACTION:
Enter appropriate comments or N/A

N/A

********************REQUIRED AUTHORIZATION*********************

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: If RFA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the Mayor be authorized to sign a Tax Abatement Agreement by and between the City of El Paso and El Paso Healthcare Systems, Ltd. which will provide for fifty percent (50%) abatement of the assessed value of the Eligible Real Property it proposes to construct within a designated reinvestment zone and a fifty (50%) percent abatement of the assessed value of the Eligible Personal Property to be installed within a designated reinvestment zone. The term of abatement under this Agreement shall be ten (10) calendar years beginning on January 1 of the year following completion of construction of the Improvements.

ADOPTED this 21st day of December, 2004.

THE CITY OF EL PASO

_____
Joe Wardy
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Jeff McElroy
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
David Dobson, Director
Economic Development

Document #: 7163
Document Name: ECO\10\Reso-Tax Abatement El Paso Healthcare
Document Author: JMCE

TAX ABATEMENT AGREEMENT

STATE OF TEXAS }
} KNOW ALL MEN BY THESE PRESENTS
COUNTY OF EL PASO }

The City of El Paso (the "City") and **El Paso Healthcare System, Ltd.**, doing business as Las Palmas Medical Center, and its assignees (the "Company") have entered into this Agreement (the "Agreement") on the date specified below as follows:

WHEREAS, the Property Redevelopment and Tax Abatement Act, §312.001 et seq., Texas Tax Code, as amended (the "Act"), creates certain areas of the City as reinvestment zones and authorizes the City Council of the City to create a reinvestment zone for commercial-industrial tax abatement purposes;

WHEREAS, the terms defined and as used in the Act shall have the same meaning when used or referred to in this Agreement;

WHEREAS, the City Council of the City did adopt a Resolution on December 21, 2004, entitled "Approving Interim Guidelines and Criteria Governing Tax Abatement Agreementst" (the "Guidelines"), pursuant to the requirements of the Act, and which Resolution is incorporated herein by reference for all applicable purposes;

WHEREAS, the Company has requested that the City enter into a Tax Abatement Agreement with the Company which will provide for fifty (50%) percent abatement of the assessed value of the Eligible Real Property it proposes to construct within a designated reinvestment zone and a fifty (50%) percent abatement of the assessed value of the Eligible Personal Property to be installed within a designated reinvestment zone;

WHEREAS, the City has evaluated the improvements to be constructed, the estimated assessed value of the Eligible Personal Property to be installed, the capital investment and the number of jobs to be retained by the Company and has determined that the Company qualifies for tax abatement as required by the Act;

WHEREAS, the State of Texas has designated area within the City of El Paso as an Enterprise Zone pursuant to Chapter 2303, of Government Code and whereas said Enterprise Zone designation also constitutes designation of the same area as a Reinvestment Zone without further hearing or procedural requirements.

WHEREAS, the Company is the owner, or has a possessory interest in certain taxable real and personal property located in the Zone;

WHEREAS, the City and the Company desire to enter into this Agreement to exempt from taxation a part of the increase in the assessed value of the Eligible Real Property and exempt from taxation a part of the increase in the assessed value of the Eligible Personal Property over its value in the year this Agreement is executed for a term as hereinafter set forth, all pursuant to the following: the Act, Ordinance No. _____, the Guidelines, and the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the City and the Company do agree, stipulate and covenant by and among themselves, as follows:

I. GENERAL TERMS

A. Term. This Agreement is effective upon execution hereof by all parties. The term of abatement under this Agreement shall be ten (10) calendar years beginning on January 1 of the year following completion of construction of the Improvements (as herein defined);

B. Percentage of Abatement. Throughout the abatement term, the City shall abate the Eligible Real and Personal Property Taxes (as provided for in Table I of this Section), as those terms are defined in the Guidelines, assessed against the Eligible Real & Personal Property constructed in the Zone and as the same may be rebuilt or restored after any casualty loss, change, modification or addition thereto in the future. The percentage of abatement for any taxable period shall depend upon the assessed value of the capital expenditures in place and upon the number of full time employees and hourly rate for non-professional positions and salary rate for professional and technical positions, of all jobs existing at the end of such taxable period, as shown in Exhibit D. The Company will be held to the job creation values as provided in section IV (A,B,& C). The parties recognize that, under the current system, a tax bill for the Zone would show taxes payable as net of the abatement. The City makes no assurances, however, that such method of billing will continue in effect during the term of this Agreement. Provided that the Company has complied with this Agreement, the tax abatement shall be applied notwithstanding that the Company may not be the taxpayer. It is specifically agreed and understood that the abatement of such taxes shall be applicable only to the "Eligible" Real and Personal Property constructed within the Zone. Inventory and the land upon which such Eligible Property is situated are specifically excluded from tax abatement under this Agreement.

Table I

Eligible Real Property	**Appropriate Abatement (50%)**
Eligible Personal Property	**Appropriate Abatement (50%)**

C. Abatement Site Description. This Agreement shall be applicable only to the improvements and personal property placed on the property described in Exhibit "E".

D. Compliance with City Ordinances. The Company agrees to limit the use of the property made the subject of this Agreement to uses that conform with all applicable City ordinances including the City's zoning ordinances and Comprehensive Plan and are consistent with the general purpose of encouraging development of the Zone during the term hereof.

II. CONSTRUCTION OF IMPROVEMENTS

A. Improvements. In consideration for the City's agreement to abate taxes as specified herein, the Company agrees to construct improvements as described substantially in Exhibit "A" attached hereto and incorporated herein by reference (the "Improvements") in accordance with the schedule set forth in the same exhibit.

B. Certificate of Completion. Upon completion of construction of the Improvements substantially as described on Exhibit "A" attached hereto, the City shall issue to the Company a written certificate (the "Certificate"), capable of being recorded in the Real Property Records of El Paso County, Texas, wherein the City will certify and acknowledge in form and substance substantially as provided on Exhibit "B" attached hereto and incorporated herein for all purposes: (i) the City's acceptance of such constructed Improvements as being substantially in accordance with Exhibit "A" hereto; and (ii) subject to the Company's continuing compliance thereafter with the remaining terms of this Agreement, the City's acceptance that the Company has qualified for tax abatement hereunder.

C. Failure to Complete Construction. The Company agrees that should it fail to complete the Improvements substantially as described on Exhibit "A" hereto the City may, after giving notice and opportunity to cure as hereinafter set forth, cancel this Agreement and recapture all tax revenue on the property located within the Zone which was lost as a result of this Agreement.

D. Right of Inspection. The Company agrees that the City shall, at reasonable times and upon reasonable notice, and accompanied by a representative of the Company, have access to the Company's facilities located within the Zone and that employees of the City or its duly designated agents shall be able to inspect the property to ensure that the Improvements are being made in accordance with the terms and conditions hereof and the Company has complied with all the terms of this Agreement. The City's inspection constitutes a right, not a duty, to inspect the improvements made to the property.

III. PERSONAL PROPERTY

A. Personal Property. As a condition precedent to tax abatement pursuant to this Agreement, the Company agrees to install in the Zone Eligible Personal Property as described substantially on Exhibit "C."

B. Failure to Locate Eligible Personal Property in the Zone. The Company agrees that should it fail to locate in the Zone Eligible Personal Property as described substantially on Exhibit "C" within the first two (2) years of the term of abatement, the City may reduce the abatement which Company is eligible to receive for Eligible Real Property for the second year to such level of abatement as would otherwise be permitted under the Guidelines, based upon the level of job retention and capital expenditures made by Company as of the end of such second year. Nothing in this paragraph, however, is intended to require Company to make the entire amount of Capital Expenditures for Eligible Real or Personal Property (as provided in Exhibits "A" and "C") projected within this two (2) year period, but simply is intended to require Company to commence the location of such Eligible Personal Property. Company will have until the end of the fifth (5th) year of the term to make the total projected Capital Expenditures.

IV. JOB CREATION

A. Number of Jobs. In order to qualify for abatement of the assessed value of the Eligible Real Property in accordance with Table I above, the Company must create and sustain a minimum of 141 new jobs and retain 834 existing jobs as specified below in **Table II** during the ten (10) years of the term of this Agreement:

Table II

Year	Net New Jobs Created Per Year	Total (End of Year) Required Jobs
1	59-65	893-899
2	21-23	914-922
3	19-21	933-943
4	20-22	953-965
5	22-24	975-989
6-10		975+

B. Failure to Create or Sustain Required Jobs In the event the Company should fail to create and sustain the level of jobs specified above during each applicable calendar year of the initial term of this agreement, the City may reduce the abatement which Company is eligible to receive for such year to such level of abatement as would otherwise be permitted under the Guidelines for the level of jobs actually created.

C. Job Standards. All jobs created or retained pursuant to this Agreement must be full-time jobs (35 hours per week or more), sustained by the Company, and be eligible to receive benefits as described in Exhibit "D" attached hereto and incorporated herein by reference. Contract, and seasonal positions shall not be counted. Salary ranges for the jobs shall be as stated on Exhibit "D."

D. El Paso Work Force. Recognizing that the City has entered into this Agreement in an effort to stimulate the local economy and to create and retain jobs for citizens of El Paso Community, the Company covenants and agrees that every reasonable effort will be made to hire qualified residents of El Paso County. In addition, of the Company's newly created jobs, 7% of those jobs shall be filled by unemployed residents of El Paso County. For purposes of this provision, "unemployed" shall mean "totally unemployed" or "partially unemployed" as those terms are utilized in Section 201.091, Texas Labor Code.

E. Reporting. At least quarterly, the Company shall provide data to the City's Director of Economic Development (the "Director") to document the level of jobs created and sustained by the Company during the reporting period. By execution hereof, the Company covenants and agrees that it will provide the Director with such documentation reasonably necessary in order to verify the figures provided and to calculate the appropriate level of abatement during the term of this Agreement. It shall be deemed an event of default for the Company to fail to provide quarterly reports in a timely manner or to respond to the Director's reasonable requests for additional information. The first quarterly report must be filed by the Company within three months after completion of the Improvements, and shall continue regularly every three months thereafter during the term of this Agreement.

F. Vocational Training. The Company will make reasonable efforts to work with the El Paso Independent School District to create part-time vocational positions. In addition, the Company will make reasonable efforts to utilize the El Paso Community College's vocational training program to meet the Company's employment demands.

G. Local Administration. The Company shall be responsible for notifying the El Paso Central Appraisal District (the "C.A.D.") of the existence of this Agreement and for scheduling the appropriate meetings with the C.A.D. each year after receiving the annual notice of assessment. The City shall cooperate with the Company and the C.A.D. in establishing the appropriate level of abatement.

V. RECAPTURE

A. Cessation of Operations. In the event that the Improvements are completed and the Company conducts its operations as contemplated herein, but subsequently discontinues its operations for any reason (excepting fire, explosion or other casualty, accident or natural disaster) for a period of one year during the abatement period, such continued cessation for a period of one year shall be deemed a "Discontinuation Event." If a Discontinuation Event occurs, then this Agreement shall terminate and so shall the abatement of the taxes for the calendar year during which the Discontinuation Event occurs. The taxes otherwise abated for the calendar year in which the Discontinuation Event occurs shall be paid to the City within sixty (60) days from the date of termination according to the following table:

PERIOD DURING WHICH DISCONTINUATION EVENT OCCURS	TOTAL TAXES PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
Years 1-5	**100 %**
Year 6	**80%**
Year 7	**60%**
Year 8	**40%**
Year 9	**20%**
Year 10	**0%**

B. Default. Should the Company default (for any reason except a failure to retain the number of jobs specified in Section IV. A or the failure to make the required capital expenditures) according to the terms and conditions of any provision of this Agreement, the City shall notify the Company in writing at the address stated in this Agreement, and if the default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then this Agreement may be terminated. This Article V is not intended to apply to the instance where the Company has failed to maintain the level of jobs or the capital investment specified in Section IV.A of this Agreement during a calendar year. In such instance, the abatement for the year in which corresponding job levels were not reached shall be adjusted as provided herein. Eligibility for future abatement shall be retained.

C. Payment of Taxes. In the event that the ad valorem taxes for the Zone become delinquent beyond all notice and cure periods and without timely and proper legal protest or contest, then this Agreement may be terminated and the City may recover from the taxpayer all taxes previously abated by virtue of this Agreement, which shall be paid within sixty (60) days of termination.

D. Relocation. In the event that the Company, during the term of abatement under this Agreement relocates its operations of the Improvements to a location outside of the designated reinvestment zone, the City shall have the right to recapture a percentage of abated taxes based on the following table:

PERIOD DURING WHICH RELOCATION OCCURS	TOTAL TAXES PREVIOUSLY ABATED SHALL BE MULTIPLIED BY:
Years 1-5	**100 %**
Year 6	**80%**
Year 7	**60%**
Year 8	**40%**
Year 9	**20%**
Year 10	**0%**

FORMULA: The Relocation Formula Shall Be:

Total Taxes Abated	X	Applicable Percentage	=	Amount to be Recaptured in Each Abatement Period from above Table

The City shall be informed as to the nature and change of address of any main office or the physical facilities made the subject of this Agreement.

VI. REMEDIES

This Agreement sets forth the exclusive remedies available to the City for any defaults by the Company or any failure by the Company to otherwise perform its obligations pursuant to this Agreement.

VII. MISCELLANEOUS

A. Restatement. The determinations recited and declared in the preamble to this Agreement are hereby restated, repeated and incorporated herein as part of this Agreement.

B. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their representatives, successors and assigns.

C. Assignability. The City agrees that this Agreement may be assigned without the necessity of any further consent by the City, as provided in this subsection, by the Company to any Affiliate of the Company; provided, however, that notice of such assignment shall be given to the City within 45 days of the effective date of the assignment. As used herein, an "Affiliate" of the Company shall mean any partnership, corporation, trust or other entity controlling, controlled by, or under common control with the Company. The term "control" shall mean the ownership directly or indirectly of fifty-one percent (51%) or more of the beneficial interest of any partnership, corporation, trust or other entity. Subject to the foregoing, the Company agrees that this Agreement may not be assigned without first obtaining the prior written consent of the City which shall not be unreasonably withheld. Any attempt to assign this Agreement other than to an Affiliate as specifically allowed herein without the prior written consent of the City shall be void and shall constitute an event of default hereunder.

D. Modifications. At any time before the expiration of the term hereof, this Agreement may be modified by the mutual action of the parties hereto. Such modification must be in writing and signed by all parties hereto and made by the same procedure by which this Agreement was approved and executed. In no event may this Agreement be modified so as to extend the term of tax abatement beyond ten (10) years from the effective date tax abatement commences hereunder.

E. Applicable Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the laws of the State of Texas.

F. Addresses For Notice. Notices required by this Agreement shall be deemed to have been sufficiently given when sent by certified mail, postage prepaid, return receipt requested to the address specified below or at such other address as may be designated in writing by the parties:

CITY:	City Manager City of El Paso 2 Civic Center Plaza El Paso, Texas 79901-1196
WITH COPY TO:	City Attorney City of El Paso 2 Civic Center Plaza El Paso, Texas 79901-1196

WITH COPY TO:	Economic Development Director City of El Paso 2 Civic Center Plaza El Paso, Texas 79901-1196
COMPANY:	Chief Operating Officer El Paso Healthcare System, Ltd. D.B.A- Las Palmas Medical Center 1801 N. Oregon El Paso, Texas 79902

G. Severability. In the event that any provision of this Agreement is subsequently determined to be unenforceable for any reason, the remaining provisions shall not in any way be affected or impaired; provided, however, that if for any reason, other than the Company's continued default under this Agreement beyond all applicable notice and cure periods, the City is unable or unwilling to provide in full the tax abatement called for under this Agreement, then the Company shall be released from all of its liabilities and obligations under this Agreement.

H. Prior Agreements Superseded. This Agreement contains and constitutes the entire agreement between the parties hereto and supersedes any and all prior understandings and agreements, whether written or oral, between the parties hereto relating to the subject matter hereof.

I. Effective Date. This Agreement shall be effective immediately upon execution hereof, but eligibility for abatement of taxes shall only commence upon completion of the Improvements as specified in Section I.A. hereof. Moreover, the Company agrees to file reports required hereunder through the end of the term and for a period of eighteen (18) months following the expiration of the tax abatements.

(SIGNATURES ON FOLLOWING PAGE)

(SIGNATURES ON FOLLOWING PAGE)

EXECUTED this 21st day of December 2004.

THE CITY OF EL PASO

Joe Wardy
Mayor

ATTEST:

Richarda Momsen Duffy
City Clerk

APPROVED AS TO FORM:

Assistant City Attorney

APPROVED AS TO CONTENT:

David G. Dobson, Director
Economic Development Department

COMPANY:

El Paso Healthcare System, Ltd.
D.B.A- Las Palmas Medical Center

By: Don Karl

Title: Chief Operating Officer

Exhibit "A"

SUMMARY OF IMPROVEMENTS

Phase I of this project includes the construction of a two story building on the Las Palmas Medical Center campus as well as some renovation in the existing facility. The new building will be approximately 80,000 square feet. The most significant aspect of this project includes the construction of a new Emergency Room which will be seven times larger than the existing Emergency Room. The project will also expand our ICU capacity from 11 beds to 24 beds. These increased capacities will cut down on the waiting times for our patients and the number of instances in which we place our Emergency Room on diversion to EMS due to the lack of bed space.

The existing Emergency Room will be converted into two "state of the art" classrooms/community meeting rooms. The medical records department, currently occupying two locations within the hospital will be combined into one space. Admitting's waiting area will be doubled in size. The Chapel will be doubled in size and the Gift Shop relocated and expanded. The Recovery Room will be expanded from 10 beds to 14 beds.

Exhibit "A2"

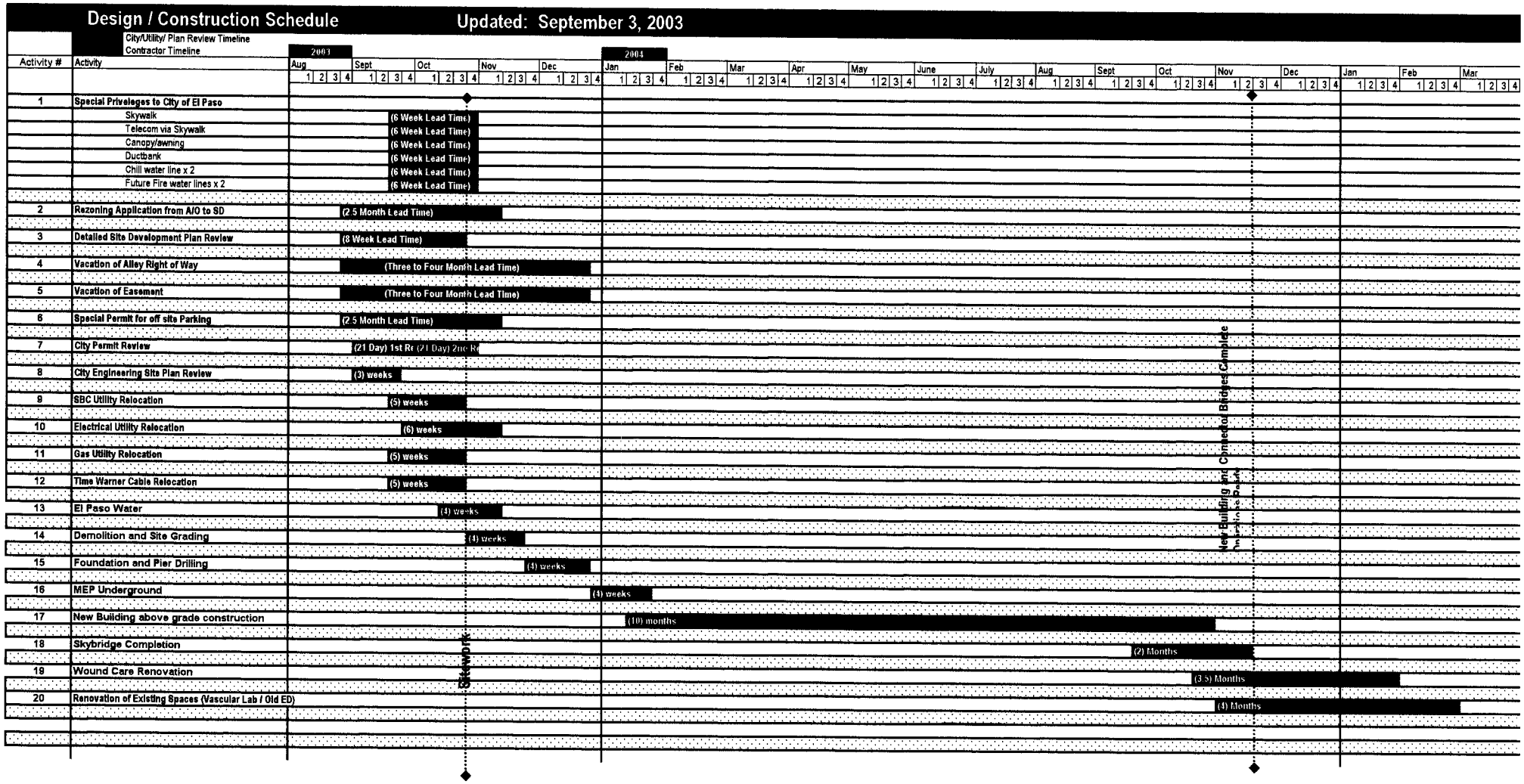
Design / Construction Schedule
Updated: September 3, 2003
City/Utility/ Plan Review Timeline
Contractor Timeline
2003
2004
Aug Sept Oct Nov Dec Jan Feb Mar Apr May June July Aug Sept Oct Nov Dec Jan Feb Mar
Activity #
Activity
1 Special Priveleges to City of El Paso
Skywalk (6 Week Lead Time)
Telecom via Skywalk (6 Week Lead Time)
Canopy/awning (6 Week Lead Time)
Ductbank (6 Week Lead Time)
Chill water line x 2 (6 Week Lead Time)
Future Fire water lines x 2 (6 Week Lead Time)
2 Rezoning Application from A/O to SD (2.5 Month Lead Time)
3 Detailed Site Development Plan Review (8 Week Lead Time)
4 Vacation of Alley Right of Way (Three to Four Month Lead Time)
5 Vacation of Easement (Three to Four Month Lead Time)
6 Special Permit for off site Parking (2.5 Month Lead Time)
7 City Permit Review (21 Day) 1st Rt (21 Day) 2nd Rt
8 City Engineering Site Plan Review (3) weeks
9 SBC Utility Relocation (5) weeks
10 Electrical Utility Relocation (6) weeks
11 Gas Utility Relocation (5) weeks
12 Time Warner Cable Relocation (5) weeks
13 El Paso Water (4) weeks
14 Demolition and Site Grading (4) weeks
15 Foundation and Pier Drilling (4) weeks
16 MEP Underground (4) weeks
17 New Building above grade construction (10) months
18 Skybridge Completion (2) Months
19 Wound Care Renovation (3.5) Months
20 Renovation of Existing Spaces (Vascular Lab / Old ED) (4) Months
Sitework
New Building and Connector Bridge Complete

EXHIBIT "B"

CERTIFICATE OF COMPLETED CONSTRUCTION
FOR PURPOSES OF TAX ABATEMENT

(To be issued after completion of Construction)

WHEREAS, the State of Texas has designated area within the City of El Paso as an Enterprise Zone pursuant to Chapter 2303, of Government Code and whereas said Enterprise Zone designation also constitutes designation of the same area as a Reinvestment Zone without further hearing or procedural requirements.

WHEREAS, Las Palmas Medical Center (the "Company") is the owner or has a possessory interest in certain taxable improvements to real property located in the Zone,

NOW, THEREFORE, the City of El Paso does hereby certify and acknowledge that:

1. The Company attests the improvements constructed upon the property as substantially in accordance with those improvements required under the terms and provisions of the Tax Abatement Agreement between the City and the Company. Accepting such representation, there are no further improvements to the property necessary for the Company to qualify for tax abatements under the Agreement. In the event that the facts of said improvements have been misrepresented, the City reserves the right to revoke this certificate.

2. Subject to the Company's hereafter continuing compliance with the terms and provisions of the Agreement, the City does hereby accept and approve the Company as qualifying for tax abatement under, and pursuant to the Agreement.

Executed this _____ day of _____ 2004.

_____

David G. Dobson, Director
Economic Development Department
City of El Paso

EXHIBIT "C"

PERSONAL PROPERTY DESCRIPTION

The personal property equipment budget for this project is $8,703,230. The actual value of the personal property purchased and installed may be higher or lower than this budget amount. The major components of the personal property budget include the following:

Equipment/Item	Budgeted Purchase Amount
Information Systems/Phones	$1,534,135
Imaging Equipment	$1,629,359
Emergency Room Equipment	$2,040,399
ICU Equipment	$2,379,604
Respiratory Care Equipment	$588,508
Business Office/Registration Equipment	$28,053
Engineered Systems/Miscellaneous	$503,172
TOTAL	**$8,703,230**

Exhibit "D"

Las Palmas and Del Sol Regional Healthcare System

September 2003

Category	Base Hourly Min	Base Hourly Max
RN	20.82	34.05
Technical Staff	11.50	22.96
Clerical Staff	6.42	13.23

2003 MEDICAL BENEFIT (Employee bi-weekly payroll deduction in box)

		FULL TIME			
		EE	***EE+1***	***EE+2***	***EE+3+***
FULL PREMIUM	BASE PLAN	$167.85	$335.70	$419.63	$503.55
	MED RIDER	$8.00	$16.00	$20.00	$24.00
HOSP. PREMIUM	BASE PLAN	$151.91	$277.07	$346.36	$415.62
	MED RIDER	$0.00	$0.00	$0.00	$0.00
EE PREMIUM	**BASE PLAN**	**$15.94**	**$58.63**	**$73.27**	**$87.93**
	MED RIDER	**$8.00**	**$16.00**	**$20.00**	**$24.00**
HOSP %	BASE PLAN	91%	83%	83%	83%
	MED RIDER	0%	0%	0%	0%
EE %	BASE PLAN	9%	17%	17%	17%
	MED RIDER	100%	100%	100%	100%
		100%	100%	100%	100%

		PART TIME			
		EE	***EE+1***	***EE+2***	***EE+3+***
FULL PREMIUM	BASE PLAN	$167.85	$335.70	$419.63	$503.55
	MED RIDER	$8.00	$16.00	$20.00	$24.00
HOSP. PREMIUM	BASE PLAN	$113.50	$217.75	$272.19	$327.35
	MED RIDER	0	0	0	0
EE PREMIUM	**BASE PLAN**	**$54.35**	**$117.95**	**$147.44**	**$176.92**
	MED RIDER	**$8.00**	**$16.00**	**$20.00**	**$24.00**
HOSP %	BASE PLAN	68%	65%	65%	65%
	MED RIDER	0%	0%	0%	0%
EE %	BASE PLAN	32%	35%	35%	35%
	MED RIDER	100%	100%	100%	100%
		100%	100%	100%	100%

2003 DENTAL BENEFIT (Employee bi-weekly payroll deduction in box)

FULL TIME

		EE	EE+1	EE+2	EE+3+
FULL PREMIUM	METLIFE	7.46	14.92	20.89	26.86
	CIGNA	5.50	10.58	15.04	17.60
	ADP	5.00	9.33	11.29	12.56
HOSP. PREMIUM	METLIFE	1.48	2.42	3.05	3.65
	CIGNA	1.37	2.25	2.83	3.39
	ADP	1.50	2.07	2.23	1.68
EE PREMIUM	**METLIFE**	**5.98**	**12.5**	**17.84**	**23.21**
	CIGNA	**4.13**	**8.33**	**12.21**	**14.21**
	ADP	**3.50**	**7.26**	**9.06**	**10.88**
HOSP %	METLIFE	20%	16%	15%	14%
	CIGNA	25%	21%	19%	19%
	ADP	30%	22%	20%	13%
EE %	METLIFE	80%	84%	85%	86%
	CIGNA	75%	79%	81%	81%
	ADP	70%	78%	80%	87%

PART TIME

		EE	EE+1	EE+2	EE+3+
FULL PREMIUM	METLIFE	7.46	14.92	20.89	26.86
	CIGNA	5.50	10.58	15.04	17.60
	ADP	5.00	9.33	11.29	12.56
HOSP. PREMIUM	METLIFE	0.99	1.97	2.44	2.94
	CIGNA	0.92	1.83	2.27	2.73
	ADP	1.01	1.62	1.64	0.99
EE PREMIUM	**METLIFE**	**6.47**	**12.95**	**18.45**	**23.92**
	CIGNA	**4.58**	**8.75**	**12.77**	**14.87**
	ADP	**3.99**	**7.71**	**9.65**	**11.57**
HOSP %	METLIFE	13%	13%	12%	11%
	CIGNA	17%	17%	15%	16%
	ADP	20%	17%	15%	8%
EE %	METLIFE	87%	87%	88%	89%
	CIGNA	83%	83%	85%	84%
	ADP	80%	83%	85%	92%

2003 PRESCRIPTION BENEFIT (Employee bi-weekly payroll deduction in box)

FULL TIME

		EE	EE+1	EE+2	EE+3+
FULL PREMIUM	BASE PLAN				
	RX RIDER	$7.00	$14.00	$18.00	$21.00

EE PREMIUM	BASE PLAN				
	RX RIDER	$7.00	$14.00	$18.00	$21.00

PART TIME

		EE	EE+1	EE+2	EE+3+
FULL PREMIUM	BASE PLAN				
	RX RIDER	$7.00	$14.00	$18.00	$21.00

EE PREMIUM	BASE PLAN				
	RX RIDER	$7.00	$14.00	$18.00	$21.00

LAS PALMAS DEL SOL REGIONAL HEALTHCARE SYSTEM
BENEFIT OVERVIEW 2003

IMPORTANT NOTE: DEFAULT COVERAGE TO EMPLOYEE ONLY - LEAST EXPENSIVE MEDICAL OPTION - IS AUTOMATICALLY ASSIGNED IF NO ACTION IS TAKEN TO ENROLL OR DECLINE COVERAGE.

IMPORTANT NOTE: This summary was developed to provide highlights of LifeTimes Benefit Choices and the LifeTimes Savings & Retirement Program sponsored by HCA. It is not intended to include all of the benefit plan details. Please refer to the summary plan descriptions for LifeTimes Benefit Choices and the LifeTimes Savings & Retirement Program for more information about the plans. If there is a discrepancy between this information and the summary plan descriptions and/or official plan documents, the official plan documents will govern. This summary does not constitute a contract or offer of employment between the recipient or the company.

TYPE OF PLAN	*DESCRIPTION*	*ELIGIBILITY/ ENROLLMENT*	*COST/Other*	*VENDOR*	*Provider Network*
Medical *default	**Smart Care Base Plan**	**31st day of employment**	**Varies by status (FT, PT) and selections**	**First Health 1-800-766-6824**	**First Health 1-800-766-6824**
Short-Term Medical	**Temporary Medical Coverage**	**1st 90 days of employment**	**Varies by selection**	**Pancoast & Associates Member Services 1-800-237-3643**	
Dental	**MetLife**	**31st day of employment**	**Varies by status (FT, PT) and selections**	**MetLife Member Services: 1-877-638-4422**	**PPO – reduced benefit for out-of-network dentists**
Dental	**CIGNA DMO**	**31st day of employment**	**Varies by status (FT,PT) and selections**	**CIGNA Dental lCare Member Services 1-800-367-1037**	**DHMO – restricted to participating dentists**
Dental	**ADP/Comp Dent**	**31st day of employment**	**Varies by status (FT, PT) and selections**	**ADP 1-800-342-5209**	**Restricted dentist network**
Drug	**Express Scripts**	**Eligibility same as medical plan**	**Prescription Benefit with Smart Care Base Plan** **Additional prescription benefit through Prescription Rider**	**Express Scripts Member Services 1-800-969-4843**	**Participating Network pharmacy including Walgreens**
Behavioral	**Mental Health**	**Eligibility same as medical**	**Same as Medical**	**Value Options Member Services 1-800-434-5100**	**Contact Value Options Member Services 1-800-434-5100**
FSA	**Flexible Spending Account**	**Eligibility same as Medical**	**Estimated unreimbursed expenses for daycare, vision, medical** ***USE OR LOSE**	**Nashville, TN Member Services 1-888-361-9559**	
Savings & Retirement Plan	**401(k) The HCA Retirement Plan**	**Eligibility to participate same as health plans**	**Voluntary salary deferral up to 50% of salary (capped at $12,000)**	**HCA**	**Contact LifeTimes @ 1-800-566-4114 with your PIN or password.**
LTD	**Long Term Disability**	**Eligibility same as medical*** ***Evidence of insurability may be required.**	**Varies by salary and age**	**Unum Provident 1-877-286-2389**	
LIFE	**Employee and Dependent AD & D Living Benefit DESCRIPTION**	**Same as Medical *Evidence of Insurability may be required. ELIGIBILITY**	**Varies by salary , age and selection 1X annual @ no cost COST**	**Unum Provident 1-877-286-2389** **VENDOR**	
Long Term Care	**Nursing Home, Hospice**	**Elderly parents can apply.**	**Varies by selections.**	**CorePlus 1-877-650-4251**	
CorePlus Customized Voluntary Benefits	**Designed to complement and supplement the core benefits package: life insurance, STD, legal, vision care, long term care**	**Open enrollment coordinated by CorePlus**	**Pricing structure based on benefit choices – payroll deduction and guaranteed issue**	**CorePlus 1-877-650-4251**	**Identified based on benefit choice**

Adoption Assistance	**Up to $4,000 year assistance with adoption expenses**			**Betty Burke (Corporate) 1-615-344-2520**	
ConSern Program	**Student Loans (Employee)**	**Application Process**	**Pricing structure for repayment of loans**	**1-800-767-5626**	
Foundation Scholarship Program	**Student Scholarships (Employee Dependents)**	**Application Process**		**Sally Krauss (Corporate) 1-615-344-9551**	**Contact through facility HR first.**

IMPORTANT NOTE: DEFAULT TO EMPLOYEE ONLY COVERAGE – LEAST EXPENSIVE MEDICAL OPTION – IS AUTOMATICALLY ASSIGNED IF ACTION IS NOT TAKEN TO EITHER ENROLL OR DECLINE COVERAGE..

OTHER BENEFITS

VENDOR DISCOUNT PROGRAM	Area vendor discounts for HCA employees only	All LPDS employees eligible	Free Discount Card valid with participating vendors
EMPLOYEE ASSISTANCE PROGRAM	Counselling, discount for Legal fees, financial advice	All LPDS employees eligible	First 5 EAP visits free Magellan 1-800-424-1849
PAID TIME OFF	PTO	Full-Time Regular Part-Time Regular	Accruals earned bi-weekly based on longevity and employment status
EXTENDED ILLNESS BANK	EIB	Full-Time	1st 2 days PTO except for hospitalization
EMPLOYEE HCA STOCK PURCHASE PLAN	ESPP	Must be employed for 2 consecutive months	Voluntary contributions 1%-10% up to $21,250 annually ComputerShare 1-866-571-2093 or www.computershare.com/employee/us
EMPLOYEE HEALTH AND SAFETY PROGRAM	EHSP	All employees	Incident Report Hot Line: 543-2871
TUITION ASSISTANCE	Educational Assistance	Full-Time, PT Regular	Prior approvals required.

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EXHIBIT "E"

METES AND BOUNDS DESCRIPTION FOR LAS PALMAS MEDICAL CENTER ADDITION

NOTE: Metes and bounds description is referenced from a o boundary and topographic survey produced by SLI Engineering, Inc., dated May 5, 2003.

PARCEL 1

Property Description: All of Lots 6 through 15, Block 91, a portion of a 16-foot alley and a portion of Hague Street Right-Of-Way, Alexander Addition, El Paso, El Paso County, Texas, and is more particularly Commencing at an existing city monument lying on the intersection of the monument lines of Hague Street and described by the metes and bounds as follows: Kansas Street, said lines being 10-feet north and 10-feet east from their respective centerlines; **THENCE**, South 52' 23' 00" West, along the monument line of Hague Street, a distance of 705.00 feet to a point; **THENCE**, South 37' 37' 00" East, a distance of 35.00 feet to a set chiseled "X", said point lying on the northeast corner of a 10-foot portion of Hague Street Right-Of-Way vacated by Ordinance Number 9049, said point being the TRUE POINT OF BEGINNING of this description; **THENCE**, South 37' 37' 00" East, along said portion of Hague Street and the westerly Right-Of-Way line of Mesa Street, a distance of 140.00 feet to a found chiseled "X", said point lying on the common boundary line between Lots 5 and 6, Block 91, Alexander Addition; **THENCE,** South 52' 23' 00" West, along said boundary line, a distance of 260.00 feet to a set "X" on top of wall, said point lying on the easterly right-of-way line of Oregon Street; **THENCE**, North 37' 37' 00" West, along said Right-Of-Way line, a distance of 130.00 feet to a set chiseled "X" on concrete sidewalk, said point lying on the southerly Right-Of-Way of Hague Street; **THENCE**, North 52' 23' 00" East, along said Right-Of-Way line, a distance of 38.00 feet to a set chiseled "X" on concrete sidewalk, said point lying on the westerly boundary line of a 10-foot portion of Hague Street; **THENCE**, North 37' 37' 00" West, along said Right-Of-Way boundary line, a distance of 10.00 feet to a set chiseled "X" on concrete sidewalk, said point lying on the northerly boundary line of said 10-foot portion of Hague Street; **THENCE**, North 52' 23' 00" East, along said boundary line, a distance of 22.00 feet to the TRUE POINT OF BEGINNING of this description. Said parcel of land contains 0.804 acres (35,020 sq. ft.) of land more or less.

METES AND BOUNDS DESCRPTION
PARCEL 2

Property Description: All of Lots 1 through 5, Block 91, Alexander Addition, El Paso, El Paso County, Texas

The parcel of land herein described is all of Lots 1 through 5, Block 91, Alexander Addition, El Paso, El Paso County, Texas, and is more particularly described by metes and bounds as follows: Commencing at an existing city monument lying on the intersection of the monument lines of Hague Street and Kansas Street, said lines being 10-feet north and 10-feet east from their respective centerlines; **THENCE,** South 52' 23' 00" West, along the monument line of Hague Street, a distance of 705.00 feet to a point; **THENCE**, South 37' 37' 00" East, a 10-foot portion of Hague Street Right-Of-Way vacated by Ordinance Number 9049; **THENCE,** South 37' 37' 00" East, distance of 35.00 feet to a set chiseled "X", said point lying on the northeast cornor of a along said portion of Hague Street and the westerly Right-Of-Way line of Mesa Street, a distance of 140.00 feet to a found chiseled "X", said point lying on the common boundary line between Lots 5 and 6, Block 91, Alexander Addition and also being the **TRUE POINT OF BEGINNING** of this description; **THENCE**, South 37' 37' 00" East, continuing along said westerly Right-Of-Way line of Mesa Street, a distance of 130.00 feet to a set nail, said point lying on the northerly Right-Of-Way line of Rim road; **THENCE**, South 52' 23' 00" West, along said Right-Of-Way line, a distance of 122.00 feet to a set 5/8-inch iron with SLI cap, said point lying on the easterly Right-Of-Way line of a 16-foot alley; **THENCE**, North 37' 37' 00" West, along said Right-Of-Way line, a distance of 130.00 feet to a set chiseled "X" on top of a wall, said point lying on the common boundary line between Lots 5 and 6, Block 91, Alexander Addition; **THENCE**, North 52' 23' 00" East, along said boundary line, a distance of 122.00 feet to the **TRUE POINT OF BEGINNING** of this description. Said Parcel of land contains 0.0364 acres (1586 sq. ft.) of land more or less.

METES AND BOUNDS DESCRIPTION
PARCEL 3

Property Description: All of Lot 10 and a portion of Lot 9, Block 77, Alexander Addition, El Paso, El Paso County, Texas

The parcel of land herein described is all of Lot 10 and a portion of Lot 9, Block 77, Alexander Addition, El Paso, El Paso County, Texas, and is more particularly described by metes and bounds as follows: Commencing at an existing city monument lying on the intersection of the monument lines of Hague Street and Kansas Street, said lines being 10-feet north and 10-feet east from their respective centerlines; **THENCE,** South 52' 23' 00" West, along the monument line of Hague Street, a distance of 670.00 feet to a point lying on the intersection of the monument line of Hague Street and the centerline of Mesa Street; **THENCE,** South 37' 37' 00" East, along said centerline distance of 375.00 feet to a point; **THENCE**, South 52' 23' 00" West, a distance of 35.00 feet to a set chiseled "X" lying on the intersection of the northerly Right-Of-Way line of Rim Road and the westerly Right-Of-Way line of Mesa Street said point being the **TRUE POINT OF BEGINNING** of this description; **THENCE**, South 37' 37' 00" East, along westerly Right-Of-Way line of Mesa Street, a distance of 50.00 feet to a set chiseled "X"; **THENCE**, South 52' 23' 00" West, a distance of 122.00 feet to a set 5/8-inch iron with SLI cap, said point lying on the easterly Right-Of-Way line of a 16-foot alley; **THEN**
CE, North 37' 37' 00" West, along said Right-Of-Way line, a distance of 50.00 feet to a set 5/8-inch iron with SLI cap, said point lying on the southerly Right-Of-Way line of Rim Road; **THENCE**, North 52' 23' 00" East, along said Right-Of-Way line, a distance of 122.00 feet to the **TRUE POINT OF BEGINNING** of this description. Said parcel of land contains 0.140 acres (6,100 sq. ft.) of land more or less.