

SILICON VALLEY SURGERY CENTER, L.P. (SVSCLP)

Surgery Center 14601 S. Bascom Avenue, Suite 100, Los Gatos, CA 95032 (408) 402-0663 FAX (408) 402-0763

BASCOM SURGERY CENTER, L.P. (BSCLP)

Surgery Center 3803 South Bascom Avenue, Suite 106 ♦ Campbell, California 95008 ♦ (408) 369-9535 ♦ FAX (408) 369-9106

SVSCLP & BSCLP Business Office 3190 S. Bascom Avenue, Suite 140, San Jose, CA 95124 (408) 879-1820 FAX (408) 626-1814

Employee Benefits Summary

The following is a summary of the benefit programs at Silicon Valley Surgery Center, L.P. (SVSCLP) and Bascom Surgery Center, L.P. (BSCLP), referred to as "the Centers" in this summary. Complete details of all benefit plans are provided in individual plan summaries and official plan documents. Please review the benefit plan summaries and official plan documents and contact Human Resources for specific information.

Benefit Plans and Programs

Employees are eligible on the 1st day of the month following 30 calendar days from date of hire in which to enroll in the various benefit plans. All employees appointed a status of 24 hours per week or more, their spouse or state-registered domestic partner, and unmarried dependents under the age of 19 (or full-time students age 19 up to age 25) are eligible to participate in this plan. All employee contributions toward Medical, Dental and Vision benefits are paid by the employee with pre-tax dollars through payroll deductions. (State-registered Domestic Partner elections will be subject to imputed tax fees.)

The health benefit plan year for the Centers begins on July 1, 2006 and ends on June 30, 2007.

Medical

Three medical plans are offered: Kaiser Permanente HMO / Blue Cross of CA HMO / Blue Cross PPO.

The Centers contribute toward the premium cost and eligible employees are required to pay a contribution toward the cost of coverage.

Dental

SVSCLP provides dental benefits with Aetna Dental Freedom-of-Choice.

The Centers contribute toward the premium cost and eligible employees are required to pay a contribution toward the cost of coverage.

Vision

A vision plan is provided through VSP (Vision Service Plan).

This benefit is paid for by the Centers for the employee and all eligible dependents.

FlexCash

FlexCash is an optional benefit plan, which allows eligible employees to waive the Centers medical, dental and vision coverage, and receive cash in lieu of these benefits. (Proof of other coverage must be provided.) The current reimbursement is \$100 per pay period.

Flexible Spending Accounts

Health Care Reimbursement

The Centers offer a FSA through Wells Fargo Flex Benefit Services. This plan allows the employee to pay for eligible medical expenses with pre-tax dollars. You may elect to defer up to \$4,000 per year. This is a "Use it-or-Lose it" benefit.

Dependent Care Reimbursement

The Centers offer this benefit through Wells Fargo Flex Benefit Services. This plan allows the employee to pay for eligible dependent care expenses with pre-tax dollars. You may elect to defer up to the IRS maximum of \$5,000 per year. Remember this is also a "Use it-or-Lose it Benefit."

SILICON VALLEY SURGERY CENTER, L.P. (SVSCLP)

Surgery Center 14601 S. Bascom Avenue, Suite 100, Los Gatos, CA 95032 (408) 402-0663 FAX (408) 402-0763

BASCOM SURGERY CENTER, L.P. (BSCLP)

Surgery Center 3803 South Bascom Avenue, Suite 106 ♦ Campbell, California 95008 ♦ (408) 369-9535 ♦ FAX (408) 369-9106

SVSCLP & BSCLP Business Office 3190 S. Bascom Avenue, Suite 140, San Jose, CA 95124 (408) 879-1820 FAX (408) 626-1814

401K Savings Plan

The Centers offer a 401(k) defined contribution plan to provide a savings vehicle for retirement. Your actual retirement benefit will depend on the amount of your account balance at the time of your retirement. All full-time and part-time status employees who have completed three months of employment with BSCLP or SVSCLP are eligible to enroll in the plan. An employee can choose to save any portion of their wages, not to exceed the IRS limit for 2006 which is \$15,000. If an employee is over age 50, the 2006 Catch-Up Contribution Limit is an additional \$5000. Employees who participate in the program will receive a generous employer match. The employer match is funded after the end of each plan year and vests over 5 years (at 20% vesting per year). An employee must be employed on December 31 of each calendar year in order to receive the match. The employer match is provided each year at the discretion of the company, it is not a requirement of the plan or the IRS and is subject to change at any time.

Paid Time Off (PTO)

The Centers grant Paid Time Off (PTO) to eligible employees for any reason (e.g. holidays, vacation, illness, medical appointments, bereavement, personal business). Employees appointed a part-time status of 24 hours per week or more will accrue PTO on a pro-rated basis according to the number of hours worked each pay period.

- ❖ Full time non-exempt (hourly) employees accrue PTO at the rate of 8.93 hours per pay period (which translates into 29 days of PTO per year), assuming the employee works a full 80 hours per pay period. As stated above, PTO is pro-rated for employees who work less than full time according to the amount of hours worked and PTO hours paid during any given pay period. When the employee has attained 2 years of service, the annual PTO accrual increases an additional 5 days. In summary:

Years of Service	1-2 years	3 or more years
PTO Accrual	29 days	34 days

- ❖ Full-time exempt (salaried) employees accrue PTO at the rate of 10.15 hours per pay period (which translates into 33 days of PTO per year). PTO is pro-rated for employees who work less than full time. When the employee has attained 2 years of service, the annual PTO accrual increases an additional 5.78 days. In summary:

Years of Service	1-2 years	3 or more years
PTO Accrual	33 days	38.78 days

For both exempt and non-exempt employees, the maximum PTO hours an employee can carry at any one time is 360 hours. An employee stops accruing PTO once the employee reaches the maximum of 360 hours. An employee begins accruing PTO again once the PTO balance drops below 360 hours.

Holidays

The Centers are closed for the following 6 holidays each year. Employees will be paid for these holidays from their PTO account.

• New Year's Day	• Memorial Day	• Independence Day
• Labor Day	• Thanksgiving Day	• Christmas Day

Tuition Assistance

Benefited employees who have worked at least 6 months and have satisfactory performance are eligible to participate in this program. The maximum reimbursement for approved courses through an accredited program is \$2000 per plan year (July 1, 2006 to June 30, 2007) for full-time employees, with prorated amounts of that maximum for part-time employees.

SILICON VALLEY SURGERY CENTER, L.P. (SVSCLP)

Surgery Center 14601 S. Bascom Avenue, Suite 100, Los Gatos, CA 95032 (408) 402-0663 FAX (408) 402-0763

BASCOM SURGERY CENTER, L.P. (BSCLP)

Surgery Center 3803 South Bascom Avenue, Suite 106 ♦ Campbell, California 95008 ♦ (408) 369-9535 ♦ FAX (408) 369-9106

SVSCLP & BSCLP Business Office 3190 S. Bascom Avenue, Suite 140, San Jose, CA 95124 (408) 879-1820 FAX (408) 626-1814

Life Insurance and AD&D

Eligible employees (24 hours per week or more) are automatically enrolled in the Group Term Life Insurance and AD&D programs provided by Jefferson Pilot Financial. These benefits are paid for by the Centers, but depending on level of coverage, a portion of these benefits may be taxable. The Life benefit is one times your annual salary up to \$100,000. The AD&D coverage is a rider on the Life coverage. All eligible employees need to complete a beneficiary form for the term life insurance benefit at time of eligibility. Coverage continues as long as employees are in an active pay status and remain eligible for this benefit.

Long Term Disability (LTD)

The Centers provide basic long-term disability coverage for all eligible employees. This coverage entitles employees to 60% of their annual salary after 90 days of disability. The monthly maximum allowed under the plan is \$6000.00.

Employee Assistance Program (EAP)

Benefited employees are eligible to participate in the Concern Employee Assistance Program. Services include counseling sessions, child care referral, elder care referral, personal legal consultation and financial referral services.

Employee Surgical Procedure Discount

The Centers will waive any co-insurance payment for employees and their immediate families (spouse, state-registered domestic partner, dependents) who have surgery at one of the three surgery center facilities. The discount applies across all of the facilities. Deductibles are not waived and are therefore owed by the employee.

Fitness Wellness Assistance

The Centers support employees who wish to enhance their well being through physical activity. In keeping with this philosophy, the Centers will assist with reimbursement for memberships to health clubs to include physical instruction class expenses. Benefited employees who have been employed for at least six months and have satisfactory performance are eligible to participate in this program. Benefited employees are eligible for reimbursement up to \$90 per quarter with a maximum of \$360 per benefit year less applicable taxes.

Recognition Program - Star Awards

The Center recognizes that employees frequently go above and beyond their daily job duties. In keeping with this philosophy, employees are encouraged to utilize the Star Award Program to acknowledge employees for their extra efforts. When an employee receives a Star Award, they have a choice of selecting a gift certificate in recognition for their extra efforts.