



Travis County Hospital District

1111 E. Cesar Chavez, Suite B, Austin, Texas 78702
Phone (512) 972-5505 Fax (512) 972-5506

August 16, 2005



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*President and
Chief Executive Officer*

Mr. Larimen T. Wallace

Dear Larry:

This letter is to confirm your conversation with me regarding the offer of a position as Joint Action Team Administrator for the Travis County Hospital District (the District), at a bi-weekly salary of \$3,846.16, equivalent to \$100,000.16 on an annual basis. You will report jointly to me, President/Chief Executive Officer for the District, and to the Chief Executive Officer for the Austin/Travis County Community Health Centers.

As agreed, your first day of work for the District will be Monday, September 19, 2005. When you arrive, I will arrange for you to begin orientation as soon as possible.

As discussed, you will be reimbursed \$355.00/month to cover the cost of continuation of your individual health insurance coverage and \$16.00/month to cover the cost of continuation of your individual dental insurance coverage as offered under the terms of the Consolidated Omnibus Budget Reconciliation Act (COBRA) until the District obtains other health coverage.

You will additionally be reimbursed 100% of the first \$2,000 of eligible expenses for your relocation to Austin as per District policy and will receive a reimbursement rate of \$.40.5 per mile for use of your personal car for District business.

This position is subject to a four-month introductory period. Introductory period requirements are covered under the District's Introductory Period Policy, HR 003 (copy enclosed).

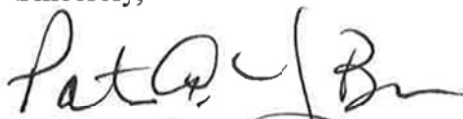
In accepting the District's offer of employment, you certify your understanding that your employment will be on an at-will basis, and that neither you nor any District representative has entered into a contract regarding the terms or the duration of your employment. As an at-will employee, you will be free to terminate your employment with the District at any time, with or without cause or advance notice.

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Likewise, the District will have the right to reassign you, to change your compensation, or to terminate your employment at any time, with or without cause or advance notice.

We look forward to your arrival and are confident that you will play a key role in the District's development and growth. If you have any questions or if there is anything we can do to make your transition a pleasant one, please let me know.

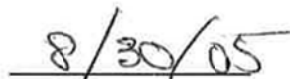
Sincerely,


Patricia A. Young Brown
President/CEO

Enclosure (1)

Your signature below indicates acceptance of the above job offer. Please return a signed original in the enclosed self-addressed envelope.


NAME/SIGNATURE


DATE