

June 12, 2014

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JUN 12 2014

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Via Hand Delivery

Mr. Mike Constantino
Supervisor
Illinois Health Facilities and Services Review Board
525 West Jefferson
2nd Floor
Springfield, Illinois 62761-1146

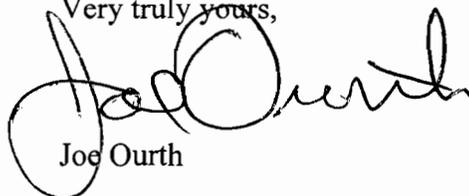
Re: Physician's Surgical Center, Belleville
Change of Ownership Exemption (the "Project")
Supplemental Material – Transaction Documents

Dear Mr. Constantino:

We recently filed a Change of Ownership Exemption application on behalf of Physician's Surgery Center in Belleville. That application noted that the purchase agreement had not yet been executed but that it would be filed shortly and not less than 30 days before the next scheduled Board Meeting. Enclosed is that signed purchase agreement. It would be the Applicants hope that the project could be considered at the Boards July 14, 2014 meeting to facilitate a desired August 1 closing.

As always, we look forward to working with the Board and staff on this Project.

Very truly yours,



Joe Ourth

JRO:vv
Enclosures

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (the "**Agreement**") is entered into this the 11th day of June, 2014, by and between Surgicare of Belleville, LLC, a Delaware limited liability company (the "**Buyer**"), Meridian Surgical Partners-Illinois, LLC, a Delaware limited liability company (the "**Seller**") and Meridian Surgical Partners, LLC ("**Parent**").

WITNESSETH:

WHEREAS, Seller is a member of Physicians' Surgical Center, LLC, a Delaware limited liability company (the "**Company**");

WHEREAS, the business and affairs of Company are governed by an Operating Agreement dated March 9, 2009, by and between the members of the Company;

WHEREAS, Seller owns a 59.0390% membership interest in Company (the "**Membership Interest**");

WHEREAS, Company owns and operates an ambulatory surgery center located at 311 W. Lincoln Street, #300, Belleville, Illinois 62220 (the "**Center**");

WHEREAS, Seller provides management services to Company pursuant to the terms of that certain Management Services Agreement dated February 29, 2008 by and between Seller and Company (the "**Management Agreement**");

WHEREAS, Seller desires to sell, and Buyer desires to purchase, the Membership Interest, subject to the terms and conditions set forth in this Agreement; and

WHEREAS, Parent is a party to this Agreement for the purposes of guaranteeing the obligations of Seller as set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings given below or in the Sections of this Agreement referenced below:

"**Agreement**" means this Membership Interest Purchase Agreement and all Exhibits and Schedules attached hereto, as amended, consolidated, supplemented, updated or replaced by the parties from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder.

"Debt" means any and all, without duplication, (a) indebtedness of an applicable Person for borrowed money, (b) any payment obligations of an applicable Person with respect to the acquisition of assets, entities or businesses, (c) any notes, accrued but unpaid distributions or other amounts owing to the owners of an applicable Person, and (d) all accrued interest, prepayment costs or fees, premiums, penalties and other expenses related to any of the foregoing.

"Employee Benefit Plan" means any qualified or nonqualified deferred compensation, retirement, pension, profit sharing, welfare benefit or fringe benefit plan or arrangement, including any plan described in section 3(1) or 3(2) of ERISA, whether or not subject to ERISA, and any multiemployer plan within the meaning set forth in section 3(37) of ERISA or section 4001(a)(3) of ERISA.

"Encumbrances" means any Liabilities, levies, claims, charges, assessments, mortgages, security interests, liens, pledges, conditional sales agreements, title retention contracts, rights of first refusal, options to purchase, restrictions and other encumbrances, and agreements or commitments to create or suffer any of the foregoing.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder.

"GAAP" means United States generally accepted accounting principles, consistently applied.

"Governmental Authorities" means all agencies, authorities, bodies, boards, commissions, courts, judicial or administrative bodies, instrumentalities, legislatures and offices of any nature whatsoever of any federal, state, county, district, municipal, city, foreign or other government or quasi-government unit or political subdivision.

"Indemnifying Party" means Buyer or Seller, as applicable.

"Knowledge of Seller" or similar phrases means the actual knowledge of John C. Wilson, Jr., Kenneth N. Hancock, Catherine W. Kowalski and James L. Uden after reasonable due inquiry of the employees of Company or the Center with responsibility for managing the Center or supervising the Center's staff. Buyer acknowledges obtaining a certificate of the Center Administrator in substantially the form of Exhibit C constitutes reasonable inquiry.

"Legal Requirements" means, with respect to any Person, all statutes, ordinances, bylaws, codes, rules, regulations, restrictions, orders, judgments, writs, injunctions, decrees, determinations or awards of any Governmental Authority having jurisdiction over such Person or any of such Person's assets or businesses.

"Liability" or "Liabilities" means all Debt, other indebtedness, obligations, damages, fines, fees, penalties and other liabilities (or contingencies that have not yet become liabilities), whether absolute, accrued, matured, contingent (or based upon any contingency), known or

unknown, fixed or otherwise, or whether due or to become due, including, without limitation, any fines, penalties, judgments, awards or settlements respecting any judicial, administrative or arbitration proceedings or any damages, losses, claims or demands with respect to any Legal Requirements.

"Programs" means any and all third party payors and third party payor programs and health plans, whether private, commercial or governmental, including, but not limited to, any federal or state healthcare programs, including Medicare and Medicaid.

"Person" means any individual, company, corporation, association, partnership, limited liability company, firm, joint venture, trust, trustee or Governmental Authority.

"Tax" means any income, unrelated business income, gross receipts, license, payroll, employment, excise, severance, occupation, privilege, premium, windfall profits, environmental (including taxes under section 59A of the Code), customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, stamp, sales, use, transfer, registration, escheat, unclaimed property, value added, alternative or add-on minimum, estimated or other tax, assessment, charge, levy or fee of any kind whatsoever, including payments or services in lieu of Taxes, interest or penalties on and additions to all of the foregoing, which are due or alleged to be due to any Governmental Authority, whether disputed or not.

"Working Capital" means an amount equal to (a) the sum of the current assets, including, without limitation, the following items: (i) cash, (ii) accounts receivable, (iii) inventories and supplies and (iv) prepaid expenses, minus (b) the sum of the current liabilities, including without limitation, the following items: (i) accounts payable, (ii) accrued expenses and (iii) accrued employee benefits (paid time off, etc.) of an applicable party.

Other terms defined in Sections below:

Defined Term	Section
Accountant	Section 2.3(d)
Actual Working Capital	Section 2.3(c)
Arbitration Notice	Section 11.12(c)
ASC Procedures	Section 3.14(g)(i)
Buyer	Introductory Paragraph
Buyer Indemnified Parties	Section 8.2(b)
Center	Recitals
Charter Documents	Section 3.1
City	Section 11.12(d)
Closing	Section 2.5
Closing Balance Sheet	Section 2.3(c)
Closing Date	Section 2.5
Company	Recitals
Competing Center	Section 10.1
Covered Person or Covered Persons	Section 10.1

Dispute	Section 11.12
Dispute Notice	Section 11.12(a)
Escrow Agreement	Section 2.2(b)
Financial Statements	Section 3.7
Hazardous Materials	Section 3.15(b)
Interim Balance Sheet Date	Section 3.7
JAMS	Section 11.12(b)
JAMS Panel	Section 11.12(e)
Lease	Section 3.15
Leased Premises	Section 3.15
Losses	Section 8.2(a)
Management Agreement	Recitals
Material Contracts	Section 3.9(a)
Meet and Confer	Section 11.12(a)
Membership Interest	Recitals
Parent	Introductory Paragraph
Purchase Price	Section 2.2(a)
Released Party	Section 5.10
Required Working Capital	Section 2.3(a)
Restricted Area	Section 10.1
Restricted Period	Section 10.1
Review Period	Section 2.3(c)
Seller	Introductory Paragraph
Stark Law	Section 3.14(e)
Working Capital Adjustment Amount	Section 2.3(b)

ARTICLE II PURCHASE AND SALE OF MEMBERSHIP INTEREST

Section 2.1. Purchase and Sale of Membership Interest; Assignment of Management Contract. Subject to the terms and conditions set forth in this Agreement, on the Closing Date, Seller shall sell, transfer, assign and deliver to Buyer, free and clear of all Encumbrances, and Buyer shall purchase and accept assignment of, the Membership Interest and the Management Agreement.

Section 2.2. Purchase Price and Payment.

(a) Purchase Price. Upon the terms and subject to the conditions hereof, Buyer shall pay to Seller, in full consideration for the purchase of Seller's Membership Interest and Seller's assignment of the Management Agreement, an aggregate amount equal to Two Million Four Hundred Thousand AND 00/100 Dollars (\$2,400,000.00) (the "**Purchase Price**"), subject to adjustment as set forth in Section 2.3 below. The Purchase Price shall be allocated as follows: (a) \$1,304,858.80 of the Purchase Price shall be allocated for the purchase of the Membership Interest; and (b) \$1,095,141.20 of the Purchase Price shall be allocated to the assignment of the Management Agreement.

(b) Escrowed Funds. Upon the execution of this Agreement, Buyer shall place an amount equal to the full Purchase Price in escrow pursuant to the terms and subject to the conditions of the Escrow Agreement executed by the parties hereto and attached as Exhibit A (the "**Escrow Agreement**").

Section 2.3. Post-Closing Adjustment for Working Capital.

(a) The amount of the Purchase Price assumes that Company will have a total of \$250,000 of Working Capital as of the Closing Date (the "**Required Working Capital**"), and is subject to adjustment if the Actual Working Capital is greater than or less than the Required Working Capital, calculated in accordance with this Section 2.3.

(b) The "**Working Capital Adjustment Amount**" (which may be a positive or negative number) will be equal to the amount determined by subtracting the Required Working Capital from the Actual Working Capital, and multiplying such amount by 59.0390%. If the Working Capital Adjustment Amount is positive, the Working Capital Adjustment Amount shall be paid by wire transfer by Buyer to Seller to an account designated by Seller. If the Working Capital Adjustment Amount is negative, the Working Capital Adjustment Amount shall be paid by wire transfer by Seller to Buyer to an account designated by Buyer. Within three (3) business days after the calculation of the Actual Working Capital becomes binding and conclusive on the parties pursuant to Section 2.3(c), Buyer or Seller, as the case may be, shall make or cause to be made, the wire transfer payment provided for in this Section 2.3(b).

(c) As promptly as practicable, but no later than sixty (60) days after the Closing, Buyer will cause to be prepared and delivered to Seller, at Buyer's expense, a balance sheet of Company as of the Closing Date (the "**Closing Balance Sheet**"), which shall (i) fairly present the financial position of Company as of the Closing Date, and (ii) be prepared in accordance with GAAP, applied in a manner consistent with past accounting practices, and a calculation of the Working Capital of Company as of the Closing Date (the "**Actual Working Capital**") computed in a manner consistent with the definition of Working Capital under this Agreement. Seller shall have a period of thirty (30) days from the date of the delivery to Seller (the "**Review Period**") to review such Closing Balance Sheet and Actual Working Capital calculation. Seller and its professional advisors shall be provided with full access to the work papers created in connection with the preparation of the Closing Balance Sheet and Actual Working Capital calculation. If Seller disagrees in any respect with any items on the on the Closing Balance Sheet or the Actual Working Capital calculation, Seller may, on or prior to the last day of the Review Period, deliver a written notice to Buyer setting forth, in reasonable detail, each disputed item or amount and the basis for Seller's disagreement therewith. If no such notice is received by Buyer on or prior to the last day of the Review Period, such Closing Balance Sheet and Actual Working Capital calculation shall be deemed accepted by Seller.

(d) Within ten (10) business days after Buyer's receipt from Seller of a notice setting forth a dispute as described in subsection (c) above, Seller and Buyer shall meet and attempt to resolve the issues set forth in such notice. In the event the Seller and

Buyer do not resolve and settle such issues within ten (10) business days, or such extended time period as the parties may agree upon in writing, then and in such event, Seller and Buyer shall jointly retain an independent certified public accounting firm (the "**Accountant**") to resolve the issues set forth in such notice. The Accountant shall conduct such review of the disputed Closing Balance Sheet and/or calculations of Actual Working Capital (Seller's notice setting forth the disputed items) and any supporting documentation as the Accountant in its sole discretion deems necessary. The Accountant shall consult with both parties and, in its sole discretion, conduct such meetings or hear such presentations by the parties as the Accountant deems necessary.

(e) The Accountant shall, as promptly as practicable, and in no event later than forty-five (45) days following the date of its retention, deliver to Seller and Buyer a report in which the Accountant shall, after considering all issues set forth in Seller's notice to Buyer described in subsection (c) above (and only the issues set forth in such notice), determine what adjustments, if any, should be made to the disputed Closing Balance Sheet and calculation of Actual Working Capital in order to comply with the requirements of this Agreement. The Accountant's determination shall be final and binding upon Seller and Buyer. The fees, expenses and costs of the Accountant shall be paid fifty percent (50%) by the Seller and fifty percent (50%) by Buyer.

Section 2.4. Bank Accounts. Pursuant to the Management Agreement, Seller maintains and controls one or more bank accounts on behalf of Company. Seller shall reasonably cooperate with Buyer to transition the maintenance and control of all such accounts to Buyer, subject to any required approval by Company, as of the Effective Time; provided, however, Seller shall not be obligated to pay any consideration required for such transition.

Section 2.5. Closing. Provided that all conditions to closing contained in Articles VI and VII are satisfied, the closing of the transactions provided for herein (the "**Closing**") will take place on August 1, 2014, or on such other date as the parties shall agree. Such date is referred to herein as the "**Closing Date.**" Signatures required for the Closing may be transmitted by facsimile or via other electronic transmission system to counsel for the parties.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer as follows:

Section 3.1. Existence: Ownership. Seller and Company are limited liability companies, each duly organized, validly existing and in good standing under the laws of the State of Delaware, and each of which has the full power and authority to carry on its business as presently conducted. True and complete copies of the articles of organization and operating agreement of Company (collectively, the "**Charter Documents**") have been delivered to Buyer. Attached hereto as Schedule 3.1 is a true and complete list of the names and ownership interests of the members of Company, which list includes all outstanding equity interests in Company. There are no outstanding warrants, options or rights of any kind to acquire from Company any membership interest or other equity securities in Company.

Section 3.2. Subsidiaries. The Company (a) has no subsidiaries, (b) is not a party to any partnership or joint venture arrangement, and (c) does not own any equity securities or any similar or equivalent interests in any other corporation, partnership, limited liability company or other entity.

Section 3.3. Due Authorization and Enforceability. The execution, delivery and performance of this Agreement and the other transactions, documents and agreements provided for herein by Seller have been duly and properly authorized by all requisite limited liability company action and no further action is necessary to authorize and implement such transactions or to make this Agreement and such other documents and agreements provided for herein valid and binding upon Seller in accordance with their respective terms. This Agreement and all other agreements and documents provided for herein, upon the execution and delivery thereof, will constitute the valid and binding obligations of Seller, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

Section 3.4. Non-Contravention. None of the execution, delivery or performance of this Agreement, or any other agreement or document executed in connection herewith, by Seller (i) will constitute a material violation of, or be in conflict with or (ii) will, with or without the giving of notice or the passage of time, or both, result in a breach of, constitute a default under, or cause the acceleration of the maturity of any Debt or Liability under: (a) any term or provision of the articles of organization or operating agreement of Seller or the Charter Documents; (b) any Material Contract; (c) any license or permit; or (d) any judgment, writ, injunction, decree or order of any Governmental Authority applicable to Seller or Company.

Section 3.5. Consents. Except as set forth in Schedule 3.5, none of the execution, delivery or performance by Seller of this Agreement or any other transaction, document or instrument contemplated hereby requires any action, consent, authorization, approval or order by or in respect of, or filing with, or notification to, any Governmental Authority or other Person, except such consents or approvals as may be required in the Operating Agreement.

Section 3.6. Center Assets. Company owns or leases all of the assets necessary to operate the Center in the ordinary course of business in compliance with applicable Legal Requirements, free and clear of all Encumbrances, other than the lien evidenced by that certain UCC Financing Statement No. A02092593 recorded in the real estate records for the State of Illinois, St. Clair County, which such Financing Statement was continued on February 8, 2013. The Center's assets are in adequate working condition, subject to normal wear and tear.

Section 3.7. Financial Statements. Attached hereto as Schedule 3.7 are copies of the following financial statements of Company (the "**Financial Statements**"): (i) unaudited balance sheet as of December 31, 2012; (ii) unaudited income statement and statement of operations dated December 31, 2012; (iii) unaudited balance sheet as of December 31, 2013 (the "**Interim Balance Sheet Date**"), and (iv) unaudited income statement and statement of operations for the period ended on the Interim Balance Sheet Date. The Financial Statements are true, correct and complete in all material respects and have been prepared in accordance with the Company's historic accounting practices, subject to year-end adjustments and reconciliations of interim

estimates. The Financial Statements fairly present in all material respects the financial condition and results of operations of Company as of the respective dates thereof and for the period therein referred to. The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period covered and include all adjustments that are necessary for a fair presentation of the financial condition of Company and the results of the operations of the Center as of the dates thereof of for the periods covered thereby, except for the absence of footnotes and normal year-end adjustments that are not material in amount.

Section 3.8. Absence of Undisclosed Liabilities. Company has no Liability other than (i) Liabilities set forth on the liabilities side of its most recent Financial Statements, (ii) accounts payable, accrued operating expenses and other current liabilities which have arisen after the date of the most recent Financial Statements in the ordinary course of business (none of which is a Liability resulting from breach of contract, breach of warranty, tort, infringement or violation of any Legal Requirement), and (iii) Liabilities pursuant to any Material Contract (none of which is a liability resulting from breach of contract, breach of warranty, tort, infringement, or violation of any Legal Requirement). Company is not now insolvent and will not be insolvent on the Closing Date. As used in this Section, "insolvent" means that the sum of Company's current liabilities exceeds the value of its current assets.

Section 3.9. Material Contracts.

(a) Schedule 3.9 contains a complete and accurate list of the following contracts, agreements, leases, instruments and other commitments to which Company is a party or which it is bound (the "**Material Contracts**"), (i) contracts with health maintenance organizations, insurance companies, employers or other third party payors, (ii) equipment and real property leases, (iii) sales agency agreements, (iv) contracts with municipalities and labor organizations and governmental agencies, (v) loan, guarantee, pledge or other debt agreements or instruments, (vi) agreements with any member of the medical staff of the Center or any family member or affiliate of a medical staff member, (vii) contracts with any member of the Company, any family member, owner or affiliate of any member of the Company, any member of the medical staff of the Center or any physician (or any family member or affiliate of any medical staff member or physician) or other source of patient referrals for the Center, (viii) supply contracts, service agreements, employment and consulting contracts and property purchase agreements, and (ix) any binding commitments to enter into any of the foregoing. For the avoidance of doubt, "Material Contracts" shall not include any contract, agreement, lease or other instrument if it involves a financial commitment for the remaining non-cancelable term of \$10,000 or less and can be terminated without a penalty or the payment of liquidated damages upon no less than thirty (30) days' notice. With regard to agreements with any physician or, to the Knowledge of Seller, any entity owned by a physician or a physician's family member, Schedule 3.9(a) accurately describes the relationship of each party to the Material Contracts listed therein to the Company, any owner of the Company or any of their respective family members, owners or affiliates. Seller has previously delivered to Buyer true and complete copies of all written Material Contracts and a true and complete description of each Material Contract that is not in written form.

(b) The Company has complied with all of its material obligations under each Material Contract, and no event has occurred or set of facts exists which constitutes a default or material breach by the Company, as applicable, or which with the passage of time or the giving of notice or both would constitute a default or material breach by the Company as to any Material Contract or which would permit the other party thereto to terminate such Material Contract or prevent the Company, from receiving the benefits thereunder. To the Knowledge of Seller, no other party to any Material Contract has violated or breached any Material Contract.

(c) Except as set forth on Schedule 3.9(c), no notice is required to be given and no consent is required to be obtained under any of the Material Contracts with respect to the transactions contemplated under this Agreement or any other agreement or document to be executed in connection therewith in order to avoid a termination right in another party, a default or material breach thereunder by the Company, a loss of any benefits thereunder or the imposition of any payment obligation on the Company.

(d) Where the other party to any Material Contract is a physician (or any family member of a physician or any entity owned, in whole or in part, by one or more physicians or members of their families), such Material Contract was bargained at arms-length and is on terms that are commercially reasonable and consistent with fair market value and not based directly or indirectly on the volume or value of referrals between such other party (or a family member of such other party or an entity owned in whole or in part by such other party or members of their family) and the Center.

Section 3.10. Taxes. Company is, and at all times since March 9, 2009 has been, treated as a partnership for federal income tax purposes. Company has timely filed all Tax returns and reports required to be filed by it (after giving effect to applicable extensions), including without limitation all federal, state and local income, franchise, withholding, property and sales and use tax returns and statements, and has paid in full all Taxes, interest and penalties and similar charges which have become due, except for any Taxes of which the amount, applicability or validity is currently being contested in good faith by appropriate proceedings and with respect to which Company has set aside on its books adequate reserves. There are no tax liens upon any property or assets of Company. Company does not have any Liability for the Taxes of any other Person, as a transferee or successor, by contract or otherwise.

Section 3.11. Title to Membership Interest. Upon the transfer and sale of the Membership Interest to Buyer pursuant hereto, Buyer will acquire good title to the Membership Interest, subject to no Encumbrance other than the transfer restrictions described in Company's Charter Documents and under applicable Federal and state securities laws.

Section 3.12. Employment, Labor and Benefit Matters.

(a) All individuals (other than physicians) currently providing services to the Center are employed by Seller under the terms of the Management Agreement and not by Company. Schedule 3.12 contains a complete and accurate list of the following information for each such employee (other than physicians) providing services to the

Center: name; job title; and the current and prior year's compensation or remuneration (including any bonus).

(b) To the Knowledge of Seller, there are no threats of strike or work stoppages by any of the employees working at the Center, and no employee has ever petitioned for a representation election. Company is currently conducting, and to the Knowledge of Seller has at all times conducted since March 9, 2009, its businesses in material compliance with all Legal Requirements relating to employment, immigration, wages and hours, leaves of absence, occupational safety and health, affirmative action and nondiscrimination in employment, and Company has not received any notice that any employee or other person providing services to Company or at the Center has asserted, or filed any claim with any Governmental Authority asserting, any violation of any such Legal Requirements.

(c) The Company does not now and has not in the prior six (6) years sponsored, adopted, administered, contributed to or been obligated to contribute to any Employee Benefit Plan.

Section 3.13. Litigation and Proceedings. Except as described in Schedule 3.13 attached hereto, there are no legal claims, actions, suits, arbitrations or other legal, administrative or governmental proceedings pending or, to the Knowledge of Seller, threatened against Company or its respective properties, assets or business. Company is not subject to, or in default with respect to, any judgment, order or decree of any court, governmental agency or instrumentality. Schedule 3.13 contains a complete and accurate description of the status of any matter disclosed.

Section 3.14. Compliance with Legal Requirements.

(a) Without limiting in any way the specific representations and warranties contained herein with respect to specific Legal Requirements, the business and operations of Company and the Center are currently being conducted, and to the Knowledge of Seller have at all times been conducted since March 9, 2009, in material compliance with all applicable Legal Requirements. Except as described in Schedule 3.14, Company has no Knowledge of any facts which might form the basis for a claim that any material violation of any Legal Requirement has occurred or exists.

(b) Company is authorized to receive (and has received) payments for procedures covered by Medicare and Medicaid. Company has the requisite provider numbers and other required authorizations to bill all Programs that it currently bills for its services, is in good standing with respect to each such Program, is in compliance in all material respects with the conditions of participation or coverage of all such Programs, and has not claimed or received reimbursements from any Programs in excess of the amounts permitted by applicable provider agreements and Legal Requirements. Except for normal Illinois Department of Health inspections (as to which there is no outstanding uncured deficiency), neither the Centers for Medicare & Medicaid Services (CMS) nor any state agency has conducted or has given Company any written notice that it intends to conduct any audit or other review of the Center's participation in the Medicare or other

governmental health care program or any claims submitted or amounts reimbursed under such Programs.

(c) Neither Company nor its respective members, officers, employees, or managers, or to Seller's Knowledge, none of the contractors or suppliers of goods or services, or physicians or other health care professionals that are authorized to perform services at the Center (1) have been debarred, disqualified, suspended or excluded from participation under the Medicare, Medicaid or other private or governmental health care program (or is listed on the excluded individuals list published by the OIG), or, to the Knowledge of Seller, is any such debarment, disqualification, suspension or exclusion threatened; (2) have been convicted or charged with (or, to the Knowledge of Seller, investigated for) any of the following categories of offenses (or any related or similar violations of any Legal Requirement): (i) criminal offenses relating to the delivery of an item or service under any governmental health care program; (ii) criminal offenses under any Legal Requirement relating to patient neglect or abuse in connection with the delivery of a healthcare item or service; or (iii) criminal offenses under any Legal Requirement relating to fraud, theft, embezzlement, breach of fiduciary responsibility or other financial misconduct in connection with the delivery of a healthcare item or service or with respect to any act or omission under any governmental health care program; or (3) have been subject to any order of, or any criminal, civil or administrative fine or penalty imposed by, any Governmental Authority with respect to any governmental health care program.

(d) Company has established and implemented such policies, programs, procedures, contracts and systems as are necessary to bring Company and the Center into compliance in all material respects with all Legal Requirements relating to privacy and security rules, including Health Insurance Portability and Accountability Act of 1996 and all other applicable federal and state laws, rules and regulations with respect to privacy and security of information of individual persons.

(e) Company does not provide any separately billable "designated health services" as defined in the Federal Ethics in Patient Referrals Act, 42 U.S.C. § 1395nn (known as the "**Stark Law**"), or any applicable state self-referral law.

(f) Company has not knowingly or willfully solicited, received, paid or offered to pay any remuneration, directly or indirectly, overtly or covertly, in cash or kind for the purpose of making or receiving any referral which violated any applicable anti-kickback law, including, without limitation, the Federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) or any applicable state anti-kickback law.

(g) Without limiting the generality of the foregoing,

(i) no ancillary services for federal health care program beneficiaries are performed at the Center except for those integrally related to outpatient surgical procedures performed at the Center that are on the list of Medicare covered procedures authorized to be performed in ambulatory surgical centers

under the Medicare regulations ("ASC Procedures") and no ancillary services are separately billed to Medicare or other federal health care programs; and

(ii) to the Knowledge of Seller, each transaction or arrangement between Company (or any affiliate of Company) and any physician (or any immediate family member of any physician or any entity owned in whole or in part by any physician) has been on commercially reasonable, fair market value terms, not taking into account the volume or value of referrals or other business generated by such physician for the Center.

Section 3.15. Real Property. The real property occupied by the Center (the "Leased Premises") is leased by Company pursuant to a real estate lease agreement (the "Lease", a true and complete copy of which has been delivered to Buyer. To the Knowledge of Seller, no person or entity other than Company has any right to occupy, lease or rent the Leased Premises or any portion thereof. In addition, Seller makes the following representations and warranties regarding the Lease and the Leased Premises:

(a) The Lease is in full force and effect and constitutes the valid and binding agreement of the parties thereto. Neither Company nor, to the Knowledge of Seller, the lessor under the Lease is in default under the Lease and no event or condition has occurred or exists which, with the passage of time, the giving of notice or both, would cause Company or (to the Knowledge of Seller) the lessor under the Lease to be in default thereunder.

(b) To the Knowledge of Seller, no Hazardous Materials, toxic substances or related materials have been generated, released, discharged, stored, handled or disposed of on, under, in or about the Leased Premises by Company except in material compliance with all federal, state and local health, safety, building, fire control, environmental, toxic materials and hazardous waste laws, ordinances, orders, regulations and restrictive covenants. The term "**Hazardous Materials**" shall mean any substance, material or waste which is regulated by any state or local governmental authority or the United States Government, including but not limited to any material or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated byphenyls, (iv) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1317), (v) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6903), or (vi) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601).

Section 3.16. Absence of Specified Changes. Since the Interim Balance Sheet Date, except for the transactions provided for herein and except as set forth in Schedule 3.16, there has not been: (a) any transaction by Company except in the ordinary course of business; (b) any capital expenditure by Company in excess of \$25,000; (c) any cancellation of any Debt or claim or waiver of any right of substantial value; (d) any material change in the quantity or quality of the assets, equipment, surgical instruments or supplies included in the Center assets, except for

changes due to ordinary wear and tear and changes in quantities of supplies in the ordinary course of business; (e) any destruction, damage to or loss of any of the Center assets, whether or not covered by insurance; (f) any Encumbrance of the Center assets; (g) any increases in salaries or benefits to employees or independent contractors providing services at the Center (other than previously scheduled annual increases in accordance with past practices); (h) any material amendments to existing Material Contracts or entering into any new Material Contracts, other than in the ordinary course of business; (i) any sale, transfer or disposition of any material Center assets; (j) any Debt incurred; (k) any change in Company's policies and practices relating to the collection of accounts receivable and the payment of all trade payables and other liabilities; or (l) any agreement by Company to do any of the things described in this Section 3.16.

Section 3.17. Biomedical Waste. Company and the Center are in material compliance with all Legal Requirements with respect to the generation, handling, storage and disposition of hazardous or biomedical materials and/or waste, including without limitation the Medical Waste Tracking Act of 1988, 42 U.S.C. § 6992, et seq., and the National Institute for Occupational Self-Safety and Health Infectious Waste Disposal Guidelines, Publication No. 88-119 of the U.S. Department of Health and Human Services. Company has not received any written communication from a Governmental Authority that alleges that Company or the Center is not in material compliance with all such Legal Requirements.

Section 3.18. Billing Practices; Accounts Receivables. Company's billing practices are currently in material compliance, and to the Knowledge of Seller have at all times been in material compliance since March 9, 2009, with all Legal Requirements and all governmental health care program rules and regulations and, where applicable, all contracts with insurance companies, health maintenance organizations and other third party payors. Lists and agings of all outstanding accounts receivable of Company as of the Interim Balance Sheet Date have been delivered to Buyer, which lists and agings are accurate and complete in all material respects. All of Company's accounts receivable are and at Closing will be valid and enforceable claims and are not and will not be subject to any defenses, offsets, claims or counterclaims, except for contractual allowances, discounts and refunds in accordance with the ordinary course of Company's business as conducted on and prior to the Interim Balance Sheet Date.

Section 3.19. Unclaimed Property. To the Knowledge of Seller, all unclaimed property (escheat) filings required to be filed by or on behalf of Company have been timely filed with the appropriate Governmental Authority or requests for extensions have been timely filed and any such extensions have not expired, each such unclaimed property (escheat) filing was true, complete and correct in all material respects, and all unclaimed property (escheat) filings for which Company is otherwise liable have been paid in full or, to the extent not yet due, have been adequately reserved against on the Financial Statements.

ARTICLE IV REPRESENTATION AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

Section 4.1. Existence and Good Standing. Buyer is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois.

Section 4.2. Due Authorization and Enforceability. The execution, delivery and performance of this Agreement and the other transactions, documents and agreements provided for herein by Buyer have been duly authorized by all requisite action, and no further action is necessary to make this Agreement and such other documents and agreements valid and binding upon Buyer in accordance with their respective terms. This Agreement and all other agreements and documents provided for herein, upon the execution of delivery thereof, will constitute the valid and binding obligations of Buyer enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

Section 4.3. Non-Contravention. None of the execution, delivery or performance of this Agreement, or any other agreement or document executed in connection herewith by Buyer (i) will constitute a violation of, or be in conflict with or (ii) will, with or without the giving of notice or the passage of time, or both, result in a breach of, constitute a default under, or cause the acceleration of the maturity of any debt, indenture, obligation or liability under: (a) any term or provision of Buyer articles of incorporation or bylaws; or (b) any judgment, writ, injunction, decree, or order of any Governmental Authority applicable to Buyer.

Section 4.4. Consents. None of the execution, delivery or performance by Buyer of this Agreement or any other transaction, document or instrument contemplated hereby requires any action, consent, authorization, approval or order by or in respect of, or filing with, or notification to, any Governmental Authority or other Person.

ARTICLE V COVENANTS

Section 5.1. Access to Information. From the date hereof until Closing or the termination of this Agreement, Seller will cause the Company to afford Buyer and its representatives reasonable access to such books, records, other financial information and/or personnel as may reasonably be necessary to evaluate Company, its assets and liabilities, provided that (i) Buyer agrees that such access will give due regard to minimizing interference with the operations, activities and employees of Seller and the Company, (ii) such access and disclosure will not violate the terms of any agreement to which Seller or Company is bound or any applicable law, (iii) such access and disclosure will not jeopardize any attorney-client or other privilege, (iv) Seller and Company shall not be required to provide any individually identifiable health related information, (v) all arrangements for access shall be made in advance solely through specified persons of Seller and (vi) Buyer is not in breach of this Agreement.

Section 5.2. Continuation of Business. From the date hereof until the Closing Date, Seller will, and will cause Company to, do the following:

- (a) conduct its business so as to maintain the value and continuity thereof, in compliance with all Legal Requirements, and only in the usual and ordinary course as it has previously been conducted, including without limitation its policies and practices relating to the collection of accounts receivable and the payment of all trade payables and other liabilities and the maintenance of inventory at levels consistent with historical

practices, and not introduce any new methods of management, operations or accounting (except as required by law), without the prior written consent of Buyer;

(b) maintain the Center assets in as adequate working order and condition as such assets are at present, ordinary wear and tear excepted;

(c) perform all of its obligations under agreements relating to or affecting the Center;

(d) keep in full force and effect the currently effective insurance policies or other comparable insurance coverage; and

(e) consistent with prudent and reasonable business practices, maintain and preserve its business organization intact, retain its present employees and maintain its relationships with its employees, third party payors, medical staff, suppliers and others having business relations with it.

Section 5.3. Transactions Requiring Consent. Except as otherwise expressly contemplated hereby or as may be necessary to effect the transactions contemplated hereby, from the date hereof until the Closing Date, without the prior written consent of Buyer, Seller shall cause Company not to:

(a) issue or sell any equity interest in Company except as contemplated by this Agreement;

(b) sell, transfer, convey or otherwise remove any of the Center assets, except in the ordinary course of business;

(c) enter into, extend or modify any Material Contract or make any capital expenditure with respect to the Center or Center assets in excess of \$5,000;

(d) create or assume any Encumbrance upon any Center asset, whether now owned or hereafter acquired;

(e) make any loan;

(f) incur or agree to incur any Liability or Debt other than normal trade payables;

(g) amend, modify or waive any rights under any Material Contract or change any employee compensation, except normal annual salary increases implemented in accordance with past practices;

(h) fail to pay any obligation in a timely manner as it comes due;

(i) merge or consolidate with any other entity or acquire any material assets of any other entity (except for acquisitions of inventory in the ordinary course of business consistent with past practices); or

(j) agree or commit to do any of the foregoing.

Section 5.4. Performance Covenant. Each party hereto covenants and agrees that it will take all action reasonably within its power and authority to duly and timely carry out all of its obligations hereunder, to perform and comply with all of the covenants, agreements, representations and warranties hereunder applicable to it and to cause all conditions to the obligations of the other party to complete the Closing to be satisfied as promptly as possible.

Section 5.5. Costs of Agreement. Each party hereto agrees to bear all of its own expenses incurred in negotiating, preparing or complying with this Agreement, including without limitation all legal and accounting expenses and fees.

Section 5.6. Approvals and Notices. Prior to the Closing, Seller shall cause Company to obtain all consents or approvals from, make all filings with and provide all notices to Governmental Authorities and other Persons which are necessary or appropriate as a predicate to the transactions contemplated herein, including but not limited to all consents and approvals from the Illinois Health Facilities and Services Review Board for the continuation of the Center's operations by Belleville Surgical Center, Ltd. ("BSC").

Section 5.7. No-Shop Clause. From and after the date of the execution and delivery of this Agreement by the parties hereto, and, if the transactions contemplated hereby are not consummated, until the termination of this Agreement as set forth in Article IX, Seller shall not, without the prior written consent of Buyer (which may be withheld at Buyer's sole discretion), (a) offer for sale or solicit offers to buy any ownership interest in Company or the Center's assets (or any material portion thereof), (b) hold discussions with any Person (other than Buyer) looking toward such an offer or solicitation or looking toward a merger or consolidation of Company with another entity, or (c) enter into any letter of intent or agreement with any Person (other than Buyer) with respect to the sale or other disposition of any ownership interest in Company or the Center's assets (or any material portion thereof) or with respect to any merger, consolidation or similar transaction involving Company.

Section 5.8. No Public Announcement. From the date of this Agreement, no party shall (nor shall it permit its affiliates to), without the written approval of the other party, make any press release or other public announcement concerning the transactions contemplated by this Agreement, except as and to the extent that any such party shall be so obligated by Legal Requirements, in which case such party shall allow the other party reasonable time to comment on such release or announcement and the parties shall use their reasonable efforts to cause a mutually agreeable release or announcement to be issued; provided, however, that the foregoing shall not preclude communications or disclosures necessary to implement the provisions of this Agreement, including but not limited to any disclosure required by the United States Securities and Exchange Commission or other rules and regulations which apply to public companies, the consents, approvals or notices contemplated under Section 5.6 or to comply with any Legal Requirement.

Section 5.9. Tail Insurance. Seller shall, at its own cost and expense, cause Company to obtain "tail" insurance to insure Company and the Center against professional and general liabilities of the Center relating to all periods prior to the Closing. Such insurance shall have

coverage levels equal to the current policies insuring Seller and shall be for a period of five (5) years. Such insurance shall name Company, Buyer and Belleville Surgical Center, Ltd. as additional insureds.

Section 5.10. Release. Buyer hereby releases and forever discharges Seller and each of its current and former officers, directors, employees, representatives and agents (individually, a "**Released Party**" and collectively, the "**Released Parties**") from any and all claims, demands, debts and liabilities of any kind whatsoever, whether known or unknown, suspected or unsuspected, both at law and in equity, which Buyer now has or may hereafter have against the respective Released Parties in its capacity as a member of the Company which arise out of, are based upon or connected with facts or events occurring or in existence on or prior to the Closing Date with respect to the Company, specifically excluding any claims that Buyer may have under this Agreement.

ARTICLE VI CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER

The obligations of Buyer hereunder are, at the option of Buyer, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

Section 6.1. Accuracy of Representations and Warranties. Each of the representations and warranties of Seller contained in this Agreement that are qualified as to materiality shall be true and correct in all respects, and each of the representations and warranties of Seller contained in this Agreement that are not so qualified shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date. All of the agreements of Seller to be performed on or before the Closing Date pursuant to the terms hereof shall have been performed in all material respects. Seller shall have delivered to Buyer an officer's certificate certifying Seller's compliance with this Section 6.1.

Section 6.2. Action Restraining or Affecting Transactions. No action or proceeding before any Governmental Authority shall have been instituted or threatened to restrain or prohibit any of the transactions contemplated hereby.

Section 6.3. No Material Changes. The Center's tangible assets shall have not suffered any change, loss or damage since the Interim Balance Sheet Date which materially and adversely affects or impairs such assets, and the Center shall have maintained all licenses and permits necessary to operate as a Medicare certified ambulatory surgery center as of and through the Closing Date. For the avoidance of doubt, Buyer's obligations to consummate the transactions contemplated by this Agreement shall not be affected by any change to the business, prospects or financial condition of the Center arising out of, resulting from or attributable to (i) any change, loss or damage resulting from events or a series of events affecting the healthcare industry as a whole, including but not limited to a change in Medicare reimbursement rates; (ii) any change, loss or damage affecting the economy of the United States as a whole, including but not limited to changes in interest rates; (iii) any change, loss or damage resulting from the announcement or pendency of any of the transactions contemplated by this Agreement, including but not limited to

the identity of Buyer; or (iv) any change resulting from compliance by Seller with the terms of, or the taking of any action contemplated or permitted by, this Agreement.

Section 6.4. Approvals and Notices. All required approvals from Governmental Authorities and other Persons as set forth in Schedule 3.5 and Schedule 3.9(c) and any other approvals referred to in Section 5.6 shall have been obtained, and all required notices to Governmental Authorities and other Persons as set forth in Schedule 3.5 and Schedule 3.9(c) and any other notices referred to in Section 5.6 shall have been given.

Section 6.5. Execution and Delivery of Documents by Other Persons. Each member of Company (other than Seller) and the Company itself shall have entered into one or more agreements in a form acceptable to Buyer consenting to, among other things, (i) the subsequent sale of all or substantially all of the assets of Company to BSC in exchange for partnership units in BSC, (ii) the subsequent dissolution of Company, (iii) the appointment of Ajay Chokshi as president of the Company after Closing, (iv) the appointment of Ajay Chokshi, Nathan Edwards and Walker Badham as directors of Company, (v) the admission of Buyer as a member of Company, and (vi) the appointment of Buyer as the Tax Matters Member of Company. Any obligations required to be performed or conditions required to be satisfied prior to the consummation of the closing of any such agreements, other than the requirement of the Closing of this Agreement, shall have been performed or satisfied.

Section 6.6. Release of Lien. Prior to or at the Closing, Seller will deliver a UCC Financing Statement evidencing the termination of all liens against any of Company's assets evidenced by any UCC Financing Statement, including but not limited to the lien against Company's assets evidenced by UCC Financing Statement No. A02092593 in favor of Banc of America Leasing & Capital, LLC, as recorded in the real estate records for the State of Illinois, St. Clair County.

Section 6.7. Release of Center Employees. Prior to or at the Closing, Seller will release all employees currently providing services to the Center under the Management Agreement and will pay in full any and all wages, bonuses, severances, accrued paid time off or any other benefit or compensation due at the time of such release.

Section 6.8. Execution and Delivery of Documents by Seller. Seller shall have executed and delivered to Buyer (i) an Assignment and Assumption Agreement in substantially the form attached hereto as Exhibit B; and (ii) written instructions, executed jointly with Buyer, authorizing the escrow agent identified in the Escrow Agreement to release the Purchase Price.

Section 6.9. Resignations. Seller shall have caused each member of the board of directors of Company appointed by Seller and each officer of the Company appointed, elected or employed by Seller to have resigned as a director and/or officer as applicable.

Section 6.10. Bank Accounts. Seller shall have caused any officer, employee or agent of Seller who is a signatory on any Company bank account to be removed as a signatory on any such bank account.

Section 6.11. Center Lease. Company leases the real property currently occupied by the Center pursuant to that certain Restated and Amended Medical Office Lease between 311 West Lincoln Building Association, LLC, as landlord, and Company, as tenant, dated as of May 1, 2011, as amended by that certain Assignment, Consent and Amendment to Sublease and Subordination Agreement by and among St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis, Belleville Family Associates, Ltd., Company and 311 West Lincoln Building Association, LLC dated as of December 31, 2012 (collectively, the "**Sublease**"). Prior to or at the Closing, (a) Company shall have the right to occupy the real property currently occupied by the Center through at least June 30, 2019, as evidenced by an amendment to the Sublease or other agreement and on terms and conditions reasonably acceptable to Buyer and BSC, and shall have delivered the written consent of St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis, Belleville Family Associates, Ltd. and any other party's consent that is so required under the Sublease to assign all of its rights and obligations in, to and under the Sublease, as extended, to BSC; or (b) BSC shall have negotiated and executed a new lease for the real property currently occupied by the Center, resulting in the termination of the Sublease.

ARTICLE VII CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER

The obligations of Seller hereunder are, at the option of Seller, subject to the satisfaction, on or prior to the Closing Date, of the following conditions:

Section 7.1. Accuracy of Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement that are qualified as to materiality shall be true and correct in all respects, and each of the representations and warranties of Buyer contained in this Agreement that are not so qualified shall be true and correct in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date. All of the agreements of Buyer to be performed on or before the Closing Date pursuant to the terms hereof shall have been performed in all material respects. Buyer shall have delivered to Seller an officer's certificate certifying Buyer's compliance with this Section 7.1.

Section 7.2. Action Restraining of Affecting Transactions. No action or proceeding before any Governmental Authority shall have been instituted or threatened to restrain or prohibit any of the transactions contemplated hereby.

Section 7.3. Approvals and Notices. All required approvals from Governmental Authorities and other Persons as set forth in Schedule 3.5 and Schedule 3.9(c) and any other approvals referred to in Section 5.6 shall have been obtained, and all required notices to Governmental Authorities and other Persons as set forth in Schedule 3.5 and Schedule 3.9(c) and any other notices referred to in Section 5.6 shall have been given.

Section 7.4. Payment of Purchase Price. At the Closing, Buyer shall deliver to Seller written instructions, executed jointly with Seller, authorizing the escrow agent identified in the Escrow Agreement to release the Purchase Price to Seller.

Section 7.5. Management Agreement Release by Physicians. At or prior to Closing, Seller shall have received a form of Release from the physicians who directly or indirectly own ownership interests (or beneficial interest) in the Company releasing Seller from certain claims related to Seller's management of the Center under that certain Management Services Agreement by and between Seller and the Company dated the 29th day of February 2008 in a form acceptable to Seller.

ARTICLE VIII SURVIVAL OF PROVISIONS AND INDEMNIFICATION

Section 8.1. Survival. Except as otherwise expressly provided herein (including but not limited to the time and other limitations on indemnification set forth in Section 8.2(c), the representations and warranties, covenants, obligations, and indemnifications contained in this Agreement, and in all schedules, certificates and other documents delivered pursuant to this Agreement, shall be deemed to be material and to have been relied upon by the parties hereto notwithstanding any investigation prior to the Closing, shall survive the Closing, and shall not be merged into any documents delivered in connection with the Closing. Indemnification claims under Section 8.2 based on such representations, warranties, covenants, obligations and indemnifications will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution of this Agreement or the Closing, with respect to the accuracy of any such representation or warranty, compliance with any such covenant or obligation, or facts or circumstances related to any matter covered by any indemnification.

Section 8.2. Indemnification.

(a) Indemnification by Buyer. Subject to the limitations set forth in Section 8.2(c), Buyer covenants and agrees that it will indemnify, defend and hold Seller at all times harmless from and against any Liability, loss, damage and expense (including reasonable attorneys' fees and other costs of defense) ("**Losses**") caused by or arising out of or in connection with any inaccuracy or breach of any representation or warranty or nonfulfillment of any covenant or obligation on the part of Buyer under this Agreement.

(b) Indemnification by Seller. Subject to the limitations set forth in Section 8.2(c), Seller covenants and agrees that it will indemnify, defend and hold Buyer and its managers, members, directors, officers and representatives (the "**Buyer Indemnified Parties**"), at all times harmless from and against any Losses caused by or arising out of or in connection with any inaccuracy or breach of any representation or warranty or nonfulfillment of any covenant or obligation on the part of Seller under this Agreement.

(c) Limitations on Indemnification Obligations. Notwithstanding the foregoing provisions of this Section 8.2:

(i) Neither Seller nor a Buyer Indemnified Party shall be entitled to make any claim against Buyer or Seller, respectively, for indemnification for any inaccuracy or breach of any representation and warranty of an Indemnifying Party unless the claim is asserted in a writing to the Indemnifying Party on or prior to

the expiration of eighteen(18) months from and after the Closing Date, except for claims made with respect to any inaccuracy or breach of the representations or warranties set forth in Section 3.1, Section 3.3, Section 3.4, Section 3.11, Section 4.1, Section 4.2 and Section 4.3, which claims may be made at any time;

(ii) No Buyer Indemnified Party shall be entitled to make any claim against Seller for indemnification for any inaccuracy or breach of any representation and warranty by Seller, and Seller shall not be entitled to make any claim against Buyer for any inaccuracy or breach of any representation and warranty by Buyer until the monetary value of all such claims (on a cumulative basis) by all Buyer Indemnified Parties or Seller, as applicable, exceeds \$25,000.00, in which event the Indemnifying Party shall be liable for the full monetary value of all such claims (excluding the initial \$25,000.00); provided, however, if a Buyer Indemnified Party would have a claim for indemnification under Section 8.2(b) if the representation and warranty to which the claim relates did not have a materiality qualification and the aggregate amount of all such claims exceeds \$25,000, then the Buyer Indemnified Parties shall be entitled to indemnification for the amount of such claims in excess of \$25,000 in the aggregate, notwithstanding the inclusion of a materiality qualification in the relevant provisions of this Agreement;

(iii) For purposes of calculating Losses, (i) such Losses shall not include any punitive, special, indirect, exemplary or consequential damages; (ii) such Losses shall be determined without duplication of recovery by reason of the state of facts giving rise to such Loss constituting a breach of more than one representation, warranty, covenant or agreement; and (iii) such Losses shall be reduced by the amount of any proceeds that any Indemnified Party actually received by the Indemnified Party pursuant to the terms of any insurance policies covering such claim; and

(iv) The maximum aggregate indemnification obligations of Buyer and Seller under Section 8.2(a) and Section 8.2(b), respectively, is an amount equal to fifty percent (50%) of the Purchase Price; notwithstanding the foregoing, however, that the maximum indemnification obligation of Buyer and Seller with respect to any inaccuracy or breach of the representations or warranties set forth in Section 3.1, Section 3.3, Section 3.4, Section 3.11, Section 4.1, Section 4.2, and Section 4.3, or a claim for fraud shall be equal to the Purchase Price (for the avoidance of doubt, Seller shall have no liability in excess of the Purchase Price for any inaccuracy or breach of the representations and warranties set forth in Section 3.1, Section 3.3, Section 3.4, Section 3.11 or fraud); and

(v) None of the limitations in this Section 8.2(c) shall apply to any adjustments to the Purchase Price pursuant to Section 2.3.

(d) Procedure for Indemnification. Any Indemnified Party that intends to enforce an indemnity obligation shall give the Indemnifying Party notice of any claim as soon as practicable. The failure to give such notice shall not constitute a waiver or

release of the Indemnifying Party, but the obligation of the Indemnifying Party shall be reduced to the extent of any actual monetary prejudice resulting from the Indemnified Party's delay or failure to give any such notice. In the event such indemnification involves a claim by a third party, the Indemnifying Party shall have the right to conduct the defense of the claim through counsel selected by the Indemnifying Party and approved by the Indemnified Party (which approval shall not be unreasonably withheld, conditioned or delayed), and the assertion of such right shall constitute an acknowledgment by the Indemnifying Party that such claim is an indemnifiable claim for which the Indemnifying Party is responsible under this Section 8.2. The Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the third party claim. If the Indemnifying Party does not assume and diligently conduct such defense, the Indemnifying Party shall be liable for all costs and expenses incurred by the Indemnified Party in defending the claim, including reasonable fees and disbursements of counsel. Neither the Indemnifying Party nor the Indemnified Party will consent to the entry of any judgment or enter into any settlement with respect to such third party claim without the prior written consent of the other party (*i.e.*, the Indemnified Party or the Indemnifying Party, as applicable), which consent will not be unreasonably withheld, delayed or conditioned. In the event, after having first provided the Indemnifying Party an opportunity to fulfill the obligations of the Indemnifying Party hereunder, the Indemnified Party then brings an action against the Indemnifying Party upon any claim for indemnification under this Section 8.2, the Indemnifying Party shall be liable to the Indemnified Party for the Indemnified Party's reasonable fees and disbursements of counsel in connection therewith if the Indemnified Party prevails in the action.

(e) Mitigation. Each party shall take commercially reasonable steps to mitigate any of its Losses upon becoming aware of any event which would reasonably be expected to, or does, give rise thereto. Seller and Buyer shall cooperate with each other with respect to resolving any claim or liability with respect to which one party is obligated to indemnify the other party hereunder, including by using commercially reasonable efforts to mitigate or resolve any such claim or liability. In the event any party shall fail to use reasonable best efforts to mitigate or resolve any claim or liability, then (unless the proviso to the foregoing sentence shall be applicable) notwithstanding anything contained in this Agreement to the contrary, the other party shall not be required to indemnify or reimburse any Person for any Losses that reasonably could have been avoided if such party has made such efforts. Except pursuant to a settlement agreed to by the Indemnifying Party, the Indemnified Party will not waive or release any contractual right to recover from a third party any Loss without the prior written consent of the Indemnifying Party.

(f) No Indemnification from Company. No Indemnifying Party shall have, nor shall such Indemnifying Party exercise or assert, any right of contribution, indemnity or subrogation or other right or remedy against the Company in connection with any indemnification obligation of such Indemnifying Party under this Section 8.2.

(g) Exclusive Remedy. Notwithstanding any statement in this Agreement to the contrary, the parties acknowledge and agree that the indemnification rights provided in this Article VIII shall be the exclusive remedy of all the parties hereto for the inaccuracy or breach of representations, warranties and covenants of the parties under this Agreement.

ARTICLE IX TERMINATION

Section 9.1. By Mutual Consent. This Agreement may be terminated without further obligation of the parties at any time prior to Closing by mutual consent of Buyer and Seller.

Section 9.2. Damages. Neither party shall be liable in damages to the other party as a result of the failure to consummate the transactions contemplated by this Agreement unless such failure is caused by the material breach of such party of any of the terms of this Agreement.

Section 9.3. Unilateral Termination. If, through no fault of or breach by a party hereto that desires to terminate this Agreement, the conditions precedent to the obligations of such party hereunder have not been met or waived and, therefore, the Closing has not taken place by August 1, 2014, this Agreement may be unilaterally terminated by written notice given by either party to the other party.

ARTICLE X RESTRICTIVE COVENANT

Section 10.1. Covenant Not to Compete. Each of Seller and Parent (each a "**Covered Person**" and collectively, the "**Covered Persons**") hereby covenants and agrees that no Covered Person nor any of their respective affiliates shall serve as an officer, director or employee or consultant of, or hold or acquire any direct or indirect ownership interest in, or manage, lease, develop or otherwise have any financial interest (through a corporation, partnership, trust or other entity in which such Covered Person or any of their respective affiliates owns or has a beneficial interest, or through any spouse or children under the age of twenty-five (25) of any affiliate of such Covered Person) in any business or entity which develops, owns, manages, leases or provides property to, a facility or business that performs outpatient surgery, including an ambulatory surgery center, hospital or a physician practice (a "**Competing Center**"), within twenty-five (25) miles of the Center (the "**Restricted Area**") during the five (5) year period following the Closing Date (the "**Restricted Period**"); provided, however, that no Covered Person shall (i) be prevented from owning less than five percent (5%) of the voting stock of a publicly-held company which owns or operates one or more healthcare facilities; or (ii) be prevented from holding an interest that in a Competing Center located west of the Mississippi river regardless of whether or not such Competing Center is within twenty-five (25) miles of the Center. For the avoidance of doubt, the Parties acknowledge and agree that St. Louis, Missouri is not included in the Restricted Area. A breach of the covenants in this Section 10.1 will result in material damages to Company and Buyer and shall entitle Buyer to recover damages in addition to the other remedies and rights provided herein.

Section 10.2. Equitable Remedy. Each Covered Person acknowledges that the restrictions contained in Section 10.1 are reasonable and necessary to protect the legitimate interests of Buyer and that any violation of such restrictions would result in irreparable injury to Company and Buyer. In addition to any other remedy or remedies to which Buyer may be entitled in law or in equity, Buyer shall be entitled to preliminary and permanent injunctive relief for a violation or threatened violation of Section 10.1 without having to post a bond. Each Covered Person hereby waives any objections on the grounds of improper jurisdiction or venue to the commencement of an action in the State of Illinois and agrees that effective service of process may be made upon in under the provisions of Section 11.2.

Section 10.3. Judicial Determination. If a court should hold that the restrictions set forth in Section 10.1 are unenforceable because they are unreasonable, then to the extent permitted by law, the court may prescribe the longest duration for the Restricted Period and/or the largest radius or area for the Restricted Area that is reasonable and the parties agree to accept such determination subject to their rights of appeal. Nothing herein stated shall be construed as prohibiting Buyer from pursuing any other remedy or remedies available for such breach or threatened breach, including recovery of damages or injunctive relief.

Section 10.4. Extension of Restricted Period. If any Covered Person is in violation of Section 10.1 at any time, then the Restricted Period shall be extended with respect to such party for a period of time equal to the period during which said violation or violations occurred. If Buyer seeks injunctive relief from said violation in court, then the running of the Restricted Period shall be suspended during the pendency of said proceeding, including all appeals. This suspension shall cease upon the entry of a final judgment in the matter, not subject to further appeal.

ARTICLE XI MISCELLANEOUS

Section 11.1. Entire Agreement. This Agreement (including the Exhibits and Schedules attached hereto) sets forth the entire agreement and understanding of the parties with respect to the transactions contemplated hereby and, except for that certain Confidentiality Agreement, dated September 13, 2013 by and among Seller and Surgical Care Affiliates, LLC, supersedes all prior representations, promises, agreements, arrangements and understandings related to the subject matter hereof, including without limitation the Letter of Intent, dated November 19, 2013, by and between the parties. The parties agree that (i) they have fully informed themselves of the terms, contents, conditions and effects of this Agreement and have consulted legal counsel of their choice in connection with this Agreement and (ii) in entering into this Agreement, they are not relying upon any representations, promises or statements not expressly stated in this Agreement and hereby disclaim any and all reliance upon such representations, promises and/or statements in executing this Agreement.

Section 11.2. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when received if delivered personally, given by e-mail or other equivalent internet transmission, mailed first class, postage prepaid, registered or certified mail, delivered by Federal

Express or other courier service, or sent by facsimile or other online transmission system, as follows:

If to Buyer:

Surgicare of Belleville, LLC
c/o Surgical Care Affiliates, LLC
3000 Riverchase Galleria
Suite 500
Birmingham, Alabama 35244
Attn: General Counsel

With a copy to:

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
4268 I-55 North
Jackson, Mississippi 39211
Attn: Charles W. Ferguson

If to Seller:

Meridian Surgical Partners-Illinois, LLC
c/o Meridian Surgical Partners, LLC
5141 Virginia Way, Suite 420
Brentwood, Tennessee 37027
Attn: John C. Wilson, Jr.

With a copy to:

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201
Attn: Angela Humphreys

Section 11.3. Controlling Law. This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Delaware, without regard to its conflict of laws rules.

Section 11.4. Headings. The Section headings contained herein are for purposes of convenience only, and shall not be deemed to constitute a part of this Agreement or to affect the meaning or interpretation of this Agreement in any way.

Section 11.5. Benefit. All of the terms, provisions, covenants, representations, warranties and conditions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. Neither party shall assign any of its rights or obligations hereunder without the prior written consent of the other party.

Section 11.6. Amendment. Except as otherwise expressly provided herein, this Agreement may be amended, modified, superseded or canceled, and any of the terms, provisions, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto, in the case of a waiver, by the party waiving compliance.

Section 11.7. Waiver. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right to enforce the same. No waiver by any party of any condition, or of the breach of any term, provision, covenant, representation or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of the breach of any other term, provision, covenant, representation or warranty.

Section 11.8. Severability. In the event that any one or more of the provisions of this Agreement shall be held or otherwise found to be invalid, illegal or unenforceable, all other provisions hereof shall be given effect separately therefrom and shall not be affected thereby.

Section 11.9. No Third Party Beneficiaries. Except for the rights of the Indemnified Parties under Section 8.2, this Agreement is for the sole benefit of the undersigned parties hereto (and their successors and permitted assigns) and is not for the benefit of any third party.

Section 11.10. Further Assurances. The parties hereto shall execute and deliver such other documents and instruments, and take such other actions, as Buyer may reasonably request in order more fully to vest and perfect in Buyer all title and interest in and to the Membership Interest.

Section 11.11. Counterparts; Execution. Separate copies of this Agreement may be signed by the parties hereto, with the same effect as though both parties had signed one copy of this Agreement. Signatures received by facsimile or via other electronic transmission system shall be accepted as original signatures.

Section 11.12. Dispute Resolution. Except as otherwise provided in this Agreement, in the event any disagreement, dispute, or claim arises between Buyer and Seller with respect to the enforcement or interpretation of this Agreement or any specific terms and provisions set forth in this Agreement (collectively, a "**Dispute**"), such Dispute shall be settled in accordance with the following procedures:

(a) Meet and Confer. The parties shall, as soon as reasonably practicable after one party gives written notice of a Dispute to the other party (the "**Dispute Notice**"), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the parties (the "**Meet and Confer**"). The obligation to conduct a Meet and Confer pursuant to this Section does not obligate either party to agree to any compromise or resolution of the Dispute that such party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable laws protecting statements, disclosures, or conduct in such context, and any offer in

compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such laws.

(b) Arbitration. If any Dispute is not resolved to the mutual satisfaction of the parties within forty-five (45) days after delivery of the Dispute Notice (or such other period as may be mutually agreed upon by the parties in writing), the parties shall submit such Dispute to mandatory arbitration conducted by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") in accordance with the following rules and procedures:

(c) Either party may commence arbitration by giving written notice to the other party demanding arbitration (the "**Arbitration Notice**"). The Arbitration Notice shall specify the Dispute, the particular claims and/or causes of actions alleged by the party demanding arbitration, and the factual and legal basis in support of such claims and/or causes of action.

(d) The arbitration shall be conducted in Chicago, Illinois (the "**City**") and in accordance with the commercial arbitration rules and procedures of JAMS to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.

(e) The arbitration shall be conducted before a single impartial retired judge who is a member of the JAMS panel of arbitrators covering the City (the "**JAMS Panel**"). The parties shall use their good faith effort to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each party shall select one arbitrator from the JAMS Panel, and such arbitrators shall select a single impartial retired judge from the JAMS Panel to serve as arbitrator of the Dispute.

(f) The parties expressly waive any right to any and all discovery in connection with the arbitration; provided, however, that each party shall have the right to depose each other's expert witnesses, conduct no more than two (2) depositions of fact witnesses, and submit one set of interrogatories with a maximum of forty (40) questions, including subparts of such questions.

(g) The arbitration hearing shall commence within thirty (30) days after appointment of the arbitrator. The substantive internal law (and not the conflict of laws) of the State of Illinois shall be applied by the arbitrator to the resolution of the Dispute, and the Illinois Rules of Evidence shall apply to all testimony and documents submitted to the arbitrator. The arbitrator shall have no authority to amend or modify the limitation on the discovery rights of the parties or any of the other rules and/or procedures set forth in this Section. As soon as reasonably practicable but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator, and mailed to each of the parties and their respective legal counsel.

(h) Any party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award. The award of the arbitrator shall be final and binding upon the parties without appeal or review except as permitted by applicable law.

(i) Subject to subsection (j) below, the fees and costs of JAMS and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, shall be borne equally by the parties.

(j) The arbitrator may, in the award, allocate all or part of the costs of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees and costs of the prevailing party.

Section 11.13. Waiver of Jury Trial. Each party hereto hereby irrevocably and unconditionally waives trial by jury in connection with any action or proceeding instituted under or relating to this Agreement, or any other document executed pursuant hereto, or in connection with any counterclaim resulting from any such action or proceeding.

Section 11.14. Interpretation of Agreement. The parties hereto acknowledge and agree that this Agreement has been negotiated at arm's length and among parties equally sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities in this Agreement against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties as set forth in this Agreement.

Section 11.15. Parent Guaranty. Parent hereby unconditionally and absolutely guarantees the prompt performance and observance by Seller of each and every obligation, covenant and agreement of Seller arising out of this Agreement. The obligation of Parent under this Section 11.15 is a continuing guaranty and shall remain in effect, and the obligations of Parent shall not be affected, modified or impaired upon the happening from time to time of any of the following events, whether or not with notice or consent of Parent:

(a) The compromise, settlement, release, change, modification, amendment (except to the extent of such compromise, settlement, release, change, modification or amendment) of any or all the obligations, duties, covenants or agreements or any party under this Agreement or any ancillary documents hereto; or

(b) The extension of time for performance of payment of money pursuant to this Agreement, or of the time for performance of any other obligations, covenants or agreements under or arising out of this Agreement or any ancillary documents hereto or the extension or renewal thereof.

Section 11.16. Parent Representations and Warranties. Parent hereby represents and warrants to Buyer as follows: (a) Parent has the right, legal capacity and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder; (b) this Agreement has been duly and validly executed and delivered by Parent; (c) this Agreement constitutes the

valid and legally binding obligation of Parent enforceable in accordance with its terms and conditions; and (d) the execution, delivery and performance by Parent of this Agreement does not, and the consummation of the transactions contemplated hereby, will not violate any law, order or decree to which Parent is subject.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Membership Interest Purchase Agreement as of the day and year first above written.

BUYER:

SURGICARE OF BELLEVILLE, LLC.

By: RLS
Printed Name: Richard L. Sharff, Jr.
Title: VP

SELLER:

**MERIDIAN SURGICAL PARTNERS-
ILLINOIS, LLC**

By: _____
Printed Name: _____
Title: _____

PARENT:

MERIDIAN SURGICAL PARTNERS, LLC

By: _____
Printed Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Membership Interest Purchase Agreement as of the day and year first above written.

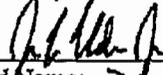
BUYER:

SURGICARE OF BELLEVILLE, LLC.

By: _____
Printed Name: _____
Title: _____

SELLER:

**MERIDIAN SURGICAL PARTNERS-
ILLINOIS, LLC**

By: 
Printed Name: JAMES L KOEN JR
Title: CFO

PARENT:

MERIDIAN SURGICAL PARTNERS, LLC

By: 
Printed Name: JOHN CURRAN JR
Title: CEO

EXHIBIT A

ESCROW AGREEMENT

See attached.

ESCROW AGREEMENT

This Escrow Agreement (the "**Agreement**"), is made and entered into as of the _____ day of June, 2014, by and among Surgicare of Belleville, LLC, a Delaware limited liability company ("**Buyer**"), Meridian Surgical Partners-Illinois, LLC, a Delaware limited liability company ("**Seller**") and First Commercial Bank, a division of Synovus Bank, a Georgia banking corporation (the "**Escrow Agent**").

Buyer and Seller have entered into that certain Membership Interest Purchase Agreement, dated as of the 11th day of June, 2014 (the "**Purchase Agreement**"), pursuant to which Seller is transferring and assigning to Buyer all of Seller's membership interest in Physicians' Surgical Center, LLC (the "**Company**") and that certain Management Services Agreement dated February 29, 2008 by and between Seller and Company. Pursuant to Section 2.2(b) of the Purchase Agreement, the parties have agreed that the full amount of the Purchase Price shall be deposited by Buyer into escrow to be held and distributed in accordance with this Agreement.

All capitalized terms used in this Agreement without definition shall have the respective meanings given to them in the Purchase Agreement.

The parties, intending to be legally bound, hereby agree as follows

1. ESTABLISHMENT OF ESCROW

(a) Buyer is depositing with Escrow Agent an amount equal to two million four hundred thousand and 00/100 dollars (\$2,400,000.00) in immediately available funds (as increased by any earnings thereon and as reduced by any losses on authorized investments made in accordance with Section 2 below) (the "**Escrow Fund**"). Escrow Agent acknowledges receipt thereof.

(b) Escrow Agent hereby agrees to act as escrow agent and to hold, safeguard and disburse the Escrow Fund pursuant to the terms and conditions hereof.

2. INVESTMENT OF FUNDS

Except as Buyer and Seller may from time to time jointly instruct Escrow Agent in writing, the Escrow Fund shall be invested from time to time until disbursement of the entire Escrow Fund in bank accounts, bank money-market accounts, short-term certificates of deposit issued by a bank or short-term securities issued or guaranteed by the U.S. Government; provided, however, that such investments must be subject to daily liquidity. Escrow Agent is authorized to liquidate in accordance with its customary procedures any portion of the Escrow Fund consisting of investments to provide for payments required to be made under this Agreement.

3. TERMINATION OF ESCROW

(a) Unless sooner distributed in accordance with Sections 3(b) or 3(c) hereof, Escrow Agent shall pay and distribute to Seller the then amount of the Escrow Fund to Seller on the

Closing Date set forth in Section 2.5 of the Purchase Agreement, provided that Escrow Agent receives the written instructions, executed jointly by Buyer and Seller, authorizing Escrow Agent to release the Escrow Fund to Seller before 2:00 p.m. on the Closing Date. In the event Escrow Agent does not receive the required written instructions authorizing the release of the Escrow Fund to Seller before 2:00 p.m. on the Closing Date, Escrow Agent shall pay and distribute to Seller the then amount of the Escrow Fund on the next business day.

(b) In the event the Purchase Agreement is terminated pursuant to Article IX of the Purchase Agreement, then Buyer or Seller, as applicable, shall provide written notice to Buyer or Seller, as applicable, and Escrow Agent (a "**Termination Notice**"). If Buyer or Seller, as applicable, disputes that the Purchase Agreement has been terminated under Article IX of the Purchase Agreement, Buyer or Seller, as applicable, shall have ten (10) days from the date of Escrow Agent's receipt of the Termination Notice to give notice to Buyer or Seller, as applicable, and Escrow Agent of such dispute (a "**Counter Notice**"). If a Counter Notice is delivered to Escrow Agent within such ten (10) day period, Escrow Agent shall only distribute the Escrow Fund in accordance with Section 3(c). If no Counter Notice is received by Escrow Agent within such ten (10) day period, then the Escrow Fund shall be distributed to Buyer. Escrow Agent shall not inquire into or consider whether a Termination Notice complies with the requirements of the Purchase Agreement.

(c) If a Counter Notice is provided to Escrow Agent as described in Section 3(b), Escrow Agent shall distribute the Escrow Fund only in accordance with (i) joint written instructions of Buyer and Seller, or (ii) a final, nonappealable order of a court of competent jurisdiction. Any court order shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to Escrow Agent to the effect that the order is final and nonappealable. Escrow Agent shall act on such court order and legal opinion without further question.

4. DUTIES OF ESCROW AGENT

(a) Escrow Agent shall not be under any duty to give the Escrow Fund held by it hereunder any greater degree of care than it gives its own similar property and shall not be required to invest any funds held hereunder except as directed in this Agreement. Uninvested funds held hereunder shall not earn or accrue interest.

(b) Escrow Agent shall not be liable for actions or omissions hereunder, except for its own gross negligence or willful misconduct and, except with respect to claims based upon such gross negligence or willful misconduct that are successfully asserted against Escrow Agent, the other parties hereto shall jointly and severally indemnify and hold harmless Escrow Agent (and any successor Escrow Agent) from and against any and all losses, liabilities, claims, actions, damages and expenses, including reasonable attorneys' fees and disbursements, arising out of and in connection with this Agreement. Without limiting the foregoing, Escrow Agent shall in no event be liable in connection with its investment or reinvestment of any cash held by it hereunder in good faith, in accordance with the terms hereof, including, without limitation, any liability for any delays (not resulting from its gross negligence or willful misconduct) in the investment or reinvestment of the Escrow Fund or any loss of interest incident to any such delays.

(c) Escrow Agent shall be entitled to rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity of the service thereof. Escrow Agent may act in reliance upon any instrument or signature believed by it to be genuine and may assume that the person purporting to give receipt or advice or make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so. Escrow Agent may conclusively presume that the undersigned representative of any party hereto which is an entity other than a natural person has full power and authority to instruct Escrow Agent on behalf of that party unless written notice to the contrary is delivered to Escrow Agent.

(d) Escrow Agent may act pursuant to the advice of counsel with respect to any matter relating to this Agreement and shall not be liable for any action taken or omitted by it in good faith in accordance with such advice.

(e) Escrow Agent does not have any interest in the Escrow Fund deposited hereunder but is serving as escrow holder only and has only possession thereof. Any payments of income from the Escrow Fund shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto will provide Escrow Agent with appropriate Internal Revenue Service Forms W-9 for tax identification number certification, or nonresident alien certifications. This Section 5(e) and Section 5(b) shall survive notwithstanding any termination of this Agreement or the resignation of Escrow Agent.

(f) Escrow Agent makes no representation as to the validity, value, genuineness or collectability of any security or other document or instrument held by or delivered to it.

(g) Escrow Agent shall not be called upon to advise any party as to the wisdom in selling or retaining or taking or refraining from any action with respect to any securities or other property deposited hereunder.

(h) Escrow Agent (and any successor Escrow Agent) may at any time resign as such by delivering the Escrow Fund to any successor Escrow Agent jointly designated by the other parties hereto in writing, or to any court of competent jurisdiction, whereupon Escrow Agent shall be discharged of and from any and all further obligations arising in connection with this Agreement. The resignation of Escrow Agent will take effect on the earlier of (i) the appointment of a successor (including a court of competent jurisdiction) or (ii) the day which is thirty (30) days after the date of delivery of its written notice of resignation to the other parties hereto. If, at that time, Escrow Agent has not received a designation of a successor Escrow Agent, Escrow Agent's sole responsibility after that time shall be to retain and safeguard the Escrow Fund until receipt of a designation of successor Escrow Agent or a joint written disposition instruction by the other parties hereto or a final, nonappealable order of a court of competent jurisdiction.

(i) In the event of any disagreement between the other parties hereto resulting in adverse claims or demands being made in connection with the Escrow Fund or in the event that Escrow Agent is in doubt as to what action it should take hereunder, Escrow Agent shall be entitled to retain the Escrow Fund until Escrow Agent shall have received (i) a final, written award issued by an arbitrator directing delivery of the Escrow Fund, (ii) a final, nonappealable order of a court of

competent jurisdiction directing delivery of the Escrow Fund or (iii) a written agreement executed by the other parties hereto directing delivery of the Escrow Fund, in which event Escrow Agent shall disburse the Escrow Fund in accordance with such award, order or agreement. Any arbitration award or court order shall be accompanied by a legal opinion by counsel for the presenting party satisfactory to Escrow Agent to the effect that the award or order is final and nonappealable. Escrow Agent shall act on such arbitration award or court order and legal opinion without further question.

(j) Buyer and Seller shall pay Escrow Agent compensation (as payment in full) for the services to be rendered by Escrow Agent hereunder in the amount of One Thousand and 00/100 Dollars (\$1,000.00) and agree to reimburse Escrow Agent for all reasonable expenses, disbursements and advances incurred or made by Escrow Agent in performance of its duties hereunder (including reasonable fees, expenses and disbursements of its counsel). Any request for reimbursement shall be paid within thirty (30) days from receipt by Buyer or Seller, as applicable, of an itemized invoice. Any such reimbursement to which Escrow Agent is entitled shall be separately invoiced and borne fifty percent (50%) by Buyer and fifty percent (50%) by Seller. Any fees or expenses of Escrow Agent or its counsel that are not paid as provided for herein may be taken from any property held by Escrow Agent hereunder.

(k) No printed or other matter in any language (including, without limitation, prospectuses, notices, reports and promotional material) that mentions Escrow Agent's name or the rights, powers or duties of Escrow Agent shall be issued by the other parties hereto or on such parties' behalf unless Escrow Agent shall first have given its specific written consent thereto.

(l) The other parties hereto authorize Escrow Agent, for any securities held hereunder, to use the services of any United States central securities depository it reasonably deems appropriate, including, without limitation, the Depository Trust Company and the Federal Reserve Book Entry System.

5. LIMITED RESPONSIBILITY

This Agreement expressly sets forth all the duties of Escrow Agent with respect to any and all matters pertinent hereto. No implied duties or obligations shall be read into this Agreement against Escrow Agent. Escrow Agent shall not be bound by the provisions of any agreement among the other parties hereto except this Agreement.

6. OWNERSHIP FOR TAX PURPOSES

Buyer agrees that, for purposes of federal and other taxes based on income, Buyer will be treated as the owner of the Escrow Fund and that Buyer will report all income, if any, that is earned on, or derived from, the Escrow Fund as its income in the taxable year or years in which such income is properly includible and pay any taxes attributable thereto.

7. TAX FORMS

On or before the execution of this Agreement, each of Buyer and Seller shall provide Escrow Agent with a fully executed Internal Revenue Form W-9, or W-8, properly completed and signed, and such other forms and documents as Escrow Agent may reasonably request.

8. NOTICES

All notices, consents, waivers and other communications required or permitted under this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by a nationally recognized overnight courier service (costs prepaid); or (b) received by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a party may designate by notice to the other parties):

Buyer: Surgicare of Belleville, LLC
c/o Surgical Care Affiliates, LLC
3000 Riverchase Galleria, Suite 500
Birmingham, AL 35244
Attention: General Counsel

with a mandatory copy to: Baker Donelson Bearman Caldwell
& Berkowitz, PC
4268 I-55 North
Meadowbrook Office Park
Jackson, MS 39211
Attention: Charles W. Ferguson

Seller: Meridian Surgical Partners-Illinois,
LLC
c/o Meridian Surgical Partners, LLC
5141 Virginia Way, Suite 420
Brentwood, TN 37027
Attention: John C. Wilson, Jr.

with a mandatory copy to: Bass, Berry & Sims PLC
150 Third Avenue South
Suite 2800
Nashville, TN 37201
Attention: Angela Humphreys

Escrow Agent: First Commercial Bank
Corporate Trust Department
800 Shades Crest Parkway
Birmingham, AL 35209
Attention: Dean Matthews

9. EXECUTION OF AGREEMENT

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be

deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for any purposes whatsoever.

10. SECTION HEADINGS, CONSTRUCTION

The headings of sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

11. WAIVER

The rights and remedies of the parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any party in exercising any right, power or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement or the documents referred to in this Agreement can be discharged by one party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by the other party; (b) no waiver that may be given by a party will be applicable except in the specific instance for which it is given; and (c) no notice to or demand on one party will be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement or the documents referred to in this Agreement.

12. ENTIRE AGREEMENT AND MODIFICATION

This Agreement supersedes all prior agreements among the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement executed by Buyer, Seller and Escrow Agent.

13. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Delaware without regard to conflicts of law principles that would require the application of any other law.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

Surgicare of Belleville, LLC

By: _____
Name: _____
Title: _____

Meridian Surgical Partners-Illinois, LLC

By: _____
Name: _____
Title: _____

First Commercial Bank, a division of Synovus Bank

By: _____
Name: _____
Title: _____

EXHIBIT B

ASSIGNMENT AND ASSUMPTION AGREEMENT

See attached.

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), entered into as of _____, by and between MERIDIAN SURGICAL PARTNERS-ILLINOIS, LLC, a Delaware limited liability company ("Assignor"), and SURGICARE OF BELLEVILLE LLC, a Delaware limited liability company ("Assignee"). Physicians' Surgical Center, LLC ("PSC") hereby joins in this Agreement solely for the purpose of consenting to the assignment and assumption of that certain Management Services Agreement dated February 29, 2008 by and between Assignor and Physicians' Surgical Center, LLC (the "Management Agreement").

WITNESSETH:

WHEREAS, Assignor and Assignee are each parties to that certain Membership Interest Purchase Agreement dated _____, 2014 (the "Purchase Agreement"), to sell Assignor's Membership Interest in PSC to Assignee; and

WHEREAS, Assignor, Assignee and PSC all mutually desire that Assignor assign all of its right, title and interest in, under and to the Management Agreement to Assignee.

NOW, THEREFORE, for and in consideration of the covenants entered into pursuant to the Purchase Agreement and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, the parties hereto agree as follows:

1. Assignment and Assumption.

(a) Assignor hereby assigns, transfers and sets over unto the Assignees all of Assignor's right, title and interest in, under and to the Management Agreement.

(b) Assignee hereby accepts the foregoing assignment and hereby agrees to perform all of the terms and conditions of the Management Agreement to be performed on the part of Assignor on and after the date hereof. Assignee is not assuming and Assignor shall remain liable for any liabilities or obligations of Assignor which arise out of, or relate to, events, acts or omissions that occurred prior to the date hereof.

2. Consent to Assignment. PSC hereby consents to the assignment and assumption of the Management Agreement effected hereby and covenant not to make any claim against Assignor for any acts or omission under the Management Agreement that occur after the assignment of the Management Agreement from Assignor to Assignee.

3. Miscellaneous.

(a) Headings. The section headings used herein are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

(b) Governing law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

(c) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption Agreement to be executed and delivered as of the date and year first above written.

ASSIGNOR:

Meridian Surgical Partners-Illinois, LLC

By: _____
Name: _____
Title: _____

ASSIGNEE:

Surgicare of Belleville, LLC

By: _____
Name: _____
Title: _____

PSC:

Physicians' Surgical Center, LLC

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF DUE DILIGENCE CERTIFICATE

Pursuant to the terms of that certain Membership Interest Purchase Agreement by and between Surgicare of Belleville, LLC, a Delaware limited liability company (“**Buyer**”), Meridian Surgical Partners-Illinois, LLC, a Delaware limited liability partnership (“**Seller**”) and Meridian Surgical Partners, LLC, a Delaware limited liability company, dated the ____ day of June, 2014 (the “**Purchase Agreement**”), the undersigned, _____, the _____ of Physicians’ Surgical Center, does hereby certify that (a) the undersigned has read the representations and warranties of Seller contained in the Purchase Agreement; (b) each of the representations and warranties of Seller contained in the Purchase Agreement that are qualified as to materiality are true and correct in all respects; and (c) each of the representations and warranties that are not so qualified as to materiality are true and correct in all material respects on and as of the Closing Date (as that term is defined in the Purchase Agreement) with the same effect as though such representations and warranties has been made on and as of the Closing Date.

Name: _____
Title: _____
Date: _____

DISCLOSURE SCHEDULES
DELIVERED BY
MERIDIAN SURGICAL PARTNERS-ILLINOIS, LLC AND
MERIDIAN SURGICAL PARTNERS, LLC
PURSUANT TO THE MEMBERSHIP INTEREST PURCHASE AGREEMENT
DATED AS OF JUNE 11, 2014
BY AND BETWEEN
SURGICARE OF BELLEVILLE, LLC,
MERIDIAN SURGICAL PARTNERS-ILLINOIS, LLC
AND
MERIDIAN SURGICAL PARTNERS, LLC

These Disclosure Schedules to the Membership Interest Purchase Agreement (the “Schedules”) are being provided pursuant to the Membership Interest Purchase Agreement dated as of June 11, 2014 (the “Purchase Agreement”), by and between SURGICARE OF BELLEVILLE, LLC, a Delaware limited liability company (the “Buyer”), MERIDIAN SURGICAL PARTNERS-ILLINOIS, LLC, a Delaware limited liability company (the “Seller”) and MERIDIAN SURGICAL PARTNERS, LLC (“Parent”).

These Schedules relate to certain matters concerning the transactions contemplated by the Purchase Agreement. These Schedules are qualified in their entirety by reference to specific provisions of the Purchase Agreement and are not intended to constitute, and shall not be construed as constituting, representations or warranties except as and to the extent provided in the Purchase Agreement. The inclusion of information herein shall not be construed as an admission to any third party concerning such information or matter.

Matters reflected in these Schedules are not necessarily limited to matters required by the Purchase Agreement to be reflected in these Schedules. Such additional matters are set forth for informational purpose and do not necessarily include other matters of a similar nature. In this regard, the fact that any item or matter is disclosed in these Schedules shall not be deemed to establish a different standard of materiality than the one set forth in the applicable representation or warranty in the Purchase Agreement. Neither the specifications of any dollar amount in any representation, warranty or covenant contained in the Purchase Agreement nor the inclusion of any specific item in these Schedules is intended to imply that such amount, or higher or lower amounts, or the item so included or other items, are or are not material, or to imply that such item did not arise in the ordinary course of business.

Although effort has been made to provide cross references where appropriate, any matter disclosed pursuant to one section, subpart or subdivision hereof is deemed disclosed for all applicable purposes of these Schedules to the extent the Purchase Agreement requires such disclosure and it is reasonably apparent from a reading of the disclosure that such disclosure is applicable to such other sections, subparts, or subdivisions.

Headings have been inserted on the sections of these Schedules for convenience of reference only and shall to no extent have the effect of amending or changing the express terms of the Purchase Agreement.

LIST OF DISCLOSURE SCHEDULES

Schedule 3.1	Ownership
Schedule 3.5	Consents
Schedule 3.7	Financial Statements
Schedule 3.9	Material Contracts
Schedule 3.9(a)	Material Contracts - Physicians
Schedule 3.9(c)	Material Contracts - Required Notices and Consents
Schedule 3.12(a)	List of Employees
Schedule 3.12(b)	Employment, Labor and Benefits Matters
Schedule 3.13	Litigation and Proceedings
Schedule 3.14	Compliance with Legal Requirements
Schedule 3.16	Absence of Specified Changes

Schedule 3.1

Ownership

Physicians' Surgical Center, LLC Ownership	Direct PSC LLC	Held in PSC LTD	Effective PSC LLC
Meridian Surgical Partners-Illinois, LLC	59.0390%	-	59.0390%
Physicians' Surgical Center LTD	29.8637%	-	-
Robert Garner, DO	2.5951%	3.3198%	5.9149%
Murray McGrady, MD	3.8927%	4.4951%	8.3878%
Carl Lee, MD	3.8927%	4.4951%	8.3878%
Kim Reichert, DPM	0.7168%	4.7685%	5.4853%
Christopher Dugan, DPM	-	3.2108%	3.2108%
Mitchell Needleman, DPM	-	0.6422%	0.6422%
Kosit Prieb, MD	-	3.8540%	3.8540%
Eric Whittenberg, DPM	-	2.6667%	2.6667%
Eric Snook, DPM	-	2.4115%	2.4115%
	100.0000%	29.8637%	100.0000%

Physicians' Surgical Center LTD Ownership	Direct PSC LTD	Effective PSC LLC
Robert Garner, DO	11.1165%	3.3198%
Murray McGrady, MD	15.0522%	4.4951%
Carl Lee, MD	15.0522%	4.4951%
Kim Reichert, DPM	15.9676%	4.7685%
Christopher Dugan, DPM	10.7515%	3.2108%
Mitchell Needleman, DPM	2.1503%	0.6422%
Kosit Prieb, MD	12.9049%	3.8540%
Eric, Whittenberg, DPM	8.9297%	2.6667%
Eric Snook, DPM	8.0751%	2.4115%
	100.0000%	29.8637%

Schedule 3.5

Consents

1. Medicare Certification
2. Medicare Railroad Certification
3. TRICARE Certification
4. Local/State Business License (No. 3925-2353)
5. State of Illinois Department of Public Health License (No. 2120426)
6. Medicaid Certification (Illinois Medical Assistance Program)
7. AAAHC Accreditation (No. 15199)
8. Illinois Controlled Substance Certificate (No. BH0289820)
9. Illinois Radiology Certificate (No. 9257117)
10. Illinois Certificate of Need (No. 07-149)
11. Fifth Third Bank has a lien on the personal property of Seller pursuant to that certain Amended and Restated Credit Agreement between MSP Funding Corp., Lenders (as defined therein) and Fifth Third Bank, as Administrative Agent, Sole Lead Arranger and Sole Book Manager, dated as of March 18, 2014, that must be removed prior to Closing.
12. Master Agreement and SOW for the Group Purchasing Program between Meridian Surgical Partners, LLC and MedAssets Supply Chain Systems, LLC dated June 7, 2013 and amended July 19, 2013.

Schedule 3.7

Financial Statements

See attached.

C108 Physicians Surgical Center, LLC
Trailing Twelve Months Detail
For the Twelve Months Ending Monday, December 31, 2012

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenue	785,327	581,838	862,286	860,766	754,735	843,592	789,845	1,011,111	540,610	740,119	785,583	684,464	9,315,283
Contractual Adjustments	(853,041)	(650,913)	(781,545)	(732,837)	(616,101)	(689,405)	(644,526)	(819,461)	(453,984)	(627,378)	(630,787)	(545,427)	(7,647,328)
Total Revenue	<u>132,286</u>	<u>127,925</u>	<u>180,741</u>	<u>133,929</u>	<u>138,634</u>	<u>155,187</u>	<u>145,319</u>	<u>192,650</u>	<u>86,732</u>	<u>121,741</u>	<u>134,796</u>	<u>119,037</u>	<u>1,667,958</u>
Expenses													
Fixed Wages	17,675	16,828	16,460	15,975	16,556	15,471	16,418	16,522	14,703	16,762	16,631	18,065	201,017
Variable Wages	19,495	14,437	22,131	20,426	22,926	23,451	23,273	26,863	15,237	18,611	21,060	18,075	247,355
Payroll Taxes	3,067	1,090	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	12,600
Health Insurance	3,100	3,198	4,063	3,539	2,964	3,704	3,244	3,423	2,810	2,619	2,963	3,084	35,907
Benefits Expense	3,321	2,450	2,046	3,253	2,568	2,784	2,374	2,731	2,638	2,538	2,640	2,567	31,309
401(k) Match Expense	213	374	536	536	408	445	379	627	390	371	392	160	4,907
Salaries and Wages	<u>49,080</u>	<u>38,374</u>	<u>46,135</u>	<u>44,778</u>	<u>46,907</u>	<u>46,907</u>	<u>46,738</u>	<u>50,724</u>	<u>36,880</u>	<u>42,952</u>	<u>46,966</u>	<u>35,551</u>	<u>531,116</u>
Supplies-General	14,009	9,350	11,237	13,708	5,584	13,386	18,283	17,231	12,004	10,511	12,738	12,860	151,993
Supplies-Drugs	1,581	993	1,563	746	1,641	2,162	2,162	2,470	1,854	2,870	1,839	2,365	22,594
Supplies-Anesthesia	1,546	122	103	338	338	477	307	392	174	238	368	337	3,911
Supplies-Sutures	666	172	413	431	159	372	372	293	353	353	497	591	3,606
Supplies-Implants	6,175	15,538	21,397	2,337	4,586	1,100	1,100	4,783	13,589	6,439	2,703	6,010	87,052
Medical Supplies	<u>22,978</u>	<u>26,175</u>	<u>34,631</u>	<u>17,335</u>	<u>9,889</u>	<u>21,241</u>	<u>21,851</u>	<u>25,609</u>	<u>28,997</u>	<u>20,878</u>	<u>17,448</u>	<u>22,163</u>	<u>289,346</u>
Billing Fees	258	453	676	251	247	240	242	254	248	244	240	233	3,587
Collection Agency Commissions	223	319	434	170	187	348	348	655	251	25	204	204	2,416
Director's Prof Fees	1,800	2,800	2,400	2,600	2,600	2,500	2,600	2,000	3,200	3,000	3,000	3,200	31,500
Legal Fees	55	502	347	555	80	30	60	415	1,566	1,666	25	50	340
Recruitment Expense	567	4,074	4,703	3,897	3,855	5,938	9,373	3,325	493	341	394	462	5,547
Professional Fees	2,703								5,451	5,276	4,041	4,904	57,048
Medical Services													
Medical Fees													
Lease/Rent-Equipment	407	308	308	329	308	308	399	313	354	200	1,104	1,094	6,632
Lease/Rent-Office Space	7,523	7,523	7,523	7,523	7,749	7,749	8,003	8,003	8,003	8,003	8,003	8,003	83,100
Leases & Rentals	<u>7,930</u>	<u>7,831</u>	<u>7,831</u>	<u>7,852</u>	<u>8,057</u>	<u>8,057</u>	<u>8,402</u>	<u>8,316</u>	<u>8,357</u>	<u>8,203</u>	<u>9,107</u>	<u>9,097</u>	<u>99,732</u>
Management Fee	12,504	6,334	1,960	11,336	11,548	7,188	8,194	9,600	9,199	8,813	12,448	7,200	106,315
Bad Debt Expense	988	869	1,356	1,004	1,040	1,149	1,087	1,445	2,051	1,217	1,348	1,380	15,036
Bank Charges	481	439	332	568	1,064	351	351	448	382	357	384	133	5,660
Continuing Education	481	33	605	551	601	718	910	680	30	963	397	701	8,096
Contract Services	254	254	860	42	5	713	32	(5)	14	225	225	2148	2,148
Credentiaing Expense	145	25	50	25	25	25	25	1,052	2,366	72	2,366	2,160	104
Dues & Subscriptions	2,386	2,333	2,211	2,211	2,366	2,010	2,366	2,366	2,366	2,366	2,366	2,366	27,692
Insurance - general	434	571	548	540	546	546	546	546	546	546	546	546	6,908
Insurance - malpractice	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	23,400
Laundry Expense	835	1,568	1,333	1,333	1,334	1,696	1,384	1,350	1,619	1,200	1,575	1,557	16,211
License Fees	220	184	184	184	184	184	184	184	184	184	184	184	2,857
Meals & Entertainment	29	30	47	30	47	623	20	917	374	374	164	50	2,261
Mileage	308	10	316	302	300	300	300	300	300	293	300	37	1,993
Postage Expense	118	185	185	100	29	110	110	109	68	44	182	37	2,050
Printing Expense	1,086	130	130	100	29	110	110	109	68	44	182	37	2,050
Repairs & Maintenance-Building	1,451	469	86	35	3,227	763	565	248	1,321	2,133	1,480	1,445	17,480
Repairs & Maintenance-Equip...	3,333	3,800	3,800	3,287	3,227	3,167	3,380	3,380	3,380	3,450	3,450	3,450	40,857
Supplies-Maintenance-Contract	371	185	1,280	563	365	560	148	4	664	(671)	600	5	4,654
Taxes - Sales & Use	500	500	300	300	480	300	300	300	300	165	468	300	1,962
Taxes - Other	340	241	240	382	289	289	289	250	250	350	350	350	3,089
Telephone	33	349	492	659	41	381	23	1,245	33	135	185	237	1,333
Training and Education	467	467	322	322	322	345	300	322	375	135	237	237	4,042
Travel Expense	200	13,481	14,247	11,670	11,370	13,749	11,657	13,892	13,526	12,859	10,962	14,689	152,464
Utilities Expense	10,384	97,228	110,881	97,622	92,470	104,268	107,039	112,316	104,852	109,628	102,621	85,194	1,231,257
Waste Disposal	106,567	30,697	89,860	35,307	46,164	46,919	39,261	60,274	(17,920)	21,213	32,275	23,943	450,701
General & Administrative Ex...	25,719	30,697	89,860	35,307	46,164	46,919	39,261	60,274	(17,920)	21,213	32,275	23,943	450,701
Total Expense	<u>106,567</u>	<u>97,228</u>	<u>110,881</u>	<u>97,622</u>	<u>92,470</u>	<u>104,268</u>	<u>107,039</u>	<u>112,316</u>	<u>104,852</u>	<u>109,628</u>	<u>102,621</u>	<u>85,194</u>	<u>1,231,257</u>
EBITDA	<u>25,719</u>	<u>30,697</u>	<u>89,860</u>	<u>35,307</u>	<u>46,164</u>	<u>46,919</u>	<u>39,261</u>	<u>60,274</u>	<u>(17,920)</u>	<u>21,213</u>	<u>32,275</u>	<u>23,943</u>	<u>450,701</u>
EBITDA less MI	<u>25,719</u>	<u>30,697</u>	<u>89,860</u>	<u>35,307</u>	<u>46,164</u>	<u>46,919</u>	<u>39,261</u>	<u>60,274</u>	<u>(17,920)</u>	<u>21,213</u>	<u>32,275</u>	<u>23,943</u>	<u>450,701</u>

C-108 Physicians Surgical Center, LLC
Trailing Twelve Months Detail
For the Twelve Months Ending Monday, December 31, 2012

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Depreciation Expense - Leasehold	7,004	6,580	6,175	6,023	7,617	7,617	7,617	7,617	7,617	7,559	7,319	8,18	816
Depreciation Expense - Equip.	143	266	269	269	324	324	324	285	285	285	285	7,319	66,171
Depreciation Expense - Software	535	535	513	469	277	277	285	285	285	285	285	285	3,472
Depreciation Expense - Furniture	7,807	7,404	6,937	6,750	8,223	8,217	8,191	8,150	8,130	8,045	7,792	8,534	84,346
Interest Income	352	352	350	20	137	150	150	150	150	230	230	27	1,117
Other Income			355	20	287					230		27	1,267
Interest & Other Expense				1									1
NET INCOME	17,511	23,565	63,253	29,576	38,222	40,701	31,070	72,124	(25,959)	13,388	24,483	15,275	343,621
Cases	143	116	177	155	148	166	143	174	96	123	131	113	1,686
Revenue per case	925	1,100	1,021	659	937	923	1,023	1,107	900	990	1,029	1,053	989
Wages & Benefits per case	343	331	281	287	316	293	272	482	382	374	374	382	365
Supply costs per case	101	228	176	227	241	218	207	207	302	168	133	190	160
Other costs per case	211	262	309	237	281	295	289	289	402	307	289	332	256
EBITDA per case	180	265	395	233	312	295	275	461	(186)	172	246	211	259

**C108 Physicians Surgical Center, LLC
Comparative Balance Sheet
Monday, December 31, 2012**

	<u>Current Month</u>	<u>Prior Month</u>	<u>Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Cash-Operating Account	\$262,091	\$353,434	(\$91,343)	-25.84%
Cash-Petty	100	100	0	0.00%
Accounts Receivable	207,256	202,667	4,589	2.26%
Allowance for Doubtful Accts.	(48,053)	(46,673)	(1,380)	2.96%
Inventories	124,640	124,987	(347)	-0.28%
Prepays	29,318	29,666	(348)	-1.17%
Total Current Assets	575,351	664,181	(88,830)	-13.37%
Property & Equipment				
Leasehold Improvements	63,194	14,254	48,940	343.34%
Equipment	757,064	757,064	0	0.00%
Computers & Software	16,255	16,255	0	0.00%
Furniture & Fixtures	30,901	30,901	0	0.00%
Fixed Asset Clearing	0	32,470	(32,470)	-100.00%
AD-Leasehold Improvements	(15,070)	(14,254)	(816)	5.72%
AD-Equipment	(572,140)	(564,822)	(7,319)	1.30%
AD-Computers & Software	(13,583)	(13,298)	(285)	2.14%
AD-Furniture & Fixtures	(27,881)	(27,706)	(175)	0.63%
Total Property & Equipm...	238,740	230,864	7,876	3.41%
Other Assets				
Goodwill	3,473,338	3,473,338	0	0.00%
Deposits	120	120	0	0.00%
Total Other Assets	3,473,458	3,473,458	0	0.00%
Total Assets	4,287,549	4,368,503	(80,954)	-1.85%
LIABILITIES & SHAREHOLD...				
Current Liabilities				
Accounts Payable	25,447	4,819	20,628	428.04%
Accrued Salaries	23,248	29,080	(5,832)	-20.06%
Accrued Payroll Taxes	2,574	1,384	1,190	86.04%
Accrued Paid Time Off (PTO)	19,016	16,097	2,918	18.13%
Due to/from Corporate	16,829	20,286	(3,458)	-17.04%
Accrued Franchise/Excise...	5,394	5,094	300	5.89%
Accrued Expenses - General	236,751	248,727	(11,976)	-4.81%
Total Current Liabilities	329,259	325,488	3,771	1.16%
Long Term Liabilities				
Members' Equity				
Contributed Capital	4,112,175	4,112,175	0	0.00%
Distributions	(2,793,000)	(2,693,000)	(100,000)	3.71%
Retained Earnings	2,295,495	2,295,495	0	0.00%
Current Earnings	343,621	328,345	15,275	4.65%
Total Shareholders' Equity	3,958,291	4,043,015	(84,725)	-2.10%
Total Liabilities & Mem...	4,287,549	4,368,503	(80,954)	-1.85%

C-108, Physicians Surgical Center, LLC
Trailing Twelve Months Detail
For the Twelve Months Ending Tuesday, December 31, 2013

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenue													
Patient Service Revenues	871,806	631,994	1,170,319	706,453	873,184	871,657	779,450	892,617	721,490	869,746	602,837	781,587	8,313,220
Contractual Adjustments	(732,852)	(529,268)	(872,268)	(601,019)	(716,491)	(584,178)	(643,310)	(562,605)	(611,118)	(657,100)	(460,752)	(642,159)	(7,673,397)
Total Revenue	139,804	102,165	198,051	105,434	156,693	107,479	136,140	130,012	110,372	152,646	142,085	139,428	1,639,823
Expenses													
Fixed Assets	17,933	15,328	16,450	16,668	17,393	15,516	16,822	17,363	17,943	19,415	17,384	22,385	216,657
Variable Wages	1,450	18,389	22,076	14,521	20,718	16,258	21,350	19,800	17,078	21,361	20,741	20,855	230,680
Bonus	4,433	3,165	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	1,150	13,000
Payroll Taxes	3,180	4,433	1,150	2,863	3,045	2,868	2,868	2,868	2,723	3,088	2,908	3,680	38,052
Benefits Expense	552	3,206	1,574	2,149	3,122	2,524	2,948	1,888	3,533	2,904	2,904	2,903	33,783
401(K) Match Expense	47,098	359	370	315	332	370	343	371	328	328	365	187	3,783
Salaries and Wages	41,566	36,024	50,803	36,024	46,181	35,577	45,566	43,518	42,755	47,852	45,451	39,876	522,890
Supplies-General	8,112	11,996	14,754	11,608	9,110	19,510	12,102	8,079	9,846	8,642	8,270	10,000	133,719
Supplies-Drugs	3,089	2,028	2,002	2,501	1,395	3,239	3,088	1,079	1,016	1,016	2,591	1,653	25,523
Supplies-Anesthesia	483	278	425	437	491	452	358	232	319	346	346	437	4,628
Supplies-Sutures	287	131	307	134	179	351	279	652	652	652	652	718	5,885
Supplies-Small Tools & Instru...	6,253	14,769	6,312	5,387	9,052	13,593	3,478	6,584	4,237	12,765	4,875	7,895	92,250
Medical Supplies	18,234	29,142	23,800	20,246	20,470	36,793	15,745	18,340	16,530	24,911	16,184	21,813	265,289
Billing Fees	124	124	124	1,256	832	976	976	1,040	1,144	788	1,280	1,064	9,708
Collection Agency Commissions	161	80	254	150	323	1,673	1,771	1,771	388	388	212	864	5,572
Consulting & Prof. Fees	3,000	3,000	3,000	3,000	3,000	3,000	2,400	563	3,000	3,000	3,000	3,000	4,423
Directors Fees	412	2,654	1,265	567	684	589	5,100	3,000	3,000	3,000	3,000	3,000	35,400
Legal Fees	412	414	430	572	278	219	288	2	338	(850)	333	350	16,199
Transcription Expense	3,697	6,272	7,633	5,545	11,417	6,457	6,764	4,805	4,850	5,012	5,352	350	52,887
Professional Fees	1,699	8,003	8,003	8,003	8,243	8,243	8,243	8,243	8,243	8,243	8,243	8,243	97,590
Lease/Rent-Equipment	9,702	9,608	9,608	8,483	9,348	9,613	9,482	9,349	9,492	9,455	9,368	9,368	112,775
Lease/Rent-Office Space	4,225	8,707	8,224	14,740	14,740	13,699	7,150	6,638	5,254	5,688	11,486	15,369	110,133
Lease/Rent-Other	1,202	879	(7,001)	907	1,348	(3,076)	1,171	1,118	15,379	1,308	1,394	15,369	25,938
Bank Charges	161	103	382	176	534	555	789	112	505	167	226	107	3,907
Continuing Education	3,467	798	816	653	728	810	706	25	219	69	69	219	11,695
Contract Services	424	428	428	250	250	112	695	695	702	1,000	385	905	12,219
Credentiaing Expense	75	45	40	45	40	112	112	112	112	112	112	112	84
Dues & Subscriptions	2,366	2,366	2,366	2,439	2,439	2,439	2,439	1,694	2,439	2,439	2,439	2,439	22,714
Employer Pensions	1,318	1,306	1,254	1,597	1,645	1,960	1,201	1,645	1,281	1,281	1,287	1,115	16,005
Insurance-Health	484	784	184	184	184	184	184	184	184	184	184	184	3,107
Insurance-Liability	427	73	36	36	19	243	30	22	26	26	26	346	1,514
Insurance-Other	505	200	15	925	64	64	676	22	300	300	620	300	58
Insurance-Travel	309	309	47	125	103	52	258	300	288	45	174	174	1,401
Insurance-Workers Comp	750	30	786	360	115	115	885	200	118	118	322	322	4,020
Insurance-Other	3,000	4,050	3,459	3,418	3,888	3,888	3,906	3,886	4,080	4,175	4,155	4,155	46,487
Laundry Expense	352	352	473	178	890	495	1,104	214	341	579	200	142	5,109
License Fees	484	784	184	184	184	184	184	184	184	184	184	184	3,107
Maintenance-Contract	427	73	36	36	19	243	30	22	26	26	26	346	1,514
Meals & Entertainment	505	200	15	925	64	64	676	22	300	300	620	300	58
Miscellaneous	309	309	47	125	103	52	258	300	288	45	174	174	1,401
Postage Expense	750	30	786	360	115	115	885	200	118	118	322	322	4,020
Printing Expense	3,000	4,050	3,459	3,418	3,888	3,888	3,906	3,886	4,080	4,175	4,155	4,155	46,487
Repairs & Maintenance-Building	352	352	473	178	890	495	1,104	214	341	579	200	142	5,109
Repairs & Maintenance-Equip...	350	350	(2,300)	246	301	301	309	364	364	364	364	364	(1,041)
Repairs & Maintenance-Other	350	350	352	351	351	353	370	364	364	364	364	364	4,257
Travel Expense	693	823	(504)	519	1,008	70	147	169	169	67	97	163	33
Utilities Expense	175	169	169	169	162	169	162	169	169	169	171	171	3,115
Waste Disposal	(25)	375	375	375	375	(1,125)	375	375	375	375	375	375	2,024
General & Administrative Ex...	16,002	13,591	9,195	12,623	12,487	11,574	13,730	10,014	11,332	11,855	10,900	13,319	146,393
Total Expense	100,162	109,785	102,266	98,469	116,000	110,638	105,648	92,591	104,622	106,271	100,135	114,700	1,262,228
EBITDA	39,642	(7,620)	95,783	6,965	40,693	(3,159)	30,552	36,421	5,750	45,865	61,999	24,734	377,626
EBITDA less MI	35,642	(7,820)	95,783	6,965	40,693	(3,159)	30,552	36,421	5,750	45,865	61,999	24,734	377,626

C108 Physicians Surgical Center, LLC
Trailing Twelve Months Detail
For the Twelve Months Ending Tuesday, December 31, 2013

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Depreciation Expense-Leaseh.	816	816	816	816	816	816	816	816	816	816	816	816	9,788
Depreciation Expense - Equip...	7,319	7,319	7,319	7,319	7,319	7,319	7,298	7,274	7,298	7,208	7,208	7,209	87,437
Depreciation Expense - Software	285	285	116	146	116	190	190	190	190	190	190	190	2,203
Depreciation Expense-Furniture...	175	175	175	175	175	175	175	175	175	154	45	45	1,825
Amortization	28,944	28,944	28,944	28,944	28,944	28,944	28,944	28,944	28,944	28,944	28,944	28,944	347,334
Depreciation Expense	37,639	37,639	37,639	37,639	37,639	37,639	37,420	37,399	37,423	37,314	37,205	37,205	448,586
Impairment Expense												537,671	537,671
Interest Income	250		4			167	91	88	18	349	680	690	1,656
Interest & Other Income	250		4			167	91	88	16	349	690	690	1,656
INCOME FROM CONTINUIN...	2,352	(45,159)	58,416	(30,405)	3,292	(40,399)	(6,777)	(890)	(31,657)	8,900	25,485	(590,142)	(606,975)
NET INCOME	2,352	(45,159)	58,416	(30,405)	3,292	(40,399)	(6,777)	(890)	(31,657)	8,900	25,485	(590,142)	(606,975)
Cases	133	124	149	110	137	107	134	133	105	162	136	125	1,555
Revenue per case	1,051	824	1,329	658	1,144	1,004	1,016	978	1,051	939	1,192	1,115	1,055
Wages & Benefits per case	364	335	341	327	337	332	340	327	407	334	317	317	336
Supply costs per case	137	235	160	184	146	344	147	138	148	119	119	175	171
Other costs per case	262	315	180	394	360	358	301	239	441	207	283	426	305
EBITDA per case	298	(81)	643	63	297	(30)	228	274	55	283	456	198	243

C108 Physicians Surgical Center, LLC
Comparative Balance Sheet
Tuesday, December 31, 2013

	<u>Current Month</u>	<u>Prior Month</u>	<u>Change</u>	<u>% Change</u>
ASSETS				
<i>Current Assets</i>				
Cash-Operating Account	\$220,062	\$239,715	(\$19,653)	-8.20%
Cash-Petty	100	100	0	0.00%
Accounts Receivable	238,617	228,296	10,321	4.52%
Allowance for Doubtful Accts.	(54,287)	(38,926)	(15,361)	39.46%
Inventories	109,466	105,249	4,217	4.01%
Prepays	28,653	30,143	(1,490)	-4.94%
Total Current Assets	542,612	564,578	(21,966)	-3.89%
<i>Property & Equipment</i>				
Leasehold Improvements	63,194	63,194	0	0.00%
Equipment	758,507	758,507	0	0.00%
Computers & Software	18,907	18,907	0	0.00%
Furniture & Fixtures	30,901	30,901	0	0.00%
AD-Leasehold Improvements	(24,858)	(24,042)	(816)	3.39%
AD-Equipment	(659,547)	(652,337)	(7,209)	1.11%
AD-Computers & Software	(15,816)	(15,626)	(190)	1.21%
AD-Furniture & Fixtures	(29,705)	(29,660)	(46)	0.15%
Total Property & Equipm...	141,583	149,843	(8,260)	-5.51%
<i>Other Assets</i>				
Goodwill	2,588,333	3,154,949	(566,616)	-17.96%
Deposits	120	120	0	0.00%
Total Other Assets	2,588,453	3,155,069	(566,616)	-17.96%
Total Assets	3,272,648	3,869,490	(596,842)	-15.42%
LIABILITIES & SHAREHOLD...				
<i>Current Liabilities</i>				
Accounts Payable	5,583	17,766	(12,183)	-68.57%
Accrued Salaries	22,381	32,083	(9,702)	-30.24%
Accrued Payroll Taxes	2,208	1,432	776	54.20%
Accrued Paid Time Off (PTO)	23,526	19,016	4,510	23.72%
Due to/from Corporate	19,165	20,913	(1,748)	-8.36%
Accrued Franchise/Excise...	2,047	2,047	0	0.00%
Accrued Expenses - General	221,285	199,639	21,646	10.84%
Total Current Liabilities	296,195	292,896	3,300	1.13%
<i>Long Term Liabilities</i>				
<i>Members' Equity</i>				
Contributed Capital	4,117,313	4,117,313	0	0.00%
Distributions	(3,173,000)	(3,123,000)	(50,000)	1.60%
Retained Earnings	2,639,116	2,639,116	0	0.00%
Current Earnings	(606,975)	(56,834)	(550,142)	967.99%
Total Shareholders' Equity	2,976,453	3,576,595	(600,142)	-16.78%
Total Liabilities & Mem...	3,272,648	3,869,490	(596,842)	-15.42%

Schedule 3.9

Material Contracts

1. Maintenance Service Agreement between Bell Medical Inc. and Physicians' Surgical Center dated September 11, 2013.
2. Service Agreement between Clean The Uniform Co. and Physicians' Surgical Center dated July 3, 2012.
3. Interpretation Services Agreement between Optimal Phone Interpreters, Inc. and Physicians' Surgical Center, undated.
4. Equipment Service Agreement between Olympus America Inc. and Physicians' Surgical Center dated May 23, 2012.
5. Agreement for Anesthesia Services between Physicians' Surgical Center, LLC and Robert Hellman MD, LLC dated October 1, 2010.
6. Service Agreement between Coverall North America, Inc. d/b/a Coverall Health-Based Cleaning System and Physicians' Surgery Center dated October 3, 2011.
7. Agreement between Physician's Surgical Center and Airgas Mid-America, Inc. dated July 20, 2010.
8. Premier Networks Consulting Services Agreement between Premier Networks and Physicians' Surgical Center dated February 11, 2005.
9. Administrative Services Agreement between Physicians Surgical Center, LLC and Dr. Robert Garner effective as of August 9, 2012.
10. Prescient Professional Services and Support Agreement between Prescient Healthcare Systems, LLC (now Source Medical Solutions, Inc.) and Physicians' Surgical Center dated February 1, 2005 and amended January 31, 2012.
11. Steri-Safe Service Agreement (SRCL-00478868) between Stericycle, Inc. and Physicians' Surgical Center dated April 1, 2013.
12. Equipment Rental Agreement between Watts Copy Systems, Inc. and Physicians' Surgical Center dated July 15, 2009.
13. Planned Maintenance Service Agreement between Wiegmann Associates and Physicians' Surgical Center dated August 17, 2007.
14. Agreement between Stryker Medical and Physicians' Surgical Center dated September 11, 2013.

15. Agreement to Engage The Coding Network, LLC between Physicians' Surgical Center, LLC and The Coding Network, LLC dated March 26, 2013.
16. Restated and Amended Medical Office Lease between 311 West Lincoln Building Association, LLC and Physicians' Surgical Center, LLC dated May 1, 2011 and amended December 31, 2012.
17. Management Services Agreement between Physicians' Surgical Center, LLC and Meridian Surgical Partners-Illinois, LLC dated February 29, 2008.
18. Transfer Agreement between St. Elizabeth's Hospital and Physicians' Surgical Center, Ltd. dated August 30, 2007.
19. Facility Services Agreement between Aetna Health of Illinois Inc. and Physicians' Surgical Center, LLC entered into as of January 1, 2009 and amended as of May 1, 2011.
20. Ambulatory Surgical Care Facility Agreement between Health Care Service Corporation (Blue Cross and Blue Shield of Illinois) and Physicians' Surgical Center, LLC dated July 1, 2008.
21. Expedited Claims Services Agreement by and among Concentra Preferred Systems, Inc., Advanced Surgical Center, Boone Surgery Center, Mid Rivers Surgery Center, Physicians' Surgical Center, Riverside Surgery Center, Sunset Hill Surgery Center and Surgical Center of St. Louis effective as of January 1, 2005.
22. Provider Participation Agreement between Essence Healthcare, Inc. and Physicians' Surgical Center, LLC dated October 1, 2009 and amended effective January 15, 2013.
23. Coventry Healthcare of Missouri, Inc. (f/k/a Group Health Plan, Inc.) as last amended effective October 12, 2012.
24. Participating Provider Agreement between Healthlink, Inc. and Physicians' Surgical Center, LLC dated July 1, 2006.
25. Agreement for Participation in the Illinois Medical Assistance Program between Illinois Department of Health and Family Services and Physicians' Surgical Center, LLC dated December 15, 2008.
26. Facility Provider Agreement between Health Net Federal Services, LLC and Physicians' Surgical Center, LLC d/b/a Physicians' Surgical Center dated August 4, 2008 and amended August 29, 2008.
27. Facility Participation Agreement between United HealthCare Insurance Company, on behalf of itself, United HealthCare of the Midwest, Inc., and the other entities that are United's Affiliates, and Physicians' Surgical Center, LLC dated April 10, 2009.

28. Ancillary Services Agreement between Mercy Health Plans, Inc. and Physician Surgical Center, Ltd. dated April 1, 2004.
29. Provider Service Agreement between Union Pacific Railroad Employes (sic) Health Systems and Physicians' Surgical Center, Ltd. dated August 16, 1996.
30. Master Agreement and SOW for the Group Purchasing Program between Meridian Surgical Partners, LLC and MedAssets Supply Chain Systems, LLC dated June 7, 2013 and amended July 19, 2013.

Schedule 3.9(a)

Material Contracts - Physicians

1. Agreement for Anesthesia Services between Physicians' Surgical Center, LLC and Robert Hellman MD, LLC dated October 1, 2010.
2. Radiology Services Agreement between Dr. John Mattingly and Physicians' Surgical Center effective as of June 11, 2012.
3. Administrative Services Agreement between Physicians Surgical Center, LLC and Dr. Robert Garner effective as of August 9, 2012.
4. Restated and Amended Medical Office Lease between 311 West Lincoln Building Association, LLC and Physicians' Surgical Center, LLC dated May 1, 2011 and amended December 31, 2012.

Schedule 3.9(c)

Required Notices and Consents

1. Ambulatory Surgical Care Facility Agreement between Health Care Service Corporation (Blue Cross and Blue Shield of Illinois) and Physicians' Surgical Center, LLC dated July 1, 2008.
2. Agreement for Participation in the Illinois Medical Assistance Program between Illinois Department of Health and Family Services and Physicians' Surgical Center, LLC dated December 15, 2008.
3. Facility Provider Agreement between Health Net Federal Services, LLC and Physicians' Surgical Center, LLC d/b/a Physicians' Surgical Center dated August 4, 2008 and amended August 29, 2008.
4. Restated and Amended Medical Office Lease between 311 West Lincoln Building Association, LLC and Physicians' Surgical Center, LLC dated May 1, 2011.
5. Master Agreement and SOW for the Group Purchasing Program between Meridian Surgical Partners, LLC and MedAssets Supply Chain Systems, LLC dated June 7, 2013 and amended July 19, 2013.

Schedule 3.12(a)

List of Employees

See attached.

Employee Name	Position	2013 Compensation	2014 Compensation through 6/6/14
COLBERT, MICHELLE	Business Office Manager	52,512.50	24,101.46
ALLISON, LINDA	Business Office Assistant	5,300.75	11,774.75
HONER, JENNIFER	Receptionist	10,035.24	-
SWIERCZEK, ANNETTE	Clerical Office Worker	32,702.98	10,377.98
TINGE, RACHEL	Receptionist	7,294.05	353.53
LEMASTER, BEVERLY	Administrator	101,582.76	18,746.40
CONNOR, MELODY	Licensed Vocational Nurse	43,900.80	15,749.55
GEBKE, VIRGINIA	Rad Tech	243.75	-
HARRIS, ALLISON	Registered Nurse	43,376.52	19,018.90
HASTINGS, CHRISTINE	Registered Nurse	45,380.29	19,512.07
LYNN, KATHLEEN	Registered Nurse	3,496.50	3,905.56
MACKE, LORI	Patient care assistant	20,118.82	6,413.12
RAY, RACHEL	Registered Nurse	1,120.50	-
REAMES, JANET	Registered Nurse	30,152.72	11,693.76
SCOTT, TAMRA	Rad Tech	3,331.25	493.75
SMITH, JENNIFER	Registered Nurse	1,201.50	627.76
STONECIPHER, DEBRA	Registered Nurse	51,628.08	24,537.55
		453,379.01	167,306.14

Schedule 3.12(b)

Employment, Labor and Benefit Matters

None

Schedule 3.13

Litigation and Proceedings

None

Schedule 3.14

Compliance with Legal Requirements

1. Notice of Withdrawal of Termination Action, CMS Certification No. (CCN): 14C0001055, Department of Health & Human Services, Centers for Medicare & Medicaid Services ("CMS") (November 19, 2012).

On September 18, 2012, CMS notified Physicians' Surgical Center that it was terminating Physicians' Surgical Center's participation in the Medicare program due to failure to comply with the applicable requirements for ASCs. After completing a Post-Certification Revisit on October 26, 2012, the Illinois Department of Public Health determined that the deficiencies that led to the termination action by CMS had been corrected. Consequently, CMS rescinded the termination action effective December 7, 2012.

Schedule 3.16

Absence of Specified Changes

1. Settlement Agreement and Release between Peraje, LLC and Physicians' Surgical Center, LLC dated February 19, 2014.