

EXHIBIT 2

TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (this "Agreement") is made and entered into as of November 20, 2014 (the "**Effective Date**"), by and between **SYMBIONARC MANAGEMENT SERVICES, INC.**, a Tennessee corporation (the "**Manager**"), and **ORANGE CITY SURGICAL, LLC** a Delaware limited liability company (the "**Owner**"), which owns and operates an ambulatory surgery center located in Orange City, Florida (the "**Center**").

RECITALS:

WHEREAS, the Owner owns and operates an ambulatory surgery center;

WHEREAS, the Manager has certain expertise in the management of ambulatory surgery centers and has provided certain management services to the Owner pursuant to that certain Management Agreement between Owner and Manager;

WHEREAS, SMBIMS Orange City, LLC, an Affiliate of the Manager, has sold its interest in the Owner pursuant to that certain Membership Interest Purchase Agreement dated of even date herewith; and

WHEREAS, the Owner has requested that the Manager continue to provide certain services for a transitional period as further described herein to enable the Owner to successfully operate the Center.

NOW, THEREFORE, in consideration of the foregoing premises, which are hereby incorporated into this Agreement as an integral part hereof and not as mere recitals hereto, and of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

I. GENERAL

1.1. As of the Effective Date, the Owner hereby retains the Manager to provide certain management, administration and purchasing services and support, and other management support needed for the operation of the Center on the basis hereafter set forth, subject to the written policies established by the Owner, which policies shall be consistent with applicable state and federal law, and subject to the terms, conditions, authorizations and limitations set forth in this Agreement.

1.2. The Manager shall perform all of the services described in Article III and Article IV hereof for the account of and as agent of the Owner. All such services shall be rendered using the Manager's commercially reasonable efforts and subject to the control of the Owner, which shall have final authority in all matters relating to the Center's operations.

1.3. The Manager will maintain the equipment and be responsible for retaining vendors to complete repairs, additions and betterments to the Center, in the name of the Owner or Center, at the direction of the Owner.

1.4. The Owner shall be solely and exclusively in control of all professional aspects of the Owner, the Center and the delivery of surgical and/or other medical services at the Center. The Manager shall have no authority whatsoever with respect to the actual rendition of such professional services at the Center.

1.5. The parties hereby acknowledge and agree that no benefits to the parties hereunder require or are in any way contingent upon the admission, recommendation, referral or any other arrangement for the provision of any item or service offered by the Owner or any of its affiliates, to any patients of the Center,

or the Owner's employees or agents. The Manager shall neither have nor exercise any control or direction over the number, type, or recipient of patient referrals made by physicians, and nothing in this Agreement shall be construed as directing or influencing such referrals. None of the Manager's activities contemplated under this Agreement or otherwise shall constitute obligations of the Manager to generate patient flow or business to the Center. Further, there is absolutely no intent for the Manager in any manner to be compensated to generate patients for the Center. Rather, the Owner has engaged the Manager to assist in the management of the business aspects of the Center as set forth in this Agreement in order to enable the Owner to focus on delivering the highest quality of patient care.

II. TERM AND TERMINATION

2.1. The term of this Agreement shall commence on the Effective Date and, unless this Agreement is earlier terminated pursuant to the provisions hereof, shall continue until the twelve (12) month anniversary of the Effective Date. This Agreement shall not renew for any additional term following the expiration of this Agreement.

2.2. The Owner shall have the right to terminate this Agreement upon the Manager's material breach of this Agreement. In the event termination is for an alleged material breach by the Manager, the Owner shall provide the Manager written notice of such alleged material breach. Such notice shall describe in detail the basis upon which the Owner believes such termination is justified and a suggested method for curing such breach. Upon receipt of such notice, the Manager shall have 30 days during which to attempt to cure any alleged default under this Agreement, and upon such cure being effected, the Owner's right to terminate shall cease and this Agreement will continue in full force and effect. Furthermore, if upon expiration of such cure period the Manager is still diligently pursuing effectuation of such cure, or if the Manager has diligently attempted to effect such a cure within such cure period but cannot complete such cure because of the failure of a third party (such as a governmental agency) to act within such period, then the Manager shall have a reasonable time beyond such cure period to complete its cure of the alleged basis for the Owner's election to terminate.

2.3. The Owner shall have the right to terminate this entire Agreement or any specific service at any time with five (5) days advance notice to the Manager. This Agreement shall automatically terminate if the Owner has terminated all individual services.

2.4. The Manager shall have the right to terminate this Agreement only upon the Owner's material breach of this Agreement. The Manager shall provide the Owner written notice of any such alleged material breach describing in detail the basis upon which the Manager believes such termination is justified and a suggested method for curing such breach. Upon receipt of such notice, the Owner shall have ninety (90) days to cure the alleged breach. Furthermore, if upon expiration of the ninety (90) day cure period the Owner is still diligently pursuing effectuation of such cure, or if the Owner has diligently attempted to effect such a cure within such cure period but cannot complete such cure because of the failure of a third party (such as a governmental agency) to act within such period, then the Owner shall have a reasonable time beyond such cure period to complete its cure of the alleged basis for the Manager's election to terminate.

2.5. The Manager shall also have the right to terminate this Agreement by giving written notice to the Owner for the following breaches: (w) the Owner is suspended or prohibited from participating in the Medicare or Medicaid programs or is excluded from entering into health care provider agreements with any material portion of the managed care or health care insurance industry and such suspension, prohibition or exclusion is not rescinded within 30 days following the commencement thereof, (x) the Owner allows any physician to be or remain on the Center's medical staff who does not comply or no longer complies with the requirements for membership on such medical staff, (y) the Owner dissolves or

liquidates, or (z) the Owner fails to pay any money owed under any other arrangement between the Manager and Owner or between the Owner and any third party. The Manager shall provide the Owner with advance written notice of any termination under this Section 2.5 and the Owner shall have ninety (90) days to cure the alleged breach. Furthermore, if upon expiration of the ninety (90) day cure period the Owner is still diligently pursuing effectuation of such cure, or if the Owner has diligently attempted to effect such a cure within such cure period but cannot complete such cure because of the failure of a third party (such as a governmental agency) to act within such period, then the Owner shall have a reasonable time beyond such cure period to complete its cure of the alleged basis for the Manager's election to terminate.

2.6. If either party shall appoint or consent to the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of its assets, file a voluntary petition in bankruptcy, make a general assignment for the benefit of creditors, file a petition or an answer seeking reorganization or arrangements with creditors or to take advantage of any insolvency law, or if an order, judgment or decree shall be entered by any court of competent jurisdiction, on the application of a creditor, adjudicating such party bankrupt or insolvent, and such order, judgment or decree shall continue unstayed and in effect for any period of 90 days, then, in case of any such event, the term of this Agreement shall terminate, at the option of the other party, upon written notice to the first party.

2.7. For purposes hereof, a "cure" shall be deemed to have been effected if the conduct, omission or condition giving rise to the alleged default is altered or corrected such that the altered or corrected conduct or condition would not, after the making of such alteration or correction, constitute a default hereunder.

2.8. Upon termination of this Agreement, the Owner shall owe to the Manager the full amount of any fees owing and/or earned or accrued pursuant to the terms hereof, up through and including the date of termination, and any sums of money owed by the Owner to the Manager shall be paid immediately, prorated through the termination date. Upon termination hereof, the Manager's obligations to perform services hereunder shall completely cease; provided, however, that the Owner and Manager shall perform such matters as are necessary to wind up their activities under this Agreement in an orderly manner. Each party shall have the right to pursue legal or equitable relief, as may be available depending upon the circumstances of the termination.

2.9. Upon termination of this Agreement (or partial termination of the employment services provided pursuant to Section 3.3), at the election of the Owner, Manager shall transfer to Owner and permit Owner to directly employ all personnel that provide services at the Center. Manager and Owner shall reasonably cooperate in transitioning the employment of such employees, including the transition of such employees' benefits.

III. MANAGEMENT SERVICES

3.1. Subject to the provisions of this Agreement, the Manager shall during the term hereof provide at the Owner's election the following services and assistance to the Owner in connection with the operation of the Center:

(a) Assisting the Owner to maintain the accreditation of the Center with the proper agencies and insurance companies, including Joint Commission or AAAHC;

(b) Assisting the Owner in establishing staffing schedules, wage structures and personnel policies for all non-physician personnel;

(c) Assisting Owner in maintaining operating policies and procedures, and providing standard operating manuals for operating and procedure rooms, provided Owner shall have final authority to adopt and implement same;

(d) Providing standard formats for all charts, invoices, and other forms used in the operation of the Center;

(e) Assisting the Owner in the Owner's purchase, lease or disposition of all supplies and equipment including information systems hardware and software used in the operation of the Center;

(f) Assisting the Owner in the Owner's maintenance of contractual relationships for anesthesia services, radiology services, and pathology services, as appropriate; and

(g) Assisting the Center to operate in compliance with all laws and assisting the Center and Owner to maintain a comprehensive compliance policy and implement same.

3.2. All costs and expenses incurred with respect to the services specified in Sections 3.1 and 3.3 of this Article III shall be the Owner's obligation.

3.3. The Manager shall furnish to the Owner the services of all personnel reasonably necessary for the effective operation of the Center and as requested by the Owner, other than: (i) physicians, and (ii) any and all allied health professionals determined by the Manager and the Owner to be most properly employed or contracted by the Owner for purposes of payor requirements or applicable provisions of law. Consistent with applicable laws and with the consent of the Owner, the Manager shall make all hiring, retention, and termination decisions, determine compensation and staffing levels, individual work hours, personnel policies, employee benefit programs, and the terms, conditions, obligations and privileges of employment or retention for all personnel who are employed or retained by the Manager and who provide services to the Owner. With respect to any and all clinical personnel (meaning the personnel referenced in items (i) and (ii) above) (collectively the "Clinical Personnel") providing services to, through or on behalf of the Owner, the Owner shall make all hiring, retention, and termination decisions, determine compensation and staffing levels, individual work hours, personnel policies, employee benefit programs, and the terms, conditions, obligations and privileges of employment or retention of such Clinical Personnel. Furthermore, the Owner shall have the right and obligation to direct and supervise the delivery of clinical assistance (if any) by any personnel furnished by the Manager. To the extent (if any) that an employee of the Manager assists any Clinical Personnel in performing clinical functions, such employee of the Manager shall be subject to the professional direction and supervision of such Clinical Personnel with respect to such assistance only, and in his or her performance of such clinical functions, shall not be subject to any direction or control by the Manager, except as may be specifically authorized by the Manager. However, the preceding sentence does not in any way create an employment relationship between the Owner and the Manager's employee and does not in any way modify the employment relationship between the Manager and such employee. The Owner shall be solely responsible for the payment of its Clinical Personnel's compensation and benefits (if any), any applicable payroll taxes and all other taxes and charges now or hereafter applicable to them.

IV. ACCOUNTING AND BOOKKEEPING SERVICES

4.1. The Manager agrees to perform at the Owner's election the following accounting and bookkeeping services for the Owner in the operation of the Center:

(a) Receive for and deposit in a bank account (the "Center Account") as directed by the Owner, separate from any monies of the Manager, all funds received from the operation of the Center and supervise the disbursement of such funds for the operation of the Center. The Center Account shall be in the Owner's name and sole custody without the Manager having the right to draft checks on such account. The Owner and Manager will ensure that the Center Account is managed in accordance with applicable law regarding the assignment and reassignment of Medicare accounts receivable. In addition, the Manager, through its on-site billing personnel, shall prepare bills for the Owner, with all billing in the name of and on behalf of the Owner;

(b) Maintain the books of account, including all journals and ledgers, check register and payroll records;

(c) Post all patient and other charges, including necessary analysis and corrections;

(d) Oversee billing, receivables, credit and collection activities;

(e) Process vendors' invoices and other accounts payable; prepare checks for such payables;

(f) Prepare or contract for processing payroll checks from time sheet summaries prepared under the Manager's supervision including applicable tax deposits;

(g) Prepare monthly bank reconciliations;

(h) Prepare monthly, unaudited financial statements;

(i) Conduct meetings, no less than quarterly, or as otherwise necessary with the Owner's personnel, either telephonically or on-site as required; and

(j) Respond to patient complaints.

V. FEE FOR SERVICES

VI. INSURANCE

6.1. During the term of this Agreement, the Owner and the Manager shall, at the Owner's sole cost and expense, obtain and maintain with commercial carriers reasonably acceptable to the Manager (the Owner's carriers are hereby deemed acceptable to Manager) the following insurance coverage:

(a) appropriate workers' compensation coverage for all personnel who are working at the Center and who are employed by either the Owner or the Manager; and

(b) professional, casualty and comprehensive general liability insurance covering the Owner and personnel working at the Center in such amounts, on such basis and upon such terms and conditions as the Owner and the Manager deem appropriate; and

(c) casualty and comprehensive general liability insurance which shall insure against loss of or physical damage to the Center and the furniture, fixtures and equipment therein, under standard all-risk coverage (including but not limited to fire, smoke, lightening, wind storm, explosion, vehicle damage, riot, civil commotion, vandalism and malicious mischief) and shall also include damage due to flood and earthquake unless waived by the Manager.

6.2. The Manager shall be named an additional insured under all insurance policies procured by the Owner hereunder. The right of the Manager to invoke the protection of such policies shall be severable from and independent of the Owner's rights, and these policies shall not be terminable or non-renewable except upon 30 days' written notice to the Manager. No later than 30 days following the execution of this Agreement and 30 days following the end of each policy year, the Owner shall give to the Manager a copy of the endorsements naming the Manager an additional insured. Such insurance policies shall contain endorsements which reflect the primary liability of the Owner's insurance carrier for all covered losses provided for herein, notwithstanding any insurance which may be maintained by the Manager or any affiliate of the Manager. The Owner hereby waives any right of contribution with respect to the loss covered under such policies (or with respect to deductibles thereunder) against the Manager or any of the Manager's insurance carriers.

VII. DUTIES AND RESPONSIBILITIES OF THE OWNER

7.1. The Owner shall operate the Center on a full-time basis and, in conjunction with the medical staff, shall be responsible for the medical care of the patients of the Center and shall provide professional medical services to such patients in a manner that is in accordance with the prevailing standards and practices in the community and in compliance with all applicable laws and regulations. The Owner shall establish clinical standards and oversee the performance of such standards.

7.2. The Owner shall admit physicians (the "Medical Staff Physicians") to the medical staff of the Center to render the surgical and other medical services at the Center. The Owner shall ensure that each

such Medical Staff Physician shall maintain: (i) an unrestricted license to practice medicine in the State of Florida; (ii) good standing with the medical board of the State of Florida; (iii) a Federal Drug Enforcement Administration certificate; (iv) a State of Florida controlled dangerous substance certificate without restrictions; (v) such hospital medical staff memberships and clinical privileges appropriate to his or her specialty, as determined by the Owner and sufficient to meet the requirements of payors; (vi) his or her skills through continuing education and training; (vii) professional liability insurance for his or her specialty in such amounts that are consistent with past practice; and (viii) such other requirements as are reasonably requested by the Center of its medical staff.

7.3. The Owner shall ensure that at all times during the term, each Medical Staff Physician complies with the bylaws of the medical staff and the rules and regulations of the Center. The rendition of all medical services and the supervision of all personnel rendering medical services at the Center shall be the sole and exclusive responsibility of the Owner.

7.4. Subject to compliance with confidentiality and other applicable laws, if any disciplinary actions or professional liability actions are initiated against any Medical Staff Physician or any physician extender or other personnel of the Center, the Owner shall promptly inform the Manager of such action and the underlying facts and circumstances.

7.5. The Owner, with the assistance of the Manager, shall comply with any and all federal, state and local statutes, regulations, rules, orders or other requirements that the Owner is responsible for undertaking which affect the Center and/or its operations, including without limitation the Center's billing, coding and collection practices and systems. The Owner, with the assistance of the Manager, shall obtain and maintain all licenses and accreditations as are necessary for the provision of medical and health care services and the operation of an ambulatory surgery center.

7.6. With respect to legal compliance issues, the Owner understands and agrees that the Owner shall be solely responsible for complying with, and ensuring its compliance with, all applicable federal and state laws, rules and regulations, including without limitation, all Medicare, Medicaid, billing and coding laws, rules and regulations related to the obligations of Owner hereunder. The Manager shall be responsible for ensuring the Center's compliance with all applicable federal and state laws, rules and regulations with respect to those actions the Manager takes pursuant to this Agreement. Furthermore, the Manager shall comply with all applicable federal and state laws, rules and regulations in providing services under this Agreement. Although the Owner may consult with the Manager regarding compliance issues, the parties hereby explicitly acknowledge and agree that it shall be the Owner's sole responsibility to comply with, and to determine whether the Owner and the Center are in compliance with, any applicable Medicare or Medicaid laws, rules or regulations or any other applicable federal or state laws, rules or regulations.

7.7. The Owner shall ensure that the Medical Staff Physicians participate in various aspects of the managed care arrangements of the Center as required by the applicable payor contracts. The professional services provided by the Center and the medical staff shall at all times be provided in accordance with applicable standards, laws and regulations applying to the medical profession. The Center and the medical staff shall comply with all payor contracts. Notwithstanding the foregoing, no physician shall be required to become a party to any payor contract.

VIII. INDEPENDENT CONTRACTOR STATUS

Notwithstanding any provision contained herein to the contrary, each of the Owner and the Manager understand and agree that the parties hereto intend to act and perform as independent contractors and that therefore neither the Owner nor the Manager is an employee, partner, joint venturer, or agent of

the other. Nothing in this Agreement shall be construed as placing the parties in a relationship of employer-employee, partners, joint venturers, or principal-agent. Neither party shall have the right to make any promises, warranties or representations, or to assume or create any obligations, on behalf of the other party, except as otherwise expressly provided herein. The Owner and Manager agree to be solely and entirely responsible for their respective acts and for the acts of any of its employees and agents.

IX. CONFIDENTIAL INFORMATION

9.1. For the purpose of this Agreement, the term "Manager Confidential Information" shall include the following: (a) all documents and other materials, including but not limited to, all memoranda, clinical manuals, handbooks, production books, educational material and audio or visual recordings, which contain information relating to the operation of the Center or its programs not readily available through sources in the public domain, (b) all methods, techniques and procedures utilized in providing services to patients in the Center not readily available through sources in the public domain, and (c) all trademarks, trade names, service marks, or protected software of the Manager and their related data files, in each case excluding written materials distributed to patients in the operation of the Center or promotion of the Center. Additionally, the specific items listed on Exhibit A, as amended by the Manager in its sole discretion from time to time, shall be Manager Confidential Information.

9.2. For purposes of this Agreement, the term "Owner Confidential Information" shall include the following: (i) confidential business information (such as strategic, marketing, and physician recruitment plans), (ii) financial information of the Owner or the Center (including managed care contracts, reimbursement rates for professional and technical services, and employee salaries) (iii) medical records of patients receiving services at the Center, (iv) data relating to patient care and outcomes (whether individually identifiable with respect to any one patient or aggregated with information relating to multiple patients), (v) risk management records and (vi) such other information that specifically pertains to the Owner and is proprietary to the Owner. Notwithstanding anything herein to the contrary, unless otherwise specified under applicable law, the Owner shall be deemed the records owner for purposes of Florida law of all patient records at the Center. "Owner Confidential Information" shall include any information that is "Confidential Business Information" defined in that certain Decision and Order by the Federal Trade Commission in the Matter of H.I.G. Bayside Debt & LBO Fund II, L.P. and Crestview Partners, L.P. (the "Decision and Order").

9.3. The Owner acknowledges and agrees that the Manager Confidential Information is owned by the Manager and has been disclosed to it in confidence and with the understanding that it constitutes valuable business information developed by the Manager at great expenditure of time, effort and money. The Owner agrees that it shall not, without the express prior written consent of the Manager, use the Manager Confidential Information for any purpose other than the performance of this Agreement or the operation of the Center nor allow anyone access to such except on a need to know basis. The Owner further agrees to keep strictly confidential and hold in trust all Manager Confidential Information and not disclose or reveal such information to any third party without the express prior consent of the Manager.

9.4. The Manager and the affiliates of the Manager (including, but not limited to Surgery Center Holdings, Inc. and any subsidiary of Surgery Center Holdings, Inc.) acknowledge and agree that the Owner Confidential Information is owned by the Owner and has been disclosed to it in confidence and with the understanding that it constitutes valuable business information. The Manager agrees that it shall not, without the express prior written consent of the Owner, use the Owner Confidential Information for any purpose other than the performance of this Agreement or the operation of the Center nor without the express prior written consent of the Owner allow anyone access to such except on a need to know basis. The Manager further agrees to keep strictly confidential and hold in trust all Owner Confidential Information and not disclose or reveal such information to any third party without the express prior

written consent of the Owner. In connection with the foregoing, the Manager shall ensure that its affiliates also maintain the confidentiality of the Owner Confidential Information in accordance with the terms hereof.

9.5. Manager and Owner shall develop, implement and maintain compliance with measures they mutually agree to be appropriate to provide for compliance with applicable antitrust laws, including the use of confidentiality agreements and other measures that shall prohibit exchanges between them of competitively sensitive information such as pricing, salary rates or other competitively sensitive information. Manager's employees responsible for providing the services described in Sections 3.1 and 4.1 to Owner pursuant to this Agreement will not disclose any confidential business information of Owner to any Manager employees who have responsibility for or are involved with pricing or any other competitively sensitive information. Manager shall not use any Owner Confidential Information for any reason or purpose other than those reasons or purposes permitted or required under this Agreement. Manager shall disclose Owner Confidential Information only to those persons who require such information for purposes of fulfilling Manager's obligations under this Agreement, and only such of Owner Confidential Information that is so required. Manager shall enforce the terms of this Agreement as to any person and take such action as is necessary to cause such person to comply with the requirements of this Agreement, including all actions that Manager would take to protect its own trade secrets and proprietary information. Notwithstanding the foregoing, Manager shall at all times provide appropriate access to Michaelena Granguth who shall serve as the "Manager" as defined in the Decision and Order. Furthermore, the Owner shall be entitled to utilize any Manager Confidential Information to comply with the Decision and Order or otherwise cooperate with the Federal Trade Commission.

9.6. If the Owner or the Manager or any of their respective representatives are requested by a person or entity to disclose the Manager Confidential Information or the Owner Confidential Information, respectively, in any legal, quasi-legal or administrative proceeding, the Owner or the Manager shall promptly notify the other party of such request so that the other party may take, at its expense, such steps necessary to protect the Manager Confidential Information or Owner Confidential Information, as applicable. If the Owner or the Manager is thereafter required to disclose the Manager Confidential Information or the Owner Confidential Information, as applicable, to the person or entity compelling such disclosure only the part of such information as is required by law to be disclosed shall be disclosed.

9.7. Upon termination of this Agreement by either party for any reason whatsoever, each party shall forthwith return to the other party all material constituting or containing Confidential Information of the other party, in a format that is usable or capable of conversion to a usable format, and no party thereafter shall use, appropriate, or reproduce such information or disclose such information to any third party, provided, however, Manager agrees to cooperate with Owner and the Center, after termination, in the transition to different management of the Center. All costs of converting Confidential Information to a format useable by the recipient shall be borne by the recipient.

9.8. The Manager and Owner shall each have the right to use any technical or business expertise obtained during the course of its engagement hereunder in connection with its management of any other facility.

X. NOTICES

Any notice, demand or communication required, permitted, or desired to be given hereunder shall be deemed effectively given upon receipt or refusal to accept receipt when delivered personally, by telegraphic or other electronic means (including telecopy and telex) or overnight courier, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, or certified or registered mail, return receipt requested, addressed as follows:

The Owner: Orange City Surgical, LLC
1053 Medical Center Drive
Orange City, Florida 32763
Attn.: President

The Manager: SymbionARC Management Services, Inc.
40 Burton Hills Blvd., Suite 500
Nashville, Tennessee 37215
Attn.: President and Corporate Counsel

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

XI. COMPLIANCE PROGRAM/HIPAA

11.1 The Owner acknowledges that the Manager has implemented a compliance program for its employed staff, and the Owner agrees to refrain from any activities that could in any way cause the Manager's staff to act in a manner that is inconsistent with such compliance program. Specifically, but without limitation, the Owner agrees to abide by Medicare and Medicaid billing and coding requirements, including proper documentation of services, and the Owner agrees to adopt by-laws for its medical staff which will prohibit the medical staff from engaging in any activities that could in any way cause the Manager's staff to act in a manner that is inconsistent with such compliance program and which will include an adequate remedy for breach thereof by any member of the medical staff. The Owner will at all times cooperate with and assist the Manager's staff in submitting complete and proper bills on behalf of the Owner. The Manager may, but is not obligated to, recommend from time to time that the Owner take certain actions that the Manager deems necessary to comply with applicable laws and regulations, and the Owner will promptly cooperate with the Manager in determining whether such actions are appropriate and necessary. The Manager may terminate this Agreement (after provision of noticed and the opportunity to cure as defined in Article II) upon its reasonable determination that the Owner's failure to take the recommended action could cause the Manager to be in violation of its compliance program or in violation of applicable laws or regulations. Furthermore, the Manager shall not be deemed in breach of this Agreement if it prohibits its staff from taking any actions that it reasonably deems to be in violation of its compliance program or in violation of applicable laws or regulations.

11.2 The Owner acknowledges as part of Manager's compliance program Manager shall be implementing policies and procedures to comply with the Health Insurance Portability and Accountability Act ("HIPAA"). The Owner agrees to abide by HIPAA, its regulations and the policies implemented by Manager as well as any other applicable federal, state, or local privacy or patient confidentiality laws. The Owner agrees to adopt any HIPAA provisions in its Medical Staff by-laws applicable to Medical Staff. The Manager may, but is not obligated to, recommend from time to time that the Owner take certain actions that the Manager deems necessary to comply with HIPAA and its applicable regulations, and the Owner will promptly cooperate with the Manager in determining whether such actions are appropriate and necessary. The Manager may also, if it determines such is necessary, enter into Business Associate Agreements as defined in HIPAA in the Owner's Name and on behalf of the Owner. The Manager may terminate this Agreement in accordance with Article II upon its reasonable determination that the Owner's failure to take the recommended action could cause the Manager to be in violation of HIPAA and its applicable regulations. Furthermore, the Manager shall not be deemed in breach of this Agreement if it prohibits its staff from taking any actions that it reasonably deems to be in violation of HIPAA or its applicable regulations.

XII. INDEMNIFICATION

12.1. The Owner agrees to indemnify and hold harmless the Manager, its affiliates and shareholders, and their respective shareholders, directors, officers, employees and agents (collectively, a "Manager Indemnified Party") from and against any and all losses, claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses related to the defense of any claims) (a "Loss"), which may be asserted against any of the Manager Indemnified Parties, in connection with the Manager's provisions of services to Owner, including Manager's performance of its duties hereunder if such Loss has not been caused by the gross negligence or willful misconduct of a Manager Indemnified Party, including without limitation matters relating to: (i) alleged or actual failure by the governing body, board of directors and/or similar body of the Owner to perform any of its duties; (ii) any pending or threatened medical malpractice or other tort claims asserted against the Manager relating to the Center; (iii) any action against the Manager brought by any medical staff members or former employees, or for matters occurring before the beginning of the Term of this Agreement; (iv) any act or omission by any medical staff member, or employee, or other personnel who were under the supervision of a member of the medical staff as a result of providing medical services to such medical staff member's patient; and (v) any violation of any requirement applicable to the Center under any federal, state or local environmental, hazardous waste or similar law or regulation.

12.2. The Manager agrees to indemnify and hold harmless the Owner and its members, partners, or shareholders (as appropriate), its directors or governors (as appropriate), and its officers, employees and agents (collectively, an "Owner Indemnified Party") from and against all Loss which may be asserted against an Owner Indemnified Party in connection with the performance by the Manager of its duties hereunder. This Section 12.2 shall constitute the sole obligation of the Manager with respect to any Loss and any claims arising out of this Agreement, the services provided by the Manager and/or the relationship created hereby, whether such claim is based in contract, tort, fraud or otherwise.

12.3 Except for insurance coverage under Article VI, this Article XII shall constitute the sole remedy of the parties hereto with respect to any Loss resulting from a third party claim.

12.4. Owner shall indemnify each Manager Indemnified Party from any Loss arising from any omission or action taken by an employee of Manager working primarily at the center ("Employee Event"), unless such Loss was caused by the gross negligence or willful misconduct of Manager or employees of the Manager who are not working primarily at the Center. No Owner Indemnified Parties shall be entitled to indemnification for any Loss resulting from such Employee Event, unless such Loss is alleged to be the result of the gross negligence or willful misconduct of Manager or employees of the Manager who are not working primarily at the Center.

XIII. USE OF NAME/PROPRIETARY PROPERTY

13.1. The Manager is and shall be the sole owner and holder of all right, title and interest to the proprietary property of the Manager consisting of all copyright, service mark and trademark rights and interests in the logo, management information and other systems, forms, form contracts, and policy manuals relating to the Center, excluding any logos purchased or created solely by the Owner. The Owner agrees that it shall not at any time knowingly harm, misuse or bring into disrepute the proprietary property of the Manager.

XIV. CHANGES IN LAW

The parties hereto have made all reasonable efforts to ensure that this Agreement represents and memorializes the economic arrangement between the parties hereto and that it complies with all

applicable laws, including, but not limited to, all applicable health care laws. The parties are aware that there may be no clear or definitive guidance with respect to the applicability of various health care laws to the management arrangement contained herein including, but not limited to, the management fee arrangement. While the parties have attempted to review and analyze all applicable laws in an effort to comply with same, the parties acknowledge that the applicable health care laws, and interpretations thereof, are often vague and are constantly changing. The parties therefore understand and acknowledge that as applicable law, and interpretations thereof, become more settled, this Agreement may need to be amended in order to comply with such law, or interpretations thereof, as the case may be. In the event there is such a change in law or the interpretations thereof, whether by statute, regulation, agency or judicial decision, or otherwise, that has any material effect on any term of this Agreement, or in the event that reputable counsel with experience in health law matters to one (1) party determines that any term of this Agreement poses a material risk of violating such laws, then the applicable term(s) of this Agreement shall be subject to renegotiation and either party may request renegotiation of the affected term or terms of this Agreement, upon written notice to the other party, to remedy such condition. In the interim, the parties shall perform their obligations hereunder in full compliance with applicable law. The parties expressly recognize that upon request for renegotiation, each party has a duty and obligation to the other only to renegotiate the affected term(s) in good faith and, further, the parties expressly agree that their consent to proposals submitted by the other party during renegotiation efforts shall not be unreasonably withheld. The parties further expressly recognize that in any such renegotiation, the relative economics to each of the parties shall be preserved. Should the parties be unable to renegotiate the term or terms so affected so as to bring it/them into compliance with the statute, regulation, decision or interpretation that rendered it/them unlawful or unenforceable within 30 days of the date on which notice of a desired renegotiation is given, then either party shall be entitled, after the expiration of said 30 day period, to terminate this Agreement upon 60 additional days written notice to the other party, provided that such party has received an opinion of reputable legal counsel, which legal counsel and opinion are reasonably acceptable to the other party, that it is more likely than not that this Agreement violates applicable law.

XV. MISCELLANEOUS

15.1. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the Manager and any of its affiliates providing services with a value or cost of \$10,000 or more over a 12 month period shall make available to the Secretary the contracts, books, documents and records that are necessary to verify the nature and extent of the cost of providing such services. Such inspection shall be available up to four years after the rendering of such services. The parties agree that any applicable attorney-client, accountant-client or other legal privilege shall not be deemed waived by virtue of this Agreement.

15.2. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Florida. The parties hereto hereby designate all courts of record sitting in Jacksonville, Florida, both state and federal, as forums where any action, suit or proceeding in respect of or arising out of this Agreement, or the transactions contemplated by this Agreement shall be prosecuted as to all parties, their successors and assigns, and by the foregoing designations the parties hereto consent to the jurisdiction and venue of such courts.

15.3. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors and permitted assigns.

15.4. No party may assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that the Manager may, without the prior written consent of the Owner, assign its rights and delegate its duties hereunder: (i) to one (1) or more of

its affiliates, provided it is understood that Manager shall remain liable for the obligations hereunder notwithstanding such assignment; and (ii) to a third party as part of a sale of substantially all of the Manager's assets, in each case such assignment must be notified in advance and approved by the Federal Trade Commission.

15.5. This Agreement is intended solely for the benefit of the parties hereto and is not intended to, and shall not, create any enforceable third party beneficiary rights.

15.6. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

15.7. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

15.8. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words herein shall include the singular and plural.

15.9. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

15.10. This Agreement supersedes all previous contracts, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter and no party shall be entitled to benefits other than those specified herein. As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto. This Agreement may be executed in two (2) or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one (1) and the same instrument.

15.11. Each party hereto hereby irrevocably waives any and all rights it may have to demand that any action, proceeding or counterclaim arising out of or in any way related to this Agreement or the relationships of the parties hereto be tried by jury. This waiver extends to any and all rights to demand a trial by jury arising from any source including, but not limited to, the constitution of the United States or any State therein, common law or any applicable statute or regulation. Each party hereto acknowledges that is knowingly and voluntarily waiving its rights to demand trial by jury.

15.12. The provisions of Article IX, XII and XV and Article 13.2 shall survive any termination or expiration of this Agreement.

15.13. Each party shall, at the reasonable request and expense of any other party hereto, execute and deliver to such other party all such further instruments, assignments, assurances and other documents, and take such actions as such other party may reasonably request in connection with the carrying out of this Agreement.

15.14. The language in all parts of this Agreement shall be construed, in all cases, according to its fair meaning. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

15.15. As used herein, "affiliate" means, as to the Person (as hereinafter defined) in question, any Person that directly or indirectly controls, is controlled by, or is under control with, the Person in question and any successors or assigns of such Person; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by contract or otherwise. "Person" means an association, a corporation, a limited liability company, an individual, a partnership, a limited liability partnership, a trust or any other entity or organization.

Remainder of page intentionally left blank.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

Manager:

SYMBIONARC MANAGEMENT SERVICES, INC., a
Tennessee corporation

By: Jennifer Baldock
Name: Jennifer Baldock
Title: Secretary

Owner:

ORANGE CITY SURGICAL, LLC,
a Delaware limited liability company

By: Kenneth C Mitchell
Kenneth Mitchell, VP

EXHIBIT A

SARC*/Manager's Accounting Manual

SARC/Manager's Administrators Manual

SARC/Manager's Corporate Compliance Manual

SARC/Manager's Human Resource Manual

SARC/Manager's Job Description and Performance Appraisal Manual

SARC/Manager's Clinical Policy and Procedures

SARC/Manager's HIPAA Manual

***SARC = Symbion Ambulatory Resource Centres, Inc.**