ABOUT SDP

Through professional management and sound ethical practice, Surgical Development Partners strives to be the premier partner for physicians and hospitals in redefining the delivery of healthcare nationwide. We cater to physician demand for a surgical experience that provides efficient scheduling, focused staff, and enhanced productivity in a state of the art work environment. We deliver outstanding quality patient care in a highly personalized setting.

We will carry out this mission by providing solid professional management, expert project development, and access to capital.

EXPERIENCE

The strength of Surgical Development Partners resides in its people. We have assembled a team of seasoned healthcare executives with “In the Trenches” experience in the areas of physician-owned hospitals, ambulatory surgery centers, medical office buildings, imaging centers, and physical therapy centers. Our executive officers have held senior management positions at leading public and private healthcare companies. Throughout our organization you will find three common traits: integrity, expertise, and the right attitude.
Surgical Development Partners is structured as a privately held company which affords us an advantage in the marketplace: long-term commitment and thinking.

We do not face the same pressures that Wall Street places on the publicly traded companies in our field. Wall Street requires that these companies strive to have majority ownership positions and consolidation rights in their partnerships – leading to a very rigid model with questionable value propositions for physician investors over time. Additionally, Surgical Development Partners is not consumed with making the next quarter’s earnings targets, but, rather, we take a much longer outlook in our decision making process.

Our capital structure and culture allow us to enter into the right partnerships with a long-term focus. While financial returns are important to our physician partners, their overriding objectives in undertaking a hospital or ambulatory surgery center project remain:

• More control over their practice of medicine
• Physician convenience
• Better patient and patient family outcomes and experience

Our interests are aligned with our physicians, and our partners appreciate knowing that their development and management partner is invested and involved for the long run.

FLEXIBLE MODEL

Our capital structure and physician-centric approach allow us greater flexibility when crafting physician and hospital partnerships. A controlling interest is not our goal. We believe that because of the continued substantial contributions that physicians make to the partnerships, it makes sense for the physicians to have a majority of the ownership interest and profits. We believe that Surgical Development Partners’ minority interest positions in its projects recognize the important role of the physician and ensure that incentives are aligned with our physician and hospital partners for the long term.
We believe the all-encompassing litmus test of a successful facility is happy, satisfied physicians.

The executives at Surgical Development Partners have dedicated their careers to helping physicians generate and capture ancillary revenue streams. Our track record of successfully aligning ourselves with the physicians and exceeding their expectations allows us to earn the trust of our physician partners.

With declining professional reimbursements and rising costs across the nation, today's doctors are having to work harder to keep their incomes constant. We believe it is essential for surgeons to supplement their professional incomes by accessing additional facility based income where appropriate.

Physicians choose SDP for the following reasons:

• **Physician Advocates** – With constant pressures on physicians, including regulatory and reimbursement challenges, you can depend on Surgical Development Partners to remain a strong advocate of the physician.

• **Flexible model** – A controlling interest is not our goal, but, rather, we prefer a minority interest in our projects, giving the majority interest to our physician and hospital partners whose commitment warrants the larger share.

• **Expertise** – Having the right input from the inception of a project to opening is critical to success. Surgical Development Partners’ guidance
PHYSICIAN FOCUS (cont.)

on everything from design and scope of the facility, financial modeling, staffing personnel, recruitment and syndication of the partnership, and managed care contracting will help avoid many of the pitfalls that can lead to failure. Small miscalculations in any of these areas can and usually will lead to major problems.

• **Turn Key Development** – The ability to take the vision of a group of surgeons from the drawing board to reality. Our development and management experience allows our physician partners to focus on their professional practice while we execute the project game plan.

• **Strong Recruitment Skills** – Surgical Development Partners management is highly trained, proven, and focused on recruiting additional surgeons to its projects. We have demonstrated an ability to provide recruitment assistance to our projects ensuring "same facility or same store" growth and increased profitability over time. Our recruitment experience can be especially helpful at the start of a project when it is necessary to layer in additional surgeons on top of our core founding group to reach enough critical mass to get a project off the ground.

• **Syndication Expertise** – Surgical Development Partners management includes an individual with experience as president and licensed principal of a NASD registered broker dealership responsible for managing hundreds of syndications and partnership equity transactions. There is a delicate balance between growing the partnership base and minimizing dilution among the founding members. Our disciplined approach maximizes the distributions and equity value of the founding members. We have the ability to evaluate and manage secondary syndications and handle the share transfers and repurchases that frequently take place in these partnerships.
PHYSICIAN FOCUS (cont.)

• Partnership Legal Structure – We have taken the lessons learned from involvement with hundreds of surgery centers and reworked the best provisions and refined the language into a set of proprietary legal documents. We believe the best way to avoid costly and frustrating partnership issues down the road is to set up the partnerships correctly from the start. Our legal team will ensure that partnership documents have the right provisions to handle the issues of share transfers, secondary syndications, retirement, involuntary disposition, bad actor language, and "deadweight buy-outs". Our standard documents incorporate buy back provisions relating to the latest OIG extension of practice or "one-third, one-third" language. Our partnerships are designed to have only active, participating physician members.

• Disciplined Financial Modeling – We have performed hundreds of feasibility studies and believe we have the best financial models in the business. However, a pro forma is only as good as the underlying assumptions. Our experience allows us to evaluate your prior assumptions before you commit more of your time, reputation, and money to a venture that may have undetected flaws. In the event that we discover something disconcerting, we will not only tell you so, but we will make strategic recommendations to overcome those concerns.

• Financing Options - Surgical Development Partners has some of the best banking and lending relationships in the industry. We have been able to provide creative financing alternatives where other companies have fallen short. Our strong belief is that our partnerships should be set up without personal debt guarantees whenever possible. If personal guarantees are unavoidable for a particular project, we will work with lenders to minimize the guarantees and ensure that they are based on
pro rata ownership percentages - not joint and several.

- **Facility Design** – Members of the SDP team have been responsible for the design of multiple surgery centers, hospitals, imaging centers, and Medical Office Buildings. We have the most efficient schematic designs and space programs available. Our template designs focus on physician and staff convenience while maintaining appropriate, efficient patient flows.
Our years of experience in working with physicians have enabled us to successfully manage an emerging trend in today’s national healthcare market: **hospital – physician joint ventures**.

There is a growing realization across the country that if a health system is not partnering with its physicians, then someone else probably will – or just as disruptive, the physicians will venture out on their own. We are working with several large hospital systems that have arrived at this crossroad but need help facilitating the joint venture process and developing the project into a successful operation.

Structuring, developing, and managing outpatient surgery centers is our business. Surgical Development Partners crafts win-win partnerships between hospitals and their surgeons and builds long-term financial and relational value for our hospital partners. We believe that a hospital-surgeon joint venture doesn’t have to be viewed as a defensive measure, but if structured and executed correctly can over time be an avenue for hospital growth and sustained profitability.

Health Systems are choosing Surgical Development Partners to facilitate their joint ventures for the following reasons:

- **Unwavering Integrity** – We have earned the trust of physicians, hospital administrators and other healthcare professionals. We have done so by exceeding expectations and fulfilling our commitments.

- **Ability to Manage Multiple Relationships** - We understand the delicate relationship between the physician’s desire for independence and the hospital’s desire for a successful project in keeping with their mission and values.
HOSPITAL-PHYSICIAN JOINT VENTURES (cont.)

• **Physician Focus** – While ownership percentage and control are sensitive joint venture issues in physician-hospital partnerships, they are not nearly as important as maintaining good working relationships. Hospital systems are rightfully very cautious about whom they let interact with their medical staffs. Our experience with physicians and our ability to earn their trust is critical to our hospital partners.

• **Facility Development and Management Expertise** – ASCs, Imaging Centers, PT Centers, and MOBs are our business. Having us involved in your project lends independence to the project and helps to overcome surgeons’ fears that many of the traits associated with large institutions will carry over into their freestanding project.

• **Flexible model** – A controlling interest is not our goal, but, rather, we prefer to invest a minority interest in our projects, giving the majority ownership to our physician and hospital partners whose commitment warrants the larger share.

• **Strong Recruitment Skills** – SDP management is highly trained, proven, and focused on recruiting additional surgeons to its projects. We have demonstrated an ability to provide recruitment assistance to our projects ensuring “same facility or same store” growth and increased profitability over time. Our ability to recruit outside physicians and incremental cases to a project helps our hospital partners justify the migration of cases from their ORs to a center where they have less than 100% ownership.
Surgical Development Partners was founded by a group of seasoned healthcare executives who believe that physicians should be at the center of the healthcare delivery system. Whether a physician-only center or a hospital joint venture, Surgical Development Partners’ thinking is long-term and our model is flexible and physician centric.

Surgical Development Partners believes that joint venturing with a local hospital typically improves surgery center performance. Revenue per case tends to be significantly higher and volumes tend to ramp up more quickly when physician groups partner with hospitals instead of competing. Surgical Development Partners has expertise in facilitating ASC joint ventures in the complex political environment of physician-hospital partnerships.

Surgical Development Partners offers turnkey facility development allowing our physician partners to focus on their professional practices. We solicit input from our partners and build consensus before moving forward at each stage.

The majority of our new partners have never built an Ambulatory Surgery Center before and are initially uncertain about many of the aspects of facility development. We will provide our physician and hospital partners with a detailed map of the entire development process creating a clear and sequential understanding. Proper communication on the front end of a project enhances teamwork and leverages the strengths of all involved partners. SDP provides and would be pleased to elaborate on the following development services:
SERVICES - ASCs (cont.)

• Project Organization
• Master Site Selection
• Planning Phase
• Market Analysis
• Demand Analysis
• Facility Planning
• Financial Planning
• Design/Pre-construction Phase Services
• Construction Phase Services
• Draft Agreements
• Syndication Services
• Equipment Selection and Procurement

SDP provides daily operational support for its centers and would be pleased to elaborate on the following management services:

• Managed Care Contracting
• Managed Care Strategy
• Human Resource Management
• Regulatory Compliance
• Governance and Quality Assurance
• Financial Management
• Information Systems Technology and Outcome Management
• Resource Management
• Facility Marketing
• Implementation of Proven Practices
• Service Quality Measures
Surgical Development Partners is a leader in partnering with local physicians to develop and operate fully licensed acute care hospitals. Surgical Development Partners believes that when physicians retain a voice in the management of the facility, improved efficiency, satisfaction, and results materialize. Our physician partner model enables physicians to participate in strategic and operational decision making.

Surgical Development Partners has the industry specific experience and knowledge to tackle the complexities of opening and managing physician owned acute care hospitals in difficult political environments. As a development partner, Surgical Development Partners has a proven track record of bringing favorable financing to our projects which is the single greatest hurdle to a start up facility. As a management partner, Surgical Development Partners is responsible for the day to day business aspects of the facility.

The combination of Surgical Development Partners experience and leadership along with physician input and participation results in increased physician and patient satisfaction, efficient operations and the highest quality care.
SERVICES - MEDICAL OFFICE BUILDINGS

Surgical Development Partners will serve as the developer for Medical Office Buildings when requested by our physician and hospital partners. Surgical Development Partners brings facility development expertise, capital options, and project continuity to our partners. As part of our flexible approach to projects, we can offer our physician partners a wide range of ownership options in the real estate.

Surgical Development Partner’s MOB strategy is to only select real estate opportunities when involved in the underlying joint venture businesses such as hospitals, ASCs, or imaging centers. SDP’s participation in Medical Office Buildings is predicated upon having a shared vision with our partners of a state-of-the-art facility tailored to providing the highest quality medical care in an efficient setting. SDP does not pursue stand alone Medical Office Business opportunities.

If a particular opportunity does not meet our investment criteria, we will introduce our partners to some of the best healthcare real estate developers in the business with whom we have long standing relationships.
SERVICES - IMAGING CENTERS

Surgical Development Partners has an affiliate company that serves our clients’ imaging needs: Imaging One. Imaging One provides a full array of development and management services for imaging facilities ranging from full modality stand alone imaging centers to tailored “in office” partnerships. Imaging One’s legal and development team will help physicians navigate federal law and regulation to determine an appropriate business structure for its physicians. Please visit www.imagingone.com to learn more about Imaging One.
SURGICAL DEVELOPMENT PARTNERS SENIOR TEAM

G. Edward Alexander – President and Chief Executive Officer  
Surgical Alliance Corporation – Founder, President  
OrthoLink Physicians Corporation – Founder, Chief Financial Officer  
Team Health – Chief Financial Officer

Prior to Founding Surgical Development Partners, Mr. Alexander served as Chief Executive Officer of Surgical Alliance Corporation, a company focused on musculoskeletal hospital development and management. From July 1996 to December 2000, Mr. Alexander served as Senior Vice President and Chief Financial Officer for OrthoLink Physicians Corporation. Prior to helping found OrthoLink, from 1994 to 1996, Mr. Alexander served as Chief Financial Officer for Team Health, Inc., the hospital-based physician-contracting subsidiary of MedPartners, Inc.  
From 1988 through 1994, Mr. Alexander served as Vice President, Finance and Treasurer of Medaphis Corporation, one of the largest providers of business management service to hospitals and physicians.  
From 1984 through 1988, he served as Vice President, Finance and Controller of Realty Development Corporation, a real estate management and development company. From 1980 through 1984, Mr. Alexander, a C.P.A., was employed with Deloitte and Touche. Mr. Alexander received a B.B.A. from Emory University in 1980.
SURGICAL DEVELOPMENT PARTNERS SENIOR TEAM (cont.)

John T. Prater – SVP, Chief Financial Officer
United Surgical Partners International – Chief Financial Officer,
Physician Services Division
OrthoLink Physicians Corporation – Founder, Chief Financial Officer
Team Health – Senior Financial Analyst
Whittle Communications – Senior Financial Analyst

Prior to Founding Surgical Development Partners, Mr. Prater served as Chief Financial Officer, Physician Services Division of United Surgical Partners International, a publicly traded ambulatory surgery center and specialty hospital company. Mr. Prater served as Chief Financial Officer for OrthoLink Physicians Corporation, an orthopaedic ambulatory surgery center and physician services company. Prior to helping found OrthoLink, Mr. Prater served as Senior Financial Analyst for Team Health, Inc., the hospital-based physician-contracting subsidiary of MedPartners, Inc. Prior to joining Team Health, Inc., Mr Prater served as Senior Financial Analyst for Whittle Communications. Mr. Prater has a B.S. in Finance from the University of Tennessee.
SURGICAL DEVELOPMENT PARTNERS SENIOR TEAM (cont.)

William M. Gavigan IV – Senior Vice President Operations
Meridian Surgical Partners – Senior Vice President Operations
Symbion Healthcare – Regional Vice President Operations
AmSurg – Regional Director Operations/Business Development

Mr. Gavigan has over fifteen years of direct experience in multiple surgical facility management with several nationally recognized industry leaders. Prior to joining Surgical Development Partners, Mr. Gavigan served as Senior Vice President of Operations at Meridian Surgical Partners, where he developed and implemented the models for ASC operations, strategic planning, and partnership growth and development. Mr. Gavigan had previously served as a Regional Vice President of Operations at Symbion Healthcare, a publicly traded ambulatory surgery center and specialty hospital company. At Symbion, Mr. Gavigan was responsible for the overall operational and financial success of specific physician centered surgical facilities, where he implemented focused strategic planning initiatives of revenue growth, physician recruitment, partnership relations, managed care contracting, expense management, and accounts receivable management. Mr. Gavigan also served as both a Regional Director of Operations and a Director of Business Development for various surgical facility partnerships across the country. Mr. Gavigan completed both his undergraduate and Master of Health Administration degrees at St. Louis University.
SURGICAL DEVELOPMENT PARTNERS SENIOR TEAM (cont.)

Lisa Hoffpauir - Vice President of Clinical Services
Paris Regional Medical Center – Assistant Chief Nursing Officer
Memorial Hermann Hospital – Director of Nursing
Methodist Hospital – Clinical Manager

Prior to joining SDP, Ms. Hoffpauir was the Assistant Chief Nursing Officer for Paris Regional Medical Center, which is a 334 Acute Care Community For-Profit hospital located in Paris, TX. She was responsible for inpatient care units, outpatients clinics and ancillary departments. While living Houston, she worked at Memorial Hermann Hospital-Texas Medical Center, an 850 plus level IV Trauma Facility, Not-For-Profit Health Care System, where she was the Director of Nursing for 110 beds including CVICU, CCU, Medical Cardiology Unit, Post Surgical Unit and Post Intervention and Observation Unit. In this position, she had 5 unit managers as direct reports and was responsible for over 200 clinical/administrative employees. At the University of Texas, Health Science Center in Houston, Ms. Hoffpauir, managed the establishment and start up of an outpatient clinic serving post-surgery patients, hiring clinical and administrative staff, and purchasing/controlling supply and medication inventories. Additionally, she was Clinical Manager for 5 years at Methodist Hospital in Houston where she drove quality care and daily operations for a 45-bed Cardiothoracic Intensive Care Unit. She also oversaw implementation of QC/QA and JCAHO standards. She holds a Bachelor of Science degree in Nursing from McNesse State University and an MBA from Tulane University, Houston, TX campus.

Jami Jackson - Director of Patient Financial Services
HCA Centennial Medical Center – Revenue Integrity and Billing Compliance Coordinator
HCA Patient Financial Service Center – Director of Billing
Prior to joining Surgical Development Partners, Ms. Jackson served as the Revenue Integrity and Billing Compliance Coordinator for HCA Centennial Medical Center, a 625 bed tertiary Hospital, located in Nashville, TN. Her duties included supervision of all internal compliance audits for governmental payers, charge description master development, charge capture process redesign, strategic planning, as well as, ongoing support and measurement of key revenue cycle operations. Prior to her role at Centennial Medical Center, Ms. Jackson served as Director of Billing for HCA Patient Financial Service Center in Nashville, TN, a consolidated business office that provides support for 16 hospitals in TN, KY and IN. Ms. Jackson has 18 years of progressive experience within the healthcare industry, with a concentration in healthcare electronic data technology standards. She attended Volunteer Community College in Gallatin, TN where she studied Health Information Management. Ms. Jackson is a Certified Professional Coder (CPC) and serves as a member of the American Health Information Management Association and the Healthcare Financial Management Association.

Cherry Wolf, RN – Project Based Clinical Coordinator

Cherry Wolf has been immersed in the day to day operations as a R.N. in a variety of preoperative programs for 13 years. Most recently she consulted with administration at a physician owned facility to implement strategies for cost savings, quality initiatives, and new service lines effecting departments hospital wide. She has also acted as interim O.R. Manager at a new start up physician owned facility. Her surgical expertise is grounded strongly in orthopedic, spine, and cardiovascular services. She has also has experience in a number of other clinical areas in
the hospital through her time as an EMT-SS for a county EMS system, as an ER tech at high volume community for profit hospital, and as the Clinic Coordinator for the Rehab/Physical Therapy program for a 120 bed facility. She holds a Bachelor of Science Degree from the University of Texas at Tyler.

**Edward E. Bivins - Chief Technology Officer**

SVP/CIO – Surgical Alliance  
CIO – OrthoLink Physicians Corporation

Mr. Bivins serves as the Chief Technology Officer. He was the Senior Vice President/Chief Information Officer for Surgical Alliance, LLC and responsible for I/T strategy development and the implementation of clinical and business systems in specialty surgical hospitals and surgery centers along with the development of all network infrastructures. Mr. Bivins was previously a senior healthcare consultant for Compuware Corporation. Prior to Compuware, Mr. Bivins was the Chief Information Officer for Ortholink Physicians Corporation. Mr. Bivins was responsible for the development of a technology strategy including a wide area network, local area networks, an intranet and managed the selection of various applications for use by orthopedic practices and ambulatory surgery centers across ten states and twenty-two locations. Prior to Ortholink, Mr. Bivins was employed as an Assistant Vice President by Columbia Healthcare Corporation, Inc. and was responsible for decision systems installations, outcomes reporting, and patient and financial data warehousing and reviewing new technology applications for incorporation into the business processes at Columbia. Mr. Bivins received his M.B.A. from the University of Tennessee.
SURGICAL DEVELOPMENT PARTNERS SENIOR TEAM (cont.)

Naomi Jakes, CPA – Controller
Carr, Riggs & Ingram, LLC – Manager
Crowe Horwath, LLP – Senior

Prior to joining Surgical Development Partners, Naomi worked for over ten years in public and private accounting as an auditor. She graduated from Middle Tennessee State University where she earned her Bachelor of Business Degree in Accounting. Naomi is a member of the Tennessee Society of Certified Professional Accountants, a member of the American Institute of Certified Professional Accountants, and a former member and secretary of the board for the Institute of Internal Auditors.

Laura Nelson – Accountant/Project Manager
Lattimore Black Morgan & Cain, PC – Accounting Manager
Donovan Industries – Senior Accountant

Prior to joining Surgical Development Partners, Laura worked for six years as Accounting Manager at Lattimore Black Morgan & Cain PC. She was responsible for all financial duties for LBMC PC and several of its affiliates as well as budgeting, consolidations and overhead allocations. Her career began at Arkansas Glass Container Corporation in purchasing and made the transition to accounting upon joining Thomas Marine Systems in 2001. She graduated from Arkansas State University where she earned her Bachelor of Science Degree in Business Management.
Prior to joining Surgical Development Partners, Mr. Wells served as Senior Vice President and Chief Operating Officer of Imaging One where he developed and implemented models for physician partnerships in imaging centers. Prior to that, Mr. Wells served as Director of Development for e+ healthcare, which develops and operates free-standing positron emission tomography (PET) imaging centers in partnership with physicians and hospitals. During that time, Mr. Wells was responsible for the development and growth of PET/CT ventures across the U.S. Prior to helping found e Plus Healthcare, Mr. Wells was a Partner of Consultis, a start-up information technology consulting company. Mr. Wells received his B.A. degree from the University of Georgia in 1992.
CURRENT PROJECTS

104 Bed Full Service Hospital - Texas

104 beds;
14 ICU;
Cardiac Suites and CVORs;
Full Service ED.
CURRENT PROJECTS (cont.)

106 Bed Full Service Hospital – Texas

16 bed ICU/CCU, NICU,
21 Bay Full Service ED,
3 Cath Labs,
6 ORs;
CURRENT PROJECTS (cont.)
CURRENT PROJECTS (cont.)

100 Bed Full Service Hospital – Texas

100 bed full service hospital;
16 bed ICU/CCU,
3 Cath Labs,
2 EP labs,
Hybrid OR,
6 ORs,
10 bay full service ED
Location: Akron, Ohio  
Project Description: General Acute Care Surgery Center  
2 Operating Rooms  
1 Procedure Room  
JCAHO Accredited  
Opened: April 2006
CURRENT PROJECTS (cont.)

Hand and Orthopedic Center of Excellence

2 Operating Room orthopedic center
Joint Venture with Kettering System and local orthopods
Opened: September 2008

Beaumont Surgery Center

4 – Operating Room multi-specialty center
Joint Venture with Local Medical Center, Redlands Community Hospital, and Beaver Medical Group
Opened: June 2009
CURRENT PROJECTS (cont.)

Summit-Medina Ambulatory Surgery Center

3 Operating room multi-specialty center
Joint Venture with Summa Health System and local physicians
Opened: March 2011
SAMPLES OF PAST DEVELOPMENT PROJECTS

Southern California Medical Center
106 Beds, 250,000 square feet

Northwest Houston Medical Center
100 Beds, Opened 2007

New Albany, Ohio (1)
8 Operating Room, 96,000 sq. ft. Hospital

Knoxville, TN (2)
5 Operating Room Multi-specialty Surgery Center

Roswell, GA (2)
2 Operating Room Multi-specialty Surgery Center

Lawrenceville, GA (2)
2 Operating Room Multi-specialty Surgery Center

Austell, GA (2)
3 Operating Room Multi-specialty Surgery Center

Albuquerque, NM (2)
6 Operating Room Orthopaedic/Neurological Center

Johnson City, TN (2)
4 Operating Room Multi-specialty Center

Nashville, TN (1)
2 Operating Room Orthopaedic Center

(1) Developed by Surgical Alliance, LLC while key executives of SDP were associated with that firm.
(2) Developed by OrthoLink Physicians Corporation while key executives of SDP were associated with that firm.
CONTACT SDP

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