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October 16, 2014

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OCT 17 2014

STATE HEALTH PLANNING
AND DEVELOPMENT AGENCY

Via Overnight Delivery

Mr. Alva Lambert
State Health Planning & Development Agency
100 North Union Street
Montgomery, Alabama 36104

**Re: Notice of Proposed Change in Ownership: Decatur Surgery Center, L.P. d/b/a
Decatur Ambulatory Surgery Center**

Dear Mr. Lambert:

I am writing on behalf of SCA JV II, LLC ("Buyer"), a Delaware limited liability company qualified to do business in Alabama. Buyer anticipates that it will purchase a fifty-one percent (51%) ownership interest in Decatur Surgery Center, L.P. (the "Partnership"), which owns and operates Decatur Ambulatory Surgery Center, an ambulatory surgical treatment facility licensed by the Alabama Department of Public Health, Division of Provider Services (the "Center"). The purchase price for the purchased ownership interests is currently anticipated to be \$5,992,000. Simultaneously with the closing of the transaction described above, several physician owners will purchase the remaining forty-nine percent (49%) ownership interest in the Partnership (collectively, the "Transactions"). Please note that the identities and percentages of ownership of the potential physician investors have not yet been determined. It is expected that the closing of the Transactions will occur on or about **November 1, 2014**.

Enclosed for your reference is an ownership chart depicting the ownership structure of the Center before and after the closing of the Transactions. Upon the closing of the Transactions, the Center will enter into a management agreement pursuant to which SCA will become the management company for the Center. The Transactions will not result in any changes in the Center's tax identification number or legal and operating names. In addition, the Transactions will not involve the addition or reduction of services provided by the Center or the addition or conversion of beds as the Center is an outpatient provider of ambulatory surgery services. Pursuant to the instructions of your office, please find enclosed a completed Notice of Change of Ownership Form along with the requisite application fees. Please note that we are including a copy of Seller's signatures, but will forward the original signatures to your office immediately upon receipt.

Thank you for your attention to this matter. If you have any questions, or if you require any additional information, please do not hesitate to contact me at (615) 252-2392 or chadfield@babc.com.

Very truly yours,

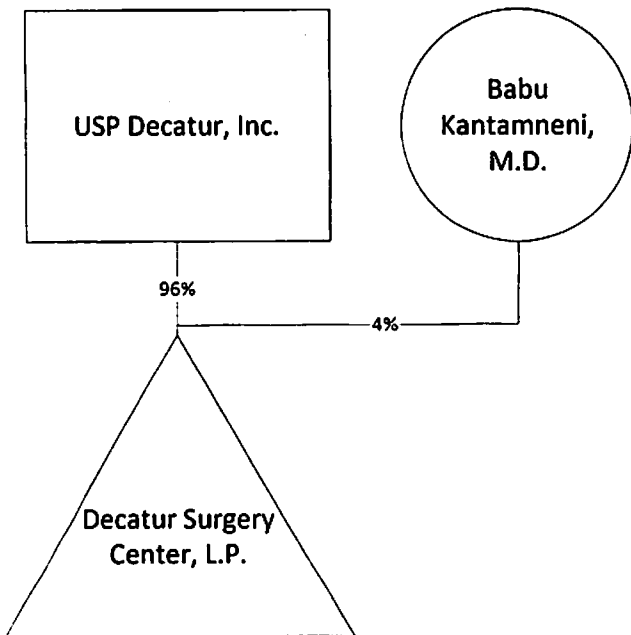
BRADLEY ARANT BOULT CUMMINGS LLP

By:

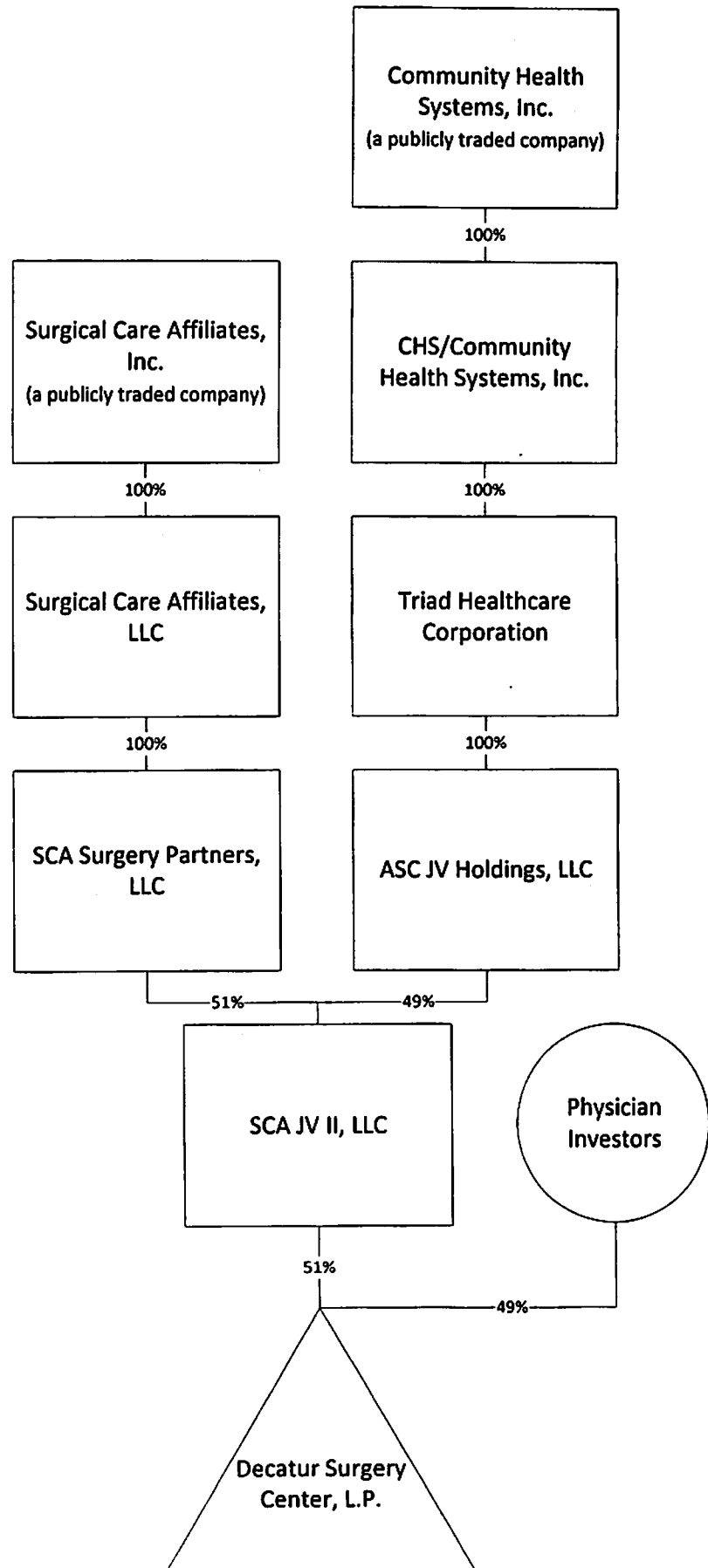
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Enclosures

Pre-Closing Organizational Structure



Post-Closing Organizational Structure



CHANGE OF OWNERSHIP

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STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

Part I: Purchasing Organization Information

Name of Organization: Decatur Surgery Center, L.P.

Facility Name:
(ADPH Licensure name) Decatur Surgery Center, L.P.

SHPDA ID Number: N/A

Address (PO Box #): 2828 Highway 31 South

City, State, Zip, County: Decatur, Alabama 35603 (Morgan County)

Number/Type Licensed Beds: Ambulatory Surgical Treatment Facility with 3 surgical units

Owner(s): Decatur Surgery Center, L.P.

Operator(s): Decatur Surgery Center, L.P.

Part II: Selling Organization Information

Name of Organization: Decatur Surgery Center, L.P.

Address (PO Box #): 2828 Highway 31 South

City, State, Zip, County: Decatur, Alabama 35603 (Morgan County)

Number/Type Licensed Beds: Ambulatory Surgical Treatment Facility with 3 surgical units

Owner(s): Decatur Surgery Center, L.P.

Operator(s): Decatur Surgery Center, L.P.

Part III: Value of Consideration

Monetary Value of Purchase: \$Please see attached letter. No./Type Beds: N/A

Terms of Purchase: Please see attached letter.
(add more pages as necessary to describe the sale)

Part IV: List of Certificate of Need Authority

Number of Beds: N/A

Types of Institutional Health Services: Ambulatory Outpatient Surgery Services

List Service Area by County for Home Health Agencies: N/A

On an Attached Sheet Please Address the Following:

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
- *3.) Whether the proposal will include the addition of any new beds.
- *4.) Whether the proposal will involve the conversion of beds.
- *5.) Whether the assets and stock (if any) will be acquired.

Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s):

Owner(s): _____

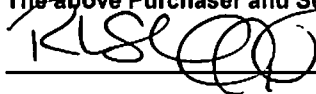
Operator(s): _____

Title/Date: Owner, President _____

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,800* made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

YES NO The above Purchaser and Seller have agreed to these purchase terms.

Purchaser Signature:

 _____

Title/Date: Vice President of Applicant's General Partner _____

*- Please note that the fee for a Notice of Change of Ownership includes a temporary surcharge of \$300.

On an Attached Sheet Please Address the Following:

- *1.) The financial scope of the project to include the preliminary estimate of costs broken down by equipment, construction, and yearly operating costs.
- *2.) The services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service).
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Part V: Certification of Information

I certify that I agree to provide the information necessary (financial, utilization of services and beds, etc.) so the new owner can have the necessary information to complete reports as necessary for the entire fiscal year. The purchaser has agreed to these terms,

Seller(s) Signature(s): 
Owner(s): _____

Operator(s): _____

Title/Date: Owner, President

I certify that I will be responsible for retaining records as necessary to complete reports required for the entire fiscal year, and agree to these terms. I have enclosed a check in the amount of \$2,800* made payable to 'Alabama State Health Planning and Development Agency' to cover the cost of the change of ownership.

YES NO The above Purchaser and Seller have agreed to these purchase terms.

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