



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

February 27, 2013

William R. Shenton
Poyner Spruill
301 Fayetteville Street, Suite 1900
Raleigh, NC 27601

Exempt from Review - Replacement Equipment

Facility: North Carolina Radiation Therapy Management Services, Inc.
Project Description: Replacement of linear accelerator damaged in fire of July 2011
County: Buncombe

Dear Mr. Shenton:

In response to your letter of February 18, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the 2007 Siemens Oncor linear accelerator to replace the existing Varian 600 linear accelerator. This determination is based on your representations that the existing unit will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need. Further please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section and the Medical Facilities Planning Section with the serial number of the new equipment to update the inventory, if not already provided.

Moreover, you need to contact the Construction Section to determine if they have any requirements for development of the proposed project.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie Halatek
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR
Medical Facilities Planning Section, DHSR



Certificate of Need Section

www.ncdhhs.gov

Telephone 919-855-3873 • Fax 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer



Received by
the CON Section
FEB 18 2013

February 18, 2013

William R. Shenton
Partner
D: 919.783.2947
F: 919.783.1075
wshenton@poynerspruill.com

VIA HAND DELIVERY

Craig R. Smith
Chief
CON Section
809 Ruggles Drive
Raleigh, NC 27603

Martha Frisone
Assistant Chief
CON Section
809 Ruggles Drive
Raleigh, NC 27603

RE: Replacement of Linear Accelerator at 445 Biltmore Avenue in Asheville

Dear Mr. Smith and Ms. Frisone:

We are writing on behalf of our client North Carolina Radiation Therapy Management Services, Inc. ("NCR TMS") to inform the Certificate of Need Section that NCR TMS plans to proceed with the replacement of one of the two linear accelerators that were operated at 445 Biltmore Avenue in Asheville, prior to the fire there which occurred in July of 2011. As we have explained previously, in July of 2011, there was a fire at the 445 Biltmore Avenue location in Asheville, North Carolina where NCR TMS had operated two linear accelerators. As a result of the significant damage to the premises, NCR TMS had to remove both machines and place them in storage; and since that time, NCR TMS has made arrangements for the treatment of patients at other locations in the area.

We have previously written to the CON Section to describe NCR TMS' plans to: 1) Relocate one of the two linear accelerators that had been in operation at the 445 Biltmore Location from that location to Weaverville; and 2) more recently, we wrote in late November to describe plans to proceed with repairs to the 445 Biltmore Location, indicating in that letter that NCR TMS still was reviewing options for replacing the second, older linear accelerator that had been operated there from June of 2005 until the fire. In each instance, the CON Section confirmed that NCR TMS could proceed with its development plans for Weaverville and for repairs at 445 Biltmore. NCR TMS now has finalized its plans to replace the older Varian 600 Linear Accelerator which was in operation at 445 Biltmore. This letter explains the contemplated arrangements and demonstrates that the replacement of this machine should be exempt from certificate of need review under N.C. Gen. Stat. § 131E-184(a)(7), and 10A NCAC 14C .0303.

The Replacement Machine

The linear accelerator that NCR TMS plans to install at 445 Biltmore is a 2007 Siemens Oncor linear accelerator which employs the same technology as the Varian 600 machine. Exhibit A is a quote from Oncology Services International for the acquisition and installation of this machine. The total price is \$170,000.00 and as noted in the comments on page two concerning what is "Included in Sale," this price includes shipping and installation of the machine.

The only other cost that will be associated with the Siemens Oncor linear accelerator is the purchase of computer software, and Exhibit B is a quote from Siemens showing that the total of those costs is \$220,900.00, resulting in a total replacement cost of \$390,900.00. Even if Buncombe County's seven per cent sales tax (See <http://www.dorn.com/taxes/sales/taxrates.html>) is added to the entire total that, would only add \$27,363, for a grand total of \$418,263 for all replacement costs.

No other costs will be associated with the deployment of the Siemens Oncor linear accelerator at the 445 Biltmore Avenue location, besides the repair costs that were previously described in the November letter, and which already have been determined to be exempt from review as repairs due to disaster damage. As indicated in the prior letter, under the current CON Law and rules, the costs associated with repairing the fire damage at 445 Biltmore Avenue should not be considered in determining whether the replacement of the linear accelerator should be exempt from review. Thus, only the market value of the machine, its transportation costs and installation costs (which are included in the quote), and the software costs are relevant to whether this proposal meets the cost limitations of replacement equipment.

Finally, NCR TMS also has instructed us to confirm that the acquisition of the Siemens Oncor will not result in more than a 10% increase in patient charges or per procedure operating expenses within the first twelve months after the acquisition. NCR TMS also has instructed us to confirm that the Varian 600 machine that had been operated at 445 Biltmore, which has been in storage since the fire, will be moved out of state.

NCR TMS also plans to deploy a refurbished GE Light Speed CT scanner at 445 Biltmore Avenue. This CT scanner is not replacing other equipment, but it will not function as a simulator because it will be used only to provide diagnostic scans of patients. The quote from CT Enterprises that is found in Exhibit C documents the total cost of this scanner to be \$160,000. Adding in \$ 11,200 for sales tax at seven per cent, brings the total to \$171,200. At present, no other diagnostic equipment with a unit cost of \$10,000 is to be deployed at 445 Biltmore Avenue.

Analysis of Provisions in CON Law and Rules

Based on the foregoing information, it is clear that the proposed replacement meets all requirements to be exempted from review. The total cost of the replacement linear accelerator, with sales tax falls far below the \$2 Million threshold and so this qualifies as "Replacement Equipment" under the CON Law. The proposal also meets each of the requirements set out in 10A NCAC 14C .0303: The replacement machine has the same technology, is functionally similar, is used for the same treatment purposes, and will not result in an increase in patient charges or per procedure operating costs that would disqualify the replacement under 10A NCAC 14C .0303 (d) (3).

Likewise, the deployment of the CT scanner at a total cost with sales tax of \$171,200 does not require certificate of need review because it does not constitute the establishment of a diagnostic center at 445 Biltmore and is not subject to review under any other provision of the Certificate of Need Law.

Craig R. Smith
Martha Frisone
February 18, 2013
Page 3

Poyner Spruill^{LLP}

Conclusion

Please confirm that the replacement of the Varian 600 Linear Accelerator at the 445 Biltmore Avenue location, as well as the deployment of the GE Light Speed CT scanner as described in this letter are both exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(a)(7). We look forward to your confirmation and thank you in advance for your prompt consideration of this request.

Very truly yours,



William R. Shenton
Partner



Quotation and Sales Agreement # 20130777336

Valid for 30 days, subject to prior sale January 22, 2013

Prepared For

Don Lazarus
21st Century Oncology 1120364
3680 Broadway Ave
Ft. Myers FL 33901

Installation Location

NOF
NOF
NOF
NOF

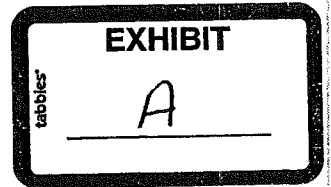
Price excluding Options \$170,000.00

Total Price including Options \$170,000.00

Description

Net Price \$170,000.00

2007 Siemens Oncor Linear Accelerator sn5087
6/18mv photons 6,9,12,15,18 and 20mev electrons
Dose Rate 300 for 6mv/ 500 for 18mv electrons 300 and 900
V9.1.70sw
82 leaf MLC
AFS/ IM-Maxx IMRT
Optiview flatpanel w/AG7 panel
15/30/45/60 degree wedges
5cm/10cm/15cm/20cm/25cm electron applicators
TXT patient couch



NOTE: Any pre-owned equipment sold to a new owner may be subject to re-licensing according to the Original Manufacturers license transfer policy. Only the Original Manufacturer can supply any license transfers, and Oncology Services International shall not be responsible for any license fees subsequently charged by the Original Manufacturer, unless specifically agreed to in the Description above.

Initials: _____

Customer _____

Schedule A



Quotation and Sales Agreement # 20130777336

Valid for 30 days, subject to prior sale January 22, 2013

Prepared For

Don Lazarus
21st Century Oncology 1120364
3680 Broadway Ave
Ft. Myers FL 33901

Installation Location

NOF
NOF
NOF
NOF

Optional Items

Price

Optional Items	Price
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<input type="checkbox"/> _____ Buyer Initials

Included in Sale

Customer Responsibility

Shipping to site in North Carolina, rigging machine into base frame provided by customer at facilit.

Installation of machine through Acceptance Testing completion with customer physicist.

Applicable Sales Taxes

Meeting all facility requirements. Provide clear path to treatment room.

Provide physicist and scanning equipment for acceptance testing.

Initials: _____

Customer _____

OSI _____



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Don Lazarus
21st Century Oncology 1120364
3680 Broadway Ave
Ft. Myers FL 33901

Installation Location

NOF
NOF
NOF
NOF

Payment Schedule:

25% Downpayment with order
65% Prior to Delivery
10% On Acceptance

Refurbishment - Exhibit A

This equipment is provided in "As-Is" Condition

Initials: _____

Customer _____

OSI _____



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Don Lazarus
21st Century Oncology 1120364
3680 Broadway Ave
Ft. Myers FL 33901

Installation Location

NOF
NOF
NOF
NOF

STANDARD TERMS AND CONDITIONS FOR THE SALE OF EQUIPMENT

Agreement entered into this ___ day of _____, 20___, by and between Oncology Services International (hereinafter referred to as the "Company") with an address of _____ and _____, (hereinafter referred to as the "Customer") with an address of _____

WHEREAS, the Company owns the medical equipment set forth on the attached Schedule "A," and
WHEREAS, the Customer desires to purchase from the Company said medical equipment; and,
WHEREAS, the Company is prepared to sell said equipment to the Customer for the price set forth in Schedule "A";

NOW, THEREFORE, the parties hereto agree as follows:

1. **PRICE.** The Customer agrees to purchase and the Company agrees to sell the equipment set forth in the attached Schedule "A" and to install it in the Customer's facility detailed in Schedule "A," on the terms set forth herein at the price set forth in Schedule "A." The total sale price of the equipment referenced in Schedule "A" is in \$ US dollars, not including any sales/state taxes, if applicable.

2. **INSTALLATION.** The Customer shall prepare the installation site to specifications outlined by the equipment manufacturer prior to installation. Preparation includes all necessary floor preparation, power, water, and cooling requirement outlined by manufacturer. The Customer is responsible for any and all construction involved in the installation of the Equipment, including room preparation to manufacturer's specifications. The Customer is responsible for all costs including associated with delayed or improper installation site preparation incurred by the Company or other parties. The Company shall deliver and rig in Equipment to manufacturer's original equipment specifications. This includes shipping, insurance and basic rigging. The Customer is responsible for any unusual rigging charges (including but not limited to any floor shoring, clearing the rigging path of obstructions, demolition, reconstruction, cranes/hoists, weekend or holiday overtime labor, delays in preparing facility for removal, costs incurred by using agents not authorized by OSI, etc.), and is further responsible for any incurred expenses resulting from Customer-originated delays, including but not limited to those caused by incomplete construction, improper room preparation, damage to Equipment by Customer's personnel or agents, etc. Installation will commence no earlier than five(5) working days after verification by the Company that room preparation is complete.

3. **WARRANTY.** The Company warrants that the Equipment will be operational at the time of installation, operational being defined exclusively as passing acceptance testing. Additional warranty coverage is described in the quotation, as applicable, attached hereto as Schedule "A." Repair, or at the Company's option, replacement of defective parts with new or used parts shall be the sole and exclusive remedy under this limited warranty. The Company disclaims any and all other warranties expressed or implied, including but not limited to implied warranties of merchantability, and/or fitness for a particular purpose.

Initials: _____

Customer _____

OSI _____



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Don Lazarus
21st Century Oncology 1120364
3680 Broadway Ave
Ft. Myers FL 33901

Installation Location

NOF
NOF
NOF
NOF

4. **DATE MODIFICATION.** All dates are estimates based upon conditions at the time of purchase. If the Equipment installation date is delayed by the Company for more than 30 business days, the Customer shall have the option of either (a) receiving a full refund of all moneys paid, or (b) adjourning the installation date in writing to a mutually agreed upon date.

The Customer must give the Company at least thirty(30) days written notice of any changes of installation date that it initiates. If the Equipment installation date is delayed by the Customer more than six (6) months from the contract acceptance date, delivery payment is still due on the originally scheduled date or six months from contract acceptance, whichever is sooner. The Customer shall be liable for payment of equipment storage charges from original date of delivery until the actual delivery date at current commercial storage rates.

5. **EQUIPMENT ACCEPTANCE.** Acceptance of the equipment by the Customer shall occur upon completion of the applicable original equipment manufacturer's acceptance tests. Notwithstanding the foregoing, use of the equipment by the Customer, its agents, employees of licensees for any purpose including but not limited to patient treatment, after its receipt without the express written approval of the Company shall constitute acceptance of the equipment by the Customer.

6. **TITLE.** The Customer will be issued a Bill of Sale from the Company upon receipt of delivery payment. Included in this Bill of Sale will be the statement that the Equipment is free and clear of any encumbrances. Title to the Equipment will then belong wholly and exclusively to the Customer subject only to any UCC or lien rights retained by the Company pending final payment.

7. **PRIOR SALE.** All Equipment shall be subject to prior sale and this agreement shall not be binding upon the Company until the required down payment and this signed Agreement is received and accepted by the Company. Acceptance is defined as being executed by the Company and the Customer.

8. **PAYMENT TERMS.** The Customer is responsible for payments as defined in Schedule "A." All payments must be made via certified funds or wire transfer and are non-refundable. Due dates are as defined therein. In the event that the Customer fails to meet payment deadlines by more than three (3) business days, the Company may terminate this Agreement and retain all moneys paid along with all claim or title in Equipment as liquidated damages and not as a penalty. Past due accounts are subject to a service charge of the lesser of 1.5% per month or the highest legal rate of interest. In the event that the unpaid balance goes to collection, the Customer will be assessed a collection fee due in addition to original amount owed. This fee will be for court costs, attorney's fees, and other reasonable costs associated with the liquidation of merchandise plus liquidated damages in the amount of twenty (20%) percent of the balance due. All payments are payable in Montebello, New York at the Company's corporate headquarters.

9. **STATE & FEDERAL COMPLIANCE.** The Customer is solely responsible for compliance with all state and federal requirements for sales/state taxes, shielding, licensing and registration, as applicable. The Customer is responsible for any software licensure required by the original equipment manufacturer.

Initials:

Customer _____

OSI _____



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NOF
NOF
NOF
NOF

10. **LIABILITY.** The Company's total liability in damages or otherwise shall not exceed the payment, if any, received by the Company for the equipment furnished or to be furnished, as the case may be, resulting in the loss or damage claimed. In no event shall the Company be liable for incidental, consequential, indirect, punitive or special loss or damages of any kind, such as, but not limited to, lost business revenue, lost profits, attorneys' fees and costs, or costs of downtime resulting from the Company's products or services, however caused, whether based on contract, tort (including negligence) or any other legal theory. Furthermore, whether based upon contract, tort (including negligence) or any other legal theory, the Customer agrees to waive any and all claims or recoveries of any kind greater in amount than the amount paid to the Company under this Agreement. The Customer further agrees to indemnify the Company, its officers, employees, agents, representatives and their successors and assigns and hold it harmless from and against any and all losses, liabilities, damages, claims, causes of action, costs and expenses (including reasonable attorney's fees and related legal expenses) arising from any third party claim, action, cause of action, contest, or dispute to the extent the losses or liabilities are the result of the negligence, willful misconduct or intentional act or omission of the Customer, its agents or employees. This provision shall survive the termination of this Agreement.

The Company assumes no responsibility whatsoever for any matters relating to equipment calibration and use. Customer hereby agrees to hold harmless the Company and its respective officers, employees, agents, representatives, and their respective successors and assigns from and against any and all loss, liability, damages, claims, causes of action, costs, and expenses, including, but not limited to, attorney's fees and any other types of liability, whether accrued, absolute, contingent or otherwise, arising out of or related to the ownership or use of the Equipment at any time from and after the date that buyer obtains title to the Equipment.

11. **SCOPE OF AGREEMENT.** The signing of and the execution of this agreement shall constitute the entire agreement between the parties and supersedes any and all prior agreements. No amendment or variation of this agreement shall be valid unless mutually agreed upon in writing and signed by authorized officers of both the Company and the Customer.

12. **ARBITRATION.** Any controversy arising out of this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (single arbitrator). All actions relating to this Agreement or any party's performance or nonperformance under this Agreement shall be instituted in, and both parties consent to jurisdiction and venue in, Rockland County, New York. Judgment upon the award rendered in any arbitration may be entered in any court of competent jurisdiction in New York. Each party in any such arbitration shall be responsible for its own attorneys' fees and costs incurred in such arbitration, as well as one-half of the arbitrator's fees and AAA charges. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York.

13. **CONFIDENTIALITY.** The terms and conditions of this agreement and of the aforementioned quotation are confidential and shall not be disclosed except as necessary to the performance of this agreement or as required by law.

Oncology Services International Customer Acceptance: Dated: _____
By: _____ By: _____ Title _____

Initials: _____

Customer _____

OSI _____



Quotation and Sales Agreement # 20130777336

Valid for 30 days, subject to prior sale January 22, 2013

Prepared For

Don Lazarus
21st Century Oncology 1120364
3680 Broadway Ave
Ft. Myers FL 33901

Installation Location

NOF
NOF
NOF
NOF

Modifications to STANDARD TERMS AND CONDITIONS FOR THE SALE OF EQUIPMENT - Exhibit B

Initials: _____

Customer _____

OSI _____

SIEMENS

Siemens Medical Solutions USA, Inc.
51 Valley Stream Parkway, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Emily Hale - (610) 448-1716

PRELIMINARY PROPOSAL

Customer Number: 0000053932

Date: 2/7/2013

21st Century Oncology Center
445 Biltmore Avenue
Asheville, NC 28801

Quote Nr:

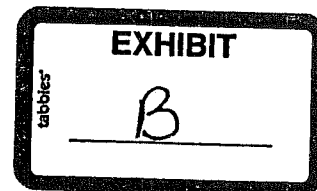
1-5MNNOB Rev. 0

Promotional Upgrade Packages

All items listed below are included for this system:

Qty	Part No.	Item Description
1	10652175	PREF current R4.2
1	08167541	MVision Upgrade Install Fee, US/CA SMS-OCSG factory personnel will install and calibrate the MVision upgrade, including customer sign-off of the Acceptance Test Protocol (ATP).
1	OCS_PM	OCS Project Management
1	10652223	PREF Elekta Mosaic
1	10652208	MVision Upgrade for OPTIVUE 500 The OPTIVUE 500 to MVision upgrade preference is a special package that includes the necessary components in order to upgrade ONCOR or PRIMUS installed with an OPTIVUE 500 to Siemens unique megavoltage cone beam (MVCB) imaging package: MVision comprises three major components: - MegaVoltage Cone Beam Imaging software and firmware - New High Quality flat panel - Adaptive Targeting software application on COHERENCE Therapist Workspace that facilitates Patient Position correction in 3 dimensions by analysis of treatment and Reference Volumetric datasets. This Upgrade includes Flat Panel auto-deploy, 3D Viewing and Reference Image Auto-load - Flat Panel Auto-Deploy enables PRIMEVIEW(tm) 3i on PRIMUS to automatically deploy/retract OPTIVUE(tm) 500. - 3D Viewing Option enables 3D Viewing capabilities on the PRIMEVIEW(tm) 3i platform. - Reference Image Auto-load enables PRIMEVIEW 3i(tm) on PRIMUS to automatically load reference images. Please be informed that Siemens will maintain a service and support structure to fulfill contractual commitments for installed Siemens linear accelerators. All services will be provided for the term of the service contract and spare parts will be available as per standard Siemens product end of life processes. The purchase of the linac upgrade solution as per this offer does not extend such timelines or any warranties given for the installed products.

System Total: \$220,900



SIEMENS

Siemens Medical Solutions USA, Inc.
51 Valley Stream Parkway, Malvern, PA 19355

SIEMENS REPRESENTATIVE
Emily Hale - (610) 448-1716

PRELIMINARY PROPOSAL

OPTIONS:

Qty	Part No.	Item Description	Extended Price
1	10652039	Apps Training Package Training content: System introduction for - ARTISTE(tm), ONCOR(tm), PRIMUS(tm) linear accelerators - patient treatment tables and accessories - Imaging options (OPTIVUE(tm), Mvision(tm)) - COHERENCE(tm) Dosimetrist and other COHERENCE workspace products, syngo(r) RT Workspaces - LANTIS(tm); IMAGE RT - instruction on how to use the system in modern therapy and in adjuvant therapeutic measures.	+ \$0
1	OCS_MVI_INIT IAL_16	Initial onsite training 16 hrs - Mvision Up to (16) hours of on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.	+ \$4,100

FINANCING: The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

Siemens Healthcare is pleased to submit this Preliminary Pricing Proposal. A Preliminary Pricing Proposal is provided for planning purposes only; it is not contractually binding. To receive a contractually binding proposal for the Products listed above, inclusive of Terms, Conditions, and Warranty coverage, please contact your Siemens Healthcare Sales Representative.

Siemens Healthcare

Emily Hale
(610) 448-1716
emily.hale@siemens.com

CT Enterprises, LLC

Buyer: 21st Century Oncology

Phone: 1-
Fax: 1-

Gantry S/N To Follow
Site Location: Asheville, NC Office

Contact: Daniel Galmarini

Seller: C T Enterprises, LLC
6209 Gheens Mill Rd.
Jeffersonville, IN 47130

Phone: 812-280-0048
Fax: 812-280-0850
Email: todd@cgtscan.com
Date: January 28, 2013

Quote: LS-Plus_ID

CTE Technologies, Inc. (CTE) is pleased to submit the following quotation and agrees to sell the products and services described at the prices and deliveries stated, subject to the conditions stated in this quotation, and the Standard Conditions shown on the last two (2) pages of this quotation.

Equipment Description

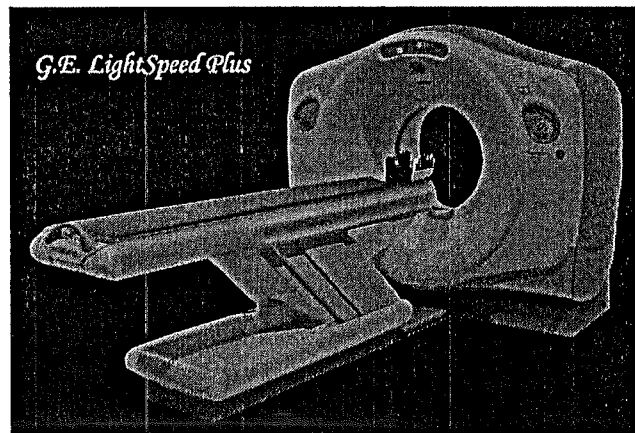
GE Light Speed CT Scanner

CTE offers the GE Light Speed CT as quoted herein. The GE Light Speed CT is comprised of the following components described in this quotation. This quotation includes all of the terms and conditions of sale attached hereto or incorporated herein by reference.

GE Light Speed Plus

System Components Include:

- BASEPLATELESS GANTRY
- PERFORMIX 6.3MHU TUBE
- QUAD SLICE DETECTOR
- PATIENT TABLE W/METALLESS CRADLE
- LIGHT SPEED PDU
- HIGH PERFORMANCE DAS
- LIGHT SPEED OPERATOR'S CONSOLE
- HIGH SPEED COMPUTER
- 53.2KW GENERATOR, 10 TO 440MA
- 80, 100, 120, & 140KV SELECTIONS
- SUB-SECOND SCANNING (0.5 SEC. SCAN TIME)
- EMC COLLIMATOR
- TWO 20" COLOR MONITORS
- 70CM GANTRY APERTURE
- MAGNETIC OPTICAL DISK IMAGE STORAGE
- +/- 30 DEGREE GANTRY TILT
- 120SEC. CONTINUOUS HELICAL
- 160CM MAX. SCAN VOLUME BASED ON TABLE TRAVEL
- PITCH OF QUAD 0.75:1 (3:1) OR 1.5:1 (6:1)
- SMART OPTIONS FOR ENHANCED EXPOSURE CONTROL, IMAGE QUALITY, AND THROUGHPUT.
- SMART HELICAL
- SMART BEAM



EXHIBIT

tabbies

C

CT Enterprises, LLC

Quote: LS-Plus_ID page 2

Value added services: The system will be staged in our facility. It will be cleaned and undergo a full functional check to assure all systems are to OEM specifications. We will replace any items that do not meet specifications. We will service the slip-ring and refurbish the CT both cosmetically and mechanically. The unit will be available for inspection before shipping to the site for installation. We will ship to your site with our own air-ride truck and driver to minimize the risk of damage along the way. Specialized factory equipment dollies will be used to move the CT into your facility for further protection to the CT and your premises. We will install the CT and calibrate to produce like-new image quality. Site must be ready prior to installation or additional costs may be incurred.

Package Price: \$160,000.00 refurbished, delivered, and installed with a one year warranty on parts and labor. X-Ray tubes will be warranted for 2 years or 70,000 amp seconds on a pro-rata basis. Price includes the interface for Respiratory gating, a carbon fiber top, and a 10 KW UPS. Service after the warranty is \$3,250/mo. for parts and labor, less tubes, according to our Master Service Agreement currently in force.

Payment Terms: 50% down, and 50% when installed.

Acceptance and Agreement

Signatures (below) of authorized representatives of Seller and Buyer organizations constitutes mutual agreement to accept and comply with the terms and conditions set forth in this quotation, and the Standard Conditions, attached hereto and made part of this agreement. Warranty details are available on request.

Accepted By:

Buyer:
21st Century Oncology

By: _____

Signature _____

Its _____

Date: _____

Seller:
CT Enterprises, LLC

By: Todd Raderer

Signature _____ Date _____

CT Enterprises, LLC

STANDARD TERMS AND CONDITIONS OF SALE

Acceptance of Quotation and Agreement:

The authorized signatures of CT Enterprises, LLC (Seller) and Customer (Buyer) constitute acceptance by both parties of the provisions of the attached Quotation ("Quotation") and these Standard Terms and Conditions of Quotation (collectively referred to herein as the "Agreement"). Any changes to the Quotation or its content shall not be binding unless reduced to writing, and signed by authorized representatives of both Seller and Buyer.

Seller will not accept or be bound by any Terms and/or Conditions stated on Buyer's Purchase Order or any correspondence related thereto, unless specifically stated in writing and signed by Seller's authorized representative.

The Quotation is subject to withdrawal or change at any time prior to Seller's acceptance, and the quoted prices are valid until the Quotation is withdrawn, or expires as specified on the face thereof.

Prices:

The Price of items quoted (hereinafter referred to as the "Equipment") do not include local, state, federal, value-added or any other form of taxes, unless otherwise indicated. Buyer will be responsible for any such taxes or obligations.

Further, the prices of items quoted herein do not include: the cost of permits or fees relating to any equipment, installation work, site preparation, construction, building additions or modifications and other activities, unless otherwise indicated. Buyer will be responsible for any such fees or obligations.

Payment:

Payment shall become due in accordance with the specific terms on the deposits made hereunder shall be nonrefundable. Failure to abide by the payment terms shall be considered a default of this Agreement. Upon default due to failure to abide by payment terms, Seller shall have option to terminate this Agreement.

Execution of this Agreement by Buyer shall constitute a representation that Buyer is solvent. All financing plans (notes or otherwise) must be accompanied by a suitable security agreement acceptable to the Seller. In addition, upon the Seller's request, Buyer will furnish financial documentation that proves its solvency at time prior to shipment.

If the financial condition of the Buyer, at any time, is such as to give the Seller, in its sole judgment, reasonable grounds for insecurity concerning the Buyer's ability to perform its obligation under this Agreement, the Seller may require full or partial payment in advance and suspend delivery until such payment has been received. Failure to furnish such payment within ten (10) days of demand by the Seller shall constitute a breach of this Agreement, and in such event, in addition to all rights available to it at law or in equity, the Seller shall be entitled to receive reimbursement for any and all costs incurred by Seller in its performance under this Agreement.

Inspection

Unless otherwise indicated in writing by Seller, Buyer shall have the right to inspect the Equipment at the Seller's warehouse for a period of twenty (20) days following the date of this Agreement. If the Buyer fails to exercise its right of inspection, the Equipment shall be deemed accepted, and any deposit made hereunder shall become nonrefundable. If the Buyer exercises its right of inspection, and chooses not to accept the Equipment, the Buyer's sole and exclusive remedy shall be the return of any deposit paid to Seller for the Equipment.

Delivery:

Except as otherwise agreed upon in writing between the parties, the delivery date of the Equipment sold herein shall be ninety (90) days following the date of this Agreement. Please be advised delivery dates are dependent on the cooperation between all parties involved, the timely flow of information, payments, shipment of equipment, site preparation, inspections and approvals, availability of specialist personnel, etc.

Seller agrees to make all reasonable efforts to meet quoted delivery dates, but will not be responsible for any damages or loss incurred by Buyer or its contractors based on delay caused by: fires, floods, earthquakes or other acts of God, accidents, riots, wars, operation of law, government regulations or requirements, strikes, labor difficulties, shortages of fuel, power, materials or supplies, unavailability of transportation, or other acts or circumstances that are not within reasonable control of Seller.

In the event the Equipment is delivered via a third-party courier service, and suffers damage in delivery, unless the Buyer gives Seller written notice of such damage via Certified Mail-Return Receipt Requested within three (3) days of delivery, Buyer waives any claim against Seller for any determinable deficiency or defect in said delivery or Equipment. Buyer agrees to inspect all material and equipment immediately upon delivery to verify: (a) the quantities described in the accompanying delivery ticket are the quantities delivered and (b) there are no visible defects. Buyer also agrees to examine all delivery tickets upon receipt.

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Extended Shipment Delays:

Buyer may request reasonable delays in shipment and/or installation of equipment quoted, and Seller will reasonable efforts to comply with such requests at no additional cost to Seller.

In the event that such delays could cause unreasonable financial burden to Seller, in Seller's sole discretion, Seller reserves the right to: 1) charge Buyer for all costs associated with storage of equipment on Seller's floor or in Seller's facility; 2) charge Buyer for all costs associated with the crating, shipping and storage of equipment in an outside facility; or 3) demand all payments due for the Equipment in accordance with terms of this Agreement.

Title, Risk of Loss:

Title to the equipment or any part thereof shall pass to the Buyer upon: 1) delivery of such product or part to the Buyer; and 2) when payments to the Seller are made in full. Risk of loss shall pass to the Buyer upon delivery. The Seller hereby reserves and retains, and the Buyer hereby grants to the Seller, a lien under the UCC, or adopted in the state of delivery (or, if the product is located in Louisiana, a vendor's lien) in the Equipment or the parts thereof until such time as full payment is received. Buyer will cooperate fully with the Seller with respect to any documentation of the security interest and the filing thereof.

Installation:

If installation is specified in writing, the Seller will install the Equipment, and will connect the same to the safety switches or electrical outlets to be provided and installed by the Buyer. If for any reason such final assembly or electrical connections, herein referred to as the installation of the products, are made by other than the Seller's own employees, any additional charge for the cost of such outside labor must be borne by the Buyer. It is understood that proper electrical current for operation of the products, including any required power conversion units, will be brought to the safety switches and outlets by the Buyer, and the Buyer will supply all of the necessary conduits, connectors, wiring, support in the ceiling, plumbing, carpentry, construction work, and rigging required for making the installation. It is further understood that should anything additional be required for making the installation, it shall be supplied by the Buyer at the Buyer's expense. Additionally, if, upon arrival for installation, Seller determines, in its sole discretion, that the installation site is not prepared per Seller's instructions, causing a delay in the installation of the Equipment, Seller may charge a per-day delay fee in the amount of \$1,500.00 per day.

Software:

In the event that computer software is provided to Buyer in connection with the sale of the Equipment, the Buyer must obtain a non-exclusive license and/or sublicense to use such software with the product. By acceptance of this Agreement, or the software, at Buyer's expense, Buyer agrees to obtain the applicable license and/or sublicense. Seller shall not be responsible for the transfer of any software licenses hereunder, and Buyer shall hold Seller harmless from any liabilities arising from or relating to software licensing.

Warranty/ Disclaimer:

Warranty services hereunder, if applicable, shall include on-call remedial service and part replacement, as required due to Equipment malfunction, and as described in this Agreement. For purposes of this Agreement, "Equipment malfunction" shall be defined as the inability to produce diagnostic images. Any warranty service shall be provided during regular business hours (9:00A.M. to 5:00 P.M), Monday through Friday, excluding holidays.

Seller's warranty obligations **shall not include** the replacement of X-Ray tubes (*Unless indicated above in this Agreement*), supply items, cosmetics, and other accessories (including, but not limited to, film cassettes, phantoms, magnetic tapes, optical disks, table cushions, patient restraints and holders). Seller's warranty obligations **shall also not include coverage** of damage caused by misuse or abuse, in the sole determination of C&G, fire, water, building collapse, power failure or fluctuations, vandalism, riot, air conditioning failure, "acts of god" (i.e. tornado, hurricane, earthquake, etc.), or any other cause beyond the reasonable control of C&G. Additionally, operation contrary to the advice of Seller or its designated representative may result in exclusion from warranty coverage.

Alterations, additions, adjustments, adjustments or repairs to the Equipment by other than authorized representatives of Seller shall void any warranty granted hereunder, and Seller shall not be responsible to Buyer for loss of use of the Equipment or for any other liabilities arising from such alterations, additions, adjustments or repairs.

UNLESS SPECIFICALLY STATED IN THIS AGREEMENT, SELLER MAKES NO ADDITIONAL WARRANTIES HEREUNDER, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS

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FOR A PARTICULAR PURPOSE.

Limitations of Liability:

In no event, whether as a result of breach of contract, warranty, tort (including negligence and strict liability) or otherwise, shall the Seller be liable for any special, consequential, incidental or penal damages including, but not limited to, loss of profit or revenues, loss of use of the products or any associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, down time costs, or claims of Buyer's customers for such damages. In no event, whether as a result of breach of contract, warranty, tort (including negligence and strict liability) or otherwise, shall the Seller's liability to Buyer for any loss or damage arising out of, or resulting from this Agreement, or from its performance or breach, or from the products or services furnished hereunder, exceed the price of the specific product or service which gives rise to the claim. Except as to title, any such liability shall terminate upon the expiration of the warranty period.

If the Seller furnishes Buyer with advice or other assistance which concerns any product supplied hereunder or any system or equipment in which any such product may be installed and which is not required pursuant to this agreement, the furnishing of such advice or assistance will not subject the Seller to any liability, whether in contract, warranty, tort (including negligence and strict liability) or otherwise.

Arbitration:

Any and all disputes arising under, in connection with, or incidental to this Agreement shall be submitted to binding arbitration in Salem, Indiana. Arbitration shall be conducted by a single arbitrator in accordance with the rules of the American Arbitration Association. Buyer shall pay fifty percent (50%) of fees charged by the arbitrator, and the Seller the remaining fifty percent (50%). Judgment upon the award rendered by the Arbitration may be entered into any court having jurisdiction. The Buyer and Seller agree that jurisdiction is proper in the courts of the County of Washington, State of Indiana. This Agreement shall be construed in accordance with Indiana Law.

General:

Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party.

Notices. All notices pursuant to this Agreement shall be in writing, except as provided herein. Notices in writing shall be sufficient if hand delivered or mailed by first class mail, postage prepaid, or sent by telecommunications to the attention of the person listed below and to the party intended as the recipient thereof at the address listed in the Quotation, or at such other address or to the attention of such other person as such party shall have designated for such purpose in a written notice complying as to delivery with the terms of this Section.

No Waiver of Performance. Failure by either party at any time to require performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any right accruing under this Agreement, nor affect any subsequent breach, nor affect the effectiveness of this Agreement or any part hereof, nor prejudice either party as regards any subsequent action.

Entire Agreement; Conflicting Provisions. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and no representation or statement not contained in this Agreement shall be binding upon the parties as a warranty or otherwise.

Validity. The invalidity, in whole or part, of any of the foregoing paragraphs will not affect the remainder of such paragraph or any other paragraph in this section of this quotation.