DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

March 14, 2018

Eddie Beard
810 Fairgrove Church Road SE
Hickory, NC 28602

Exempt from Review – Replacement Equipment

Record #:	**2538**
Facility Name:	Catawba Valley Medical Center
FID #:	933080
Business Name:	Catawba Valley Medical Center, Inc.
Business #:	555
Project Description:	Replace existing CT scanner
County:	Catawba

Dear Mr. Beard:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of February 28, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the Siemens Definition Edge CT scanner to replace the Siemens Sensation 64 CT scanner. This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

Moreover, you need to contact the Agency's Construction, Radiation Protection, and Acute and Home Care Licensure and Certification Sections to determine if they have any requirements for development of the proposed project.

It should be noted that the 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 office and a separate determination.

If you have any questions concerning this matter, please feel free to contact this office.

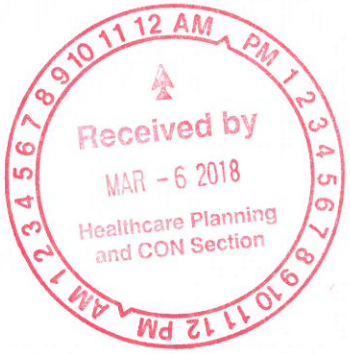
Sincerely,

Julie M. Faenza
Project Analyst

Martha J. Frisone
Chief, Healthcare Planning and
Certificate of Need Section

cc: Construction Section, DHSR
Radiation Protection Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR

CATAWBA VALLEY MEDICAL CENTER



February 28, 2018

Ms. Martha Frisone
Chief, Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

RE: CT Equipment Replacement at Catawba Valley Medical Center/Catawba County

Dear Ms. Frisone:

Catawba Valley Medical Center (CVMC) intends to replace its existing Siemens Sensation 64 CT scanner located in our hospital in Hickory. Pursuant to NCAC 14C .0303(a), CVMC requests confirmation that this equipment replacement lies within the definition of NCGS 131E-176(22a) and the regulations set out in NCGS 131E-184(a)(7) and NCAC 14C .0303, as exempt from review.

CVMC began using the Siemens CT scanner in 2005, and intends to replace it with a new Siemens Definition Edge CT scanner. The Sensation 64 has been operating daily as the ED scanner. It averages 35 exams per day, primarily on ED patients, but also for inpatients and other outpatients. The current 64 system is 13 years old and has reached the limit for upgradability in software configuration, and has had multiple out-of-service incidents during the past year.

Via this letter, CVMC affirms that it will trade-in the Sensations 64 CT scanner to Siemens, for removal from operation at CVMC. During the replacement period, CVMC will utilize its other existing CT scanner to cover ED and other volume. As documented in the attached letter in Attachment D, Siemens intends to either scrap the equipment or refurbish and sell the equipment to another end user. If Siemens sells the CT to another user in North Carolina, it understands that any applicable CON requirement must be met.

Pursuant to NCGS 131E-184(a)(7) *"The department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, when notice includes an explanation of why the*

new institutional health service is required, for any of the following: ... (7) To provide replacement equipment."

NCGS 131E-176(22a) defines "replacement equipment" as *"equipment that costs less than $2,000,000 and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced".*

Applicable Regulations

NCAC 14C .0303 defines "comparable medical equipment" as equipment that is functionally similar and which is used for the same diagnostic or treatment purposes. Replacement equipment is comparable if:

(1) it has the same basic technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements; and
(2) it is functionally similar and is used for the same diagnostic or treatment purposes as the equipment currently in use and is not used to provide a new health service; and
(3) the acquisition of the equipment does not result in more than a 10% increase in patient charges or per procedure operating expenses within the first 12 months after replacement equipment is acquired.

Compliance

CVMC hereby certifies that:

1. The total project cost for the CT scanner replacement, including the equipment, space renovation, furniture, rigging and installation, and all other costs, is $1,027,000, as shown in Attachment A. Please refer to Attachment B for the Siemens equipment quote. CVMC will locate the replacement CT scanner in the existing CT equipment room in the hospital. CVMC's General Contractor confirms that relatively modest renovation is required to accommodate the replacement CT scanner. The cost to remove the existing CT scanner from CVMC will be borne by Siemens, and Siemens is including delivery and installation costs in the sale price of the new Edge scanner.

2. The replacement CT scanner will be installed at CVMC for the sole purpose of replacing comparable equipment currently in use, which will be relocated out of CVMC. A comparison of the existing and replacement equipment is provided in Attachment C.

3. The replacement CT scanner is functionally similar to the existing equipment and will be used for the same diagnostic procedures as the equipment currently in use. The replacement equipment is a full-featured CT scanner, with features that do not

change the basic technology or result in the provision of a new health service or type of procedure.

4. No increase in charges will occur within the first twelve months after the replacement CT scanner is acquired.

5. The average cost per procedure will not increase by more than 10% during the initial 12 months of service as a result of the equipment replacement.

CVMC requests that the Division of Health Service Regulation confirm that replacement of the CT scanner as proposed herein does not constitute a new institutional health service and is exempt from certificate of need review.

Please contact Aarti Sura, Vice President, at 828.732.7162 regarding any questions concerning this request.

Sincerely,

Eddie Beard

Eddie Beard
President & CEO

Attachments: A - Proposed Capital Cost
B - Vendor Equipment Quote
C - Equipment Comparison
D - Siemens Letter

Attachment A: Proposed Capital Cost

Attachment A

PROPOSED CAPITAL COST

Project name: CT Scanner Replacement - Main Hospital Campus
Proponent: Catawba Valley Medical Center

A. Site Costs	
(1) Full purchase price of land # Acres ___ Price per acre _____	
(2) Closing costs and legal fees	
(3) Site inspection and survey	
(4) Site preparation costs	
(5) Other	
(6) Subtotal Site Costs	$0
B. Construction Contract(s)	
(7) Cost of construction contract(s)	$10,000
(8) Other	$0
(9) Subtotal construction contract(s)	$10,000
C. Miscellaneous Project Costs	
(10) Building purchase	
(11) Equipment & furniture not included above	$1,000,000
(12) Consultant fees	
Architect & engineering fees	$2,000
Certificate of need preparation	
Legal fees	
Market analysis	
Other	
Subtotal consultant fees	$2,000
(13) Financing costs	
Bond	
HUD	
Commercial loan	
Other (specify)	
Subtotal financing costs	$0
(14) Interest during construction	$0
(15) Other (contingency)	$15,000
(16) Subtotal miscellaneous project costs	$1,017,000
Total Capital Cost of Project	**$1,027,000**

Attachment B: Vendor Equipment Quote

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Customer Number: 0000005129

Date: 12/20/2017

CATAWBA VALLEY MEDICAL CENTER
810 FAIRGROVE CHURCH RD
HICKORY, NC 28602-9617

Siemens Medical Solutions USA, Inc. is pleased to submit the following quotation for the products and services described herein at the stated prices and terms, subject to your acceptance of the terms and conditions on the face and back hereof, and on any attachment hereto.

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Contract Total: $1,000,000
(total does not include any Optional or Alternate components which may be selected)

Proposal valid through the State CON review process

Notes for Quote Nr 1-ISA80V:
Estimated Delivery Date: 5/2018

Estimated delivery date is subject to change based upon factory lead times, acceptance date of this quote, customer site readiness, and other factors. A Siemens representative will contact you regarding the final delivery date.

The Proposal includes Quotations 1-ISA80V ($930,000) and 1-L6DWLM ($70,000). The Parties acknowledge that each Product in the Quotation shall ship and invoice independently at the amounts detailed above. Customer should issue multiple Purchase Orders or one Purchase Order with separate line items

This proposal includes the trade-in of equipment referenced in Trade Sheet Project # 2017-2111.
Trade-in of existing Sensation 64 required.

POS service agreement required.

Should Siemens introduce a new generation of the device platform being quoted, Customer may elect to change this order to a new similarly configured product at no additional charge, should such a new product become commercially available, provided Customer elects to change this order to such next generation platform prior to the last call to commence manufacturing of the system described below.

This Quotation contains information which is confidential and proprietary to Siemens, including but not limited to discounts and pricing. The Customer may not distribute or disclose this quotation or any portion hereof to, or discuss any of the information (including pricing) contained herein with, any other customer or consultant, buying group, or other third party.

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Notes for Quote Nr 1-L6DWLM:
Estimated Delivery Date: 1/2018

Estimated delivery date is subject to change based upon factory lead times, acceptance date of this quote, customer site readiness, and other factors. A Siemens representative will contact you regarding the final delivery date.

The following quote configuration is only valid for Siemens system with functional location #400-464357.

This offer is contingent on Quote No. 1-LTSA34 and 1-LTXTMB being executed concurrently.

The order is contingent CT syngo VA48A evolve upgrade.

Accepted and Agreed to by:

Siemens Medical Solutions USA, Inc.		**CATAWBA VALLEY MEDICAL CENTER**	
By (sign):	_____	By (sign):	_____
Name:	Mathew Hayes	Name:	_____
Title:	Account Executive	Title:	_____
Date:	_____	Date:	_____

By signing below, signor certifies that no modifications or additions have been made to the Quotation. Any such modifications or additions will be void.

By (sign): _____

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Quote Nr:	**1-ISA80V Rev. 0**
Terms of Payment:	00% Down, 80% Delivery, 20% Installation Free On Board: Destination
Purchasing Agreement:	INTALERE INC #VQ10309 (ex Amerinet) INTALERE INC #VQ10309 (ex Amerinet) terms and conditions apply to Quote Nr 1-ISA80V

SOMATOM Definition Edge (VA48)

All items listed below are included for this system:

Qty	Part No.	Item Description
1	14444214	**SOMATOM Definition Edge** The SOMATOM Definition Edge is based on the revolutionary Stellar Detector, the first fully-integrated detector. Designed to minimize electronic noise using Siemens' innovative TrueSignal Technology, it significantly improves the signal-to-noise-ratio (SNR). This enables the unique Edge Technology. It allows the generation of ultra-thin slices of 0.5 mm facilitating a spatial resolution of 0.30 mm. This new level of spatial resolution in clinical routine that can visualize previously unseen details without an increase in dose, for example to allow more accurate stenosis and stent analysis. Additionally, the Stellar Detector with TrueSignal Technology is the perfect match for Siemens' comprehensive ultra-low-dose imaging portfolio. With its improved SNR, the Stellar Detector can handle low signals much more efficiently, thus delivering more diagnostic quality with less patient radiation. With the Stellar Detector, the SOMATOM Definition Edge Dual Energy finally becomes truly suitable for Single Source CT. The novel design of the Stellar Detector with TrueSignal Technology provides HiDynamics, an extended dynamic range that improves the image detail level especially at low kV datasets. With this and the first dose-optimized Single Source Dual Energy scan mode, the SOMATOM Definition Edge allows adding tissue characterization to morphology. With these unrivaled features, the SOMATOM Definition Edge enters new frontiers in medical imaging, making it the Reference in Single Source CT.
1	14428230	**ELEVATE O Definition Edge** Elevate from an old Siemens CT scanner to a new SOMATOM Definition Edge.
1	14444217	**100 kW Power** The 100 kW power allows the X-ray generator the use of maximum power of 100kW in fine adjustable steps.
1	14444216	**High-speed 0.28 s rotation** Fast rotation time of 0.28 seconds for unprecedented image quality and highest scan speed. Fast gantry rotation times are the prerequisite for highest temporal resolution and are therefore essential for brilliant, motion free cardiovascular imaging.
1	14402943	**Extended Field of View** Software program with special reconstruction algorithms that allow for visualization of objects using a FoV up to 78 cm (non-diagnostic image quality). License to use software on a single unit.
1	14444219	**ADMIRE #AWP** ADMIRE (Advanced Modeled Iterative REconstruction) is the next generation of Iterative Reconstruction. ADMIRE offers on the fly powerful dose reduction, excellent image quality and everyday suitability. Other unique qualities of ADMIRE are: • Superb details, delineation and sharpness of organ borders • Positive impact on the image quality • Thick slice reconstruction allows for PACS-ready workflow • Reader-ready reconstructions deliver the desired image impression on the fly

Qty	Part No.	Item Description
		Due to the computer power of the new Image Reconstruction System (IRS), ADMIRE has a potential to lower radiation, improve organ delineation and to offer a routine-ready performance.
1	14444220	**iMAR #AWP** The iMAR metal artifact reduction algorithm combines three successful approaches (beam hardening correction, normalized sinogram inpainting and frequency split). This allows to reduce metal artifacts caused by metal implants such as coils, metal screws and plates, dental fillings or implants. iMAR is compatible with extended FoV, the extended CT scale as well as the newest dose reduction feature. Along with the new algorithm comes the simple user interface of iMAR enabling easy reconstruction of clinical images with reduced metal artifacts.
1	14433987	**FAST Planning #AWP** Direct, organ-based setting of scan and recon ranges for a faster and more standardized workflow.
1	14449399	**FAST Adjust** FAST Adjust: assists the user to handle system settings in a fast and easy way by automatically solving of conflicts within user defined limits by one single click on the FAST Adjust button. The limits for scan time and tube current per scan are defined via the Scan Protocol Assistant. FAST Adjust offers an undo functionality to return to previously set values.
1	14449401	**CARE kV** CARE kV automatically proposes the best tube voltage based on the patient's size, the system capabilities, and the type of examination. Once the kV setting has been chosen, CARE kV also automatically adjusts other scan parameters, including the tube current. This reduces dose, maintains a constant image quality, and simplifies processes for technicians.
1	14420834	**CARE Child** Dedicated pediatric CT imaging, including 70 kV scan modes and specific CARE Dose4D curves and protocols.
1	14449403	**CARE Dashboard** Visualization of activated dose reduction features and technologies for each scan range of an examination to analyze and manage the dose to be applied in the scan.
1	14449402	**CARE Profile** CARE Profile: Visualization of the dose distribution of the scan range along the topogram prior to the scan.
1	14444336	**WorkStream 4D #AWP** WorkStream 4D further enhances the already superb workflow of the SOMATOM Definition AS CT system by offering direct generation of sagittal, coronal, oblique or double-oblique reconstructed images directly from CT raw data as part of the CT protocol.
1	14444338	**DICOM SR Viewer #AWP** The DICOM SR (structured report) Viewer allows to read reports created with specific applications (e.g. Circulation, Lung Care, Calcium Scoring and Onco) without the application itself being on the respective computer.
1	14446814	**FAST IRS** Reconstruction computer for the preprocessing and reconstruction of the CT raw data. The reconstruction computer contains of a cluster of high-performance GPU boards performing the preprocessing and reconstruction of the CT data. The peak reconstruction performance is up to 80 frames/sec.
1	14410477	**UHR** UHR mode delivers Ultra High resolution in plane of up to 24lp/cm for high defined imaging of small structures such as inner ear, joints or fractures of the bone
1	14430806	**Rear cover incl. gantry panels** Rear Cover including gantry control panels with control functionality from the backside.
1	14428531	**HeartView CT** Scanning technique and program for ECG controlled data acquisition and image reconstruction with SOMATOM Definition Edge.

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Qty	Part No.	Item Description
		The package comprises: HeartView CT option on the syngo Acquisition Workplace console for the ECG-controlled acquisition and reconstruction of artifactfree images of the heart. The ECG signal is supplied by an ECG device integrated in the gantry. The use of the software of this option is restricted to a single system unit.
1	14449406	**Physiological Measurement Module** The Physiological Measurement Module allows connection of a 3 Channel ECG cable for ECG controlled cardiac acquisition. Item includes ECG cable
1	14428233	**Multi-purpose table Definition Edge** Patient table to support up to 200 cm scan range. Motor-driven table height adjustment from min. 55 cm to max. 92 cm, longitudinal movement of the tabletop 200 cm in increments of 0.5 mm, positioning accuracy (horizontal) is +/- 0.5 mm. The accuracy of the repositioning (horizontal) is specified as +/- 0.25 mm. Table height can be controlled alternatively by means of foot switch (2 each on both sides of the patient table). In the case of emergency stop or power failure, the tabletop can also be moved manually in horizontal direction. Max. table load: 227 kg/500 lbs (with bariatric table top up to 307 kg/676 lbs); table feed speed: 1-200 mm/s; distance between gantry front and table base 40 cm. Positioning aids: Mattress protector, head-arm support (inclusive cushion), and non-tiltable head holders with positioning cushion set, patient restraining system for head fixation, restraining-strap set with body fixation strap that can be directly connected to the patient table top, headrest, table extension, knee-leg support.
1	14410230	**Mat for MPT Standard Table Top** Replacement for the positioning mattress for Standard Multi Purpose Table Top
1	14408231	**High Cap. Patient & Trauma Tab.Top** The high capacity and trauma table top offers the capability to support up to 307 kg/676 lbs of patient weight. It allows easy positioning and transfer from and to the table, due to its flat surface. Special accessories and an extended table top width of 530 mm ensure a safe and comfortable positioning for obese patients.
1	14408232	**High Cap. Patient & Trauma Acc Kit** The High capacity and Trauma accessory kit contains additional Patient restraint set with a width of 400mm and additional table extensions for feet and head.
1	14414739	**Mattress for Bariatric Table Top** This mat is used for scanning non-bariatric patients on the flat, bariatric table top. Placing this mat on the bariatric table top eliminates the need to exchange the table top when non-bariatric patients are scanned. This mat has a curved profile and enables comfortable positioning of non-bariatric patients.
1	14428527	**Cooling System Water** Water heat exchanger for the dissipation of heat loss generated in the gantry to an environmentally friendly cooling water circulation system. This optimizes system availability independently of the cooling water flow rate and temperature.
1	CT_PM	**CT Project Management** A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemen's equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.
1	CT_BUDG_ADDL_RIG	**Budgetary Add'l/Out of Scope Rigging @ $4,200**
1	CT_STD_RIG_INST	**CT Standard Rigging and Installation** This quotation includes standard rigging and installation of your CT new system. Standard rigging into a room with reasonable access, as determined by Siemens Project Management, during standard working hours (Mon. - Fri./ 8 a.m. to 5 p.m.) It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning

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SIEMENS REPRESENTATIVE
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Qty	Part No.	Item Description
		documents. Any special rigging requirements (Crane, stairs, etc.) and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer. All other "out of scope" charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.
1	CT_PR_ELV_EDGE	**CT Edge Elevate Bonus**
1	CT_PR_LTY_S64_ASPL	**CT S64 to AS+ Loyalty Bonus**
1	CT_TRADE_IN_ALLOW	**Trade-in of existing Sensation 64 project# 2017-2111 deinstall/expiration date - 2/2018 -$36,000**
1	4SPAS014	**Low Contrast CT Phantom & Holder**
1	PSPD250480Y3K	**Surge Protective Device (SPD)**
1	CTSP4002	**CT Slicker** Thermoseal seams and flaps deflect fluids, reducing contaminant penetration into the cushion and table. Contaminants are retained on the tabletop or shunted to the floor. Cleanup is faster, more thorough, and contaminant build-up is reduced. Built using heavy, clear, micro matte vinyl, and top grade hook and loop fastening strips (Velcro) to better fit the specified table. Custom vinyl resists tears and minimizes radiologic interference. Latex free. Set includes CT Skirts. Includes warranty from RADSCAN Medical.
1	CT_EDGE_RECON_384	**Definition Edge z-Sharp Technology** The unique STRATON X-ray source utilizes an electron beam that is accurately and rapidly deflected, creating two precise focal spots alternating 4,608 times per second. This doubles the X-ray projections reaching each detector element. The two overlapping projections result in an oversampling in z-direction. The resulting measurements interleave half a detector slice width, doubling the scan information without a corresponding increase in dose. Siemens' proprietary UFC (Ultra Fast Ceramic) detectors and the corresponding 128-slice detector electronics enable a virtually simultaneous readout of two projections for each detector element - resulting in a full 128-slice acquisition. This sampling scheme is identical to that of a 128 x 0.3 mm allowing for reconstruction of 384 slices using 0.1 mm reconstruction interval increment. z-Sharp Technology, utilizing the STRATON X-ray sources and the UFC detectors, provides scan speed independent visualization of 0.33 mm isotropic voxels and a corresponding elimination of spiral artifacts in the daily clinical routine at any position within the scan field.
1	CT_TILTED_SPIRAL	**Gantry tilt incl. tilted spiral** Allows for sequential scanning with a tilted gantry between +/- 30°, depending on the vertical position of the table. Using the gantry tilt sensitive organs (like eye lenses) can be moved out of the scan range or it eases access during interventional procedures. The tilted spiral allows to utilize the gantry tilt for spiral scan modes.
1	FAST_SCAN_ASSIST	**FAST Scan Assistant** FAST Scan Assistant: An intuitive user interface for solving conflicts by changing the scan time, resp. the pitch and/or the maximum tube current manually.
1	ADAPT_DOSE_SHIELD	**Adaptive Dose Shield** Adaptive Dose Shield for spiral acquisition to eliminate pre- and post-spiral over-radiation.
1	CARE_DOSE4D	**CARE Dose4D** CARE Dose4D delivers the highest possible image quality at the lowest possible dose for patients - maximum detail, minimum dose. Adaptive dose modulation for up to 60% dose reduction
1	CT_LUNGIMGEDGE	**Lung Imaging** For well over a decade, CT has been recognized and used as the standard of care for lung nodule detection and sizing. This is due to CT's spatial resolution, geometric accuracy, and ability to create various reconstructions and 3D views. The high contrast environment in the chest between the lungs and the nodules makes for a relatively easy detection task for clinicians using CT images. Recent advances in CT technology have allowed these scans to be effectively performed at lower doses, higher resolutions, and faster scan times. The SOMATOM Definition Edge CT is indicated for use in low dose lung cancer screening for high risk populations*. The Edge is delivered with two specific scan protocols to provide low dose lung cancer screening

Qty	Part No.	Item Description
		exams at approximately 1.3 mGy CTDI for a standard size adult. These default protocols utilize Siemens proprietary dose reducing features such as CARE Dose4D(tm), automatic exposure control technology that modulates and adapts dose for every patient, for high image quality at low dose. *As defined by professional medical societies.
1	ACCESS_PROTECT	**Access Protection** Scan Protocols are password protected allowing only authorized staff members to access and permanently change protocols
1	NEMA_XR-29	**NEMA_XR-29 Standard** This system is in compliance with NEMA XR-29 Standard Attributes on CT Equipment Related to Dose Optimization and Management, also known as Smart Dose.
1	CT_UPS_DEF_EDGE	**Standard UPS for Definition Edge** The standard partial system uninterruptible power system (UPS) is built directly into the power distribution cabinet (PDC) and supports the critical circuits for table and gantry electronics, console computer, image reconstruction system, and the internal Ethernet switch (to ensure connectivity). This enables safe removal of patient if outage occurs during scanning. The UPS allows for a safe shutdown of the CT scanner in the event of power interruption. The UPS provides 5-7 minutes of power, during which the user is prompted and guided through the process to perform a safe shutdown of the system. This safe shutdown ensures that no data is lost.
1	CT_INITIAL_32	**Initial onsite training 32 hrs** Up to (32) 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.
1	CT_FOLLOWUP_32	**Follow-up training 32 hrs** Up to (32) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. 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.
1	SY_PR_TEAMPLAY	**teamplay Welcome & Registration Package** teamplay is a cloud-based network that brings together your imaging modality users, the systems' dose and utilization data, and the users' expertise to help you improve the delivery of care to your patients. Basic features are provided free of charge. Premium features (benchmarking, non-Siemens devices) are provided on a trial basis for three months at no charge, and may be used thereafter on a subscription fee basis. To register: http://teamplay.siemens.com/#/institutionRegistration/1

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Quote Nr:	**1-L6DWLM Rev. 0**
Terms of Payment:	00% Down, 80% Delivery, 20% Installation Free On Board: Destination
Purchasing Agreement:	INTALERE INC #VQ10309 (ex Amerinet) INTALERE INC #VQ10309 (ex Amerinet) terms and conditions apply to Quote Nr 1-L6DWLM

SOMATOM Definition AS - Upgrades and Options for Installed Base

All items listed below are included for this system: *(See Detailed Technical Specifications at end of Proposal.)*

Qty	Part No.	Item Description
1	14420866	**Upgrade AS40>AS 64 slice config.** Onsite upgrade of SOMATOM Definition AS 40-slice configuration to SOMATOM Definition AS64-slice configuration. The slice upgrades provides higher coverage, faster acquisition speed and allows for more clinical capabilities.

Contract Total: $1,000,000

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

OPTIONS on Quote Nr: **1-L6DWLM Rev. 0**

OPTIONS for SOMATOM Definition AS - Upgrades and Options for Installed Base

All items listed below are OPTIONS and will be included on this system ONLY if initialed:

Qty	Part No.	Item Description	Extended Price	Initial to Accept
1	CT_ADD_8	**Additional onsite training 8 hours** Up to (8) 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 if applicable. 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.	+ $3,500	X_____

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.

ACCESSORIES: Don't forget to ask us about our line of OEM imaging accessories to complete your purchase. All accessories can be purchased or financed as part of this order. To purchase accessories directly or to receive our accessories catalog, please call us directly at 1-888-222-9944 or contact your local Sales Representative.

COMPLIANCE: Compliance with legal and internal regulations is an integral part of all business processes at Siemens. Possible infringements can be reported to our Helpdesk "Tell us" function at www.siemens.com/tell-us.

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS Healthineers

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Siemens Medical Solutions USA, Inc. General Terms and Conditions

1. GENERAL

1.1 Contract Terms and Acceptance. These terms and conditions constitute an integral part of any contract between Seller and Purchaser identified on the first page hereof and shall govern the sale of the products identified in such contract ("Products"). Purchaser acknowledges that this is a commercial and not a consumer transaction. Purchaser shall be deemed to have assented to, and to have waived any objection to, this Agreement upon the earliest to occur of any of the following: Purchaser's completion or execution of this Agreement; Purchaser's acceptance of all or any part of the Products; Purchaser's issuance of a purchase order for any Products identified on Seller's quotation or proposal; or delivery of the Products to the common carrier for shipment pursuant hereto.

1.2 Refurbished/Used Products. For Products identified on this Agreement as used or refurbished Products, these Products have been previously owned and used. When delivered to Purchaser, such Products will perform in accordance with the manufacturer's specifications. Since pre-owned Products may be offered simultaneously to several customers, the availability of such Products to Purchaser cannot be guaranteed. If the Products are no longer available, Seller will use its best efforts to identify other suitable products in its inventory. If substitute products are not acceptable to Purchaser, then Seller will cancel the order and refund to Purchaser any deposits previously paid. The warranty period for any used or refurbished Products will be separately stated on the quotation.

1.3 Third Party Products. If this Agreement includes the sale of third party products not manufactured by Seller, then Purchaser agrees and acknowledges that (a) Purchaser has made the selection of these products on its own, (b) the products are being acquired by Seller solely at the request of and for the benefit and convenience of Purchaser, (c) no representation, warranty or guarantee has been made by Seller with respect to the products, (d) the obligation of Purchaser to pay Seller for the products is absolute and unconditional, (e) use of the products may be subject to Purchaser's agreement to comply with any software licensing terms imposed by the manufacturer; and (f) unless otherwise indicated by Seller in writing, Seller is not responsible for any required installation, validation, product recall, warranty service, maintenance, complaint handling, or any other applicable FDA regulatory requirements, and the Purchaser will look solely to the manufacturer regarding these services and will assert no claim against Seller with respect to these products.

2. PRICES

2.1 Quotations. Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller and amounts payable by Purchaser are in U.S. dollars, and include Seller's standard packaging. The prices quoted to Seller assume that the Seller is located in, and will use the Products in, the U.S. If not, such quotation will be void. Unless otherwise stated, the quotation shall only be valid for forty-five (45) days from the date of the quotation.

2.2 Delay in Acceptance of Delivery. Should the agreed delivery date be postponed by Purchaser, Seller shall have the right to deliver the Products to storage at Purchaser's risk and expense, and payments due upon delivery shall become due when Seller is ready to deliver.

3. TAXES

3.1 Any sales, use or manufacturer's tax which may be imposed upon the sale or use of Products, or any property tax levied after readiness to ship, or any excise tax, license or similar fee (excluding the Medical Device Excise Tax as set forth in Section 4191 of the Internal Revenue Code of 1986, as amended) required under this transaction, shall be in addition to the quoted prices and shall be paid by Purchaser. Notwithstanding the foregoing, Seller agrees to honor any valid exemption certificate provided by Purchaser.

4. TERMS OF PAYMENT; DEFAULT

4.1 Payments; Due Date. Unless otherwise set forth in the quotation, Purchaser shall pay Seller as follows: an initial deposit of 10% of the purchase price for each Product is due upon submission of the purchase order, an additional 80% of the purchase price is due upon delivery of each Product, and the final 10% of the purchase price is due upon completion of installation or when the Products are available for first patient use, whichever occurs first. Unless otherwise agreed, all payments other than the initial deposit are due net thirty (30) days from the date of invoice. Seller shall have no obligation to complete installation until the payment due upon delivery is received. Partial shipments shall be billed as made, and payments for such shipments will be made in accordance with the foregoing payment terms.

4.2 Late Payment. A service charge of 1½% per month, not to exceed the maximum rate allowed by law, shall be made on any portion of Purchaser's outstanding balance which is not paid when due. Payment of such service charge shall not excuse or cure Purchaser's breach or default for late payment.

4.3 Payment of Lesser Amount. If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment shall not constitute or be construed other than as on account of the earliest amount due Seller. No endorsement or statement on any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

4.4 Where Payment Due Upon Installation or Completion. Should any terms of payment provide for either full or partial payment upon completion of installation or thereafter, and completion of installation is delayed for any reason for which Seller is not responsible beyond the installation date set forth in the Notice to Manufacture Letter issued by Seller, as applicable, then the balance of payments shall be due on the day following such installation date.

4.5 Default; Termination. Each of the following shall constitute an event of default under this Agreement: (i) a failure by Purchaser to make any payment when due; (ii) a failure by Purchaser to perform any other obligation under this Agreement within thirty (30) days of receipt of written notice from Seller; or (iii) the commencement of any insolvency, bankruptcy or similar proceedings by or against Purchaser.

Upon the occurrence of any event of default, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon shall become immediately due and payable; (b) Seller may suspend the performance of any of Seller's obligations hereunder, including, but not limited to, obligations relating to delivery, installation and warranty services; (c) Purchaser shall put Seller in possession of the Products upon demand; (d) Seller may sell or otherwise dispose of all or any part of the Products and apply the proceeds thereof against any indebtedness or obligation of Purchaser under this Agreement; (e) if this Agreement or any indebtedness or obligation of Purchaser under this Agreement is referred to an attorney for collection or realization, Purchaser shall pay to Seller all costs of collection and realization (including, without limitation, a reasonable sum for attorneys' fees); and Purchaser shall pay any deficiency remaining after collection of or realization by Seller on the Products. In addition, Seller may terminate this Agreement upon written notice to Purchaser in the event that Purchaser is not approved for credit or upon the occurrence of any material adverse change in the financial condition or business operations of Purchaser.

4.6 Financing. Notwithstanding any arrangement that Purchaser may make for the financing of the purchase price of the Products, the parties agree that any such financing arrangement shall have no effect on the Purchaser's payment obligations under this Agreement, including but not limited to Sections 4.1 and 4.2 above.

5. EXPORT TERMS

5.1 Unless other arrangements have been made, payment on export orders shall be made by irrevocable confirmed letter of credit, payable in U.S. dollars against Seller's invoice and standard shipping documents. Such letter of credit shall be in an amount equal to the full purchase price of the Products and shall be established in a U.S. bank acceptable to Seller. Purchaser shall have sole responsibility to procure all necessary permits and licenses for shipment and compliance with any governmental regulations concerning control of final destination of Products.

5.2 Purchaser agrees that Products shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with applicable export Control and US Sanction laws and regulations. If Purchaser purchases a Product at the domestic price and exports such Product, or transfers such Product to a third party for export, outside of the U.S., Purchaser shall pay to Seller the difference between the domestic price and the international retail price of such Product. Purchaser shall deliver to Seller, upon Seller's request, written assurance regarding compliance with this Section in form and content acceptable to Seller.

6. DELIVERY, RISK OF LOSS

6.1 Delivery Date. Delivery and installation dates will be established by mutual agreement of the parties as set forth in the Notice to Manufacture Letter issued

by the Seller, as applicable. Seller shall make reasonable efforts to meet such delivery date(s).

6.2 Risk of Loss; Title Transfer. Unless otherwise agreed to in writing, the following shall apply:

(a) For Products that do not require installation by Seller, and for options and add-on products purchased subsequent to delivery and installation of Products purchased under this Agreement, delivery shall be complete upon transfer of possession to common carrier, F.O.B. Shipping Point, whereupon title to and all risk of loss, damage to or destruction of the Products shall pass to Purchaser.

(b) For Products that require installation by Seller, delivery shall be complete upon delivery of the Products to Purchaser's designated site, F.O.B. Destination; whereupon title to and all risk of loss, damage to or destruction of such Products shall pass to Purchaser upon completion of delivery.

(c) All freight charges and other transportation, packing and insurance costs, license fees, custom duties and other similar charges shall be the sole responsibility of Purchaser unless included in the purchase price or otherwise agreed to in writing by Seller. In the event of any loss or damage to any of the Products during shipment, Seller and Purchaser shall cooperate in making any insurance claim.

7. SECURITY INTEREST/FILING

7.1 Purchaser grants to Seller a security interest in the Products until payment in full by Purchaser. Purchaser shall sign any financing statements or other documents necessary to perfect Seller's security interests in the Products. Purchaser further represents and covenants that (a) it will keep the Products in good order and repair until the purchase price has been paid in full, (b) it will promptly pay all taxes and assessments upon the Products or the use thereof, (c) it will not attempt to transfer any interest in the Products until the purchase price has been paid in full, and (d) it is solvent and financially capable of paying the full purchase price for the Products.

8. CHANGES, CANCELLATION, AND RETURN

8.1 Orders accepted by Seller are not subject to change except upon Seller's written agreement.

8.2 Orders accepted by Seller are non-cancellable by Purchaser except upon Seller's written consent and payment by Purchaser of a cancellation charge equal to 10% of the price of the affected Products, plus any shipping, insurance, inspection and refurbishment charges; the cost of providing any training, education, site evaluation or other services completed by Seller; and any return, cancellation or restocking fees with respect to any Third Party Products ordered by Seller on behalf of Purchaser. Seller may retain any payments received from Purchaser up to the amount of the cancellation charge. In no event can an order be cancelled by Purchaser or Products be returned to Seller after shipment.

8.3 Seller reserves the right to change the manufacture and/or design of its Products if, in the judgment of Seller, such change does not alter the general function of the Products.

9. FORCE MAJEURE

9.1 Seller shall not be liable for any loss or damage for delay in delivery, inability to install or any other failure to perform due to causes beyond its reasonable control including, but not limited to, acts of God or the public, war, civil commotion, blockades, embargoes, calamities, floods, fires, earthquakes, explosions, storms, strikes, lockouts, labor disputes, or unavailability of labor, raw materials, power or supplies. Should such a delay occur, Seller may reasonably extend delivery or production schedules or, at its option, cancel the order in whole or part without liability other than to return any unearned deposit or prepayment.

10. WARRANTY

10.1 Seller warrants that the Products manufactured by Seller and sold hereunder shall be free from defects in material or workmanship under normal use and service for the warranty period. The final assembled Products shall be new although they may include certain used, reworked or refurbished parts and components (e.g., circuit boards) that comply with performance and reliability specifications and controls. Seller's obligation under this warranty is limited, at Seller's option, to the repair or replacement of the Product or any part thereof. Unless otherwise set forth in the Product Warranty attached hereto and incorporated herein by reference ("Product Warranty"), the warranty period shall commence upon the earlier of the date that the Products have been installed in accordance with Section 12.5 hereof (which date shall be confirmed in writing by Seller) or first patient use, and shall continue for twelve (12) consecutive months. Seller makes no warranty for any Products made by persons other than Seller or its affiliates, and Purchaser's sole warranty therefor, if any, is the original manufacturer's warranty, which Seller agrees to pass on to Purchaser, as applicable. The warranty provided by Seller under this Section 10 extends only to the original Purchaser, unless the Purchaser obtains the Seller's prior written consent with respect to any sale or other transfer of the Products during the term of the warranty.

10.2 No warranty extended by Seller shall apply to any Products which have been damaged by fire, accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied parts, equipment or software without Seller's prior written approval; which failed due to causes from within non-Seller supplied equipment, parts or software including, but not limited to, problems with the Purchaser's network; or which have been damaged from the use of operating supplies or consumable parts not approved by Seller. In addition, there is no warranty coverage for any transducer or probe failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over the cable, delamination from cleaning with inappropriate solutions, or TEE bite marks. Seller may effectuate any repairs at Purchaser's facility, and Purchaser shall furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty. Purchaser shall, upon Seller's request, return the non-complying Product or part to Seller with all transportation charges prepaid, but shall not return any Product or part to Seller without Seller's prior written authorization. Purchaser shall pay Seller its normal charges for service and parts for any inspection, repair or replacement that falls outside of Seller's warranty. Seller's warranty does not apply to consumable materials, disposables, supplies, accessories and collateral equipment, except as specifically stated in writing or as otherwise set forth in the Product Warranty.

10.3 This warranty is made on condition that immediate written notice of any noncompliance be given to Seller and Seller's inspection reveals that Purchaser's claim is covered under the terms of the warranty (i.e., that the noncompliance is due to traceable defects in original materials and/or workmanship).

10.4 Purchaser shall provide Seller with both on-site and remote access to the Products. The remote access shall be provided through the Purchaser's network as is reasonably necessary for Seller to provide warranty services under this Agreement. Remote access will be established through a broadband internet-based connection to either a Purchaser owned or Seller provided secure end-point. The method of connection will be a Peer-to-Peer VPN IPsec tunnel (non-client based) with specific inbound and outbound port requirements.

10.5 Warranty service will be provided without charge during Seller's regular working hours (8:30-5:00), Monday through Friday, except Seller's recognized holidays. If Purchaser requires that service be performed outside these hours, such service can be made available at an additional charge, at Seller's then current rates. The obligations of Seller described in this Section are Seller's only obligations and Purchaser's sole and exclusive remedy for a breach of product warranty.

10.6 SELLER MAKES NO WARRANTY OTHER THAN THE ONE SET FORTH HEREIN AND IN THE PRODUCT WARRANTY. SUCH WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSES, AND SUCH CONSTITUTES THE SOLE AND EXCLUSIVE WARRANTY MADE WITH RESPECT TO THE PRODUCTS, SERVICE OR OTHER ITEM FURNISHED UNDER THIS AGREEMENT.

10.7 In the event of any inconsistencies between the terms of this Section 10 and the terms of the Product Warranty, the terms of the Product Warranty shall prevail.

11. LIMITATION OF LIABILITY

11.1 In no event shall Seller's liability hereunder exceed the actual loss or damage sustained by Purchaser, up to the purchase price of the Products. The foregoing limitation of liability shall not apply to claims for bodily injury or damages to real property or tangible personal property to the extent arising from Seller's negligence or a product defect.

11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS; COST OF SUBSTITUTE PRODUCTS OR SERVICES; LOSS OF STORED, TRANSMITTED OR RECORDED DATA; OR FOR ANY INDIRECT, INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY OR FORM OF ACTION, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, ARISING OUT OF OR IN CONNECTION WITH THIS

AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

12. INSTALLATION - ADDITIONAL CHARGES

12.1 General. Unless otherwise expressly stipulated in writing, the Products shall be installed by and at the expense of Seller except that Seller shall not provide rigging or site preparation services unless otherwise agreed to in writing by Seller for an additional charge. Seller will not install accessory items such as cabinets, illuminators, darkroom equipment or processors for X-Ray and CT equipment, unless otherwise agreed to in writing by Seller.

12.2 Installation by Seller. If Seller specifies it will install the Products, the following applies: subject to fulfillment of the obligations set forth in Section 12.3 below, Seller shall install the Products and connect them to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller's technical personnel, prices shown include the cost thereof, provided that the installation and connection can be performed within the Continental United States or Puerto Rico and during normal business hours. Any overtime charges or other special expenses shall be additional charges to the prices shown.

12.3 Purchaser's Obligations. Purchaser shall, at its expense, provide all proper and necessary labor and materials for plumbing service, carpentry work, conduit wiring, and other preparations required for such installation and connection. All such labor and materials shall be completed and available at the time of delivery of the Products by Seller. Additionally, Purchaser shall provide free access to the installation site and, if necessary, safe and secure space for storage of Products and equipment prior to installation by Seller. Purchaser shall be responsible, at its sole cost and expense, for obtaining all permits, licenses and approvals required by any federal, state or local authorities in connection with the installation and operation of the Products, including but not limited to any certificate of need and zoning variances. Purchaser shall provide a suitable environment for the Products and shall ensure that its premises are free of hazardous conditions and any concealed or dangerous conditions and that all site requirements are met. Seller shall delay its work until Purchaser has completed the removal of any hazardous materials or has taken any other precautions and completed any other work required by applicable regulations. Purchaser shall reimburse Seller for any increased costs and expenses incurred by Seller that are the result of or are caused by any such delay. In the event that Seller is requested to supervise the installation of the Products, it remains the Purchaser's responsibility to comply with local regulations. Seller is not an architect and all drawings furnished by Seller are not construction drawings. If local labor conditions, including a requirement to use union labor, require the use of non-Seller employees to participate in the installation of the Product or otherwise causes delays or any additional expenses, then any such additional costs shall be at Purchaser's expense.

12.4 Regulatory Reporting. In the event that any regulatory activity is performed by anyone other than Seller's authorized personnel, then Purchaser shall be responsible for fulfilling any and all reporting requirements.

12.5 Completion of Installation. Installation shall be complete upon the conclusion of final calibration and checkout under Seller's standard procedures to verify that the Products meet applicable written performance specifications. Notwithstanding the foregoing, first use of the Products by Purchaser, its agents or employees for any purpose after delivery shall constitute completion of installation.

13. PATENT, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS

13.1 Infringement by Seller. Seller warrants that the Products manufactured by Seller and sold hereunder do not infringe any U.S. patent or copyright. If Purchaser receives a claim that any such Products, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright, Purchaser shall notify Seller immediately in writing. Provided that Purchaser gives Seller information, assistance and exclusive authority to evaluate, defend and settle such claims, Seller shall at its own expense and option: indemnify and defend Purchaser against such claims; settle such claims; procure for Purchaser the right to use the Products; or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Seller, then Purchaser shall return the Products to Seller and Seller shall refund to Purchaser the purchase price paid by Purchaser less reasonable depreciation for Purchaser's use of the Products. The foregoing states Seller's entire obligation and liability, and Purchaser's sole remedy, for claims of infringement.

13.2 Infringement by Purchaser. If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by Purchaser, or if Purchaser modifies or combines, operates or uses the Products other than as specified by Seller or with any product, data, software, apparatus or program not provided or approved by Seller, then the indemnity obligation of Seller under Section 13.1 shall be null and void.

14. DESIGNS AND TRADE SECRETS; LICENSE; CONFIDENTIALITY

14.1 Any drawings, data, designs, software programs or other technical information supplied by Seller to Purchaser in connection with the sale of the Products shall remain Seller's property and shall at all times be held in confidence by Purchaser.

14.2 For all Products which utilize software for their operation, such "Applications Software" shall be licensed to Purchaser under the terms of Seller's Software License Schedule attached hereto.

14.3 Seller and Purchaser shall maintain the confidentiality of any information provided or disclosed to the other party relating to the business, customers and/or patients of the disclosing party, as well as this Agreement and its terms (including the pricing and other financial terms under which the Purchaser will be purchasing the Products). Each party shall use reasonable care to protect the confidentiality of the information disclosed, but no less than the degree of care it would use to protect its own confidential information, and shall only disclose the other party's confidential information to its employees and agents having a need to know this information. The obligations of confidentiality set forth herein shall not apply to any information in the public domain at the time of disclosure or that is required to be disclosed by court order or by law.

15. ASSIGNMENT

15.1 Neither party may assign any rights or obligations under this Agreement without the prior written consent of the other, which shall not be unreasonably withheld. Any attempt to do so shall be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company, and may delegate to authorized subcontractors or service suppliers any work to be performed under this Agreement so long as Seller remains liable for the performance of its obligations under this Agreement. This Agreement shall inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives.

16. COSTS AND FEES

16.1 In the event that any dispute or difference is brought arising from or relating to this Agreement or the breach, termination or validity thereof, the prevailing party shall be entitled to recover from the other party all reasonable attorneys' fees incurred, together with such other expenses, costs and disbursements as may be allowed by law.

17. MODIFICATION

17.1 This Agreement may not be changed, modified or amended except in writing signed by duly authorized representatives of the parties.

18. GOVERNING LAW; WAIVER OF JURY TRIAL

18.1 This Agreement shall be governed by the laws of the state where the Product(s) will be installed, without regard to that state's choice of law principles.

18.2 EACH OF THE PARTIES EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE UNDER THIS AGREEMENT.

19. COST REPORTING

19.1 Purchaser agrees that it must fully and accurately report prices paid under this Agreement, net of all discounts, as required by applicable law and contract, including without limitation 42 CFR §1001.952(h),in all applicable Medicare, Medicaid and state agency cost reports. Purchaser shall retain a copy of this Agreement and all other communications regarding this Agreement, together with the invoices for purchase and permit agents of the U.S. Department of Health and Human Services or any state agency access to such records upon request.

20. INTEGRATION

20.1 These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire, complete and exclusive statement of agreement with respect to the subject matter hereof, and supersede any and all prior agreements, understandings and communications between the parties with respect to the Products. Purchaser's additional or different terms and conditions stated in a purchase order, bid documents or any other document issued by Purchaser are specifically rejected and shall not apply to the transactions contemplated under this Agreement.

21. SEVERABILITY; HEADINGS
21.1 No provision of this Agreement which may be deemed unenforceable will in any way invalidate any other portion or provision of this Agreement. Section headings are for convenience only and have no substantive effect.

22. WAIVER
22.1 No failure and no delay in exercising, on the part of any party, any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude the further exercise of any other right.

23. NOTICES
23.1 Any notice or other communication under this Agreement shall be deemed properly given if in writing and delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at its address specified on the face hereof.

24. RIGHTS CUMULATIVE
24.1 The rights and remedies afforded to Seller under this Agreement are in addition to, and do not in any way limit, any other rights or remedies afforded to Seller by any other agreement, by law or otherwise.

25. END USER CERTIFICATION
25.1 Purchaser represents, warrants and covenants that it is acquiring the Products for its own end use and not for reselling, leasing or transferring to a third party (except for lease-back financings).

26. ACCESS TO BOOKS AND RECORDS
26.1 To the extent required by Section 1861(v)(1)(I) of the Social Security Act and the regulations promulgated thereunder, until the expiration of four (4) years after the furnishing of any Product or service pursuant to this Agreement, Seller shall make available, upon written request by the Secretary of Health and Human Services (the "Secretary"), or upon request by the Comptroller General (the "Comptroller"), or any of their duly authorized representatives, copies of this Agreement and any books, documents, records or other data of Seller that are necessary to certify the nature and extent of any costs incurred by Purchaser for such Products and services. If Seller carries out any of its duties under this Agreement through a subcontract with a related organization involving a value or cost of ten thousand dollars ($10,000) or more over a twelve (12) month period, Seller will cause such subcontract to contain a clause to the effect that, until the expiration of four (4) years after the furnishing of any Product or service pursuant to said contract, the related organization will make available upon the written request of the Secretary or the Comptroller, or any of their duly authorized representatives, copies of records of said related organization that are necessary to certify the nature and extent of cost incurred by Purchaser for such Product or service.

27. DISPOSITION OF PRODUCTS
27.1 Purchaser expressly agrees that should Purchaser sell, transfer or otherwise dispose of the Products, Purchaser shall notify Seller in writing and give Seller the opportunity to purchase such Products. With Purchaser's notice, Purchaser shall provide Seller with a copy of the third party's binding offer to purchase the Products and Seller shall have seven (7) days to notify the Purchaser of an offer to purchase the Products.

05/15 Rev.

Siemens Medical Solutions USA, Inc.
40 Liberty Boulevard, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

Software License Schedule to the Siemens Medical Solutions USA, Inc. General Terms and Conditions

1. DEFINITIONS: The following definitions apply to this Schedule:
"**Agreement**" shall mean the attached (i) Quotation for Products and/or Services including the Terms and Conditions of Sale and applicable schedules; and/or (ii) Software License Agreement describing the software licensed herein and the specific system for which the license is issued.
"**Licensor**" shall mean Siemens Medical Solutions USA, Inc.
"**Licensee**" shall mean the end-user to whom Licensor provides Software or Documentation for its internal use under the Agreement.
"**Software**" shall mean the software described in the attached Agreement, including the following as contained therein: (i) software programs consisting of a series of statements or instructions to be used directly or indirectly in a programmable controller or computer to bring about a certain result and (ii) databases consisting of systemized collections of data to be used or referenced directly or indirectly by a programmed controller or computer. Notwithstanding the foregoing, "Software" does not include "firmware" as such term is conventionally understood. Diagnostic/Maintenance Software also is not included within the scope of the Software licensed under this Schedule, and is available only as a special option under a separate Diagnostic Materials License Agreement and may be subject to a separate licensing fee.
"**Documentation**" shall mean the documents and other supporting materials which are intended to support the use of an associated product, including (but not limited to) instructions, descriptions, flow charts, logic diagrams and listings of the Software, in text or graphic form, on machine readable or printed media.
"**Designated Unit**" shall mean a single control unit or computer identified on the first page of the Agreement, on which Software licensed hereunder may be used by Licensee.

2. SCOPE: The following terms and conditions shall apply to all Software and Documentation provided by Licensor to Licensee under the Agreement (whether included with other products listed in the Agreement or listed separately in the Agreement), together with any updates or revisions thereto which Licensor may provide to Licensee, and all copies thereof, except any Software and/or Documentation licensed directly by Licensor's supplier under a separate end-user license agreement accompanying the Software or the Documentation, in which case Licensee agrees to be bound by that license agreement as a condition to using the Software and/or Documentation. Except as expressly provided herein, and provided that in no event shall the warranties or other obligations of Licensor with respect to such Software or Documentation exceed those set forth in this Schedule, this Schedule shall be subject to the liability limitations and exclusions and other terms and conditions set forth in the Agreement. **ANY USE OF THE SOFTWARE, INCLUDING BUT NOT LIMITED TO USE ON THE DESIGNATED UNIT, WILL CONSTITUTE LICENSEE'S AGREEMENT TO THIS SOFTWARE LICENSE SCHEDULE (OR RATIFICATION OF ANY PREVIOUS CONSENT).**

3. SOFTWARE AND DOCUMENTATION LICENSE: Subject to the payment of any applicable annual license fee(s), whether stated separately or included in the purchase price of another product, and to Licensee's acceptance of all of the obligations set forth herein and to the fulfillment of those obligations, Licensor or, if applicable, its licensor or supplier, hereby grants to Licensee a paid-up, nonexclusive and nontransferable (except as expressly provided in this Schedule) limited license to use the Software provided by Licensor under the Agreement solely for Licensee's own use on the Designated Unit and to use the Documentation in support of Licensee's authorized use of the Software, for the purpose of operating the Designated Unit in accordance with the instructions set forth in the user's manual supplied with the Designated Unit and for no other purpose whatsoever. A separate license is required for each Designated Unit on which the Software is to be used. Licensee may obtain from Licensor one copy of the Software licensed hereunder for backup and archival purposes only as is necessary to support Licensee's own authorized use of the Software, provided that Licensee includes on or in all copies (in any form) all copyright, trade secret or other proprietary notices contained on or in the Software as provided by Licensor. Additional copies of the Documentation may be licensed from Licensor at its then applicable charges. Licensee may make the Software and Documentation (including any copies) available only to its employees and other persons on Licensee's premises to whom such disclosure is necessary to enable Licensee to use the Software or Documentation within the scope of the license provided in this Schedule. If the Software is supplied to any unit or agency of the United States Government other than the Department of Defense, the Software and Documentation are classified as "restricted computer software" and the Government's rights in the Software and Documentation shall be as provided in paragraph (c) (2) of the Commercial Computer Software-Restricted Rights clause in FAR 52.227-19 and any successor laws, rules or regulations thereto. If the Software is supplied to the United States Department of Defense, the Software is classified as "commercial computer software" and the Government is furnished the Software and Documentation with "restricted rights" as defined in paragraph (c) (1) of the Rights in Technical Data and Computer Software clause in DFARS 252.227-7013 and any successor laws, rules or regulations thereto.

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Revised 03/15/05

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SIEMENS REPRESENTATIVE
Mathew Hayes - (336) 263-4273

TRADE-IN EQUIPMENT REQUIREMENTS

THE FOLLOWING APPLIES ONLY TO THE EXTENT THAT THE QUOTATION INCLUDES AN EQUIPMENT TRADE-IN. THESE REQUIREMENTS ARE IN ADDITION TO ANY OTHER REFERENCED TERMS AND CONDITIONS ON THE QUOTATION AND SHALL REMAIN IN EFFECT REGARDLESS OF ANY CONTRARY LANGUAGE IN THE QUOTATION.

This Quotation includes the trade-in equipment described herein and referenced by either the Project Number identified in the Quotation hereof (non-ultrasound) or the Trade Allowance Part Number (Ultrasound) as further described in the associated Trade Sheet which is incorporated herein by reference. Purchaser certifies that the description of the trade-in equipment as set forth on the Trade Sheet is a true and accurate representation of the equipment, and that the equipment is in good working condition unless otherwise noted on the Trade Sheet.

The trade-in equipment must be made available for removal no later than turnover of the new equipment. Purchaser must vacate the room of all items not listed on the Trade Sheet, or otherwise clearly identify all items listed on the Trade Sheet, prior to the start of the de-installation. If this is not done, Seller will have no liability for items which are subsequently removed or scrapped. If the de-installation or return of the trade-in equipment is delayed by Purchaser for reasons other than a force majeure event, or if upon inspection by Seller it is determined that the equipment does not meet the manufacturer's operating specifications, or if any items listed as included on the Trade Sheet are not made available at the time of de-installation, then trade-in value will be re-evaluated and any loss in value or additional costs incurred by Seller shall be deducted from the established trade-in value and the pricing set forth on this Quotation will be adjusted by change order. In the event that access to the non-ultrasound trade-in equipment is denied past 14 days from turnover, or access to ultrasound trade-in equipment is denied past 30 days from turnover, then Purchaser shall pay to Seller a rental fee in the amount 3.5% of the total trade-in value plus any additional value provided by an Elevate/Promotional program included in this quotation (no less than $1000) for each month, or part thereof, that access is denied. In addition, if the purchase and installation of the new equipment covered by this Quotation is not completed, then Seller shall invoice Purchaser for all costs and expenses incurred by Seller in connection with the de-installation and removal of the trade-in equipment, including but not limited to labor, materials, rigging out, and transportation, which costs shall be paid by Purchaser within thirty (30) days of the invoice date.

Purchaser further acknowledges and agrees that (i) the trade-in equipment will be free and clear of all liens and encumbrances including, but not limited to, unpaid leases and loans, and that upon request, it will execute a bill of sale or other documents reasonably satisfactory to Siemens to transfer title and ownership of the equipment to Seller, (ii) it is Purchaser's sole responsibility to delete all protected health information and any other confidential information from the equipment prior to de-installation, without damaging or cannibalizing the equipment or otherwise affecting the operation of the equipment in accordance with its specifications, (iii) the equipment, including all updates, upgrades, modifications, enhancements, revisions, software, S/W disks and manuals, shall be returned to Siemens in good operating condition, reasonable wear and tear excepted, and (iv) to the extent not prohibited by applicable law, Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, damages, liability, costs and expenses (including reasonable attorney's fees) resulting or arising from Purchaser's failure to comply with item (i) above.

FOR MR SYSTEMS: cryogen levels must be least 65% upon time of de-installation. FOR MOBILE SYSTEMS: system must be road worthy and a state issued title transferring ownership to Seller (or Designee) must be received prior to the removal of the mobile system. FOR MODALITY TRADE SYSTEMS (non-ultrasound): The trade-in equipment must be available for inspection within two weeks of the scheduled de-installation date. In addition, Purchaser must provide a clear path for the removal of the trade-in equipment. Any additional costs due to the need to use a larger rig (other than a standard 80 ton rig), as well as any construction activities, street closings, permits, etc., required to de-install/remove the equipment are out-of-scope costs and will be the responsibility of Purchaser.

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CT Warranty Information

Product (New Systems and "ECO" Refurbished Systems Only)	**Period of Warranty**[1]	**Coverage**	
SOMATOM.go			SOMATOM.go requires Siemens Remote Services (SRS) Connection prior to system installation or requires purchase of "No SRS" option.
CT System (not including consumables)	12 months	Full Warranty (parts & labor, including ALL tubes)	

The parts warranty below only applies to purchased parts, not to replacement parts provided pursuant to a warranty. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty.			
Vectron	Prorated to a maximum of 160,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (160,000 – scan-seconds used)/160,000*100
Straton	Prorated to a maximum of 160,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (160,000 – scan-seconds used)/160,000*100
Dura 181, 202, 302, 352	Prorated to a maximum of 40,000 scan-seconds or 6 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (40,000 – scan-seconds used) / 40,000*100
Dura Akron B tubes	Prorated to a maximum of 40,000 scan-seconds or 6 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (40,000 – scan-seconds used) / 40,000*100
Dura Akron Q tubes	Prorated to a maximum of 30,000 scan-seconds or 6 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (30,000 – scan-seconds used) / 30,000*100
Dura Akron 422 tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100
Dura Akron 688 tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100
Chronon tubes	Prorated to a maximum of 100,000 scan-seconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = (100,000 – scan-seconds used) / 100,000*100
Consumables	Not covered		

Post-Warranty (after expiration of system warranty) – Replacement parts only!			
Items above	As described above, but parts only	As described above, but parts only	As described above, but parts only
Spare Parts	6 months	Parts only	

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Note: Optional extended warranty coverage can be obtained by purchase of a service agreement.

[1] Period of warranty commences from the date of first use or completion of installation, whichever occurs first. In the event the completion of installation is delayed for reasons beyond Siemens' control, the stated warranty period shall commence 60 days after delivery of equipment.

Attachment C: Equipment Comparison

Attachment C

EQUIPMENT COMPARISON

	EXISITING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT Scanner	CT Scanner
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating of MRIs	NA	NA
Model Number	Sensation 64	Definition Edge
Serial Number	505077	Unknown
Provider's Method of Identifying Equipment	Site ID 464365	NA
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number/VIN#	NA	NA
Mobile Trailer Serial Number/VIN#	NA	NA
Date of Acquisition of Each Component	6/29/2005	Target June 2018
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New when acquired	New
Total Capital Cost of Project (Including Construction, etc.)	NA	$1,027,000
Total Cost of Equipment	$1,196,257	$1,000,000
Fair Market Value of Equipment	$36,000	NA
Net Purchase Price of Equipment	$1,196,257	$1,000,000
Locations Where Operated	810 Fairgrove Church Road, SE, Hickory, NC	same
Number Day in Use/To be Used in NC per Year	365	365
Percent of Change in Patient Charges (by Procedure)	NA	No increase
%Change in per Procedure Operating Expenses (by Procedure)	NA	No increase
Type of Procedures Currently Performed on Existing Equipment	Diagnostic CT Exams	NA
Type of Procedures New Equipment is Capable of Performing	NA	Diagnostic CT Exams

Attachment D: Siemens Letter

SIEMENS Healthineers

February 6, 2018

Dear Customer:

Thank you for your recent purchase of medical imaging equipment from Siemens.

Depending on the unit, Siemens will do one of the following options with the trade-in unit:

1. If the unit is manufactured by Siemens and is in demand from the Siemens Resale Group, the unit will be internally sold to this separate organization within Siemens. Once sold, the unit will be shipped to the Siemens Resale Group Factory to be refurbished. Once refurbished, the unit will be resold to another end user that may or may not be in North Carolina. In this circumstance, the new end user is responsible to ensure that any applicable Certificate of Need (CON) Requirement is met.

2. If the unit is not manufactured by Siemens and in demand, Siemens most likely will sell the unit to a broker. The broker may or may not refurbish the unit prior to resale which may or may not be in North Carolina. Although the new end user is responsible to ensure any applicable CON requirement is met, Siemens is not involved in this transaction.

3. If the unit is end of life or otherwise not in demand, Siemens will remove the equipment for scrap and as such it will not be installed in North Carolina.

Sincerely:

Bob Ferrero
Zone Finance VP

Manny Niebla
Zone General Manager

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