North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center ■ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
Phone: 919-855-3875
Fax: 919-733-8139

January 25, 2012

Todd R. Williamson
Executive Director
DLP Cardiac Partners, LLC
3700 Arco Corporate Drive, Suite 450
Charlotte, NC 28273

RE: Exempt from Review - Replacement Equipment / Caldwell Memorial Hospital / Replace fixed cardiac catheterization equipment / Caldwell County
FID #: 933051

Dear Mr. Williamson:

In response to your letters of January 5 and January 13, 2012, 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 GE Innova Optima cardiac catheterization equipment to replace the existing GE Advantx LCV+ cardiac catheterization equipment. 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. In addition, you should 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,

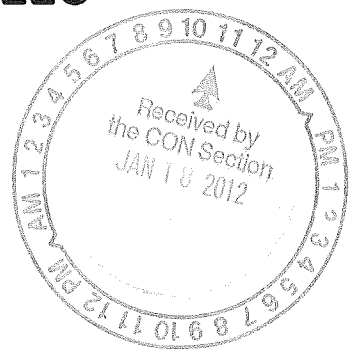
Les Brown
Project Analyst

Craig R. Smith, Chief
Certificate of Need Section

cc: Construction Section, DHSR

CW

DLP Cardiac Partners, LLC



January 13, 2012

Craig Smith, Chief
Certificate of Need Section
NC Department of Human Resources
Division of Facilities Services
P.O. Box 29530
Raleigh, NC 27626-0530

RE: Caldwell Cath Lab
Caldwell County, NC

Dear Mr. Smith:

This letter is in follow up to the letter that was sent earlier this week and my phone call with Mr. Les Brown, about the replacement of cardiac catheterization equipment at Caldwell Memorial Hospital that has been operated by DLP Cardiac Partners ("DLP"). As noted in the first letter, the existing equipment was acquired by DLP after it was determined to be exempt from Certificate of Need Review by your office in the enclosed letter dated June 25, 2004. DLP has been planning to replace it for some time, but the existing equipment remained in service.

As we made plans to replace this equipment, we took into consideration each of the components of the Replacement Equipment Rule. The equipment that is currently in service was acquired more than three years ago, in 2004, after issuance of your letter. The data enclosed with the letter that was sent last week shows that the replacement equipment clearly meets each of the other requirements under the Rule, including its comparable technology and functionality.

After sending the letter last week, DLP noted errors that needed to be corrected, and this letter addresses those points. One error was the omission of sales tax from the total cost, but that has been corrected on the enclosure that I am sending with this letter, and the total capital expenditure still remains under the $2 Million threshold.

The other error concerns that date of purchase of the replacement equipment as a result of attaching an incorrect Excel spreadsheet, the date of acquisition of the replacement equipment was shown as 2008, but that is incorrect. A Purchase Order for the replacement equipment was issued on December 5, 2011, and the equipment arrived at Caldwell Memorial Hospital around December 30, but it has not been put in service to replace the existing equipment. The new replacement equipment was included on the December 5 purchase order that was issued by DLP to GE as a result of an unintentional oversight, which resulted from following our internal process to determine whether this equipment could be purchased before the year-end, under a group purchasing arrangement that DLP had in place for GE equipment. Following that internal procedure, we initiated an inquiry with our corporate office to determine if the purchase would qualify under the GPO arrangements, and when it confirmed that the purchase would qualify by issuing of a draft purchase order, we finalized the purchase order before sending the correspondence to your agency.

This error was completely inadvertent, and we regret it, because we had carefully planned our replacement of the equipment to meet the components of the Replacement Equipment Rule, as stated previously. Since the original equipment has remained in service, and has not been replaced, we trust that the inadvertent issuance of the purchase order before sending the letter to your agency will not prevent your approval of this replacement without a certificate of need. Please advise if you believe it would be helpful for us to meet with you to review and discuss this matter and answer any questions that you may have. In the meantime this letter also confirms that the equipment will not be placed in service by DLP until we have heard from your office.

Respectfully Submitted

Todd R. Williamson
Executive Director
DLP Cardiac Partners, LLC

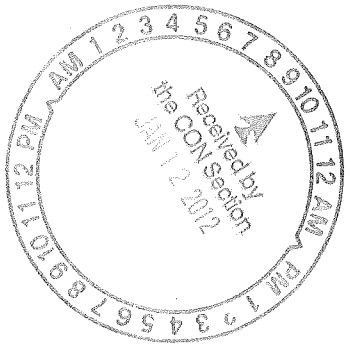
enclosures

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	cardiac cath lab	cardiac cath lab
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	N/A	N/A
Model Number	Advantx LCV+	Innova Optima
Serial Number	527736WK2	TBD
Provider's Method of Identifying Equipment		
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number/VIN #	N/A	N/A
Mobile Tractor Serial Number/VIN #	N/A	N/A
Date of Acquisition of Each Component	8/1/1998*	12/5/2011**
Does Provider Hold Tittle to Equipment or Have a Capital Lease?	Holds Tittle	Will hold title
Specify if Equipment Was/Is New or Used When Acquired	Used	New
Total Capital Cost of Project (Including Construction, etc.) *Use attached form*	N/A	583174***
Total Cost of Equipment	925,070	583,174
Fair Market Value of Equipment	5,000	583,174
Net Purchase Price of Equipment	N/A	583,174
Location Where Operated	Caldwell Hospital	Caldwell Hospital
Number days in Use/To be Used in N.C. Per Year	250	250
Percent Change in patient Charges (by Procedure)	N/A	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing equipment	cardiac catheterizations	N/A
Type of Pricedures New Equipment id Capable of Performing	N/A	cardiac catheterizations
* Acquisition of orginal equipment placed in Gaston Memorial subsequently moved to Caldwell with LORN (attached) dated 6/25/2004		
** Equipment purchase made with funds available through year end, equipment designated for Caldwell when purchased over other projected projects		
Purchase complicated by admission process to GPO as new entity needed to be set up to acknowledge pricing		
***State and County sales tax included		

DLP Cardiac Partners, LLC

January 5, 2011



Craig Smith, Chief
Certificate of Need Section
NC Department of Human Resources
Division of Facilities Services
P.O. Box 29530
Raleigh, NC 27626-0530

Dear Mr. Smith:

I am writing to notify the Department that DLP Cardiac Partners, formerly MedCath Partners, intends to acquire replacement equipment defined under GS 131E-176(22a). As the Section is aware, this equipment was part of the Asset Purchase Sale by DLP from MedCath in May of 2010. This acquisition is exempt from Certificate of Need review pursuant to GS 131E-184(a)(7). The equipment to be replaced is the GE Advantx LCV+ cardiac catheterization equipment, serial number 527736WK2, which has been in service at DLP's Lab known as Caldwell Cardiology (see exhibit A).

Please note, DLP Cardiac intends only to substitute one fixed lab for another; the purpose of this submission is to meet the regulations as described in the General Statues.

As required, the existing equipment will be permanently removed from North Carolina CON and will be sold for parts to Transtate Equipment. DLP Cardiac Partners acknowledges that the above referenced existing equipment will no longer be exempt from requirements of the North Carolina Certificate of Need law and will not be used in North Carolina without first obtaining a new Certificate of Need.

Respectfully yours,

Todd R. Williamson
Executive Director
DLP Cardiac Partners, LLC

cc: Page Gravely, Esq.

North Carolina Department of Health and Human Services
Division of Facility Services
Certificate of Need Section
2704 Mail Service Center ▪ Raleigh, North Carolina 27699-2704

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

http://facility-services.state.nc.us

Lee Hoffman, Section Chief
Phone: 919-855-3873
Fax: 919-733-8139

June 25, 2004

Carol E. Bowen
Moore and Van Allen
Suite 4700 - 100 North Tryon Street
Charlotte, NC 28202-4003

RE: No Review/ MedCath Diagnostics, LLC ("MedCath") and Caldwell Cardiology Services, LLC/ Placement of one of MedCath's exiting cardiac catheterization equipment labs at Caldwell Memorial Hospital to be operated pursuant to a service agreement/Caldwell County FID #933051

Dear Ms. Bowen:

In response to your correspondence of December 16, 2003, and April 5, 2004, and information you provided in our meeting on June 11, 2004, the proposal described in your correspondence is not regulated under the Certificate of Need Law and, therefore, does not require a certificate of need. However, you should contact the Licensure and Certification Section and the Construction Section of the Division of Facility Services to determine if they have any requirements for development of the proposed project.

It should be noted that this determination is binding only for the facts represented by you. Consequently, if changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by the Certificate of Need Section. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility I.D.# (FID) if the facility is licensed.

Sincerely,

Ronald M. Loftin, Project Analyst

Lee B. Hoffman, Chief
Certificate of Need Section

cc: Section Chief, Licensure and Certification Section, DFS
Section Chief, Construction Section, DFS
Medical Facilities Planning Section, DFS

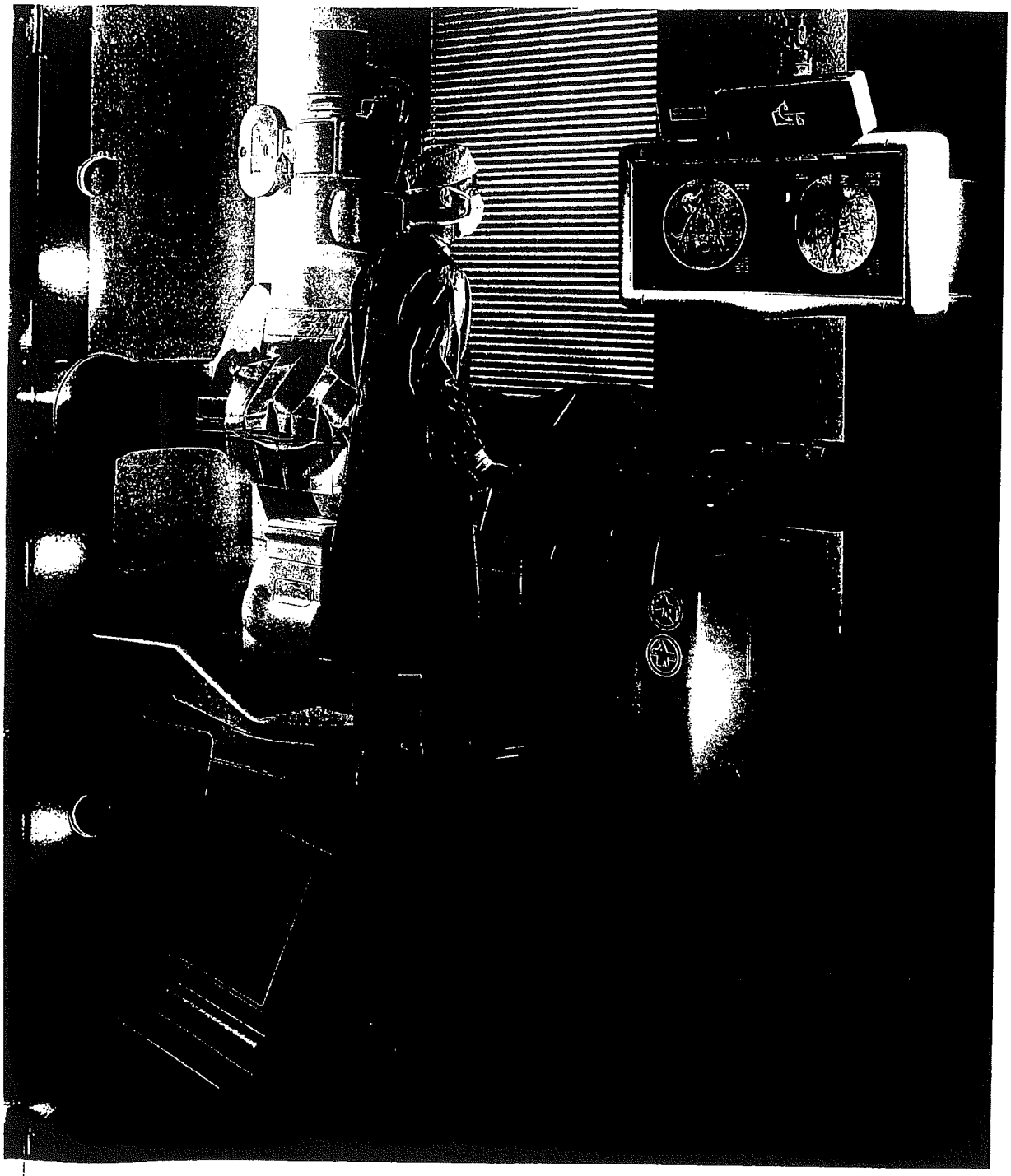
EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	cardiac cath lab	cardiac cath lab
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	N/A	N/A
Model Number	Advantx LCV+	Innova
Serial Number	527736WK2	TBD
Provider's Method of Identifying Equipment		
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number/VIN #	N/A	N/A
Mobile Tractor Serial Number/VIN #	N/A	N/A
Date of Acquisition of Each Component	8/1/1998	1/1/2008
Does Provider Hold Tittle to Equipment or Have a Capital Lease?	Holds Tittle	Will hold title
Specify if Equipment Was/Is New or Used When Acquired	Used	New
Total Capital Cost of Project (Including Construction, etc.) *Use attached form*	N/A	1,328,311
Total Cost of Equipment	925,070	1,328,311
Fair Market Value of Equipment	5,000	1,328,311
Net Purchase Price of Equipment	N/A	1,328,311
Location Where Operated	Caldwell Hospital	Caldwell Hospital
Number days in Use/To be Used in N.C. Per Year	250	250
Percent Change in patient Charges (by Procedure)	N/A	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing equipment	cardiac catheterizations	N/A
Type of Pricedures New Equipment id Capable of Performing	N/A	cardiac catheterizations

ADVANTX LCV+

CARDIOVASCULAR IMAGING SYSTEM

GE Medical Systems



A universe of innovation

The clinical efficacy of the Advantx LCV+ is built around three key components:

- A new gantry with innovative geometry featuring three motor-driven axes.
- Advantx, the revolutionary computer platform which has made GE the leader in system integration.
- The open DLX digital system, capable of accommodating new developments as they emerge.

Together, these components allow the Advantx LCV+ to offer exceptional ease of use and support high throughput – and even more important, to give you access to advanced clinical applications with the potential to shorten procedure times and improve outcomes.

IMPROVING CARDIAC STUDIES

The new LCV+ system provides cardiologists with the image quality they demand, as well as unprecedented ease of use resulting from such features as its integrated architecture and COMPAS, a GE advanced application.

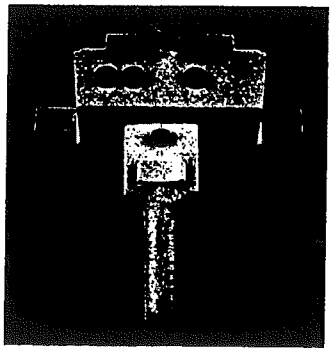
Positioning capability, ergonomics and speed

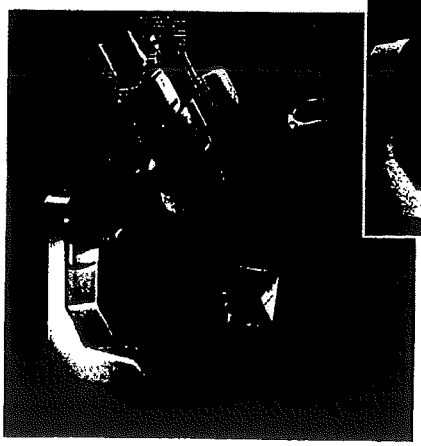
Because it is compact and lightweight, the new LCV+ positioner rapidly accomplishes the most complex projections without compromising patient access. Single-point control enhances flexibility for all table and positioner movements. Automatic storage and recall of angulations also improve efficiency.

Imaging for diagnostic and interventional cardiology

The four-field 32-cm LCV+ image intensifier provides excellent coverage and, with an 11-cm FOV, outstanding small vessel detail.

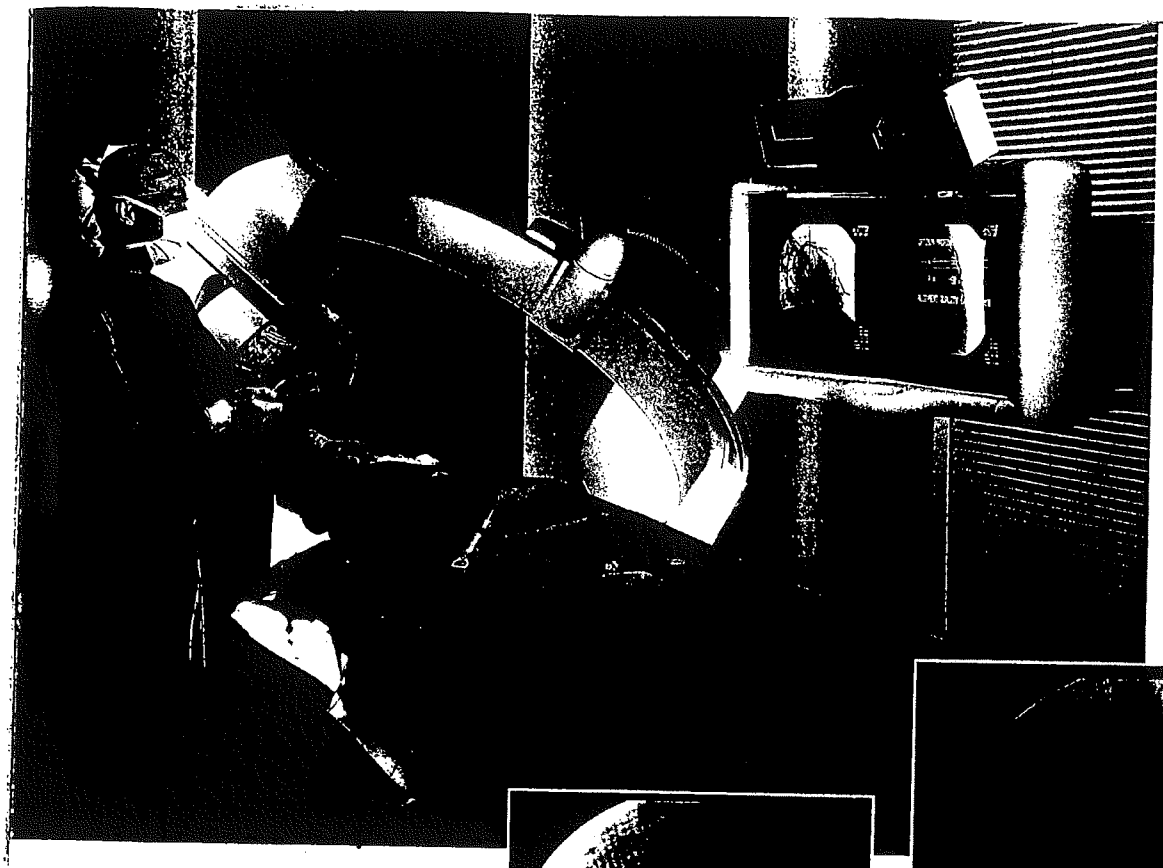
Automatic blooming correction by a specific electronic circuit (EDR) and contour filters, easily adjusted using table-side controls, help ensure superb imaging throughout the procedure.

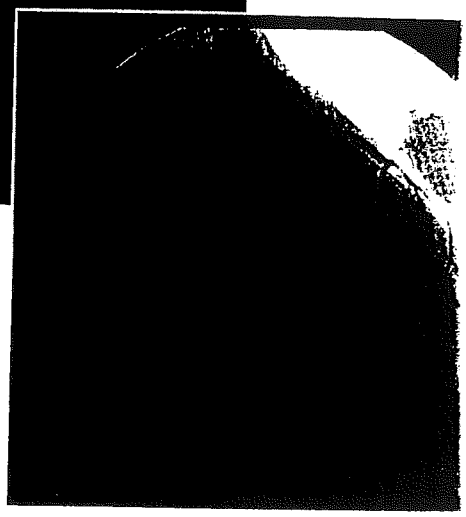


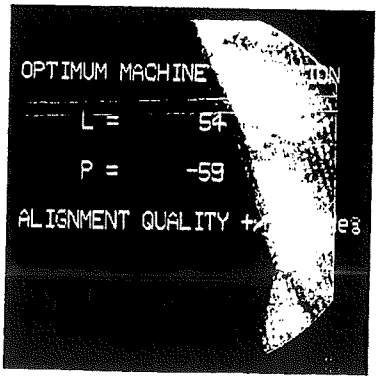


Cardiology

Catheter Calibration
Vessel Sizing
0 L
21 CRA
39 LAO
0 0/ 0
FRM 48/143
MASK 1
TIME 1.92s
SUB
FAST
MASK
REV
ENTER
FORW
SEQ-
SLOW
SEQ+
PLAY/ PAUSE
PRIOR
NEXT







Advanced application: COMPAS

COMPAS represents a major breakthrough in positioning accuracy and geometry improvement. It is designed to allow the cardiologist to get to the optimal view quickly and automatically using two views acquired at least 30° apart. COMPAS automatically determines the optimal positioner angles, and makes them accessible at the push of a button. This perpendicular/parallel vessel imaging provides a more accurate qualitative and quantitative assessment of lesion size, especially useful for stent selection.

CD-R archiving: GEMnet

The Advantx LCV+ is compatible with GEMnet, the CD-R archiving system developed on the basis of the DICOM standard.

An Ethernet DICOM output is available for total connectivity with any network, and with any diagnostic or treatment console meeting this standard.

INSITE: MAXIMUM UPTIME MAXIMUM PRODUCTIVITY

In today's healthcare environment, no facility can afford substandard image quality or unscheduled downtime – particularly when it might interfere with an interventional procedure.

That's why we have designed the Advantx LCV+ to be fully compatible with InSite, GE's unique remote diagnostic and applications-assistance network. With this capability, our engineers are equipped to conduct a full range of preventative and troubleshooting routines over conventional telephone lines, solving most system problems in minutes – without the need for an on-site service call.

Since its introduction in 1989, InSite has demonstrated extraordinary efficiency for facilitating a wide range of remote diagnostic capabilities devoted to maximizing uptime:

- Remote diagnosis and repair with diagnostic capabilities equivalent to on-site processes.
- When on-site fixes *are* necessary, remote identification of problem sources and needed parts to significantly reduce a field engineer's on-site repair time – over six years of statistically proven performance.
- Remote review of clinical images by applications specialists who provide real-time advice on resolving clinical problems and optimizing protocols and image quality.

When you call InSite, you benefit from a remote network with more than 10,000 systems on-line, supported by 250-plus engineers worldwide... your assurance of optimum remote diagnostic performance and help when you need it, 24 hours a day, 365 days a year.

InSite. It's just one more example of GE's commitment to helping you achieve maximum uptime – *and* maximum productivity.

GE Medical Systems

96-4583 Printed in USA

GE Medical Systems – Americas: Fax 414-544-3384
P.O. Box 414, Milwaukee, Wisconsin 53201 U.S.A.

GE Medical Systems – Europe: Fax 33-1-30-70-94-35
Paris, France

GE Medical Systems – Asia:
Tokyo, Japan – Fax 81-3-3223-8560
Singapore – Fax 65-291-7006

Checklist for Acquisition of Replacement Equipment

1. A comparison of the existing and replacement equipment, using the format in the attached table.

   See table enclosed.

2. A description of the basic technology and functions of the existing and replacement equipment, including the diagnostic and treatment purpose for which the equipment is used or capable of being used.

   See table enclosed

3. Brochure or letters form the vendors describing the capabilities of the equipment.

   See enclosed GE literature.

4. A copy of the purchase agreement and lease for the existing equipment, including all components and original sales price.

   See attached copy of Depreciation Expense Report for initial purchase in Gaston and current usage in Caldwell. Also note this schedule is listed under the name of MedCath immediately prior to acquisition as cost of the original equipment did not change.

5. A copy of the title, if any, for the existing equipment or the capital lease for the existing equipment.

   Not applicable

6. If replacement equipment is to be leased …

   Not applicable

7. If replacement equipment is to be purchased a copy of proposed purchase agreement, including the price of all component to be leased and monthly payment schedule.

   See attached quotation

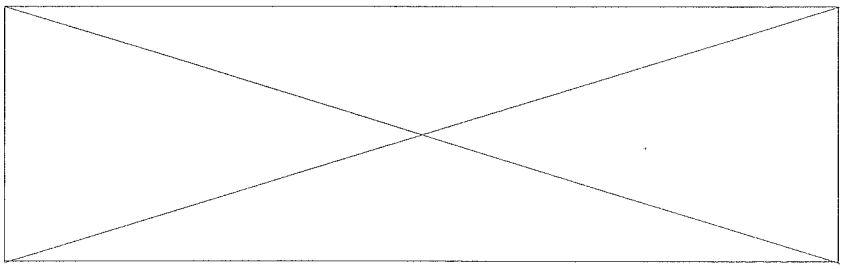
8. A letter from the person taking possession of the existing equipment that acknowledges the existing equipment: will be permanently removed from North Carolina, will no longer be exempt from requirements of the North Carolina Certificate of Need Law, and will not be used in North Carolina without first obtaining a new Certificate of Need.

See cover letter last paragraph.

9. Documentation that the existing equipment is currently in use and has not been taken out of service.

See cover letter last sentence, first paragraph.

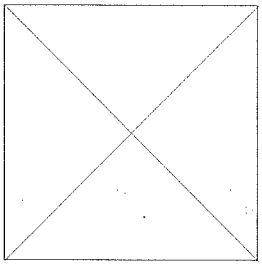
Innova 3100



All-Digital Cardiovascular and Interventional Imaging

Customer Testimonial (PDF)
Case Study (PDF)

Innova. Pure innovation. Proven performance.



How do you inject greater confidence into your practice?

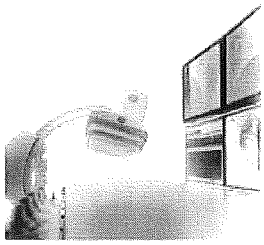
Operate with the world's most tried and trusted all-digital cardiovascular and interventional imaging systems.

The Innova® line of systems is built on GE's industry-leading Revolution™ detector technology for unmatched image quality, and the only demonstrated dose savings.

That's why you'll find Innova in more labs than all other systems combined. More than 1100 installations strong and counting, Innova helps more physicians clearly visualize fine vessels. Precisely place more stents. Successfully perform more lifesaving procedures than any other digital cardiovascular imaging system.

With Innova, you conduct every study with a confidence proven in practice. And the reassurance that every detail is clearly in sight.

Innova 3100



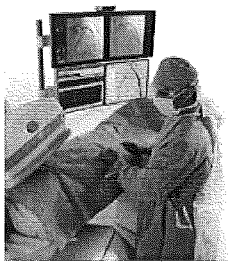
Exceptional angio. Superb cardiac.
One remarkable system.

Only the Innova 3100 lets you perform exams from cardiac to angio. On one system. In one room. With no compromises.

An ideal 31 centimeters square, it's perfectly designed for a wide range of cardiovascular and interventional imaging. With a field of view well suited for a variety of vascular and interventional procedures. The agility for steep angulations for angiography, cardiology, neurology and interventional applications. A gantry that rotates 20 degrees in just a second. And a collision-avoidance system to speed every study.

The Innova 3100 is designed to maximize your convenience along with your confidence. With automated simplicity and ease of use that let you focus on your patients and procedures, not the system itself.

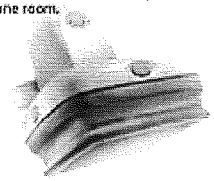
Using it, you can offer a broader range of clinical applications. Maintain exceptional image quality in every exam. And successfully treat a diversity of patients and cardiovascular conditions.



Is Innova 3100 an angio system that delivers great cardiac?
Or a cardiac system that does superb angio?
Absolutely

The Innova 3100's detector provides a 30 cm field of view for anatomical coverage and a compact design to enable easy positioning for general angiography, cardiac and neurological procedures.

A 31-cm-square Revolution detector makes the Innova 3100 your top choice for performing both cardiovascular and interventional procedures in one room.



The natural evolution of a Revolution

Upholding an image as remarkable as Innova's starts with GE's Revolution flat panel detector – the heart of the Innova family.

The Revolution detector is built to GE's Six Sigma-based quality standards, under our full manufacturing control for unmatched quality and reliability. And it's backed by 15 years of GE research and more than 160 patents.

Its exclusive design maximizes image quality, dose efficiency and clinical utility through:

- Industry-leading Detective Quantum Efficiency, or DQE – the key clinical measurement of image quality and dose efficiency.
- Up to ten times the dynamic range of image-intensifier-based systems.
- Artifact-free imaging edge-to-edge.
- No geometric distortion or veiling glare.
- The technology to support advanced applications.

The result: Exceptional visualization of the largest patients and the smallest devices.

Fact is, the Revolution alone has more clinical applications than all other flat panel detectors combined. So it readily handles any diagnostic or interventional procedure on your schedule.

So many details. So little dose.

The Revolution detector shows you the finest details in every procedure you perform. Accurately size vessels and place stents. Easily measure your success in opening arteries. Obtain sharp images of large patients. And be more certain of your diagnostic decisions.

What's more, the Revolution does it all with proven dose efficiency. In study after published study, Innova clearly demonstrated the ability to reduce dose as much as 50% compared to image-intensifier systems.

Innovation beyond imaging

Pinpoint a diagnosis on the first exam – and then treat that condition during the same study. Share clinical data and information effortlessly across your enterprise. Sharpen your clinical efficiency while honing your diagnostic accuracy. Raise your level of patient care to make your hospital a first choice for treatment.

At GE, we're just as committed to fighting heart and vascular disease as you are. That's why we've made sure solutions flow easily throughout your interventional lab.

Our advanced patient monitoring and information technologies, all seamlessly integrated, help you work faster and better. With less invasive diagnostic and treatment options, you can readily address the critical issues in healthcare today. And advanced GE technologies and services let you improve your department's performance while bringing better care to your patients – without missing a beat.

MedCath Diagnostics, Inc

Depreciation Expense Report

As of April 30, 2011

)ok = Internal

FYE Month = September

Sys No	Ext	In Svc Date	Acquired Value	P T	Depr Meth	Est Life	Salv/168 Allow Sec 179	Depreciable Basis	Prior Thru	Prior Accum Depreciation	Depreciation This Run	Current YTD Depreciation	Current Accum Depreciation	Key Code
Location = 310 - Caldwell														
003497	Witt Physiological Monitoring System													
	000	11/20/96	83,475.00	P	SLFM	05 00	0.00	83,475.00	03/31/11	83,475.00	0.00	0.00	83,475.00	
003499	Trans Monitor-Marq Dash 100													
	000	02/10/98	3,759.94	P	SLMM	05 00	0.00	3,759.94	03/31/11	3,759.94	0.00	0.00	3,759.94	
003500	MedRad Injector													
	000	11/01/98	18,054.35	P	SLMM	05 00	0.00	18,054.35	03/31/11	18,054.35	0.00	0.00	18,054.35	
003501	X-Ray System													
	000	11/01/98	2,356.59	P	SLMM	05 00	0.00	2,356.59	03/31/11	2,356.59	0.00	0.00	2,356.59	
003502	Medrad Injector Cables													
	000	09/29/98	1,160.39	P	SLMM	05 00	0.00	1,160.39	03/31/11	1,160.39	0.00	0.00	1,160.39	
003503	Medtronic 5348 Temp Pacer													
	000	11/30/00	2,130.00	P	SLMM	02 00	0.00	2,130.00	03/31/11	2,130.00	0.00	0.00	2,130.00	
003872	Manager's office computer													
	000	08/08/05	1,479.29	P	SLMM	03 00	0.00	1,479.29	03/31/11	1,479.29	0.00	0.00	1,479.29	
003505	X-Ray Equipment													
	000	04/01/06	162,743.88	P	SLMM	06 00	0.00	162,743.88	03/31/11	122,057.91	2,260.33	15,822.32	137,880.23	
003506	Witt Image IV													
	000	04/01/06	13,886.26	P	SLMM	06 00	0.00	13,886.26	03/31/11	10,414.71	192.86	1,350.05	11,764.76	
003508	Lab Installation													
	000	04/01/06	134,100.50	P	SLMM	06 00	0.00	134,100.50	03/31/11	100,575.36	1,862.50	13,037.54	113,612.90	
3509	Wall Storage Cabinet													
	000	04/01/06	4,120.84	P	SLMM	06 00	0.00	4,120.84	03/31/11	3,090.64	57.23	400.63	3,491.27	
003585	Witt Series IV Hemo Upgrade													
	000	08/16/06	43,730.00	P	SLMM	05 00	0.00	43,730.00	03/31/11	35,712.83	728.83	5,101.83	40,814.66	
003873	Lifepak 500 AED, 3 button, ADAPTIV biphasic													
	000	12/07/06	1,211.68	P	SLMM	01 02	0.00	1,211.68	03/31/11	1,211.68	0.00	0.00	1,211.68	
003726	IABP CS300													
	000	01/31/08	44,766.85	P	SLMM	05 00	0.00	44,766.85	03/31/11	23,875.65	746.11	5,222.79	29,098.44	
003748	AVOXimeter 1000E w/110V AC Adp													
	000	06/17/08	5,005.02	P	SLMM	05 00	0.00	5,005.02	03/31/11	2,252.25	83.41	583.91	2,836.16	
Location = 310 - Caldwell			521,980.59				0.00	521,980.59		411,606.59	5,931.27	41,519.07	453,125.66	
Less disposals and transfers			0.00				0.00	0.00		0.00			0.00	
Count = 0														
Net Subtotal			521,980.59				0.00	521,980.59		411,606.59	5,931.27	41,519.07	453,125.66	
Count = 15														

299.200.97

GE Healthcare

QUOTATION

Quotation Number: P6-C112492 V 3

LifePoint Hospitals
103 Powell Ct, Ste 200
Brentwood TN 37027

Attn: Rick Phillips
103 Powell Ct, Ste 200
Brentwood TN 37027

Date: 11-08-2011

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. GE Healthcare agrees to provide and Customer agrees to pay for the Products listed in this GE Healthcare Quotation ("Quotation"). "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

1) This Quotation that identifies the Product offerings purchased or licensed by Customer;

2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- Terms of Delivery: FOB Destination
- Quotation Expiration Date: 12-28-2011
- Billing Terms: 80% delivery / 20% installation
- Payment Terms: Net Due in 30 Days
- Governing Agreement: LifePoint Corporate Services

Each party has caused this Agreement to be signed by an authorized representative on the date set forth below.

Please submit Purchase Orders to: General Electric Company, GE Healthcare, 9900 Innovation Dr, RP2124, Wauwatosa, WI 53226.
Fax to (414) 721-4181.

GE HEALTHCARE _____
Erik Kash Date
Interventional Account Specialist

CUSTOMER

_____
Authorized Customer Date

_____
Print Name and Title

_____
PO #

INDICATE FORM OF PAYMENT:

(If there is potential to finance with a lease transaction, GE HFS or otherwise, select lease.)

____ Cash * ____ Lease ____ HFS Loan

If financing please provide name of finance company below*:

_____

*Selecting Cash or not identifying GE HFS as the finance company declines option for GE HFS financing.

Quotation Number: P6-C112492 V 3

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
	1		**IC Innova 3100-IQ Optima Edition**			
1	1	S18731VP	Innova 3100-IQ Optima Edition	$735,000.00	49.00%	$374,850.00
2	1	S18061AC	Table Head Extender	$5,000.00	49.00%	$2,550.00
3	1	S18751FS	FluoroStore with Fluoroloop	$15,000.00	49.00%	$7,650.00
4	1	S18341TT	Table Panning Device with 5M Cable	$750.00	49.00%	$382.50
5	1	S18061TB	Smart Box	$5,000.00	49.00%	$2,550.00
6	1	S18461GA	Two 19 Inch Monochrome LCD Monitor Package	$30,000.00	49.00%	$15,300.00
7	1	S18461GW	19 Inch In-room Color LCD Monitor	$6,500.00	49.00%	$3,315.00
8	1	S18391LM	Open Monitor Suspension Documentation and 36M Cable	Incl.	Incl.	Incl.
9	1	S1876PE	Innova Main Power Disconnect Panel - UPS Ready	$26,299.00	49.00%	$13,412.49
10	1	S1875PK	Innova IQ 20KVA UPS	$25,000.00	49.00%	$12,750.00
11	1	S18751PK	UPS Interface	$1,800.00	49.00%	$918.00
12	1	S18721AF	Administration Package	$10,000.00	49.00%	$5,100.00
13	1	S18741BW	Innova Breeze for Optima	$30,000.00	49.00%	$15,300.00
14	1	M81511VN	AW VS5 - NO VOLUME VIEWER	$50,000.00	49.00%	$25,500.00
15	1	S18021CE	Cardiac Analysis Package for AW	$28,000.00	0.00%	$28,000.00
16	1	S18751BC	Dynamic Acquisition Package	Incl.	Incl.	Incl.
17	1	E7009CB	Innova 3100/3131 Detector Drapes (20/box)	$99.00	21.00%	$78.21
18	1	E6415J	X-Ray Table Clamp for Remote Panning Handle	$470.00	21.00%	$371.30
19	1	E8015JB	Omega V Tempurpedic Table Pad (1 in. Thick), 131 in. L	$1,400.00	21.00%	$1,106.00

Quotation Number: P6-C112492 V 3

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price
20	1	E7018JZ	Mavig 2.5m Track without Cable Spooler	$3,200.00	21.00%	$2,528.00
21	1	E3053BC	Portegra2 360Â° Ceiling Column w/ Carriage - 58 cm	$2,725.00	21.00%	$2,152.75
22	1	E3053CH	Contour Shield 76 x 61 cm (with center connect)	$6,499.00	21.00%	$5,134.21
23	1	E3053LW	Mavig Mach3 DuoFocus Surgical Lamp w/ Mounting Arm	$12,499.00	21.00%	$9,874.21
24	1	E3053J	Mavig Double Pivot Lower Body Protector	$4,999.00	21.00%	$3,949.21
25	2	E7058A	GE Anti-Fatigue Floor Mat	$332.00	21.00%	$524.56
26	1	S18051NF	Provis Mark V+ Table Mount Injector Interface	$500.00	49.00%	$255.00
27	1	S18101SP	Installation Template	Incl.	Incl.	Incl.
28	1	S18101SF	Above Grade and Through Bolts	Incl.	Incl.	Incl.
29	1	S18121RK	3.3 meter Length Rails	Incl.	Incl.	Incl.
30	1	S18751CD	MAC Lab Cable 70 inches	Incl.	Incl.	Incl.
31	1	S18741EG	Group 1 Cable - Maximum Length	Incl.	Incl.	Incl.
32	1	S18741EC	Group 2 Maximum Length Cable	Incl.	Incl.	Incl.
33	1	S18741EE	Group 3 Cable	Incl.	Incl.	Incl.
34	1	S18741CG	Bolus Cable Set - 100 FT/30M	Incl.	Incl.	Incl.
35	1	S18101SM	Vascular Base Plate Assembly	Incl.	Incl.	Incl.
36	1	S18741ET	Innova Omega 5 Table Elevator	Incl.	Incl.	Incl.
37	1	S18121TB	X-ray Digital Detector Coolant Kit	Incl.	Incl.	Incl.
	1		**IC Innova 3100 Upgrades**			
38	1	S18391CG	4 LCD Monitor Suspension with 36 meter cable	$20,000.00	49.00%	$10,200.00

Quotation Number: P6-C112492 V 3

Item No.	Qty	Catalog No.	Description	Contract Price	Discount	Ext Sell Price

Quote Summary:

Total Discount: (46.76%)	
Total Extended Selling Price:	**$543,751.44**
LCV Trade-In	**($5,000.00)**
Total Quote Net Selling Price	**$538,751.44**

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)

Service Option invoicing will be separate from the equipment.

For Third Party Products and Services Only. If GE Healthcare has agreed to provide any third party products and/or services (other than GE Healthcare accessories and supplies) to Customer as part of the Quotation, including but not limited to any Commitment Account/Non-Inventory items, (i) GE Healthcare is acquiring such products and/or services on Customer's behalf and not as a supplier of such products and/or services; (ii) GE Healthcare makes no warranties of any kind, express or implied, with respect to such products and/or services (warranties, if any, on such products and/or services will be provided by the manufacturer or service provider, as applicable); (iii) Customer is solely responsible for ensuring that the acquisition and use of such products and/or services is in compliance with applicable laws and regulations, including applicable FDA regulations; and (iv) Customer is solely responsible for any and all claims resulting from or related to the acquisition or use of such products and/or services.

For Mobile Systems Only. For products that are approved by GE Healthcare for use as transportable, relocatable and mobile systems, GE Healthcare will deliver the system to Customer's van manufacturer and furnish final assembly services to place the system in Customer's van. At the time of order, Customer must notify GE Healthcare of the van manufacturer to which the system is to be shipped. It is Customer's responsibility to make arrangements with the van manufacturer for delivery of the van and to comply with any additional planning requirements of the van manufacturer. For MR systems, GE Healthcare's product tests will be performed when assembly in the van is completed and MR system operation will be re-checked when the van is delivered to Customer.

For Healthcare IT Products Only:

a. Payment. Unless specified separately in the Quotation, fees for non-GE Healthcare software and hardware shall be due one hundred percent (100%) on delivery of the applicable software or hardware.

b. Audit Rights. Upon forty-five (45) days notice GE Healthcare may audit Customer's use of the software. Customer agrees to cooperate with GE Healthcare's audit and to provide reasonable assistance and access to information. If the audit uncovers underpaid or unpaid fees owe to GE Healthcare, Customer agrees to pay those fees and GE Healthcare's costs incurred in conducting the audit within thirty (30) days of written notification of the amounts owed. If Customer does not pay the amounts owed, GE Healthcare may terminate Customer's license to use the applicable software. Customer agrees to permit GE Healthcare to obtain certain reasonable information regarding the users and other use information regarding the software. All of such information shall be treated as confidential information, shall be used solely for the purposes of technical support and auditing the use of the software, and shall not be disclosed to any third party (other than third-party vendors of software licensed to Customer under this

Exhibit A

Caldwell Memorial Hospital Lenoir, NC

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center ▸ Raleigh, North Carolina 27699-2704

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

www.ncdhhs.gov/dhsr

Craig R. Smith, Section Chief
Phone: 919-855-3873
Fax: 919-733-8139

April 29, 2011

Jone Law Koford, Secretary
DLP Cardiac Partners, LLC
103 Powell Court, Suite 200
Brentwood, TN 37027

RE: Exempt from Review/ Acquisition of the mobile diagnostic program consisting of the nine units of cardiac catheterization equipment identified in Attachment A owned by MedCath Partners, LLC by DLP Cardiac Partners, LLC

Dear Mr. Koford:

In response to your letter of April 27, 2011, the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(a)(8). Therefore, DLP Cardiac Partners, LLC may proceed to acquire the above referenced health service facility without first obtaining a certificate of need.

The existing mobile diagnostic program consisting of the nine units of cardiac catheterization equipment identified in Attachment A is authorized by the terms of the August 14, 1995 Settlement Agreement (Attachment B). Operation of the nine units of cardiac catheterization equipment by DLP Cardiac Partners, LLC will also be subject to the terms of the August 14, 1995 Settlement Agreement.

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,

Martha J. Frisone

Martha J. Frisone
Assistant Chief

Craig R Smith

Craig R. Smith, Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR

	AS OF 7/19/04	6/27/1905	Current 2007	2008	10/1/2009	2/7/2011
	29507WK6	29507WK6	29507WK6 [1]	29507WK6	29507WK6	29507WK6
oute	Charlotte Mobile route	CLT Mobile / Novant	CLT Mobile / Forsyth	CLT Mobile / Forsyth	CLT Mobile / Forsyth	CLT Mobile / Forsyth
	29539VP4	29539VP4	29539VP4 [2]	29539VP4	29539VP4	29539VP4
	Pardee	Pardee	Pardee	Pardee	Pardee	Pardee
	277607WK8	336	336 [3]	336	336	336
Center	Wilmington Heart Center	Duke	Duke	Duke	Duke	Duke
	82824VP4	82824VP4	82824VP4 [4]	82824VP4	6570	557462BU9 [10]
alth Mobile Rte	Pinehurst First Health Mobile Rte	First Health	Pinehurst First Health Mobile Rte	Pinehurst First Health Mobile Rte	Interin Lab 73	Presbyterian Hosp Matthews
	977482	977482	977482 [5]	977482	576216BU6	576216BU6
Center	Wilmington Heart Center	WHC	Wilmington Heart Center	Wilmington Heart Center	Wilmington Heart Center	Wilmington Heart Center
	527736WK2	527736WK2	527736WK2 [6]	527736WK2	527736WK2	527736WK2
	Caldwell Memorial	Caldwell	Caldwell Memorial	Caldwell Memorial	Caldwell Memorial	Caldwell Memorial
	4180140	4180140	4180140 [7]	4180140	576988BU0	~~576988BU0~~
	Grace Hospital	Grace	Grace Hospital	Grace Hospital	Grace Hospital	Grace Hospital
	54260VP5	54260VP5	54260VP5 [8]	54260VP5	54260VP5	6570 [11]
Center	Greensboro Heart Center	GHC	Greensboro Heart Center	Greensboro Heart Center	Greensboro	ENC Mobile Route
	55330VP5	55330VP5	402411BU3 [9]	402411BU3	402411BU3	402411BU3
olina Mobile	Eastern North Carolina Mobile		ENC Mobile Route	ENC Mobile Route	ENC Mobile Route	ENC Mobile Route

[1] Forsyth/No Review Letter dated 2/8/05
[2] No Review Letter dated 1/14/05
[3] No Review Letter dated 12/2/05 and Equipment Notice
[4] No Review Letter dated 10/19/04
[5] No Review Letter dated 7/19/01
[6] No Review Letter dated 6/25/04
[7] No Review Letter dated 6/25/04
[8] No Review Letter dated 7/13/01
[9] Notice Letter dated 12/14/06
[10] No Review Letter dated 5/26/10
[11] No Review Letter dated 6/4/10

Attachment A

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

Attachment B

STATE OF NORTH CAROLINA COUNTY OF MECKLENBURG	IN THE GENERAL COURT OF JUSTICE SUPERIOR COURT DIVISION 95 CVS 7908
MEDCATH INCORPORATED, and HEALTHTECH CORPORATION, Plaintiffs, v. NORTH CAROLINA DEPARTMENT OF HUMAN RESOURCES, Defendant.	SETTLEMENT AGREEMENT

BY THIS SETTLEMENT AGREEMENT the disputes described herein between Plaintiffs, Medcath Incorporated ("Medcath") and HealthTech Corporation ("HealthTech") (collectively referred to hereinafter as "Plaintiffs") and the North Carolina Department of Human Resources, Division of Facility Services (the "Department") (collectively referred to hereinafter as "the Parties") are hereby resolved.

GENERAL PROVISIONS

1. This Action was instituted by Complaint For Declaratory Judgment, filed by Plaintiffs on June 29, 1995.

2. Plaintiffs sought a declaration that, under the current Certificate of Need Law:

(A) the fifteen mobile cardiac laboratories acquired by Plaintiffs prior to March 18, 1993 are exempt from review;

(B) each mobile cardiac catheterization laboratory currently operated by Plaintiffs is a "diagnostic center" and a "health service facility"; and,

(C) the proposed conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit is not a "new institutional health service."

3. Plaintiffs also sought a declaration that the Department's application of the Certificate of Need Law, insofar as it seeks to prevent Plaintiffs from operating the mobile cardiac catheterization laboratories and/or converting them to fixed-base units in North Carolina, violates Article 1, Section 19 of the North Carolina Constitution and the Commerce Clause of the United States.

4. The Department maintains that:

(A) Plaintiffs are authorized to operate only those mobile cardiac catheterization laboratories that were acquired and in use in North Carolina prior to March 18, 1993;

(B) each individual mobile cardiac catheterization laboratory currently operated by Plaintiffs is not a "diagnostic center" or "mobile diagnostic program" within the definition of "diagnostic center" and/or a "health service facility"; and,

(C) the conversion of an existing mobile cardiac catheterization laboratory to a fixed-base unit may be a "new institutional health service."

5. The Department also maintains that Plaintiffs have failed to exhaust their administrative remedies and that the Department's application of the Certificate of Need Law which seeks to prevent Plaintiffs from operating the mobile cardiac catheterization laboratories and/or converting them to fixed-base units in North Carolina is not in violation of Article 1, Section 19 of the North Carolina Constitution and the Commerce Clause of the United States.

6. Plaintiffs have provided the Department with additional information which relates to the acquisition of the cardiac catheterization equipment prior to March 18, 1993. Plaintiffs have also provided documentation regarding:

(A) the actual use of mobile cardiac catheterization equipment in North Carolina prior to March 18, 1993;

(B) binding legal contracts with various persons that relate to the use of the equipment in North Carolina; and,

(C) conformance with replacement equipment exemption requirements.

The Plaintiffs have designated certain of the information provided to the Department as "confidential," pursuant to N.C. Gen. Stat. § 132-1.2 and the Department acknowledges that disclosure of information so designated is not required or authorized by N.C. Gen. Stat. § 132-1, et seq.

7. In reviewing the above-referenced information provided by Plaintiffs, the Department has found that mobile cardiac catheterization laboratory (identification number 22B203025) that was in use in North Carolina prior to March 18, 1993, was acquired by Plaintiffs after March 18, 1993 without Certificate of Need review. Subsequently, this laboratory was removed from North Carolina and another laboratory (identification number 893750) was brought into North Carolina and put in use without Plaintiffs obtaining a replacement equipment exemption. Plaintiffs do not concede that any violation of applicable laws or rules of the Department have occurred with respect to this equipment and further contend that, if any such violation did in fact, occur it was unintentional and inadvertent.

8. Pursuant to N.C. Gen. Stat. § 150B-31, it is the policy of the State to settle disputes between state agencies and other persons whenever possible. The Parties have, therefore, determined that it is in their best interests to settle all issues related to this case upon the terms and conditions stated in this Settlement Agreement.

9. The Parties understand and expressly agree that this Settlement Agreement shall not be construed as an admission of liability on the part of either of the Parties with respect to any issue. Rather, the Parties continue to maintain and do not concede each of their respective contentions.

In consideration of their several and mutual promises, these disputes are hereby resolved in the manner set forth below:

A. Voluntary Dismissal With Prejudice. Within five business days after this Settlement Agreement is fully executed Plaintiffs shall file a notice of voluntary dismissal, with prejudice, in case number 95 CVS 7908.

B. Authorized Equipment. With respect to the fifteen (15) laboratories that are at issue, Plaintiffs shall be authorized to operate in North Carolina the nine (9) mobile cardiac catheterization laboratories identified in Attachment A to this Settlement Agreement. The remaining six (6) mobile cardiac catheterization laboratories shall be removed from the State within 30 days from the date that this Settlement Agreement is fully executed, and shall not be used or operated in North Carolina without first obtaining a certificate of need or exemption. This paragraph shall not apply in the event that, pursuant to judicial action or legislative action, a certificate of need is no longer required for Plaintiffs' services in North Carolina.

C. Authorized Use. Plaintiffs may operate the authorized nine (9) mobile cardiac catheterization units as either mobile laboratories or fixed-base laboratories at ambulatory surgical centers, hospitals/hospital campuses, professional office buildings, urgent care centers, and imaging centers.

9. The Parties understand and expressly agree that this Settlement Agreement shall not be construed as an admission of liability on the part of either of the Parties with respect to any issue. Rather, the Parties continue to maintain and do not concede each of their respective contentions.

In consideration of their several and mutual promises, these disputes are hereby resolved in the manner set forth below:

A. Voluntary Dismissal With Prejudice. Within five business days after this Settlement Agreement is fully executed Plaintiffs shall file a notice of voluntary dismissal, with prejudice, in case number 95 CVS 7908.

B. Authorized Equipment. With respect to the fifteen (15) laboratories that are at issue, Plaintiffs shall be authorized to operate in North Carolina the nine (9) mobile cardiac catheterization laboratories identified in Attachment A to this Settlement Agreement. The remaining six (6) mobile cardiac catheterization laboratories shall be removed from the State within 30 days from the date that this Settlement Agreement is fully executed, and shall not be used or operated in North Carolina without first obtaining a certificate of need or exemption. This paragraph shall not apply in the event that, pursuant to judicial action or legislative action, a certificate of need is no longer required for Plaintiffs' services in North Carolina.

C. Authorized Use. Plaintiffs may operate the authorized nine (9) mobile cardiac catheterization units as either mobile laboratories or fixed-base laboratories at ambulatory surgical centers, hospitals/hospital campuses, professional office buildings, urgent care centers, and imaging centers.

9. The Parties understand and expressly agree that this Settlement Agreement shall not be construed as an admission of liability on the part of either of the Parties with respect to any issue. Rather, the Parties continue to maintain and do not concede each of their respective contentions.

In consideration of their several and mutual promises, these disputes are hereby resolved in the manner set forth below:

A. Voluntary Dismissal With Prejudice. Within five business days after this Settlement Agreement is fully executed Plaintiffs shall file a notice of voluntary dismissal, with prejudice, in case number 95 CVS 7908.

B. Authorized Equipment. With respect to the fifteen (15) laboratories that are at issue, Plaintiffs shall be authorized to operate in North Carolina the nine (9) mobile cardiac catheterization laboratories identified in Attachment A to this Settlement Agreement. The remaining six (6) mobile cardiac catheterization laboratories shall be removed from the State within 30 days from the date that this Settlement Agreement is fully executed, and shall not be used or operated in North Carolina without first obtaining a certificate of need or exemption. This paragraph shall not apply in the event that, pursuant to judicial action or legislative action, a certificate of need is no longer required for Plaintiffs' services in North Carolina.

C. Authorized Use. Plaintiffs may operate the authorized nine (9) mobile cardiac catheterization units as either mobile laboratories or fixed-base laboratories at ambulatory surgical centers, hospitals/hospital campuses, professional office buildings, urgent care centers, and imaging centers.

D. Transfer of Equipment. Any transfer of ownership or control of any of the individual cardiac catheterization laboratories after the date of this Settlement Agreement shall remain subject to the provisions of the Certificate of Need Law and any applicable rules promulgated by the Department as those provisions may be in effect at the time of any such transfer; provided, however, that nothing in this Settlement Agreement shall place any greater restriction on the ownership, control or operation of any of the individual cardiac catheterization laboratories than is placed on any other comparable equipment by the above-referenced law and rules.

E. Penalties. In full satisfaction of any sanctions which might be imposed by the Department against Plaintiffs as of the date of this Settlement Agreement under N.C. Gen. Stat. § 131E-190 or any other law or rule of the Department in connection with Plaintiffs' acquisition, ownership or operation of the laboratory referenced in Paragraph 7, the Department will impose a civil penalty of five thousand dollars ($5,000.00). Without conceding any violation of any law or rule of the Department, Plaintiffs will pay that penalty within ten (10) days of the execution of this Settlement Agreement. This Settlement Agreement will constitute any notice of the above-referenced civil penalty which is required by law and will fully resolve this matter.

F. Modification or Waiver. No modification or waiver of any provision of this Settlement Agreement shall be effective unless its modification or waiver shall be in writing and signed by the Parties and the same shall be effective only for the period and on the conditions and for the specific instances and purposes specified in such writing.

G. Title/Preamble. All parts and provisions hereof, including the preamble, are intended to be of substance.

H. Documentation/Notices. Upon request by the Department or Certificate of Need Section, Plaintiffs shall provide information documenting Plaintiffs' compliance with the provisions of this Settlement Agreement. All documentation, notices, requests, demands, or other communications provided for herein or in any instrument or document delivered pursuant hereto, shall be in writing, shall be deemed to have been given when sent by registered or certified mail, return receipt requested, and at Plaintiffs' option may be designated as "confidential" pursuant to N.C. Gen. Stat. § 132E-1 et seq.

I. Merger. The Parties further agree and acknowledge that this Settlement Agreement sets forth all of the terms and conditions between them concerning the subject matter of this Settlement Agreement, superseding all prior oral and written statements and representations, and that there are no terms or conditions between the Parties except as specifically set forth in this Settlement Agreement.

J. Expenses. The Parties agree that each Party shall bear its own expenses, including attorney's fees, and that no claim for such costs or expenses shall be made by one Party against the other.

K. Review of Agreement/Authority to Settle. The Parties have reviewed this document, have had the opportunity to consult with counsel and represent and warrant that they are authorized to enter into this Settlement Agreement on behalf of the Parties to this Agreement. The terms of this Settlement Agreement shall not be construed in favor of or against any of the Parties.

G. Title/Preamble. All parts and provisions hereof, including the preamble, are intended to be of substance.

H. Documentation/Notices. Upon request by the Department or Certificate of Need Section, Plaintiffs shall provide information documenting Plaintiffs' compliance with the provisions of this Settlement Agreement. All documentation, notices, requests, demands, or other communications provided for herein or in any instrument or document delivered pursuant hereto, shall be in writing, shall be deemed to have been given when sent by registered or certified mail, return receipt requested, and at Plaintiffs' option may be designated as "confidential" pursuant to N.C. Gen. Stat. § 132E-1 et seq.

I. Merger. The Parties further agree and acknowledge that this Settlement Agreement sets forth all of the terms and conditions between them concerning the subject matter of this Settlement Agreement, superseding all prior oral and written statements and representations, and that there are no terms or conditions between the Parties except as specifically set forth in this Settlement Agreement.

J. Expenses. The Parties agree that each Party shall bear its own expenses, including attorney's fees, and that no claim for such costs or expenses shall be made by one Party against the other.

K. Review of Agreement/Authority to Settle. The Parties have reviewed this document, have had the opportunity to consult with counsel and represent and warrant that they are authorized to enter into this Settlement Agreement on behalf of the Parties to this Agreement. The terms of this Settlement Agreement shall not be construed in favor of or against any of the Parties.

G. Title/Preamble. All parts and provisions hereof, including the preamble, are intended to be of substance.

H. Documentation/Notices. Upon request by the Department or Certificate of Need Section, Plaintiffs shall provide information documenting Plaintiffs' compliance with the provisions of this Settlement Agreement. All documentation, notices, requests, demands, or other communications provided for herein or in any instrument or document delivered pursuant hereto, shall be in writing, shall be deemed to have been given when sent by registered or certified mail, return receipt requested, and at Plaintiffs' option may be designated as "confidential" pursuant to N.C. Gen. Stat. § 132E-1 et seq.

I. Merger. The Parties further agree and acknowledge that this Settlement Agreement sets forth all of the terms and conditions between them concerning the subject matter of this Settlement Agreement, superseding all prior oral and written statements and representations, and that there are no terms or conditions between the Parties except as specifically set forth in this Settlement Agreement.

J. Expenses. The Parties agree that each Party shall bear its own expenses, including attorney's fees, and that no claim for such costs or expenses shall be made by one Party against the other.

K. Review of Agreement/Authority to Settle. The Parties have reviewed this document, have had the opportunity to consult with counsel and represent and warrant that they are authorized to enter into this Settlement Agreement on behalf of the Parties to this Agreement. The terms of this Settlement Agreement shall not be construed in favor of or against any of the Parties.

L. Effective Date. This Agreement shall be effective as of the day and year on which it is adopted and approved by the Director of the Division of Facility Services.

M. Mutual Release. Plaintiffs hereby release the Department of Human Resources, the Certificate of Need Section, its officials, employees, and representatives, from any and all liability that has arisen or may arise as a result of this matter or the execution of this Settlement Agreement. The Department hereby releases Plaintiffs, their officers, employees, and representatives, from any and all liability that has arisen or may arise as a result of this matter or the execution of this Settlement Agreement.

(Signature Page to Follow)

IN WITNESS WHEREOF, the Parties have executed duplicate original copies of this Settlement Agreement, with one original copy being retained by each party.

MEDCATH INCORPORATED

BY: _____
Stephen R. Puckett, President

HEALTHTECH CORPORATION

BY: _____
Stephen R. Puckett, Vice President

BY: _____
Noah H. Huffstetler III
Petree Stockton, L.L.P.
4101 Lake Boone Trail
Suite 400
Raleigh, NC 27607
COUNSEL FOR ~~PETITIONER~~ Plaintiff

MICHAEL F. EASLEY
Attorney General

BY: _____
Sherry Cornett Lindquist
Assistant Attorney General
N.C. Department of Justice
P.O. Box 629
Raleigh, NC 27602-0629
(919) 733-4512
COUNSEL FOR THE CERTIFICATE OF NEED SECTION

This is the 14th day of August, 1995.

_____
John M. Syria, Director
Division of Facility Services
N.C. Department of Human Resources
701 Barbour Drive
Raleigh, NC 27603-2008

ATTACHMENT A

Cardiac Catheterization Laboratories to be Registered by Plaintiffs (by Serial Number)	Cardiac Catheterization Laboratories to be Registered by Plaintiffs (by VIN Number)
9803603201	1PT011JH529001121
259058WK6	1PT011JH3L9004826
277607WK8	1PT011JH6M9002232
28691WK1	1T9FS0Z26KB021865
119R013	1PT011AH3M9007078
347649WK6	1T9FS0Z24NB021819
893750	1TT011JH1L9004582
289378WK2	1T9FS0Z29LB021073
368093WK1	1T9FS0Z21PB021893

Duke LIFEPOINT
HEALTHCARE

April 27, 2011

Via Hand Delivery

Craig R. Smith, Section Chief
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Acquisition of Health Service Facility

Dear Mr. Smith:

We write on behalf of DLP Cardiac Partners, LLC ("DLP"). DLP is wholly owned by DLP Healthcare LLC, a joint venture of the Duke University Health System and DLP Partner, LLC (a subsidiary of LifePoint Hospitals, Inc.). The purpose of this letter is to provide prior written notice of the acquisition by DLP of the mobile diagnostic program currently owned and operated by MedCath Partners, LLC ("MedCath").

MedCath operates a mobile diagnostic program consisting of 9 cardiac catheterization units operated pursuant to service agreements with various host sites (the "Program"), pursuant to a Settlement Agreement between MedCath Incorporated, Healthtech Corporation, and the State dated August 14, 1995 (the "Settlement Agreement"). We understand from MedCath that pursuant to subsequent corporate reorganizations as previously communicated to the CON Section, MedCath became the authorized operator of the Program under the Settlement Agreement.

Subject to the Certificate of Need Section's confirmation that the acquisition does not require a certificate of need, DLP will acquire substantially all of the assets currently owned by MedCath, including the 9 cardiac catheterization units used in the Program, with the intent to continue operating the Program going forward. Upon learning that MedCath was seeking to divest itself of the Program, DLP pursued this acquisition in order to ensure the continued provision of necessary cardiac catheterization services throughout the state.

It is our understanding and belief that the acquisition of the MedCath's cardiac catheterization Program constitutes the acquisition of an existing health care facility exempt from certificate of need review under N.C.G.S. § 131-E-184(a)(8). We request your written confirmation of this exemption. We intend that this correspondence serve as any required statutory notice of the acquisition.

Because DLP will own and operate the Program going forward, we also seek your confirmation that the Settlement Agreement will remain in full force and effect with DLP, and that DLP will be entitled to continue operating the Program, including providing diagnostic and therapeutic cardiac catheterization services at existing and future host sites pursuant to service agreements, under the same terms and conditions that have previously applied to MedCath.

As we would like to move forward with the acquisition as quickly as possible, we would appreciate your early confirmation of our understanding of the effects of this acquisition. Should you require further information, please let me know as soon as feasible.

Thank you for your consideration.

Jone Law Koford
Secretary
DLP Cardiac Partners, LLC