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
http://www.ncdhhs.gov/dhsr/

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Beverly Eaves Perdue, Governor
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Phone: (919) 855-3873
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June 19, 2012

John Brazil
Chief Administrative Officer
Asheville Radiology Associates, PA
PO Box 2959
Asheville, NC 28802

RE: Exempt from Review - Replacement Equipment / Asheville Radiology Associates, PA / Replace CT scanner at Asheville Imaging Center / Buncombe County

Dear Mr. Brazil:

In response to your letter of June 6, 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 Optima CT 660 32-slice CT scanner to replace the existing GE Brightspeed 16-slice CT scanner, serial number 828213BS. 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

Bryon A. Dickerson, M.D.
President and CEO

Timothy J. Gallagher, M.D.
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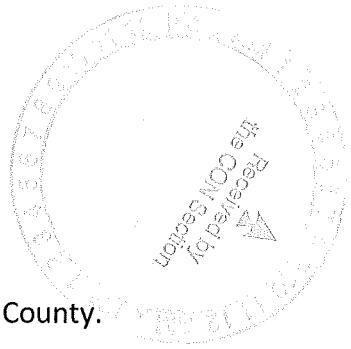
Joshua M. Hubbard, M.D.
Martin L. Black, M.D.

Asheville Imaging Center
Asheville Breast Center
Asheville MRI
Carolina Vascular
Pain Management
The Vein Specialists

Consulting Radiologists to:
Blue Ridge Regional Hospital
Mission Hospitals
Transylvania Regional Hospital
McDowell Hospital

ASHEVILLE RADIOLOGY

June 6, 2012



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

Re: Asheville Imaging Center,
534 Biltmore Avenue, Asheville, NC 28801, Buncombe County.
Replacement CT Scanner – CT Project 6/2012

Dear Sir:

This letter is submitted on behalf of Asheville Imaging Center. Asheville Imaging Center owns a CT scanner which is located and operated at its facility at 534 Biltmore Avenue, Asheville, North Carolina. This machine is nearly 5 years old and in need of replacement. This CT scanner was manufactured by General Electric and is a Brightspeed 16 slice model. Asheville Imaging Center seeks to notify the Agency that it plans to replace the General Electric Brightspeed 16 slice with General Electric's model, known as the Optima CT 660 32 slice.

Asheville Imaging Center believes that the purchase of the replacement CT qualifies for an exemption from Certificate of Need review as replacement equipment under G.S 131E-176(22a) and 10A NCAC 14C.0303.

Enclosed is the information to satisfy the requirements of the Certificate of Need (CON) Section for replacement equipment for our CT Project 6/2012 by General Electric at Asheville Imaging Center, 534 Biltmore Avenue, Asheville, NC 28801, Buncombe County.
In accordance with rule 10A NCAC 14C .0303:
(d)Replacement equipment is comparable to the equipment being replaced if:

1- **the new equipment has the same technology currently in use with the exception of expanded capabilities due to technological advancements (ie: 16 slice vs 32 slice, ASIR (radiation dose reduction program) on the new machine that was not on the existing machine**
2- **the new equipment will be used for the same type of diagnostic exams that the existing equipment is used for and there will be no NEW health service provided**
3- **the acquisition will NOT increase in patient charges nor operating expense**

None of the criteria under section "(e) Replacement equipment is not comparable to the equipment being replaced " applies to this project.

The enclosed table describes the existing and new equipment. A table is also included that describes the minimal costs for construction.
There is also included:

1- **a description of the basic functions of the new CT equipment.**
2- **a copy of the proposed capital lease showing benefits and risks transferred to Asheville Imaging Center**

3- **a letter of possession of the old equipment showing the removed equipment is being relocated outside of North Carolina**
4- **a projected copy of the current tube registration from the NCDEHR establishing the existing equipment currently in use.**

If after reviewing these documents you have any further questions concerning this project, please do not hesitate to contact me.

Sincerely,

John Brazil
Chief Administrative Officer
Asheville Radiology Associates, PA

CC: Les Brown, Project Analyst

GE Healthcare New Equipment

QUOTATION

Quotation Number: P4-C135200 V 1

Asheville Imaging Center
534 Biltmore Ave
Asheville NC 28801-4612

Attn: Connie Marsh
Imaging Manager
534 Biltmore Ave
Asheville NC 28801

Date: 05-02-2012

Item No.	Qty	Description
1	1	The Optima CT660 is GE's latest generation intelligent CT system. It is a scalable 32 to 128* slice platform including advanced innovations from our Discovery(TM), LightSpeed (TM), and BrightSpeed (TM) families. This means that Optima CT660 can grow as your clinical needs expand. With the Optima CT660 you get fast, high-quality acquisitions at optimized dose for patients young and old, large and small, across a wide spectrum of procedures: angiography, brain, chest, abdomen, orthopedic, and more. * Overlapped Reconstruction is required to obtain 64 reconstructed slices in one axial rotation. The 64 slice option is required to obtain 64 slice acquisitions. Overlapped Reconstruction and 64 slice options are required to obtain the 128 reconstructed slices in one axial rotation. Key Features: • Exclusive V-Res (TM) Detector technology providing 20mm of 0.625mm or 40mm of 1.25mm acquisitions • Fast coverage speed of 110mm/sec • Diode technology providing true 32 channel acquisition and is ready for future expansion • Full 360 degree rotation in 0.4 (pediatric), 0.5, 0.6, 0.7, 0.8, 0.9, 1.0 and 2.0 (axial) seconds, ensuring short breath holds, comfortable exams and flexibility to customize protocols for unique patient needs with minimal coverage impact • Routine thin slice scanning, as thin as 0.625mm or 1.25mm optimizing the use of thinner images for sagittal, coronal, oblique, and volume image presentation and review • Highly efficient compact geometry design delivering optimum performance of the x-ray tube and generator • Image decomposition to: - Retrospective thin images from data sets where thicker images were initially reconstructed - Facilitates more detailed image analysis - Improves 3D and reformat visualization • Neuro 3D Filter provides users the capability to filter head acquisition data using specially designed and optimized 3D filters. Neuro 3D Filter is not available when ASiR is implemented.

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General Electric Company
General Electric Company, GE Medical Systems

GE Healthcare

QUOTATION

Quotation Number: P4-C135200 V 1

Asheville Imaging Center
534 Biltmore Ave
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Attn: Connie Marsh
Imaging Manager
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Fast, User-Friendly Simultaneous Workflow:

- Advanced Workflow Platform, the next evolution of GE's workflow platform built to help you maximize productivity.
  - Delivers up to 16 images per second (ips) reconstruction
  - Up to 10 fps network transfer rates
  - Direct Multiplanar Reformats (DMPR) that enables the move from 2D review to prospective 3D review of sagittal, coronal and oblique planes automatically
  - Data Export and Interchange that allow you to easily share images with referring physicians and patients
- Includes reference protocols and the ability to customize your own for a total of 6,840 programmable protocols
- Remote tilt from the operator console to increase exam speed
- Built-in breathing lights with a countdown timer, so the patient does not have to guess how much longer to hold their breath
- New built-in 12-inch touch screen gantry display allows technologists to make personalized exams by displaying the patient's name on it. When not scanning, the video of relaxing scenes or cartoons may have a calming effect on children or patients of all ages
- By using the Default patient positioning on built-in 12-inch touch screen gantry display the bed provides automatic positioning according to the type of exam, reducing manual positioning and streamlining workflow
- In room start button mounted on gantry with countdown display, facilitates single technologist operation and improved departmental productivity
- GE software allows you to automate or build

  every task into the protocols to increase throughput
- Has up to 250,000 uncompressed 512 x 2 image files storage capacity, and 3,520 scan rotations, or up to 1,500 scan data files, or up to 300 exams

Dose Management Leadership:

- OptiDose management features: new bowtie filters optimized for adult and pediatric body exams, full 3D dose modulation, color coding for kids, tracking collimator hardware and software for x-ray beam tracking to name a few of GE's dose optimization features, all based on the ALARA principle
- 3D Dose modulation - Before the scan, clinicians must select the desired Noise Index as well as the minimum and maximum mA setting. The system automatically accounts for the changing dimensions of the patient's anatomy

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General Electric Company, GE Medical Systems

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enabling patient to patient reproducibility in this aspect of image quality and real-time x-y-z during each scan

- Tracking collimator hardware and software for x-ray beam tracking to minimize patient dose
- Filtration of the x-ay beam is optimized independently for body and head applications
- DLP (dose length product), and dose efficiency display during scan prescription provides the patient's dose information to the operator
- Dose Reporting provides access to the CTDIvol and DLP with the patient record prior and post exam. DICOM Structured Dose Report is also supported.
- Dose Check provides the user with tools to help them manage CT dose in clinical practice and is based on the standard XR-25-2010 published by The Association of Electrical and Medical Imaging Equipment Manufacturers (NEMA). Dose Check provides the following:
  - Checking against a Notification Value if the estimated dose for the scan is above your site established value
  - Checking against an Alert Value where the user needs specific authority to continue the scan at the current estimated dose without changing the scan parameters if the estimated dose exceeds the alert value
  - The ability to define Alert Values for Adult and Pediatric with age threshold
  - Audit logging and review capabilities
  - Protocol Change Control capabilities

The Advanced Reconstruction breaks through existing limits on speed, image quality and flexibility to provide an optimized volumetric workflow solution from acquisition to final report and has the capability to deliver up to 16 full fidelity images per second (ips) reconstruction and 10 fps network transfer rates.

Clinical Benefits:

- CTA runoffs
- Thin slices fast; routine use of thin slices
- Organ coverage in arterial phase
- Long helical scans
- Multi-phase organ studies
- Improved multi-planar reformats with isotropic microvoxel imaging
- Fast scanning with outstanding image performance and GE's proprietary cross beam and hyperplane helical reconstruction algorithms
- System designed for optimization of z-axis resolution and dose with 0.625mm

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slice thickness

System Components:

Gantry:

- Advanced slip ring design continuously rotates the generator, Performix 40 X-ray tube, detector and Volara XT digital data acquisition system around the patient.
  - Aperture: 70 cm
  - Maximum SFOV: 50 cm
  - Rotational Speeds: 360 degrees in 0.4 (pediatric) o.5, 0.6, 0.7, 0.8, 0.9, 1.0 and 2.0 (axial) seconds
  - Tilt: +/ 30 degrees, speed 1 degree/sec
  - Remote tilt from operator's console
  - Integrated breathing lights and countdown timer
  - Integrated 12-inch touch screen on gantry with workflow features
  - Integrated start scan button with countdown timer to indicate when x-ray will turn on
- Visual readout is easy to read from the tableside or from the operator console. Gantry tilt controls are located on the side of the gantry.

Laser Alignment Lights:

- Defined internal and external scan planes to +/- 1mm accuracy
- Operate over full range of gantry tilt
- Coronal light remains perpendicular to axial light as gantry tilts

Table:

- Cantilever design for easy access
- Vertical range: 43.0 cm to 99.1 cm
- Vertical scannable range: 79.1 cm to 99.1
- Horizontal range: 1,745 mm (VT1700 Table), or 2,045 mm (VT 2000 Table)
- Horizontal speed: up to 137.5 mm/sec
- Table load capacity: 227 kg (500 lb) +/- 0.25mm positional accuracy

X-ray Tube: Performix 40 metal-ceramic tube unit

- Performix 40 tube with 6.3 MHU of storage and capable of 72kW operation provides increased helical performance with greater patient throughput
- Wide range of technique (10 mA to 560 mA, in 5 mA increments) gives

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technologist and physician flexibility to tailor protocols to specific patient needs, while optimizing patient dose, and providing the power needed to perform a broad spectrum of examinations.

- Maximum anode heat storage capacity: 6.3 MHU
- Dual Focal Spots:
  - Small Focal Spot: 0.9 x 0.7 IEC60336:2005
  - Large Focal Spot: 1.2 x 1.1 IEC60336:2005
- Maximum power: 72 kW
- Beam collimated to 56 degree fan angle

High Voltage Generator: High Frequency on-board generator allows for continuous operation during scan.

- 72 kW Output Power
- kV: 80, 100, 120, 140 kV
- mA: 10 to 560 mA, 5 mA increments

Maximum mA for Each kV Selection (large focal spot):

- 400mA @ 80kV
- 480mA @ 100kV
- 560mA @ 120kV
- 515mA @ 140kV

V-Res Detector: The V-Res detector was designed for high performance imaging. V-Res detector benefits are:

- Solid 40mm coverage per rotation
- GE's exclusive patented detector material

Volara XT Digital DAS (Data Acquisition System): The Volara XT digital DAS dramatically reduces electrical noise for improved imaging performance.

- 2,460Hz maximum sample rate
- Effective analog to digital conversion

Optima CT660 Operator Console:

- 1,792GB of total system storage
- Up to 250,000 512 x 2 images and 3,520 scan rotations or up to 1,500 scan data files, or up to 300 exams
- 4.7 GB DVD-R/CD-R for DICOM interchange (not recommended as a long term archive)

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Image Networking: Exams can be selected and moved between the Optima CT660 CT System and any imaging system supporting DICOM protocol for network send, receive and pull/inquiry.

- Standard Auto-configuring Ethernet
- Direct Network Connection
- Supports 1GB or 1000/100/10 BaseT

DICOM Conformance Standards

- DICOM Storage Service Class
- Service Class User (SCU) for image send
- Service Class Provider(SCP)for image receive
- DICOM Query/Retrieve Service Class
- DICOM Storage Commitment Class Push
- DICOM Modality Worklist (incl. Performed Procedure Step) (through ConnectPro option)
- DICOM Print

The Optima CT660 workflow platform is designed to deliver high performance in each of these tasks:

- SmartTools Simplifies Scan Setup and Includes All Reconstructions, Filming, Archiving, Transferring Prospectively
- Workflow platform built on the LINUX operating system delivers up to 16 fps reconstruction and the fast network transfer rates of up to 10 fps
- Data Export and Interchange allow you to easily share images with referring physicians and patients
- Direct MPR that enables the move from 2D review to 3D image review of axial, sagittal, coronal and oblique planes automatically
- Exam Split delivers the capability to split a series of patient images into separate groups for networking
- Exam Rx desktop environment provides the clinical tools desired for fast, efficient control of patient studies. Exam Rx tools include patient scheduling and data entry, exam protocol selection, protocol viewing and editing, scan data acquisition, image display and routine analysis, AutoTransfer, AutoStore, and AutoFilm
- ImageWorks is a desktop environment designed to take advantage of the Optima CT660 CT System advanced computer systems. Standard features

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include archive, network and manual film control, as well as some advanced image processing such as Direct multi-planar reformatting (DMPR), multi-projection volume rendering (MPVR) and display. The ImageWorks desktop also provides a gateway for DICOM 3.0 image transactions, either through a local area network, or via DICOM-formatted media

Scan Modes: The Optima CT660 system can perform virtually any clinical application due to its wide variety of scan modes. Helical scan mode offers continuous 360 degree scanning with table incrementation and no interscan delay. Axial scan mode allows for up to 32 contiguous axial slices acquired simultaneously with each 360 degree rotation.

- Helical scanning pitches: 0.516:1, 0.984:1, 1.375:1
- Retrospective reconstruction image thicknesses: 32 x 0.625, 32 x 1.25, 64 x 0.625*

* Available only with Overlapped Reconstruction option (axial mode & 20mm coverage)

Scan Enhancements:

- Anatomical programmer: a ten region anatomical selector allows quick and easy access to user programmable protocols and a separate selector for adult and pediatric exams with greater than 6,840 protocol storage available
- Protocols include preset scan time, kV, mA, scan mode, image thickness and spacing, table speed, scan FOV, display FOV and center, recon algorithm, and special image acquisition and processing options like DMPR
- Any scan parameters may be edited for each scan or all scans - either before or during an exam. The number of scans may also be easily changed
- AutoScan: Automates longitudinal table movement and start of each scan
- Auto-Voice: 3 preset (9 languages) and 17 user defined messages automatically deliver patient breathing instructions, especially useful for multiple helical scanning
- Trauma Patient: Allows patient scans and image display/analysis without entering patient data before scanning
- Reconstruction Algorithms: Soft Tissue, Standard, Detail, Chest, Bone, Bone Plus, Lung, and Edge

Warranty: The published Company warranty in effect on the date of shipment shall apply. The Company reserves the right to make changes. All specifications are subject to change. Regulatory compliance: This product is designed to comply with applicable standards under the radiation control for Health and Safety Act of 1968.

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		Laser alignment devices contained within this product are appropriately labeled according to the requirements of the Center for Devices and Radiological Health. Siting Considerations: See the Pre-Installation manual for details of the siting requirements for the Optima CT660. This product is a CE-compliant device that satisfies IEC60601-1:1998 and applicable collateral and particular standards, including regulations regarding Electro-Magnetic Compatibility (EMC) and Electro-Magnetic Interference (EMI), pursuant to IEC-60601-1-2:2004.
2	1	English Keyboard (Black) for CT systems and system labels
3	1	Optima CT660 Cable set
4	1	1700 mm Table for Optima CT660
5	1	Optima desk is the desk designed with ergonomics. This table design enables the efficient use of space while enhancing clinical workflow and technologist comfort. Attributes: • Fully adjustable monitor arms • Adjustable height • Flexible location of Console hardware Benefits: • Improve patient visibility • Clear path to patient • More comfortable for technologist • Improved ergonomics for technologist • Sitting or Standing position • Easy height adjustment Requirements: • Tables are 3M apart from Operators console
6	1	ASiR(TM)(Adaptive Statistical Iterative Reconstruction) dose reduction technology* • May enable improvement in low contrast detectability + • May deliver image pixel standard deviation equivalent to a higher acquisition such as that delivered by a higher power generator when imaging the same object + • May allow for scanning at lower mA and less anode heat input, thereby reducing

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		the likelihood of encountering tube cooling limitations + + In clinical practice, the use of ASiR may reduce CT patient dose depending on the clinical task, patient size, anatomical location and clinical practice. A consultation with a radiologist and physicist should be made to determine the appropriate dose to obtain diagnostic image quality for the particular clinical task. * TradeMark of General Electric Company ASiR feature is licensed for use with a GE X-ray tube. Use of a third party x-ray tube will require purchase of an additional license for this feature.
7	1	90 Amp Main Disconnect Panel for CT This 90 amp main disconnect panel for GEHC CT systems provides emergency shut down, undervoltage protection, overcurrent protection, local disconnect for the imaging system. It also reduces installation time and cost by providing a single-point power connection eliminating the need to mount and wire a number of individual components. The standardized design and testing assures high product quality and system reliability, and it is UL and cUL listed for compliance with National Electric Code. Panel can be surface or semi-flush mounted and includes one remote emergency off push button. Customer is responsible for rigging and arranging for installation by a licensed electrician. ITEM IS NON-RETURNABLE and NON NON-REFUNDABLE Warranty Code: Y
8	1	Slicker - CT HD750 and VCT w/GT 1700 Table (2 Piece Set) FEATURES/BENEFITS • Two-piece, sealed slicker cushion set has comfort pads enclosed inside the slicker cover and extender cover • Durable, clear PVC plastic cover facilitates faster, more thorough cleanup of blood and fluids • Increase system uptime by protecting table from spills and particulate contaminants • Thermo-sealed seams and flaps prevent contaminate buildup in hard to clean areas COMPATIBILITY • VCT with GT 1700 Table, CT HD750
9	1	Footswitch Slicker for CT HD750 and VCT Systems The footswitch slicker for CT VCT 2000 and 1700 systems is made of durable, clear

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General Electric Company
General Electric Company, GE Medical Systems

GE
Healthcare Financial Services

May 7, 2012

Mr. John Brazil
Asheville Imaging Center
534 Biltmore Ave
Asheville, NC 28801

Dear Mr. Brazil:

GE Healthcare Financial Services, a component of General Electric Capital Corporation ("GEHFS"), is pleased to submit the following proposal:

Contract Description:	True lease of equipment.
Lessor:	General Electric Capital Corporation, or one or more of its affiliates and/or assigns.
Lessee:	Asheville Imaging Center
Equipment Description:	GE Optima CT 660
Equipment Cost:	$595,655.20
Term and Rental Payment Amount:	61 payments at $8,321.16 per month in Advance, plus applicable taxes.
Lease Rate on Equipment Cost:	-6.22% Note: The lease rate and rental payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be 1.11%. GEHFS reserves the right to adjust the lease rate and rental payment amounts if this is not the case, and/or if the lease commences after December 31, 2012, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the lease as published by the Federal Reserve Board in the Federal Reserve Statistical Release H.15 entitled "Selected Interest Rates" currently available online at http://www.federalreserve.gov/releases/h15/update/ or such other nationally recognized reporting source or publication as GEHFS may specify.
End of Lease Options:	Lessee shall, at its option, either purchase all (but not less than all) of the Equipment for its then fair market value, plus applicable taxes, renew the lease, or return the Equipment to GEHFS.
Advance Rent:	$0.00 due with signed contract. In no event shall any advance rent or advance charge or any other rent payments be refunded to Lessee. The Advance Rental will be applied as described in the lease.
Documentation Fee:	A documentation fee of $375.00 will be charged to Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.
Interim Rent:	If the lease commencement date is not the 1st or 15th of any calendar month (a "Payment Date"), interim rent may be assessed for the period between the lease commencement date and the Payment Date.
Required Credit Information:	1. Two years fiscal year end audited/un-audited financial statements and comparative interim statements; or tax returns and business plan. 2. Such additional information as may be required.
Proposal Expiration:	This proposal and all of its terms shall expire on June 6, 2012 if GEHFS has not received Lessee's signed acceptance hereof by such date. Subject to the preceding sentence, this proposal and all of its terms shall expire on July 6, 2012 if the lease has not commenced by such date.

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. Lessee hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed transaction (whether before or after any credit approval of the proposed transaction by GEHFS) and is unable to effect such syndication on terms satisfactory to Lessee and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Lessee hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Lessee to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

You hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at 704-650-9300.

Sincerely yours,

Jim Martucci

Jim Martucci
Vice President : Senior Account Manager
GE Healthcare Financial Services,
a component of General Electric Capital Corporation

Acknowledged and Accepted:

Asheville Imaging Center
(Legal Name)

By: _____

Title: CAO

Date: May 29, 2012

Fed. ID #: _____

BLOCK IMAGING INTERNATIONAL, INC.

3475 Belle Chase Way
Lansing, MI 48911 USA
Ph 517.668.8800
Fx 517.668.8899
www.blockimaging.com

June 7, 2012

John A. Brazil
Chief Administrative Officer
534 Biltmore Ave.
Asheville, NC 28801

Dear Mr. Brazil:

Per agreement 12174 between First Citizens Bank and Block Imaging International Inc. the 2007 GE BrightSpeed Elite 16 Slice CT will be purchased by Block Imaging from First Citizens Bank. The system will be owned by Block Imaging in Lansing, MI. Block Imaging will not re-commission the system into service into North Carolina without a proper CON.

Thank you,

Paul Crawford
CT Product Manager
Block Imaging International, Inc.

ASHEVILLE IMAGING CENTER

Registration NO: 11 - P000654

☐ No Changes

☐ Salvaged

9 GENERAL ELECTRIC Model: 5330382 S/N: 25184YC3

Tubes for this machine: 1 Active tube(s) & 1 Total tube(s)

CT SCANNER MED DIAG RM 107

Installation date: 6/21/2010

☐ No Changes

☐ Not In Use ☐ Salvaged

☐ *Sold or Donated ☐ Landfill

☒ Taken by Service ☐ Out of State

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: CT / Scanner 6/2012 Project
Provider/Company: J.S.R Construction

A. **Site Costs**			
(1) Full purchase price of land			$ NA
Acres _____ Price per Acre $_____			
(2) Closing costs	$_____		
(3) Site Inspection and Survey		$ NA	
(4) Legal fees and subsoil investigation			$ NA
(5) Site Preparation Costs			
Soil Borings.....	$_____		
Clearing-Earthwork...	$_____		
Fine Grade For Slab...	$_____		
Roads-Paving.....	$_____		
Concrete Sidewalks....	$_____		
Water and Sewer.....	$_____		
Footing Excavation....	$_____		
Footing Backfill.....	$_____		
Termite Treatment....	$_____		
Other (Specify).....	$_____		
Sub-Total Site Preparation Costs		$_____	
(6) Other (Specify)			$_____
(7) **Sub-Total Site Costs**			$ NA
B. **Construction Contract**			
(8) Cost of Materials			
General Requirements	$_____		
Concrete/Masonry	$_____		
Woods/Doors & Windows/Finishes		$_____	
Thermal & Moisture Protection	$_____		
Equipment/Specialty Items	$_____		
Mechanical/Electrical	$_____		
Other (Specify)	$_____		
Sub-Total Cost of Materials.....		$_____	
(9) Cost of Labor.....			$_____
(10) Other (Specify).....			$_____
(11) **Sub-Total Construction Contract**			$ 3297.00
C. **Miscellaneous Project Costs**			
(12) Building Purchase.....		$_____	
(13) Fixed Equipment Purchase/Lease		$_____	
(14) Movable Equipment Purchase/Lease		$_____	
(15) Furniture		$_____	
(16) Landscaping		$_____	
(17) Consultant Fees			
Architect and Engineering Fees	$_____		
Legal Fees.....	$_____		
Market Analysis.....		$_____	
Other (Specify).....	$_____		
Other (Specify).....	$_____		
Sub-Total Consultant Fees.....		$_____	
(18) Financing Costs (e.g. Bond, Loan, etc.).		$_____	
(19) Interest During Construction.		$_____	
(20) Other (Specify)			$ N/A
(21) Sub-Total Miscellaneous..			$ 3297.00
(22) **Total Capital Cost of Project** (Sum A-C above)			$ 3297.00

See attached

I certify that, to the best of my knowledge, the costs of the proposed project named above are complete and correct.

PRESIDENT J.S.R. CONSTRUCTION, INC Date Certified: 6/7/12
(Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

CAO Date Signed: June 11, 2012
(Signature and Title of Officer Authorized to Represent Provider/Company)

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	GE Brightspeed	Optima CT 660
Manufacturer of Equipment	GE	GE
Tesla Rating for MRIs	—	—
Model Number	Gantry: 5143716-2	Not Available until Purchase
Serial Number	Console: 5330382 Console: 25184C3 Gantry: 16241 HM3	" " " "
Provider's Method of Identifying Equipment	828213 BS	" " " "
Specify if Mobile or Fixed	Fixed	fixed
Mobile Trailer Serial Number/VIN #	—	—
Mobile Tractor Serial Number/VIN #	—	—
Date of Acquisition of Each Component	5/07	6/12
Does Provider Hold Title to Equipment or Have a Capital Lease?	Lease	Lease
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	NA	$
Total Cost of Equipment		$ 595,655.20
Fair Market Value of Equipment	NA	$ 595,655.20
Net Purchase Price of Equipment	NA	$ 595,655.20
Locations Where Operated	534 Biltmore Ave	534 Biltmore Ave
Number Days In Use/To be Used in N.C. Per Year	182	184
Percent of Change in Patient Charges (by Procedure)	NA	0
Percent of Change in Per Procedure Operating Expenses (by Procedure)	NA	0
Type of Procedures Currently Performed on Existing Equipment	CT Exams	NA
Type of Procedures New Equipment is Capable of Performing	NA	CT Exams

JSR
Construction, Inc.

June 7, 2012

Ms. Connie Marsh, Clinical Director
Asheville Imaging Center
534 Biltmore Avenue
Asheville, NC 28801

RE: **CT-CONVERSION**
534 BILTMORE AVE.

Dear Connie:

We propose to furnish all labor, material, and equipment necessary to complete the work specified below and as per our walk through of the project with Scott Morrow of GE Healthcare for the sum of $3,297.00.

Work shall consist of the following:

1) Disconnect electrical service to existing equipment.

2) Replace damaged VCT as required.

3) Drill eight (8) holes in concrete slab as required by new equipment and cut off existing bolts.

4) Connect electrical to new equipment and modify existing electrical though as may be required.

5) Strip and wax all VCT in this room.

6) We **exclude** the following items:

   a) Painting.
   b) New electrical feeder for new equipment.

885 CROSSROADS PARKWAY, SUITE A-1 • MARS HILL, NC 28754
TELEPHONE (828) 689-8780 • FAX (828) 689-8782
www.jsrconstruction.com

Ms. Connie Marsh, Clinical Director
Asheville Imaging Center

June 7, 2012

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

John S. Rice, President
JSR CONSTRUCTION, INC.

JSR:mdt

FTE Analysis - May 2012

	November	December	January	February	March	April	May	Change from November	2012 Avg	2011 Avg	2010 Avg
Administration	9	9	9	8.6	8	8	8	**-1**			
Compliance	1.75	1.75	1.75	1.75	1.75	1.69	1.69	**-0.06**			
Finance	5.96	5.97	5.98	5.96	5.99	5.99	6.01	**0.05**			
ARA PAs	5	4	4	4	4	5	5	**0**			
CV PAs	4	4	4	4	4.09	4	4	**0**			
Outreach	1.96	2.01	2.01	2.01	2.01	1.96	2.01	**0.05**			
Admin Asst	1	0.95	1.01	1	1	1.01	1.01	**0.01**			
HR	3	3	3	3	3.01	3	3	**0**			
IT	4.6	3.96	3.99	4.1	4.96	5.08	5.12	**0.52**			
Billing	31.17	31.84	30.89	31.01	29.28	25.08	21.63	**-9.54**			
AIC Clerical	32.16	31.34	31.22	30.8	30.41	31.86	31.93	**-0.23**			
Transcription	11.78	12.02	9.24	7.92	7.96	7.93	6.15	**-5.63**			
AMRI Clerical	8.67	9.67	9.68	9.5	9.13	9.66	10.13	**1.46**			
CV Clerical	9.81	10.58	10.52	10.73	11.65	11.69	11.72	**1.91**			
Vein Clerical	1.92	1.1	1.57	1.97	1.96	1.99	1.83	**-0.09**			
Techs - CT	5.03	5.05	5.05	5.01	5.03	5.02	4.99	**-0.04**			
Techs - xray	9.9	9.6	9.12	10.33	9.97	10.28	9.59	**-0.31**			
Techs - mammo	8.75	8.1	8.24	9.03	9.04	9.77	9.01	**0.26**			
Techs - NM	2.38	2.08	2.46	2.33	2.26	2.49	2.46	**0.08**			
Rad Asst - 222											
Techs - US	4.54	4.5	4.05	3.95	4.14	4.01	4.18	**-0.36**			
RNs - AIC	2.82	2.73	2.52	2.77	2.9	2.95	3.15	**0.33**			
Rad. Asst - AIC	7.41	7.01	7.3	7.92	7.86	7.8	8	**0.59**			
RNs - 222	2.24	2.16	2.08	2.3	2.27	2.84	2.29	**0.05**			
Techs - MRI	7.39	7.11	7.02	7.16	7.28	7.4	7.1	**-0.29**			
Rad Asst - MRI	1.05	1	1.01	1.05	1.03	1	1.04	**-0.01**			
Techs - Vasc	5.09	4.82	4.7	5.79	5.75	5.71	5.57	**0.48**			
Med.Asst	3.75	3.71	3.12	3	3.01	3.86	3.99	**0.24**	2012 Avg	2011 Avg	2010 Avg
Total	**192.13**	**189.06**	**184.53**	**186.99**	**185.74**	**187.07**	**180.6**	**-11.53**	**185**	**179.77**	**179.51**