



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

December 20, 2018

S. Todd Hemphill  
301 Fayetteville Street, Suite 1900  
Raleigh, NC 27601

**Exempt from Review – Replacement Equipment**

**Record #:** 2818  
**Facility Name:** Carolinas Imaging Services-Ballantyne  
**FID #:** 050755  
**Business Name:** Carolinas Imaging Services, LLC  
**Business #:** 389  
**Project Description:** Replace MRI scanner  
**County:** Mecklenburg

Dear Mr. Hemphill:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of December 17, 2018, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the GE S7526VG SIGNA Voyager 1.5T 26.2 MRI scanner to replace the GE M333SSE HDE 1.5T MRI scanner. This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

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

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

Sincerely,

Gloria C. Hale  
Team Leader

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

cc: Construction Section, DHSR  
Acute and Home Care Licensure and Certification Section, DHSR  
Melinda Boyette, Administrative Assistant, Healthcare Planning, DHSR

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701  
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER





December 17, 2018

S. Todd Hemphill  
Partner  
D: (919) 783-2958  
F: (919) 783-1975  
themphill@poynerspruill.com

**VIA E-MAIL ONLY**

Martha Frisone, Chief  
Julie Faenza, Project Analyst  
Healthcare Planning and Certificate of Need Section  
N.C. Department of Health and Human Services  
Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, North Carolina 27603

**RE: Carolinas Imaging Services, LLC Notice of Exemption for Replacement of MRI Scanner**

Dear Martha and Julie:

Our client, Carolinas Imaging Services, LLC. ("CIS"), owns and operates an MRI scanner currently located at Carolina Imaging Services – Ballantyne ("CIS-Ballantyne"), a diagnostic center located at 15110 John J. Delaney Drive, Suite 130, Charlotte, NC. CIS now desires to replace that MRI scanner at the same site. I am writing to provide advance written notice to the N.C. Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section (the "CON Section") of our client's planned acquisition of replacement equipment and to request that the CON Section provide written confirmation that the replacement of the MRI scanner at CIS-Ballantyne is exempt from certificate of need ("CON") review within the meaning of N.C. Gen. Stat. §131E-184(a)(7).

The existing MRI scanner is a General Electric Healthcare HDE 1.5T MRI scanner, which was acquired by CIS and installed at NorthCross Imaging Center in Huntersville, N.C. pursuant to a CON issued for Project I.D. # F-7167-04. See Exhibit A (CON issued to CIS on January 25, 2006). In 2008, following a Declaratory Ruling issued by DHSR Director Robert Fitzgerald, CIS relocated the MRI to CIS-Ballantyne. See Exhibit B (February 29, 2008 Declaratory Ruling). CIS now proposes to replace the existing MRI scanner with a GE Healthcare SIGNA Voyager 1.5T MRI scanner.

The CON Law precludes any person from offering or developing a "new institutional health service" without first obtaining a CON. N.C. Gen. Stat. § 131E-178(a). The definition of "new institutional health service" includes, *inter alia*, the following:

- The acquisition by purchase, donation, lease, transfer or comparable arrangement of "major medical equipment," costing more than \$750,000.00. N.C. Gen. Stat. § 131E-176(16)p.
- The acquisition by purchase, donation, lease, transfer or comparable arrangement of an MRI scanner, regardless of cost. N.C. Gen. Stat. § 131E-176(16)f1.7.

As discussed below, the costs associated with the acquisition and installation of the replacement MRI scanner will exceed \$750,000. However, N.C. Gen. Stat. §131E-184(a)(7) provides an express exemption from CON review for the acquisition and installation of "replacement equipment" costing less than

Ms. Frisone / Ms. Faenza  
 December 17, 2018  
 Page 2

\$2,000,000.00, provided that the CON Section receives prior written notice from the party proposing to acquire the equipment which explains why the proposed acquisition and installation qualifies under this exemption. The statute and accompanying regulations further define “replacement equipment” as follows:

Equipment that costs less than two million dollars (\$2,000,000.00) and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced. In calculating the total cost of the replacement equipment, the costs of the equipment, studies, surveys, designs, plans, working drawings, specifications, construction, installation, and other activities essential to acquiring and making operational the replacement equipment shall be included. The capital expenditure for the equipment shall be deemed to be the fair market value or the cost of the equipment, whichever is greater.

N.C. Gen. Stat. §131E-176(22a). Replacement equipment is “comparable” to the equipment being replaced if:

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

10A N.C.A.C. 14C.0303(d).

The replacement of the MRI scanner at CIS-Ballantyne falls within the parameters of this exemption.

1. The equipment being replaced is currently in use at CIS-Ballantyne. See Exhibit C (letter from Bob Neilon, CIS Director of Operations).
2. The total estimated cost to acquire and install the MRI scanner is \$1,616,370.35, placing the project well within the terms of the statutory exception set forth at N.C. Gen. Stat. §131E-184(a)(7). This estimated project cost is inclusive of equipment and related installation costs required to make the replacement MRI scanner operational, and is based on the following attached quotations:<sup>1</sup>

<b>Exhibit #</b>	<b>Document</b>	<b>Cost</b>
D	FMK Architects, P.A. Proposed AIA Standard Form of Agreement	\$78,000.00 <sup>2</sup>
E	GE Healthcare MRI Price Quote	\$841,266.35
F	PDC lighting Price Quote	\$48,902.00
G	PDC shielding Price Quote	\$53,895.00
H	Jenison Construction, Inc. Cost Estimate	\$594,307.00
	<b>TOTAL</b>	\$1,616,370.35

<sup>1</sup> Portions of the attached quotations are not included to protect confidentiality and because they are not material to the CON Section’s determination.

<sup>2</sup> The FMK proposal breaks out expenses into two phases, for Non-MR areas and MR areas. In an abundance of caution, and because the total project expense does not exceed \$2,000,000, we have included both in our estimate.

Ms. Frisone / Ms. Faenza  
December 17, 2018  
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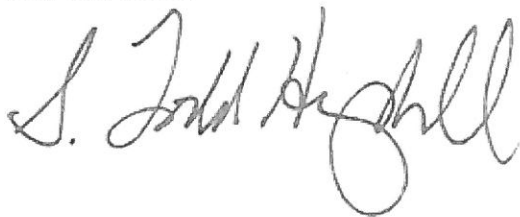
3. The MRI scanner which will be replaced will be disposed of upon acquisition and installation of the replacement scanner. The existing scanner will be removed by and returned to GE Healthcare. See Exhibit C and Exhibit I (letter from Herb Klann, GE Healthcare Account Manager).
4. The MRI scanner being replaced is more than three years old. See Exhibits A and B. The existing scanner was purchased new in when acquired, and the replacement scanner will be a new unit, as well. See Exhibit C and Exhibit J (Equipment Comparison Form).
5. The new MRI scanner will have the same capabilities as the scanner being replaced, although it may have additional capabilities due to the advancement of MRI scanner technology, is functionally similar to the existing MRI scanner and will be used for the same diagnostic or treatment purposes as the equipment being replaced. CIS will not acquire any other major medical equipment or develop any other new institutional health services described in N.C. Gen. Stat. §131E-176 (16) as part of this project. See Exhibit C and Exhibit J.
6. The project will not increase patient charges or per procedure operating expenses more than 10% within 12 months of the replacement equipment being acquired. See Exhibit C and Exhibit J.

#### Conclusion

As described above, we believe the proposed replacement of CIS-Ballantyne's existing MRI scanner is exempt from CON review and that no CON is required for the project. We respectfully request that you review the attached documentation and confirm that this is the case.

Please feel free to let me know if you have questions or need additional information regarding this project.

Very truly yours,



**S. Todd Hemphill**  
Partner

Attachments

cc w/enc: Robert Neilon (via e-mail)

Ms. Frisone / Ms. Faenza  
December 17, 2018  
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INDEX OF EXHIBITS

- A. CON issued to CIS on January 25, 2006 for Project I.D. # F-7167-04
- B. February 29, 2008 Declaratory Ruling
- C. Letter from Bob Neilon, CIS Director of Operations
- D. FMK Architects, P.A. Proposed AIA Standard Form of Agreement
- E. GE Healthcare MRI Price Quotation
- F. PDC lighting Price Quotation
- G. PDC shielding Price Quote
- H. Jenison Construction, Inc. Cost Estimate
- I. Letter from Herb Klann, GE Healthcare Account Manager
- J. Equipment Comparison Form

# STATE OF NORTH CAROLINA

Department of Health and Human Services

Division of Facility Services

## CERTIFICATE OF NEED

for

**Project Identification Number F-7167-04**

**FID# 030697**

**ISSUED TO: Carolinas Imaging Services, LLC**  
**P. O. Box 32861**  
**Charlotte, NC 28232**

Pursuant to N.C. Gen. Stat. § 131E-175, et. seq., the North Carolina Department of Health and Human Services hereby authorizes the person or persons named above (the "certificate holder") to develop the certificate of need project identified above. The certificate holder shall develop the project in a manner consistent with the representations in the project application and with the conditions contained herein and shall make good faith efforts to meet the timetable contained herein. The certificate holder shall not exceed the maximum capital expenditure amount specified herein during the development of this project, except as provided by N.C. Gen. Stat. § 131E-176(16)e. The certificate holder shall not transfer or assign this certificate to any other person except as provided in N.C. Gen. Stat. § 131E-189(c). This certificate is valid only for the scope, physical location, and person(s) described herein. The Department may withdraw this certificate pursuant to N.C. Gen. Stat. § 131E-189 for any of the reasons provided in that law.

**SCOPE: Acquire one fixed Magnetic Resonance Imaging (MRI) scanner to be located in an existing diagnostic center, Northcross Imaging Center, in Huntersville/Mecklenburg County.**

**CONDITIONS: See Reverse Side**

**PHYSICAL LOCATION: Northcross Imaging Center**  
**16455 Statesville Road**  
**Huntersville, NC 28078**

**MAXIMUM CAPITAL EXPENDITURE: \$2,060,005**

**TIMETABLE: See Reverse Side**

**FIRST PROGRESS REPORT DUE: May 1, 2006**

This certificate is effective as of the 25<sup>th</sup> day of January, 2006.

  
\_\_\_\_\_  
Chief, Certificate of Need Section  
Division of Facility Services



**CONDITIONS:**

1. Carolinas Imaging Services, LLC shall materially comply with all representations made in its certificate of need application.
2. Carolinas Imaging Services, LLC shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.

**TIMETABLE:**

Obtaining funds necessary to undertake project-----	February 1, 2006
Completion of preliminary drawings -----	September 15, 2004
Completion of final drawings and specifications -----	February 1, 2006
Approval of final drawings and specifications by the Construction section, DFS-----	April 1, 2006
Approval of Site by Construction Section, DFS-----	April 1, 2006
Contract Award (Notice to Proceed)-----	April 2, 2006
25% Completion of construction (25% of the contract in place)-----	May 2, 2006
50% completion of construction -----	June 16, 2006
75% Completion of construction -----	August 1, 2006
Completion of construction -----	September 15, 2006
Ordering equipment -----	April 2, 2006
Arrival of equipment -----	September 1, 2006
Operation of equipment -----	October 1, 2006
Occupancy/offering of services-----	October 1, 2006





North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Office of the Director

2701 Mail Service Center • Raleigh, North Carolina 27699-2701

Michael F. Easley, Governor  
Dempsey Benton, Secretary

Robert J. Fitzgerald, Director  
Phone: 919-855-3750  
Fax: 919-733-2757

March 3, 2008

**CERTIFIED MAIL**

Robert V. Bode, Esquire  
Bode, Call & Stroupe, LLP  
3105 Glenwood Avenue, Suite 300  
Raleigh, NC 27612

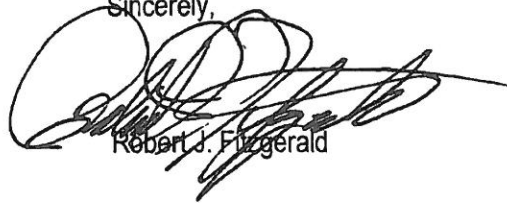
Re: Declaratory Ruling for Carolinas Imaging Services, LLC  
Project I.D. Nos. F-7040-04 and F-7167-04

Dear Mr. Bode:

Enclosed you will find the Declaratory Ruling which I am issuing in response to your written request received in my office on January 4, 2008.

If you believe you are aggrieved and choose to seek judicial review of this ruling, you must file a petition for judicial review in the Superior Court of Wake County or in the Superior Court of the county in which your client resides. Your petition must be filed within 30 days of the date on which you were served your copy of this letter. Within 10 days after you file your petition with the court, you must serve copies of the petition by personal service or by certified mail upon the Department of Health and Human Services. You can only serve the petition on the Department of Health and Human Services by serving it on Emery E. Milliken, General Counsel, at the following address: Department of Health and Human Services, Office of Legal Affairs, 2001 Mail Service Center, Raleigh, North Carolina 27699-2001.

Sincerely,



Robert J. Fitzgerald

RJF:JH:peb

Enclosure

cc: Jeff Horton, Chief Operating Officer, DHSR  
Lee Hoffman, Chief, Certificate of Need Section, DHSR  
Azzie Conley, Chief, Acute and Home Care Licensure and Certification Section, DHSR  
Marc Lodge, Special Deputy Attorney General, DOJ



Location: 701 Barbour Drive ■ Dorothea Dix Hospital Campus ■ Raleigh, N.C. 27603  
An Equal Opportunity / Affirmative Action Employer



**EXHIBIT**  
**B**

**NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF HEALTH SERVICE REGULATION  
RALEIGH, NORTH CAROLINA**

**IN RE: REQUEST FOR DECLARATORY RULING    )  
BY CAROLINAS IMAGING SERVICES, LLC        ) DECLARATORY RULING  
Project I.D. Nos. F-7040-04 and F-7167-04    )**

I, Robert J. Fitzgerald, as Director of the Division of Health Service Regulation, North Carolina Department of Health and Human Services (“Department” or “Agency”), do hereby issue this Declaratory Ruling pursuant to North Carolina General Statute § 150B-4 and 10A NCAC 14A .0103 under the authority granted me by the Secretary of the Department of Health and Human Services.

Carolinas Imaging Services, LLC (“CIS”) has requested a declaratory ruling allowing for a change in host sites for Project I.D. No. F-7040-04, and a relocation of its fixed MRI scanner for Project No. F-7167-04 on the grounds that these changes do not constitute a material change in physical location or a failure to materially comply with the representations made by CIS in its Certificate of Need (“CON”) applications for its projects. N.C.G.S. §§ 131E-181(a) and (b). This ruling will be binding upon the Department and the entity requesting it, as long as the material facts stated herein are accurate. This ruling pertains only to the matters referenced herein. Except as provided by N.C.G.S. § 150B-4, the Department expressly reserves the right to make a prospective change in the interpretation of the statutes and regulations at issue in this Declaratory Ruling. Robert V. Bode, of Bode, Call & Stroupe, L.L.P., has requested this ruling on behalf of CIS and has provided the material facts upon which this ruling is based. Some of the facts are based on information from the files of the Department.

## STATEMENT OF THE FACTS

CIS seeks a declaratory ruling related to two separate MRI scanners authorized pursuant to two separate CONs. One of these scanners is a mobile MRI scanner to be acquired for Project ID No. F-7040-04 (the "Mobile Unit"); the other is a fixed MRI scanner acquired for Project I.D. No. F-7167-04 (the "Fixed Unit").

The Mobile Unit was approved in 2004 to provide mobile MRI services to three locations: Ashe Memorial Hospital in Jefferson, Carolinas Medical Center-University in Charlotte and Cleveland Regional Medical Center in Shelby. Subsequently, in connection with a contested case arising from another Project, CIS advised the Department that Ashe Memorial Hospital had committed by contract to another mobile provider for the foreseeable future and that Cleveland Regional Medical Center had determined it no longer required CIS's mobile services because of internal solutions to the MRI need in addition to the impending commencement of fixed MRI services in nearby Kings Mountain. In a Global Settlement Agreement executed for that litigation in August, 2005, the Department approved CIS to provide mobile MRI services (with either the Mobile Unit or another CIS mobile MRI scanner) at all of the following locations: NorthCross Imaging Center, Carolinas Medical Center ("CMC"), CMC-Pineville, CMC-University and CMC-Mercy. CIS now proposes to serve NorthCross Imaging Center with the Mobile Unit.

On December 4, 2007, the CON Section gave CIS notice of its consideration of withdrawal of the CON for the Mobile Unit. As part of its response to that notice, CIS advised the Section of its intention to apply for this declaratory ruling.

The Fixed Unit is located at NorthCross Imaging Center ("NorthCross"), 16455 Statesville Road, Huntersville, Mecklenburg County. CIS represents that NorthCross is owned

and operated by CIS. The CON for the Fixed Unit, which is Project No. F-7167-04, was issued to CIS effective 25 January 2006. CIS now seeks to relocate the Fixed Unit to an existing diagnostic imaging center at its Ballantyne site. CIS was issued a CON effective December 1, 2005, for Project I.D. No. F-7315-05 to develop the diagnostic imaging center at the Ballantyne site, which is located at 15110 John J. Delaney Drive, Suite 130, Charlotte, Mecklenburg County. CIS states that the purpose of this relocation is to meet growth in demand at the Ballantyne site. CIS states that the cost of relocation is approximately \$186,185. It represents that it intends to meet the remaining need at the NorthCross site with the Mobile Unit.

### ANALYSIS

#### **The Mobile Unit**

In the Global Agreement, the Department specifically approved the NorthCross site as a site for the Mobile Unit. CIS does not, therefore, require the requested declaratory ruling for the Mobile Unit, and it is not aggrieved by the absence of such a ruling. *See* N.C.G.S. § 150B-4(a). I will therefore decline to issue a ruling with respect to the Mobile Unit.

#### **The Fixed Unit**

The CON law would require a full review of CIS's proposed change of site for the Fixed Unit if that change were to represent a material change in the physical location or scope of the project. N.C.G.S. § 131E-181(a). The proposed change of the site for the Fixed Unit to Ballantyne does not constitute a material change in the physical location of the proposed project because the Fixed Unit will still be located in Mecklenburg County. It will not constitute a material change in the scope of the project so long as CIS continues to materially comply with all conditions in its CON application. In addition, there is no proposed change in the person named in the application that would result in a violation of N.C.G.S. § 131E-181(a).

N.C.G.S. § 131E-189(b) allows the Agency to withdraw CIS's CON if CIS fails to develop the service in a manner consistent with the representations made in the application or with any conditions that were placed on the CON. CIS will not be developing its project in a manner that is materially different from the representations made in its application, nor will it be developing its project in a manner that is inconsistent with any of the conditions that were placed on its CON.

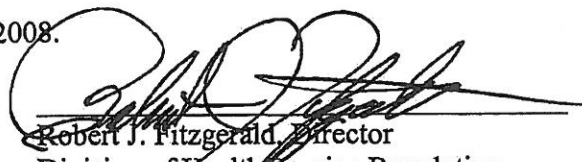
### CONCLUSION

For the foregoing reasons, assuming the statements of fact in the request to be true, I decline to issue a declaratory ruling with respect to the Mobile Unit. I also specifically make no ruling with respect to the CON Section's consideration of withdrawal of the CON for Project I.D. No. F-7040-04.

I conclude that the relocation of the Fixed Unit from the NorthCross site to the Ballantyne site will not constitute a material change in the physical location or scope of the project, will not violate N.C.G.S. § 131E-181, and will not constitute a failure to satisfy a condition of the CON in violation of N.C.G.S. § 131E-189(b) so long as CIS continues to materially comply with all conditions of the original CON for Project I.D. No. F-7167-04.

This ruling is not intended, and should not be interpreted, to authorize any increases in the approved capital expenditure for this project, a change in the approved timetable, a change in the conditions placed on the certificate of need, or any other change in the approved project.

This the 3<sup>rd</sup> day of March, 2008.

  
Robert J. Fitzgerald, Director  
Division of Health Service Regulation  
N.C. Department of Health and Human Services

**CERTIFICATE OF SERVICE**

I certify that a copy of the foregoing Declaratory Ruling has been served upon the nonagency party by certified mail, return receipt requested, by depositing the copy in an official depository of the United States Postal Service in a first-class, postage pre-paid envelope addressed as follows:

**CERTIFIED MAIL**

Robert V. Bode  
Bode, Call & Stroupe, LLP  
3105 Glenwood Avenue, Suite 300  
Raleigh, NC 27612

This the 3<sup>rd</sup> day of March, 2008.

*Patricia Bryant for*  
\_\_\_\_\_  
Jeff Horton  
Chief Operating Officer

December 10, 2018

Re: Information/Items Needed for CT scanner replacement Exemption Letter to CON Section

To Whom It May Concern:

Carolinas Imaging Services, LLC will be replacing our existing MRI scanner that is physically located at Carolinas Imaging Services – Ballantyne, 15110 John J. Delaney Drive, Suite 130, Charlotte, NC. The scanner to be replaced is currently in use. The replacement of this scanner will not result in more than a 10% increase in patient charges or per procedure operating expense within the first twelve months after replacement. The scanner being replaced was purchased new when acquired and the replacement scanner will be a new unit. All new functionality associated with the new MRI scanner will be due to advancement of technology. The existing equipment will be traded in as part of the purchase of the new equipment.

Best Regards,



Bob Neilon  
Director of Operations  
Carolinas Imaging Services, LLC



 **AIA**® Document B104™ – 2007

**Standard Form of Agreement Between Owner and Architect for a Project of Limited Scope**

**AGREEMENT** made as of the Twenty-ninth day of June in the year Two Thousand Seventeen  
(In words, indicate day, month and year.)

**BETWEEN** the Architect's client identified as the Owner:  
(Name, legal status, address and other information)

Carolinas Imaging Services, LLC  
1701 East Boulevard  
Charlotte, NC 28203  
Telephone Number: 704-334-7820

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

and the Architect:  
(Name, legal status, address and other information)

FMK Architects, P.A.  
123 New Bern Street  
Charlotte, NC 28203  
Telephone Number: 704-375-9950  
Fax Number: 704-375-3555

for the following Project:  
(Name, location and detailed description)

Carolinas Imaging Services – Ballantyne Renovation  
15110 John J Delaney Drive  
Suite 130A  
Charlotte, NC 28277

The Owner and Architect agree as follows.



Init.



§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 9.7.

§ 9.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

**ARTICLE 10 MISCELLANEOUS PROVISIONS**

§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.

§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A107-2007, Standard Form of Agreement Between Owner and Contractor for a Project of Limited Scope.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner's rights and obligations under this Agreement.

§ 10.4 If the Owner requests the Architect to execute certificates or consents, the proposed language of such certificates or consents shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 10.6 The Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. However, the Architect's materials shall not include information the Owner has identified in writing as confidential or proprietary.

**ARTICLE 11 COMPENSATION**

§ 11.1 For the Architect's Basic Services as described under Article 3, the Owner shall compensate the Architect as follows:

*(Insert amount of, or basis for, compensation.)*

A lump sum fee of \$78,000.00, excluding reimbursable expenses. The breakdown by project design phase is as follows:

Schematic Design	\$15,600
Design Development	\$27,300
Construction Documents	\$11,700
Bidding/Negotiation/Permitting	\$3,900
Construction Administration	\$15,600
Record Documents	\$3,900
Grand Total	\$78,000

Additional fee breakdown for division between construction phases / functional areas between MR and non-MR areas is:

Phase 1 / Non-MR areas	\$32,100
------------------------	----------

Phase 2 / MR areas	\$45,900
Grand Total	\$78,000

§ 11.2 For Additional Services designated in Section 4.1, the Owner shall compensate the Architect as follows:  
(Insert amount of, or basis for, compensation. If necessary, list specific services to which particular methods of compensation apply.)

A negotiated, lump sum fee amount, or hourly billing based on the rates as scheduled in Exhibit A and included herein.

§ 11.3 For Additional Services that may arise during the course of the Project, including those under Section 4.2, the Owner shall compensate the Architect as follows:  
(Insert amount of, or basis for, compensation.)

By hourly billing based on the rates as scheduled in Exhibit A and included herein.

§ 11.4 Compensation for Additional Services of the Architect's consultants when not included in Section 11.2 or 11.3, shall be the amount invoiced to the Architect plus Zero percent ( 0 %), or as otherwise stated below:

§ 11.5 Where compensation for Basic Services is based on a stipulated sum or percentage of the Cost of the Work, the compensation for each phase of services shall be as follows:

Design Phase	percent (	%)
Construction Documents Phase	percent (	%)
Construction Phase	percent (	%)

Total Basic Compensation                      one hundred percent ( 100 %)

§ 11.6 When compensation is based on a percentage of the Cost of the Work and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions, in accordance with the schedule set forth in Section 11.5 based on (1) the lowest bona fide bid or negotiated proposal, or (2) if no such bid or proposal is received, the most recent estimate of the Cost of the Work for such portions of the Project. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not the Construction Phase is commenced.

§ 11.7 The hourly billing rates for services of the Architect and the Architect's consultants, if any, are set forth below. The rates shall be adjusted in accordance with the Architect's and Architect's consultants' normal review practices.  
(If applicable, attach an exhibit of hourly billing rates or insert them below.)

See Exhibit A

<b>Employee or Category</b>	<b>Rate</b>
-----------------------------	-------------

**§ 11.8 COMPENSATION FOR REIMBURSABLE EXPENSES**

§ 11.8.1 Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include expenses incurred by the Architect and the Architect's consultants directly related to the Project, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
- .3 Fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, standard form documents;

**ARTICLE 13 SCOPE OF THE AGREEMENT**

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 13.2 This Agreement incorporates the following documents listed below:

*(List other documents, if any, including additional scopes of service and AIA Document E201™-2007, Digital Data Protocol Exhibit, if completed, forming part of the Agreement.)*

Exhibit A.

This Agreement entered into as of the day and year first written above.

**OWNER**

**ARCHITECT**

\_\_\_\_\_  
*(Signature)*

\_\_\_\_\_  
*(Signature)*

Mark JensenCEO

Jonathan Krueger, President / Managing Principal

*(Printed name and title)*

*(Printed name and title)*

Init.



GE Healthcare

Date: 08-27-2018  
Quote #: PR3-C123093  
Version #: 1  
Q-Exp-Date: 09-29-2018

Issued By:  
GE Healthcare  
FEIN: 14-0689340

Customer Address:  
Carolinas Imaging Services Ballantyne  
15110 John J Delaney Dr Ste 130a  
Charlotte NC 28277-3545

Attention:  
Mike Vachino  
3816 Latrobe Dr Charlotte  
NC 28201

This Agreement is defined below as by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as the 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: (a) GE Healthcare Warranties, (b) GE Healthcare Additional Terms and Conditions, (c) GE Healthcare Product Terms and Conditions, and (d) GE Healthcare General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above.

The 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 for the Governing Agreement, if any, shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

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.

**Governing Agreement:** CSS-GEHC MVA July 15 2011  
**Customer Number:** 64060  
**Terms of Delivery:** FOB Destination  
**Billing Terms:** 100% billing at Ship Completion (Fulfillment) / Delivery  
**Payment Terms:** 60 DAYS NET  
**Total Quote Net Selling Price:** \$841,266.35  
**Sales And Use Tax Status:** No Exemption Certificate on File

\*\* The following ship to states do not impose a salesuse tax (AK, DE, MT, NH, OR). No exemption certificate required.

**INDICATE FORM OF PAYMENT:**  
 If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.

Cash/Third Party Loan/Check       GE HEF Loan  
 GE HEF Lease       Third Party Lease (please identify financing company) \_\_\_\_\_

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic 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.

Each party has caused this agreement to be executed by its duly authorized representative as of the date set forth below.

CUSTOMER

\_\_\_\_\_  
 Authorized Customer Signature      Date

\_\_\_\_\_  
 Print Name      Print Title

\_\_\_\_\_  
 Purchase Order Number (if applicable)

GE HEALTHCARE  
 Herbert Klann      08-27-2018

\_\_\_\_\_  
 Signature      Date

Imaging Account Manager  
 Email: Herb.Klann@ge.com  
 Office: +1 724 504 8778  
 Mobile: 724-504-8778



1/17



GE Healthcare

Date:	08-27-2018
Quote #	PR3-C123093
Version #	1
Q-Exp-Date	09-29-2018

Total Quote Selling Price	<b>\$1,016,266.35</b>
Trade-In and Other Credits	<u>\$175,000.00</u>
<b>Total Quote Net Selling Price</b>	<b>\$841,266.35</b>

**To Accept this Quotation**

Please sign and return this Quotation together with your Purchase Order To:

**Herbert Klann**  
 Office: +1 724 504 8778  
 Mobile: 724-504-8778  
 Email: Herb.Klann@ge.com

**Payment Instructions**

Please Remit Payment for invoices associated with this quotation to:

**GE Healthcare**  
 P.O. Box 96483  
 Chicago, IL 60693

**To Accept This Quotation**

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate your form of payment.
- If you include the purchase order, please make sure it references the following information:
  - The correct Quote number and version number above
  - The correct Remit To information as indicated in "Payment Instructions" above
  - The correct SHIP TO site name and address
  - The correct BILL TO site name and address
  - The correct Total Quote Net Selling Price as indicated above

\*Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms:  
 Signature page on quote filled out with signature and PO number

.....g.....  
 verbiage on the purchase order must state one of the following: i) Per the terms of Quotation # \_\_\_\_\_; ii) Per the terms of GPO# \_\_\_\_\_; iii) Per the terms of MRA # \_\_\_\_\_, or iv) Per the terms of SAA # \_\_\_\_\_. Include the applicable quote/agreement number with the reference on the purchase order.  
 In addition, source of funds (choice of Cash/Third Party Loan or GE HEF Lease or GE HEF Loan or Third Party Lease through \_\_\_\_\_) must be indicated, which may be done on the quote signature page (for signed quotes), on the purchase order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare).

# PDC

Date: March 20, 2018

To: J. Michael Vachino  
Charlotte Radiology  
700 E Morehead  
Charlotte, NC 28202  
704-367-7885  
[Michael.Vachino@charlotteradiology.com](mailto:Michael.Vachino@charlotteradiology.com)

Loc: Carolinas Imaging Services, LLC  
Carolinas Imaging Services-Ballantyne  
15110 John J. Delaney Drive, Suite 130-A  
Charlotte NC 28227

Fr: Michael Hemmerly  
PDC Facilities, Inc.  
317-910-6285  
[michael.hemmerly@pdcfacilities.com](mailto:michael.hemmerly@pdcfacilities.com)

Proposal 032018CB-1  
LED Lighting and Image Ceiling®  
Carolina Imaging Services, LLC

Mr. Vachino:

Thank you for the opportunity to submit this proposal for the PDC Image Ceiling and LED Lighting at your Ballantyne location. This proposal includes PDC's exclusive CAT5e ambient and directional lighting, RGB accent lighting and Image Ceiling all controlled by the proprietary lighting application on the included touchpad device.

Please refer to the attached sales drawings for recommended placement of the electronics corresponding to the pricing table on page 2. Images may be selected from the PDC Image Library or supplied by the customer.

The following attachments are included and considered part of this proposal:

- Sales Drawings
- PDC Terms
- Image Ceiling Sales Literature

**Construction:**

The Site Contractor is responsible for all construction work and installation of PDC Electronics included in this proposal.

**Extended Warranty:**

PDC offers an Extended Warranty that will provide for replacement of all equipment that may fail to perform as designed. Contact PDC for an Extended Warranty proposal.

**LED Suite w/Image Ceiling Pricing:**

LED Suite w/Ambient, Task, Accent and Image Ceiling					
Part #	Item	Qty.	List Price	PDC Discount	Net Price
1-07-000005	Low Profile 6" LED 3500K Can Light w/CAT5e	9			
1-07-000002	LED Focused Directional Lights w/CAT5e Conn	2			
3-07-000003	2'x2' Image Ceiling Tiles	9			
1-07-000026	2'x2' White LED Lighting Panels	9			
5-07-000010	2'x2' Suspension Sleeve for LED Lights	9			
Custom	Customer or PDC Supplied Image	1			
3-07-000006	RGB LED Strip Lighting (1m each)	38			
1-07-000013	RGB LED Illuminated Wall Fixture(s)	2			
5-06-000021	Touchpad LED Controller with Mounting	1			
3-23-000088	Airport Express Base Station w/Mounting	1			
1-05-000001	RGB Linear Power Supply	1			
1-05-000002	12 Channel Multi Zone Linear Power Supply	1			
1-05-000013	36VDC 600W Image Ceiling Power Supply	1			
1-01-000001	RF Electrical Filter w/CAT5e Conn	1			
	<b>Price:</b>		\$54,336	\$5,434	<b>\$48,902</b>

**Optional Cabinetry Pricing:**

Part #	Item	Qty	List Price	PDC Discount	Net Price
Custom	Coil Storage Cabinets - Two Door	3	\$12,075	\$1,207	<b>\$10,868</b>
Custom	Infill Wall Panels; 1-Standard; 4-Custom	5	\$6,875	\$687	<b>\$6,188</b>

To view videos of the CMRS click on the links below:

- [In-Bore Video](#) See what the patient sees
- [Sample Themes](#) See customer videos and sample themes
- [On The World Wide Web](#) Visit PDC's website
- [IV Waveguide](#) See how it works. No need to disconnect the patient
- [Semi Automatic RF Door](#) Opens and closes effortlessly
- [Fully Automatic RF Door](#) Opens and closes with the touch of a button

Thank you for the opportunity to submit this proposal. Please contact me if you have any questions or would like to discuss installation details.

Sincerely,  
 Michael Hemmerly  
 PDC Facilities, Inc.

**PROJECT DETAILS:**

**To:** Carolina Imaging Service - Ballantyne  
Michael Vachino  
(704)367-7885  
Michael.Vachino@charlotteradiology.com

**Project:** CIS at Ballantyne  
Charlotte, NC  
RF Enclosure, Rm 2023

**Budget** 1289

**Magnet Vendor:** GE; Voyager

**DESCRIPTION:**

Provide and install one PDC Radio-Frequency Shielded Enclosure using PDC's Nickel-Copper Non-Woven RF-Shielding Fabric.

**Approximate Room Dimensions:** 23' x 22' x 12' (Per Room)

**Magnetic Shielding:** Not included

**Scope of Budget:**

The scope of this budget will include:

- Installation of the RF-Shielded Enclosure, including union-wage labor and materials
- Freight costs for all materials covered by the scope of this budget
- All travel and lodging costs for the PDC installation team
- One (1) return trip to the site to accommodate the delivery of the magnet
- One (1) PDC RF Integrity Test following IEEE 299 Modified for MRI (replaces MIL STD 285)
- Five-Year Limited Warranty on the RF Enclosure(see "Terms of Warranty" later in this document)

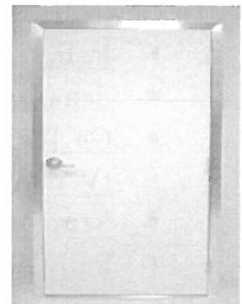
This budget includes the following RF-shielding components:

**Components included:**

**RF Door: (Per Room)**

One (1) RF-Shielded Door, approximately 85" x 51" x 2", featuring an aluminum core and unfinished-wood or plastic-laminate panel veneer, with new Fabric-Over-Foam Gasket Material providing the RF Shield. STC rating is 28. Frame is extruded aluminum profile with a polished finish.

**Contemporary Door:** Flush door laminated with high pressure laminate or unfinished-wood veneer finish to be selected by customer. (Many different types of laminate are available.)



**Contemporary**

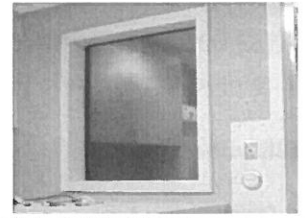




**Viewing Screens: (Per Room)**

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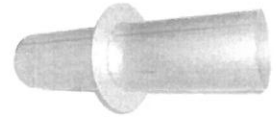
One (1) Interior RF Viewing Screen with Glazing, Size: 5'-0" x 4'-0", with 3/16" clear tempered glazing on both sides (STC rating: 39)



**Tubular Waveguides: (Per Room)**

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One (1) Tubular Aluminum Cryogen-Exhaust Waveguide, 8" Diameter



**Honeycomb waveguide: (Per Room)**

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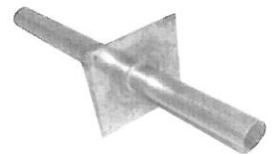
Three (3) HVAC Waveguides (Sizes TBD)



**Copper Waveguides: (Per Room)**

---

- One (1) Copper Waveguide for Fire Protection (Diameter TBD)
- Two (2) 1/2" dia. Medical Gas Waveguides
- One (1) 3/4" dia. Medical Gas Waveguide

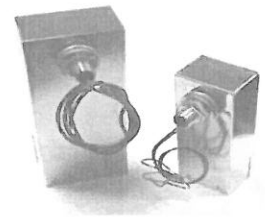


**Electrical Filters: (Per Room)**

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**\*(NOT Compatible with Lutron Lighting System; Data/CAT5 filters not included)**

- Five (5) 30-Amp Electrical Filters
- Two (2) 1-Amp Electrical Filters
- Two (2) 0.15-Amp Signal Filters
- One (1) CMRS Filter Pack



**Other Items: (Per Room)**

---

- One (1) RF Pen Panel Frame for GE Penetration Panel
- One (1) 24"x 24" Pressure Relief Waveguide

**Budget Price:**

\$53,895.00 (Fifty-Three Thousand, Eight Hundred Ninety-Five and 00/100 Dollars). Payment is due in full after completion of work, thirty (30) days after receipt of invoice. This pricing is for budget purposes only.

**Additional Options:**

**Option #1:** Upgrade the RF Door to include the Patented PDC Automatic Latching System with two (2) push button actuator switches and electric key switch. (Automatic opener not included). Power circuits and conduit are to be provided by others.

**Add:**\$5,125 (Five Thousand, One Hundred Twenty-Five and 00/100 Dollars)

**Option #2:** Upgrade the Patented PDC Automatic Latching System to include a Stanley Magic Force Automatic Door Opener

**Add:**\$3,300 (Three Thousand, Three Hundred and 00/100 Dollars)

**Option #3:** Upgrade the Acoustical Rating of RF Door to STC-41. The STC-41 door comes standard with the contemporary finish.

**Add:**\$2,200.00 (Two Thousand, Two Hundred and 00/100 Dollars)

**Option #4:** PDC Patented RF Door Pass Through IV Waveguide.

**Add:**\$3,300.00 (Three Thousand, Three Hundred and 00/100 Dollars)

**Option #5:** As a distributor, PDC can offer the FerrAlert™ Ferromagnetic Detection System, along with installation and training provided by Kopp Development Inc.

**Add:**See attached literature

**Installation Requirements:** See attached installation details

PDC requires the contractor to perform the following:

- Install 3/4" plywood ceiling in the scan room.
- Install 3/4" plywood (preferred) or 5/8" drywall on the scan-room side of all four parent walls.
- Supply to PDC Thirty-Two (32) 4' x 8' sheets of 3/4" underlayment plywood for PDC to use to install the RF floor system.

**Lead Time:**

PDC requires a minimum of four (4) weeks after receipt of order and final MRI vendor installation drawings to manufacture and stage the components for an RF-shielded enclosure.

**Referenced Drawings:** This budget was prepared using the most current information provided by the customer at the time of the budget date, including.

- GE Drawing, MRI-M044219-00D.DWG, dated 05/MAR/2018

**Terms of Warranty:**

PDC warrants the RF installation, including labor and materials, for a period of one (1) year from the date of the final RF Integrity Test. Exceptions to this warranty are the gaskets for the RF door and frame, which have a useful life of less than one year. Additionally, PDC warrants that the RF Fabric material shall be free of physical defect for a period of five (5) years from the effective date on the Warranty certificate. In the event that a material defect is found within the warranty period, PDC shall provide replacement material free of charge in a quantity equivalent to the quantity of defective material. Exceptions for end-user negligence, acts of God, mischief, vandalism, fire, and water damage apply to the warranty.

**Notes:**

**\*\*\*\*OUR RF SHIELDING DIFFERS FROM THAT WHICH IS DEPICTED IN THE ARCHITECTURAL DRAWING PACKAGE & SPECIFICATIONS\*\*\*\***

The Contractor is responsible for ensuring that the room is ready to receive the RF-shielding installation when the PDC crew arrives on site as follows:

- PDC has free and clear access to the job site.
- The parent wall (drywall or plywood) and ceiling structure is complete per PDC's installation drawings.
- The room is completely empty and broom-swept.
- The room is properly conditioned and humidity-controlled.
- Contractor to provide means of offloading RF supplies from delivery vehicle and store in safe place within 200' of shielded room.
- Payment/Performance bonds, per project aggregate and waiver of subrogation insurance requirements are not included
- This budget price is based upon 12-hour work days. Additional charges will be incurred if a shorter work day is specified.

Contractor may not start construction on any interior finished walls in the RF-shielded enclosure until PDC has completed the RF-shielding installation, tested the enclosure, and turned it over to the contractor. Work stoppages not resultant from the actions of PDC will result in additional charges. All work to be performed during normal straight time hours. Parts and/or labor in excess to those described above will be the responsibility of the Contractor and supplied and installed by PDC on a time and materials basis.

Thank you for giving us the opportunity to quote this work.

Sincerely,

Matt Boesel  
PDC Facilities, Inc.  
RF Shielding Division  
(262) 367-7944  
matt@pdcbiz.com



PO Box 11018  
Charlotte, NC 28220  
704 522-7838  
704 522-7891 (Fax)

---

## QUOTATION

To: CIS/CR  
ATTN: Robert Neilon

Date: 08/23/18  
Re: CIS Ballantyne MRI Project

---

Our price to furnish all supervision, labor, material and equipment necessary to complete the modifications to the building as described in the contract documents by FMK Architects is **\$594,307.00**. This work will be performed in two phases. The cost for each phase is as follows;

1. Phase 1 - \$200,093.00
2. Phase 2 - \$394,214.00

Thank you for the opportunity and please feel free to call questions or clarifications.

George Jenison



November 20<sup>th</sup>, 2018

**Robert Neilon**

Director of Operations CIS  
Magnetic Resonance Safety Officer  
Charlotte Radiology & Carolinas Imaging Services  
O - 704-612-4952  
C - 704-526-6658  
F - 704-414-7517

**RE: GE HDE 1.5T MRI**

Dear Robert,

Thank you for allowing General Electric Healthcare (GEHC) the opportunity to earn your business. Carolinas Imaging Services Ballantyne is a valued customer and we truly appreciate the partnership we share.

The purpose of this letter is to inform you that General Electric Healthcare will be responsible for removing your existing GE HDE 1.5T MRI Scanner as part of your upcoming GE Signa Voyager 1.5T MRI purchase and estimate the de-installation and removal will be completed at no additional charge to Carolinas Imaging Services. Carolinas Imaging Services will be responsible for the cost of any scan room construction, renovation, clearing the rig path, rigging costs, and opening the scan room access panel. We will work closely with your facilities planning department to insure proper timing of the de-installation. The system will be de-installed, removed, and shipped by our GE team to our Goldseal business in Waukesha, WI. We understand and confirm that this unit may not be returned to the State of North Carolina without proper authorization from the North Carolina Certificate of Need (CON) section of DHSR.

Thank you again for the opportunity to earn your business. If you have any additional questions, feel free to call me at any time.

Sincerely,

Herb

**Herb Klann**

Account Manager, GE Healthcare  
Diagnostic & Interventional Imaging

M 724-504-8778  
[Herb.Klann@GE.com](mailto:Herb.Klann@GE.com)



**EQUIPMENT COMPARISON**

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	MRI	MRI
Manufacturer of Equipment	GE	GE
Tesla Rating of MRI's	1.5T	1.5T
Model Number	M333SSE	S7526VG
Serial Number	R4940	TBD
Provider's Method of Identifying Equipment	HDE 1.5T	SIGNA Voyager 1.5T 26.2
Specify if Mobile or Fixed	Fixed	Fixed
Date of Acquisition of Each Component	September 2006	Estimated May 19, 2019
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.)	\$2,060,005 <sup>1</sup>	\$1,567,468.35
Total Cost of Equipment	\$1,395,129.22 <sup>2</sup>	\$841,266.35
Fair Market Value of Equipment	\$1,395,129.22	\$841,266.35
Net Purchase Price of Equipment	\$1,395,129.22	\$841,266.35
Locations Where Operated	15110 John J. Delaney Drive, Suite 130, Charlotte, NC	
Number of Days in Use/To be Used in N.C. Per Year	252	
Percent Change in Patient Charges (by Procedure)	N/A	0%
Percent Change in Per Procedure Operating Expenses	N/A	0%
Type of Procedures Currently Performed on Existing Equipment	MRI	N/A
Type of Procedures New Equipment is Capable of Performing	N/A	MRI



<sup>1</sup> The above cost is the approved capital cost in the original CON. See Exhibit A. CIS has been unable to locate the final Progress Report for Project ID # F-7167-04, and the CON Section's records for the project are no longer on site. However, there was no cost overrun. In addition, CIS incurred costs of approximately \$186,185.40 in 2008 to relocate the MRI from NorthCross to Ballantyne, pursuant to the Declaratory Ruling described in Exhibit B. See attached quote from 2008 Declaratory Ruling Request.

<sup>2</sup> See attached 8/30/06 GE invoice. The full purchase price is highlighted on the second page.

Charlotte Radiology  
2612 E. 7<sup>th</sup> St.  
Charlotte, NC

December 31, 2007

We are pleased to present you with the following quote for equipment relocation as specified below and in the attached terms and conditions. A signed copy of this agreement along with a written Purchase Order for the amount specified will serve as our Notice to Proceed. This quote is good for 45 days from the date above. We kindly request a minimum of 20 business days notice prior to the planned start of the relocation in order to schedule appropriate resources.

System ID	System Description	Deinstallation	Reinstallation, Calibration, Testing	Other (see notes below)	Deinstall / Reinstall Total
704895HDe Vibromat	1.5T HDe CXK4 Vibromat			M1060MA	\$35,700.00
<b>Total</b>					<b>\$35,700.00</b>

System ID	Deinstallation	Reinstallation, Calibration, Testing	Other (see notes below)	Deinstall / Reinstall Total
- System ID: 704895HDe - Software: 14x	Test for Baseline and Ramp Unit Down.	Ramp, Shim, Eddy Currents, RF Testing, & System Performance	2 men 4 days Ramp and Shim, 1 man calibrations 5 days.	\$42,510.00 \$35,450.00 \$26,780.00 \$45,745.00
<b>Total</b>				<b>\$186,185.00</b>

Current Location  
Charlotte Radiology  
16455 Statesville Rd  
Northcross suite 320  
Huntersville, NC

Deinstallation	Quoted Schedule		
Start Date	Mon-Fri	Sat	Sun
tbd	8-5pm	N/A	N/A

New Location (if different than above)  
Charlotte Radiology  
15110 John J Delaney Dr  
Charlotte NC

Reinstallation	Quoted Schedule		
Start Date	Mon-Fri	Sat	Sun
tbd	8-5pm	N/A	N/A

**Notes**  
All mechanical portions and rigging will be performed by Contractor teams.  
Parts, or service needed due to physical relocation of system will not be included in system calibration and magnet ramp.  
Vibromat to be installed by Mechanical Installation Team per GE Healthcare Specifications.



GE Healthcare



SHIP TO:  
**CAROLINAS IMAGING SERVICES**  
 55 STATESVILLE RD STE 320  
 STATESVILLE NC 28078  
 UNITED STATES

INVOICE NUMBER: 500133238  
 INVOICE DATE : 30-AUG-06  
 CUSTOMER ACCT : 435245  
 GE SALES ORDER : 2621010  
 GE SERVICE LOC : 024057

REMIT TO:  
 G.E. MEDICAL SYSTEMS  
 P.O. Box 402076  
 ATLANTA GA 30384-2076  
 United States

AMOUNT DUE: (US Dollar)  
 USD 1,116,103.38

SOLD TO:  
**CAROLINAS IMAGING SERVICES**  
 ACCOUNTS PAYABLE  
 3030 LATROBE DR  
 CHARLOTTE, NC 28213  
 UNITED STATES

Page 1 Of 2

To ensure proper credit - Detach and return above portion with your remittance

Please do not staple or fold

PURCHASE ORDER: customer doesn't issue	INVOICE NUMBER: 500133238	INVOICE DATE: 30-AUG-06	AMOUNT DUE: <del>                    </del>
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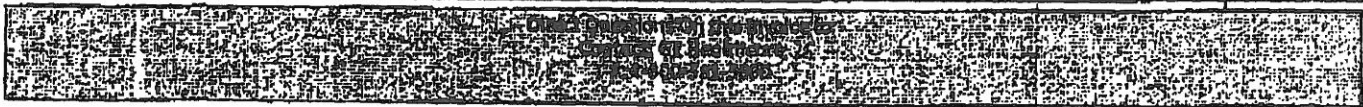
TRANSPORTATION: CIF	BILLING TERMS: 80% delivery / 20% Installation	DATE SHIPPED: 30-AUG-06
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QTY	GE IDENTIFIER	DESCRIPTION	TOTAL EXTENDED NET SELLING PRICE	EXTENDED AMOUNT DUE
		Invoice for total amounts due at Delivery (5-4). This invoice is Due and Payable		
		PO# customer doesn't issue		
1	S7505KZ	1.5T HOE BCH		
1	M3087JJ	1.5T HO BCH NV ARRAY		
1	M3335MA	1.5T BCH CTL (HO PLUG)		
1	M3335MC	1.5T BCH BODY (HO PLUG)		
1	M3087JF	1.5T HO BCH KNEE ARRAY		
1	M3335MN	1.5T BCH SHOULDER USAI		
1	M3335SW	1.5T HO BCH WRIST ARRAY		
1	M1000RW	GLOBAL MODRM KIT		
1	M1090PM	BARCODE READER		
1	E8822J	Newmatic MRI Sound System		
1	E8822JA	Newmatic Slimline Noise Guard Head Set		
1	M3335SE	1.5T HOE LCC MAGNET		
2	W0100MR	RECOMMEND.MR SYS.TRNG.PKG		
1	NL_MR_BUILDING	NL_MR_BUILDING		
1	R0067MR	MR 518 MR EXCITE 2A		
1	E4502SP	NR - 25KAIC MR Signal Main Disconnect Panel		

1701.00  
 1500.000  
 [Handwritten signatures]

PAID SEP 18 2006 #2212  
 \$1116103.38

A#840





GE Healthcare



INVOICE NUMBER: 500133238  
 INVOICE DATE : 30-AUG-06  
 CUSTOMER ACCT : 435245  
 GE SALES ORDER : 2621010  
 GE SERVICE LOC : 024057

REMIT TO:  
 G.E. MEDICAL SYSTEMS  
 P.O.Box 402076  
 ATLANTA GA 30384-2076  
 United States

AMOUNT DUE: (US Dollar)  
 [REDACTED]

SHIP TO:  
 CAROLINAS IMAGING SERVICES  
 16455 STATESVILLE RD STE 320  
 HUNTERSVILLE NC 28078  
 UNITED STATES

SOLD TO:  
 CAROLINAS IMAGING SERVICES  
 ACCOUNTS PAYABLE  
 3030 LATROBE DR  
 CHARLOTTE, NC 28213  
 UNITED STATES

Page 2 Of 2

To ensure proper credit - Detach and return above portion with your remittance

Please do not staple or fold

PURCHASE ORDER: customer doesn't issue	INVOICE NUMBER: 500133238	INVOICE DATE: 30-AUG-06	AMOUNT DUE: [REDACTED]
TRANSPORTATION: CIF	BILLING TERMS: 80% delivery / 20% installation	DATE SHIPPED: 30-AUG-06	

QTY	GE IDENTIFIER	DESCRIPTION	TOTAL EXTENDED NET SELLING PRICE	EXTENDED AMOUNT DUE
1	M1060MA	VIBROACOUSTIC DAMPING A		
1	M3335SH	1.5T HDE 4CH OR 8CH COVER		
1	M20012FE	COOLING SYSTEM TYPE 2		
1	M1060JAV	SUMITOMO COMPRESSOR KIT		
1	M3088TL	GRADIENT/COLDHEAD CHILLER		
1	S7502TZ	MR ACCESSORIES KIT		
TOTAL BILLING			USD 1,395,129.22	
<p><i>Call 840</i>                  PAID SEP 18 2006                  #2212</p>				

Include This Invoice Number For Proper Credit: 500133238

Tax:

USD 0.00

Internal Use Only eqpmi9601hg

Total Amount Billed:

USD 1,116,103.38



