



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

December 30, 2020

Danny Waller
Danny.waller@onslow.org

Denial of Exemption from Certificate of Need Review

Record #: 3452
Date of Request: December 11, 2020
Facility Name: Onslow Radiation Oncology, LLC
FID #: 061343
Business Name: Onslow Radiation Oncology, LLC
Business #: 1356
Project Description: Replace existing linear accelerator
County: Onslow

Dear Mr. Waller:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced project is not exempt from certificate of need review in accordance with G.S. 131E-184(f). Therefore, Onslow Radiation Oncology, LLC identified above may not proceed to develop or offer the project described above without first obtaining a certificate of need.

This decision is based on the following:

1. Onslow Radiation Oncology, LLC does not meet all of the conditions in G.S. 131E-184(f) in that it is not a licensed health service facility.

Any person aggrieved by this decision may file a petition for a contested case hearing in accordance with G.S. 150B, Article 3, as amended. This petition must be filed with the Office of Administrative Hearings 6714 Mail Service Center, Raleigh, North Carolina 27699-6714 within thirty (30) days of the date of this decision. Effective October 1, 2009, OAH requires a filing fee with submittal of petitions for contested cases. Please direct all questions regarding this fee to OAH Clerk's Office (919-431-3000).

Therefore, if you file a petition for a contested case hearing, you must serve a copy of the petition on the Department of Health and Human Services by mailing a copy of your petition to:

Lisa G. Corbett
Department of Health and Human Services,
Office of Legal Affairs,
Adams Building – Room 154
2001 Mail Service Center
Raleigh, North Carolina, 27699-2001

It is requested that a copy of the petition also be served on the Agency. If you have any questions concerning this matter, please feel free to contact this office.

**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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Danny Waller
December 30, 2020
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa Pittman', with a long horizontal flourish extending to the right.

Project Analyst

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Lisa Pittman
Assistant Chief, Certificate of Need

cc: Construction Section, DHSR
Radiation Protection Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR



317 Western Blvd, Jacksonville, NC 28546
(910) 577-2345

December 15, 2020

Mr. Greg Yakaboski, Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Request for Additional Information on Exemption from Review Notice to Replace a Linear Accelerator Pursuant to N.C. Gen. Stat. § 131E-184(f)

Dear Mr. Yakaboski:

I am writing on behalf of Onslow Radiation Oncology, LLC ("ORO") and Onslow County Hospital Authority ("OCHA") in response to your request for additional information in consideration of the prior written notice submitted on December 11, 2020 of the CON exempt replacement of an existing linear accelerator owned and operated by ORO. As noted in the December 11, 2020 correspondence, ORO operates the only linear accelerator in Onslow County today. That linear accelerator has reached the end of its useful life and is incapable of utilizing certain technology that is now available to provide today's standard of care.

At your request, a completed Equipment Comparison Form is included in Attachment 1. The replacement equipment is functionally similar to the existing equipment and will be used for the same purposes, although the replacement equipment will possess expanded capabilities given technological advancements since the existing equipment was originally purchased and installed. The proposed replacement equipment will not be used to provide a new health service and will not result in any increase in the average charge or average operating expense per procedure. Further, the existing equipment will be removed from North Carolina by the vendor and ORO will not own or use the existing equipment after its replacement.

The total proposed capital cost for the exempt project, including the cost of the replacement equipment and all costs associated with necessary renovations, will exceed \$2 million. While renovation costs have not yet been finalized, the cost of the replacement equipment alone (\$2,485,089) exceeds \$2 million. A vendor quote for the replacement equipment is included in Attachment 2.

As outlined in the December 11, 2020 correspondence and illustrated in the Attachments, the proposed project is exempt from CON review under N.C. GEN. STAT. § 131E-184(f).

Thank you for your attention to this matter. If you have any questions or require any additional information to consider this request, please do not hesitate to contact me at 910-577-2830.



An Affiliate of UNC Health Care

317 Western Blvd, Jacksonville, NC 28546
(910) 577-2345

Sincerely,

A handwritten signature in blue ink, appearing to read "Danny Waller", is written over a light blue horizontal line.

Danny Waller

Senior Vice President of Support Services

Attachment(s)

ATTACHMENT 1

EQUIPMENT COMPARISON

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type (e.g., Cardiac Catheterization, Gamma Knife®, Heart-lung bypass machine, Linear Accelerator, Lithotripter, MRI, PET, Simulator, CT Scanner, Other Major Medical Equipment)	Linear Accelerator	Linear Accelerator
Manufacturer	Siemens	Varian
Model number	7360717 Oncor Expression	TrueBeam Base System 120 MLC
Other method of identifying the equipment (e.g., Room #, Serial Number, VIN #)	5665	TBD
Is the equipment mobile or fixed?	Fixed	Fixed
Date of acquisition	6/21/2010	TBD
Was the existing equipment new or used when acquired? / Is the replacement equipment new or used?	New	New
Total projected capital cost of the project <Attach a signed Projected Capital Cost form>*	NA	\$2,485,089 + Renovation (TBD)
Total cost of the equipment	\$1,789,200	\$2,485,089
Location of the equipment <Attach a separate sheet for mobile equipment if necessary>	Onslow Radiation Oncology (Onslow Memorial Hospital Campus)	Onslow Radiation Oncology (Onslow Memorial Hospital Campus)
Document that the existing equipment is currently in use	Existing equipment is operational. See Letter from Danny Waller.	NA
Will the replacement equipment result in any increase in the average charge per procedure ?	NA	No
If so, provide the increase as a percent of the current average charge per procedure	NA	NA
Will the replacement equipment result in any increase in the average operating expense per procedure ?	NA	No
If so, provide the increase as a percent of the current average operating expense per procedure	NA	NA

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of procedures performed on the existing equipment <Attach a separate sheet if necessary>	Radiation treatment and IMRT delivery	NA
Type of procedures the replacement equipment will perform <Attach a separate sheet if necessary>	NA	Radiation treatment and IMRT delivery

*Please see Attachment 2 for a vendor quote for the proposed replacement equipment, which demonstrates that the proposed replacement equipment project will exceed \$2 million in capital costs. Renovation costs have not yet been finalized, and as such, no Projected Capital Cost Form signed by a licensed architect has been provided. No other capital costs will be incurred.

Date of last revision: 5/17/19

ATTACHMENT 2



Custom System Proposal

Quotation Number - 2020-258379

Total Package cost= \$2,485,089
Pricing contingent upon closure no later than 12-18-2020

Looking further



Onslow Radiation Oncology, LLC ("Customer")

Carl Biber
 241 New River Dr.
 JACKSONVILLE, North Carolina 28540 United States
 Tel : 910-577-2505
 Email : carl.biber@onslow.org

VMS Inc, Oncology Systems

Jeffrey Boone
 US District Sales Manager
 Work from home
 Atlanta, GA 30327 US
 Tel : +1 434 977 8495x3292
 Email : jeffrey.boone@varian.com

*** Confidential - Proposal is intended for Recipient and Recipient's Site Representatives Only ***

Quote Information

Quotation Number :	2020-258379	Sales PO Required :	No
Quotation Valid Until :	December 18, 2020	Service PO Required :	No
Customer Requested Delivery Date :	June 04, 2021	Customer Procurement Contact Name :	Needed
Quotation Date :	May 11, 2020		

Sales

Incoterms : US1: FOB: Origin
 Payment Terms : 30 days net
 Shipment : 80.00%
 Acceptance : 20.00%
 For orders equal or less than \$100k, 100% upon shipment, net 30.

Services

Incoterms : DPU Site Insured
 Contract Start Date : October 29, 2020
 Contract End Date : October 28, 2022
 Payment Terms : Same as Sales
 Payment Frequency : Annual
 Invoicing : Start of Billing Cycle

Finance support available: For lease and finance plans, call Toby Wann, Director Varian Customer Finance 408.221.4294 Toby.Wann@varian.com

Terms and Conditions

Products and Services: Customer's access to and use of the Products, Support Services and Services (except Software-as-a-Service or Subscription Services) as indicated in this Quotation are subject to and governed by: (a) the Varian Terms and Conditions of Sale (Form RAD 1652) at: https://www.varian.com/1652V_OCT_2018 and (b) any Schedules, Exhibits and/or additional terms (including third party terms) contained, attached, referenced or otherwise indicated in this Quotation. All terms and conditions provided in the website link listed in item (a) above are incorporated by reference and form part of the contract between Varian and Customer.

If there is a separate written agreement (e.g. master agreement) in effect between the parties that expressly provides for and governs the purchase and sale of the specific Products, Support Services, Services, Software-as-a-Service and/or SubscriptionService set forth in this Quotation, such written agreement shall govern. Hard copies of the referenced terms and conditions and any additional terms indicated will be provided to Customer upon request.

For and on behalf of Customer

Authorized Representative : Carl Biber
 Title : Chief Financial Officer
 Date : May 11, 2020

Varian Medical Systems, Inc.

Authorized Representative : Jeffrey Boone
 Title : US District Sales Manager
 Date : May 11, 2020

Offered Products (Sales)

Truebeam

Trade-In/Remove/Dispose Siemens Linac and Discount for Software volume

Eclipse Expansion - MCO / GPU

Velocity

MVP Phantom, Doselab License w/ Phantom Package, Mobius S/N: 9999

Draft Only

Item	Description	Qty
Section 1 Truebeam		
1.1	<p>TrueBeam Base System 120 MLC</p> <p>Treatment delivery system supporting X-Ray treatment delivery. Includes 120 leaf MLC with dual independent jaws, enhanced dynamic wedge, 6 MV X-ray treatment energy, 43 cm x 43 cm MV imager for radiographic, cine, and integrated imaging, Motion View CCTV camera system, treatment console with integrated audio and video systems, back pointer lasers, front pointer set and upper port film graticule to support basic quality assurance.</p> <p>Features:</p> <ul style="list-style-type: none"> • Basic X-Ray treatment delivery technique package, including Static Photon, Photon Arc, and Dynamic Conformal Arc treatment delivery techniques • Intensity Modulated RadioTherapy (IMRT) treatment technique, including large field IMRT • Total Body Treatment technique package • 2D MV Radiographic and Cine Image Acquisition, 2D/2D Radiographic Image Review and match, Cine image review • Relative Portal Dosimetry Image and Integrated Image Acquisition • Matching of 2D radiographs to 3D reference images • Online addition of kV and MV imaging protocols to treatment fields, with automated generation of reference images • Online Physician Approval of Images at Treatment Console (compatible with ARIA® only) • Automated Machine Performance Check Testing, Online Machine Performance Check Review • Offline Machine Performance Check Review <p>Prerequisites:</p> <ul style="list-style-type: none"> • ARIA® oncology information system for radiation oncology v11 MR4.1 or higher or compatible third-party oncology information system • Eclipse™ treatment planning system v11 MR3 or higher or compatible third-party treatment planning system • Compatible server hardware and operating system. For detailed specifications, visit: www.varian.com/hardwarespecs <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Verify compatibility with third-party oncology information systems • Verify compatibility with third-party treatment planning systems • If using a scale other than IEC 60601 or IEC 61217 in the rest of the department, it may be necessary to change scales on all other machines. This may require additional purchases. 	1
1.2	TrueBeam Version 2.7	1
1.3	New Universal Baseframe 52" Fixed Floor	1
1.4	<p>15/16 MV (BJR 11/17)</p> <p>40 cm x 40 cm maximum field size, dose rate range 0-600 MU/Min.</p>	1
1.5	<p>10/10 MV (BJR 11/17)</p> <p>40 cm x 40 cm maximum field size, dose rate range 0-600 MU/Min.</p>	1
1.6	<p>6/6 MV (BJR 11/17)</p> <p>40 cm x 40 cm maximum field size, dose rate range 0-600 MU/Min.</p>	1
1.7	<p>16 MeV, 0-1000 MU/Min</p> <p>25 cm x 25 cm maximum field size, dose rate range 0-1000 MU/Min.</p>	1
1.8	<p>12 MeV, 0-1000 MU/Min</p> <p>25 cm x 25 cm maximum field size, dose rate range 0-1000 MU/Min.</p>	1
1.9	<p>9 MeV, 0-1000 MU/Min</p>	1

Item	Description	Qty
	25 cm x 25 cm maximum field size, dose rate range 0-1000 MU/Min.	
1.10	<p>6 MeV, 0-1000 MU/Min</p> <p>25 cm x 25 cm maximum field size, dose rate range 0-1000 MU/Min.</p>	1
1.11	<p>IGRT Couch Top</p> <p>Image Guided RadioTherapy (IGRT) carbon fiber treatment couch top, free of metal or other radiation-opaque materials.</p> <p>Features:</p> <ul style="list-style-type: none"> Indexed Immobilization® for compatible accessories Couch top interface for mounting patient immobilization and quality assurance devices at the head of the couch Lock bar for indexed positioning of equipment or immobilization devices on the couch top Handrail for couch positioning, with hooks for temporary pendant placement during patient set up 	1
1.12	<p>PerfectPitch 6DoF Couch</p> <p>The PerfectPitch™ 6-Degrees of Freedom couch system</p> <p>Features:</p> <ul style="list-style-type: none"> Image-based 6DoF patient positioning <p>Prerequisites:</p> <ul style="list-style-type: none"> TrueBeam® v2.5 MR2 or higher ARIA® oncology information system v11.1 MR1 (11.0.55) and ARIA radiation therapy management v11 MR3 (11.0.47) or higher or compatible third-party oncology information system <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> Verify compatibility of third-party oncology information system 	1
1.13	<p>6X High Intensity Mode</p> <p>40 cm x 40 cm maximum field size, dose rate range 400-1400 MU/Min in 200 MU/min steps.</p>	1
1.14	<p>Low-X Imaging Energy</p> <p>Low-X imaging energy configuration, providing high soft tissue contrast when imaging in-line with the treatment beam.</p>	1
1.15	<p>RapidArc Treatment Delivery</p> <p>RapidArc® Treatment Delivery is a volumetric modulated arc treatment delivery technique.</p> <p>Features:</p> <ul style="list-style-type: none"> Simultaneous modulation of MLC aperture shape, beam dose rate, and gantry angle and rotation speed during beam delivery Supports dynamic jaw tracking and collimator rotation with supporting treatment planning system <p>Prerequisites:</p> <ul style="list-style-type: none"> 120 Multi Leaf Collimator or HD120™ Multi Leaf Collimator Eclipse™ treatment planning system v11.0 or higher RapidArc treatment planning license Compatible server hardware and operating system. For detailed specifications, visit: www.varian.com/hardwarespecs 	1
1.16	<p>kV Imaging System</p> <p>kV Imaging system, providing 2D radiographic and fluoroscopic and 3D CBCT imaging capability.</p> <p>Features:</p> <ul style="list-style-type: none"> kV CBCT image acquisition, review, and match to 3D reference image Radiographic image acquisition, with 2D/2D and 2D/3D image matching to reference image Fluoroscopic image acquisition, with structure overlay on fluoroscopic images. kV CBCT image acquisition with a long field of view, provided by merging multiple indexed CBCT images. Online data acquisition and viewing only. 	1
1.17	<p>Advanced Resp Motion Management System</p>	1

Item	Description	Qty
	<p>Stereoscopic optical system for managing patient respiration motion during treatment delivery and imaging.</p> <p>Features:</p> <ul style="list-style-type: none"> • Stereoscopic optical imager, including marker block for tracking patient respiration motion • Respiratory gated treatment delivery • Respiratory gated MV image acquisition and online review, respiration synchronized cine image acquisition and online review • Respiratory gated kV image acquisition and online review, respiration synchronized fluoroscopic image acquisition and online review 	
1.18	<p>VCD Option, couch mounted</p> <p>Couch-mounted display system provides visual feedback to the patient for respiration stabilization or breath hold position during respiratory gated image acquisition or treatment delivery.</p> <p>Features:</p> <ul style="list-style-type: none"> • 2 rechargeable batteries and charging system • Video interface for optional use of customer-provided video goggles • Wireless display system with adjustable count mount <p>Prerequisites:</p> <ul style="list-style-type: none"> • TrueBeam® v2.7 or higher • One of the following: <ul style="list-style-type: none"> ◦ Advanced Respiratory Motion Management System ◦ Basic Respiratory Motion Management System ◦ Respiratory Motion Management System ◦ Optical Imager 	1
1.19	<p>VCD w/Couch Mount - IGRT</p>	1
1.20	<p>LAP Apollo Green Room Laser Kit</p> <p>Features:</p> <ul style="list-style-type: none"> • One Apollo Green Remote Controlled Ceiling Crosshair Laser • Two Apollo Green Remote controlled Lateral Crosshair Lasers • One Apollo Green Remote Vertical or Horizontal Controlled Sagittal Line Laser (selected prior to system production) 	1
1.21	<p>Filtrine Water Chiller</p> <p>A closed loop water cooling system, providing clean water at a constant flow, pressure, and temperature for cooling a high energy medical linear accelerator. Ideal for sites where a dependable source of clean water for cooling is not available.</p>	1
1.22	<p>Additional MotionView CCTV Camera System</p> <p>Additional set of two Motion View CCTV cameras and displays. Camera placement is at customer discretion.</p> <p>Features:</p> <ul style="list-style-type: none"> • Two pan, tilt, zoom CCTV cameras • Two desktopLCD displays with built in camera controls • Adjustable viewing angle for patient privacy • Push button pan, tilt, zoom, and home position control <p>Prerequisites:</p> <ul style="list-style-type: none"> • Motion View camera system, provided with linac system. 	1
1.23	<p>Additional In-Room Monitor System</p> <p>Additional in-room monitors that can be placed at customer discretion.</p>	1
1.24	<p>Main Circuit Breaker Panel</p>	1

Item	Description	Qty
1.25	<p>Main circuit breaker panel, interfacing to a single power input feed from the facility Mains. Circuit breakers provide independent over-current protection for equipment at the console and in the treatment room. UL and IEC/CE certified.</p> <p>Power Cond., 3phase 50KVA</p> <p>Transtector 50KVA, 3-phase power conditioning unit, providing transient protection, line power regulation, and Input and Output circuit breakers for over-current protection. UL and IEC/CE certified.</p> <p>Notes:</p> <ul style="list-style-type: none"> Supports voltage configurations from 208 to 600 VAC and in 50 or 60 Hz for US and ROW applications. 	1
1.26	<p>SuperFAST Installation - New Baseframe</p> <p>Accelerated 12-day installation of TrueBeam®, TrueBeam STx, VitalBeam™, or Edge®.</p> <p>Features:</p> <ul style="list-style-type: none"> Completion of installation of all features required for commissioning readiness <p>Prerequisites:</p> <ul style="list-style-type: none"> Recently ordered new system that has not yet been installed Eclipse™ Treatment Planning System 24/7 access to the facility All items on pre-installation checklist complete Customer agreement to scope of work <p>Notes:</p> <ul style="list-style-type: none"> Varian will complete installation to a minimum of beam, collimator, and MV imaging system readiness for commissioning activities. Varian will return within 30 days from completion of customer commissioning to complete installation and acceptance of all remaining items that were not required for system commissioning, including kV imaging, Rapid Arc, respiratory motion management system. This service does not include additional construction or commissioning support. 	1
1.27	<p>RPC Lung Phantom Voucher Option</p> <p>A service provided through the MD Anderson Dosimetry Lab (MDADL) to supply a Radiological Physics Center (RPC) lung phantom for QA and commissioning of advanced technologies.</p> <p>Features:</p> <ul style="list-style-type: none"> Roundtrip shipment of anthropomorphic lung phantom with imageable targets, avoidance structures, and heterogeneities that contain thermoluminescent dosimeter (TLD) and radiochromic film dosimeters Remote analysis by MDADL of the planning and dose delivery of the treatment on the phantom <p>Report of analysis from MDADL</p> <p>Prerequisites:</p> <p>Acceptance of TrueBeam® or Edge™ system with which the lung phantom will be used</p> <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> Login to www.myvarian.com to access the Customer Technical Bulletin CTB-GE-930 for instructions on redeeming the lung phantom service <p>Non-printing</p>	1
1.28	<p>CatPhan Phantom</p> <p>Phantom for measuring CBCT image contrast, spatial resolution, and uniformity.</p> <p>Features:</p> <ul style="list-style-type: none"> Modules for measuring CBCT image contrast, spatial resolution, and uniformity <p>Prerequisites:</p> <ul style="list-style-type: none"> kV Imaging system with CBCT 	1
1.29	<p>Supp. Phantom Kit</p> <p>Supplemental imaging phantom kit for measuring resolution and contrast of kV and MV imaging systems.</p> <p>Features:</p> <ul style="list-style-type: none"> Leeds TOR 18FG phantom for measuring spatial resolution and contrast of kV imaging system MV contrast phantom for measuring contrast performance of MV imaging system Geometric phantom, mounted on IGRT couch top-compatible lock bar. Can be used for quality assurance of image guidance workflow. <p>Prerequisites:</p> <ul style="list-style-type: none"> MV imaging system 	1

Item	Description	Qty
1.30	NLS: English	1
1.31	<p>STD TRNG: TB Platform On-Site</p> <p>The on-site review of the TrueBeam/Edge/VitalBeam components includes imaging and use cases for support of patient treatment for therapists. This support is to ensure that personnel who attended the classroom training are able to operate the TrueBeam Platform machine in a safe and effective manner in the clinical environment.</p> <p>Features:</p> <ul style="list-style-type: none"> • Includes support for TrueBeam/Edge/VitalBeam • Offer is valid for 18 months after installation of product <p>Prerequisites:</p> <ul style="list-style-type: none"> • TrueBeam Platform classroom trainings <p>Notes:</p> <ul style="list-style-type: none"> • Training is non-refundable and non-transferable 	1
1.32	<p>INCL ED: TB201 TB Platform Physicists</p> <p>TrueBeam Physics and Administration: TrueBeam Physics and Administration course is designed for personnel (primarily Medical Physicists) responsible for the acceptance, commissioning, and QA program development of the TrueBeam in the clinical environment. It is recommended that the student attend the TrueBeam Physics and Administration course shortly before the installation of the TrueBeam. The course provides instruction of the basic delivery components, basic imaging components, and a general overview of the motion management system components. Machine commissioning, calibration, and QA of the machine are included. The course subject matter is presented from a clinical use perspective. Primary emphasis is on the overall commissioning, calibration, and QA of the TrueBeam and its components. Extensive hands-on laboratory exercises are included.</p> <p>Features:</p> <ul style="list-style-type: none"> • Includes support for TrueBeam/Edge/VitalBeam • Includes Tuition and Materials for ONE person • Length: 4.5 days • Offer is valid for 18 months after installation of product <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Customer is responsible for all travel expenses (airfare, hotel, rental car, meals and travel incidentals) <p>Notes:</p> <ul style="list-style-type: none"> • Training is non-refundable and non-transferable 	1
1.33	<p>INCL ED: TB101 TB Platform Operations</p> <p>TrueBeam Operations is a course designed for personnel (primarily Radiation Therapists) responsible for the routine operation and clinical use of the TrueBeam. It is recommended that students attend the TrueBeam Operations course shortly before clinical use and the commencement of patient treatments. The course provides instruction of the basic delivery components, basic imaging components, and a general overview of the motion management system components. The course subject matter is presented from a clinical use perspective. Primary emphasis is on the overall understanding of the TrueBeam function and operation to include imaging and respiratory gating. Extensive hands-on laboratory exercises are included. The attendees of this class will be provided tools to allow them to instruct other clinical staff upon their return.</p> <p>Features:</p> <ul style="list-style-type: none"> • Includes support for TrueBeam/Edge/VitalBeam • Includes Tuition and Materials for ONE person • Length: 4 days • Offer is valid for 18 months after installation of product <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Customer is responsible for all travel expenses (airfare, hotel, rental car, meals and travel incidentals) <p>Notes:</p> <ul style="list-style-type: none"> • Training is non-refundable and non-transferable 	1
1.34	<p>INCL ED: CL222 Respiratory Gating</p> <p>The Respiratory Gating course provides training for physicists and therapists, to obtain knowledge of principles and practices of respiratory gating in radiation oncology for clinical implementation.</p> <p>Features:</p>	1

Item	Description	Qty
	<ul style="list-style-type: none"> • Includes support for TrueBeam Platform • Includes Tuition and Materials for ONE person • Length: 2 days • Offer is valid for 18 months after installation of product <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Customer is responsible for all travel expenses (airfare, hotel, rental car, meals and travel incidentals) <p>Notes:</p> <ul style="list-style-type: none"> • Training is non-refundable and non-transferable 	
1.35	<p>STD TRNG: IDENTIFY SGRS Onsite Training</p> <p>Standard Applications Training for IDENTIFY SGRS</p> <p>Features:</p> <ul style="list-style-type: none"> • On-site training details will be provided by the training management team as part of the product implementation process • This training will review features and functions of the IDENTIFY system • Duration and Location: 3 days onsite <p>Prerequisites:</p> <ul style="list-style-type: none"> • Installation of the IDENTIFY system • Completion of the Varian ID101 IDENTIFY SGRS Operations classroom course <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Completion of the Customer Responsibilities Document <p>Notes:</p> <ul style="list-style-type: none"> • Offer is valid for up to 18 months after installation of product • Non-transferable to other products and services and non-refundable 	1
1.36	<p>STD TRNG: IDENTIFY SGRS Onsite Follow U</p> <p>Standard Applications Training for IDENTIFY SGRS</p> <p>Features:</p> <ul style="list-style-type: none"> • On-site training details will be provided by the training management team as part of the product implementation process • This training will offer a review of the IDENTIFY SGRS system and assist with workflow changes • Duration and Location: 2 days onsite <p>Prerequisites:</p> <ul style="list-style-type: none"> • Installation of the IDENTIFY system • Completion of the Varian ID101 IDENTIFY SGRS Operations classroom course • Completion of the IDENTIFY SGRS standard onsite training <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Completion of the Customer Responsibilities Document <p>Notes:</p> <ul style="list-style-type: none"> • Offer is valid for up to 18 months after installation of product • Non-transferable to other products and services and non-refundable 	1
1.37	<p>INCL ED: ID101 IDENTIFY SGRS Ops</p> <p>The IDENTIFY™ Operations course is designed for a new user of the IDENTIFY SGRS System. The course consists of lectures, instructor-led demonstrations, and individual hands-on exercises. Intended audience includes radiation therapists or medical physicists.</p> <p>Features:</p> <ul style="list-style-type: none"> • Topics covered include: <ul style="list-style-type: none"> ◦ An overview of the IDENTIFY hardware ◦ In-depth training for patient entry ◦ QA considerations and procedures ◦ Treatment workflows • Duration and Location: 2.5 days at the nearest Varian Education center to offer this course <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • All travel expenses (airfare, hotel, rental car, meals and travel incidentals) <p>Notes:</p> <ul style="list-style-type: none"> • Offer is valid for up to 18 months after installation of product • Non-transferable to other products and services and non-refundable • Includes tuition and materials for one person 	2
1.38	<p>IDENTIFY Treatment Base System</p> <p>Provides common components for IDENTIFY™ treatment room systems</p>	1

Item	Description	Qty
	<p>Features:</p> <ul style="list-style-type: none"> • GPU-equipped workstation with monitor, keyboard, mouse at treatment console • Handheld controllers with chargers • Wireless access points at the treatment console and in the treatment room <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Complete the require facility preparations per the Product Planning Guide (PPG). For detailed information please contact your Varian Service representative. <p>Notes:</p> <ul style="list-style-type: none"> • Site and network survey completion required prior to installation • Any ceiling-mounted systems present in the treatment room will be subject to a compatibility review prior to installation by Varian Service 	
1.39	<p>IDENTIFY Patient Setup</p> <p>Provides patient and accessory set up verification capability for the IDENTIFY™ imaging or treatment systems</p> <p>Features:</p> <ul style="list-style-type: none"> • RFID-based patient immobilization and set up accessory identification, including bolus • Optical image-based patient immobilization and set up accessory placement, optical tag set included • Optical image-based patient position verification • Set up note and photo display • Patient set up planning application • Starter RFID tag system for mask, Vac-Lok, carbon fiber, and general use patient set up accessories <p>Prerequisites:</p> <ul style="list-style-type: none"> • IDENTIFY Imaging Base System or IDENTIFY Treatment Base System <p>Notes:</p> <ul style="list-style-type: none"> • Site and network survey completion required prior to installation • Any ceiling-mounted systems present in the treatment room will be subject to a compatibility review prior to installation by Varian Service 	1
1.40	<p>IDENTIFY SGRS System</p> <p>Provides IDENTIFY™ surface-guided patient position monitoring for radiosurgery</p> <p>Features:</p> <ul style="list-style-type: none"> • Surface-guided patient position monitoring system, 3-camera configuration • SGRS calibration phantom and software • Deep inspiration breath-hold management and visual coaching device • Surface-guidance planning application <p>Prerequisites:</p> <ul style="list-style-type: none"> • IDENTIFY™ Treatment Base System • TrueBeam™, Edge™ or VitalBeam™ v2.5 or higher or Clinac® v9.5 or higher or compatible 3rd party linear accelerator • Eclipse™ Treatment Planning System or 3rd party Treatment Planning System supporting DICOM RT Plan and Structure Set export • For Visual Coaching Device couch mount: Varian IGRT Couch Top, CIVCO® Universal Couchtop™, QFix® kVue™ Couch Top, Qfix kVue Calypso® Couch Top or Qfix kVue One Couch Top <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • In the case of purchasing IDENTIFY SGRS for 3rd party linear accelerator, confirm linear accelerator meets compatibility prerequisites • In case of using 3rd party treatment planning system, ensure availability of DICOM RT Plan and Structure Set export • Complete the require facility preparations per the Product Planning Guide (PPG). For detailed information please contact your Varian Service representative. 	1
1.41	<p>IDENTIFY Central Server Software</p> <p>Provides central database for IDENTIFY™ and interface to Oncology Information System on customer-provided server</p> <p>Features:</p> <ul style="list-style-type: none"> • Server software and database for management of up to 5 IDENTIFY clients • HL7 interface to supported OIS • User rights management • Report generation <p>Prerequisites:</p> <ul style="list-style-type: none"> • ARIA oncology information system v13.6 MR1.2 or higher with ARIA® Connect v2.0 or higher with ARIA Connect for IDENTIFY interface OR validated 3rd party oncology information system with HL7 interfaces (SIU Outbound, SIU Inbound, Document Inbound) <p>Customer Responsibilities</p>	1

Item	Description	Qty
	<ul style="list-style-type: none"> Validate that 3rd party Oncology Information System meets prerequisites Customer provides and hosts a virtual server Notes: <ul style="list-style-type: none"> Site and network survey completion required prior to installation 	
1.42	<p>STD TRNG: IDENTIFY Set Up Onsite Train</p> <p>Standard Applications Training for IDENTIFY</p> <p>Features:</p> <ul style="list-style-type: none"> On-site training details will be provided by the training management team as part of the product implementation process This training will review features and functions of the IDENTIFY system Duration and Location: 2 days onsite <p>Prerequisites:</p> <ul style="list-style-type: none"> Installation of the IDENTIFY system <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> Completion of the Customer Responsibilities Document <p>Notes:</p> <ul style="list-style-type: none"> Offer is valid for up to 18 months after installation of product Non-transferable to other products and services and non-refundable 	1
Section 2 Trade-In/Remove/Dispose Siemens Linac and Discount for Software volume		
2.1	<p>Trade-In Discount</p> <p>Trade-In for Siemens Linac</p>	1
2.2	<p>Remove/Dispose Existing Equipment</p> <p>Remove/Dispose Siemens Linac</p>	1
2.3	<p>Discount</p> <p>\$100,000 for Software</p>	1
Section 3 Eclipse Expansion - MCO / GPU		
3.1	<p>Portal Dosimetry Package</p> <p>Portal Dosimetry provides the capability to perform pre-treatment Intensity Modulated Radiation Therapy (IMRT) or RapidArc® QA using the PortalVision electronic imager.</p> <p>Features:</p> <ul style="list-style-type: none"> Eclipse™ portal dose calculation for one (1) user Portal dosimetry review for one (1) user <p>Prerequisites:</p> <ul style="list-style-type: none"> IMRT planning RapidArc planning for RapidArc portal dosimetry 	1
3.2	<p>RapidArc Planning Primary</p>	1

Item	Description	Qty
	<p>Eclipse™ RapidArc® Planning supports dynamic arc treatments produced through volumetric dose optimization to generate intensity modulated dose distributions in optimized arcs.</p> <p>Features:</p> <ul style="list-style-type: none"> • RapidArc Planning for one (1) user <p>Prerequisites:</p> <ul style="list-style-type: none"> • Interactive IMRT Planning 	
3.3	<p>Acuros External Beam</p> <p>Acuros® External Beam (Acuros XB) is a photon algorithm that provides dose calculation with the equivalent accuracy as the Monte Carlo algorithm.</p> <p>Features:</p> <ul style="list-style-type: none"> • Acuros XB algorithm <p>Prerequisites:</p> <ul style="list-style-type: none"> • Eclipse Planner Desktop or Eclipse Advanced Planner Desktop 	1
3.4	<p>Multi-Criteria Optimization (MCO)</p> <p>Eclipse™ MCO is a decision support tool incorporated within the existing IMRT or VMAT optimization workflow. MCO allows the end user to explore the impact that changing dose to a specific structure has on plan quality, target coverage, or organ at risk sparing.</p> <p>Features:</p> <ul style="list-style-type: none"> • MCO license for one user <p>Prerequisites:</p> <ul style="list-style-type: none"> • IMRT or VMAT planning license • One of the following hardware configurations <ul style="list-style-type: none"> ◦ A GPU (Graphics Processing Unit) enabled Eclipse calculation workstation or ◦ An Eclipse Framework agent server (FAS) 	1
3.5	<p>Eclipse GPU Workstation Kit</p> <p>An Eclipse GPU (Graphics Processing Unit) kit enables the upgrade of an Eclipse Calculation Workstation to an Eclipse GPU Calculation Workstation.</p> <p>Features:</p> <ul style="list-style-type: none"> • 1 GPU card <p>Prerequisites:</p> <ul style="list-style-type: none"> • An existing Eclipse GPU upgradable Calculation Workstation must be on site with the minimum hardware requirements. For detailed information on hardware requirements, refer to the Hardware Specifications at: www.varian.com/oncology/products/software/treatment-planning/eclipse-treatment-planning-system?cat=resources 	1
3.6	<p>INCL ED: EC102 Eclipse Inv Plng IMRT RA</p> <p>INCL ED: EC102 Eclipse Inverse Planning IMRT & RapidArc</p> <p>Features:</p> <p>The Eclipse IMRT Operations course provides instruction on inverse treatment planning with the Eclipse System. Course is designed for the Physicist and Dosimetrist.</p> <p>Course will cover the entire IMRT treatment planning process demonstrated on clinical cases such as prostate, breast and head and neck. Other topics covered are theory behind IMRT, contouring for IMRT, objectives and constraints, verification plan, data export and image registration. Majority of the course is reserved for hands-on application.</p> <p>Prerequisites:</p> <p>Attendance in the Eclipse Operations course Recommend 2-3 month routine clinical use of Eclipse prior to course attendance.</p> <p>Customer Responsibilities:</p> <p>Customer is responsible for all travel expenses: airfare, hotel, rental car, meals and travel incidentals.</p> <p>Notes:</p> <p>Includes Tuition and Materials for ONE person. Training is non-refundable and non-transferable. Offer is valid for 18 months after installation of product. Training must be taken at nearest Varian education center</p>	1

Item	Description	Qty
	Length - 4 days	
	For detailed course information and on-line registration, visit the Varian website at www.varian.com/index.html . Course is approved for Category "A" ASRT and MDCB continuing education credits.	
3.7	<p>STD TRNG: RapidArc</p> <p>Training is included with the purchase of RapidArc. Training plan details will be provided by the training management team as part of your product implementation process.</p> <ul style="list-style-type: none"> • Offer is valid for 18 months after installation. 	1
3.8	<p>INCL ED: EC203 Portal Dosimetry</p> <p>INCL ED: EC203 Portal Dosimetry</p> <p>Features: The Portal Dosimetry course will cover commissioning, calibration and operation of Portal Dosimetry system. Course intended for the Physicist.</p> <p>Topics covered include introduction to Portal Dosimetry system covering hardware and software, Portal Dosimetry calibration, acquisition of portal dose images for dynamic delivery, analysis of portal dose images and recommended QA tests. Course curriculum includes practical exercises with live beam using aSi1000 Portal imager.</p> <p>Prerequisites: User of Varian PortalVision system, basic knowledge of portal Vision system Attendance in the Eclipse Administration and Physics course Recommend attendance in the Eclipse IMRT Administration and Physics course Clinical IMRT experience Medical Physicist Education</p> <p>Customer Responsibilities: Customer is responsible for all travel expenses: airfare, hotel, rental car, meals and travel incidentals.</p> <p>Notes: Includes Tuition and Materials for ONE person. Course is non-refundable and non-transferable. Offer is valid for 18 months after installation of product. Training must be taken at nearest Varian education center Length – 2.5 days</p> <p>For detailed course information and on-line registration, visit the Varian website at www.varian.com/index.html.</p>	1
3.9	<p>STD TRNG: MCO-Remote</p> <p>Standard Training for Multi-Criteria Optimization (also known as Trade-off Analysis). Intended audience includes physicists, dosimetrist/treatment planners and other staff as appropriate.</p> <p>Features:</p> <ul style="list-style-type: none"> • Training Plan details will be provided by the training management team as part of your product implementation process. Topics covered can include: <ul style="list-style-type: none"> ◦ Workflow ◦ Plan Generation ◦ Trade off exploration • Duration and Location:2 hour remote session <p>Prerequisites:</p> <ul style="list-style-type: none"> • Multi-Criteria Optimizatin installed <p>Notes:</p> <ul style="list-style-type: none"> • Offer is valid for up to 18 months after installation of product • Non-transferable to other products and services and non-refundable 	1
3.10	<p>Non-Clinical Multi-Criteria Optimization</p> <p>Eclipse™ MCO is a decision support tool incorporated within the existing IMRT or VMAT optimization workflow. Trade-off exploration with MCO allows the end user to explore the impact that changing dose to a specific structure has on plan quality, target coverage, or organ at risk sparing.</p> <p>Features:</p> <ul style="list-style-type: none"> • MCO license for one (1) user 	1

Item	Description	Qty
	<p>Prerequisites:</p> <ul style="list-style-type: none"> Eclipse T-Box Software Package or Eclipse Educational/Research SFW Package Non-Clinical RapidArc Planning Workstation graphics processing unit (GPU) algorithm license or a framework agent server graphics processing unit (GPU) algorithm license 	
3.11	<p>Non-Clinical Portal Dosimetry Package</p> <p>Non-Clinical Portal Dosimetry provides the capability to perform pre-treatment Intensity Modulated Radiation Therapy (IMRT) or RapidArc® QA using the PortalVision electronic imager.</p> <p>Features:</p> <ul style="list-style-type: none"> Non-Clinical Eclipse™ portal dose calculation for one (1) user Non-Clinical Portal dosimetry review for one (1) user <p>Prerequisites:</p> <ul style="list-style-type: none"> Eclipse T-Box Software Package or Eclipse Educational/Research SFW Package Non-Clinical RapidArc planning for RapidArc portal dosimetry 	1
3.12	<p>Non-Clinical RapidArc Planning</p> <p>Non-Clinical Eclipse™ RapidArc® Planning supports dynamic arc treatments produced through volumetric dose optimization to generate intensity modulated dose distributions in optimized arcs.</p> <p>Features:</p> <ul style="list-style-type: none"> Non-Clinical RapidArc Planning for one (1) user <p>Prerequisites:</p> <ul style="list-style-type: none"> Eclipse T-Box Software Package or Eclipse Educational/Research SFW Package 	1
3.13	<p>Non-Clinical Acuros External Beam</p> <p>Acuros® External Beam (Acuros XB) is a photon algorithm that provides dose calculation with the equivalent accuracy as the Monte Carlo algorithm.</p> <p>Features:</p> <ul style="list-style-type: none"> Non-Clinical Acuros XB algorithm <p>Prerequisites:</p> <ul style="list-style-type: none"> Non-Clinical T-Box Software Package or Non-Clinical Educational/Research Software Package <p>Notes:</p> <ul style="list-style-type: none"> GPU dose calculation support 	1
Section 4	Velocity	
4.1	<p>STD TRNG: VELOCITY</p> <p>Training is included with the purchase of Velocity. Training plan details will be provided by the training management team as part of your product implementation process.</p> <ul style="list-style-type: none"> Offer is valid for 18 months after installation. Training is not transferable with other products and services 	1
4.2	<p>VELOCITY GRID STANDALONE 1 USER WRKSTN</p> <p>Velocity™ GRID is a solution for medical imaging and oncology data. This Velocity GRID Workstation runs both the client and server software.</p> <p>Features:</p> <ul style="list-style-type: none"> Workstation hardware: <ul style="list-style-type: none"> 64-bit Intel® Multi-Core Processor 64-bit Microsoft Windows operating system pre-installed Discrete graphics hardware (GPU) Local drive storage to support the Velocity GRID software Data storage for external data backup External monitor Gigabit (1 Gbps) Ethernet GRID Software Server License One (1) Concurrent User Velocity License. Allows one user to perform Velocity functions on data stored on this Velocity GRID workstation. Remote access to the Velocity GRID workstation is possible using the Velocity GRID client software installed on other workstations. Velocity GRID workstation includes features for data storage and archiving data including: <ul style="list-style-type: none"> Store both DICOM and non-DICOM data in Velocity GRID 	1

Item	Description	Qty
	<ul style="list-style-type: none"> • DICOM Auto-Importer automatically parses and associates data • Query-Retrieve Engine can pull data from other DICOM locations (C-FIND, C-MOVE, C-STORE) • Auto-Import CDs or other file data from workstations • Velocity GRID uses centralized encrypted data store • Single floating Velocity GRID Concurrent User License includes the following features: <ul style="list-style-type: none"> • Multi-modality deformable image registration • Advanced contouring tools • RT plan review • Dose tracking and accumulation • 4D tools • Response assessment workflows • Response assessment workflows ,Prerequisites: • For use of the floating license, client hardware is required to meet minimum specifications for Velocity hardware detailed on the Varian Medical Systems website. <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Network Connectivity <p>Notes:</p> <ul style="list-style-type: none"> • May not be used over a remote desktop (RDP) session, VNC or other screen-sharing, or Citrix® XenApp or XenDesktop session. Velocity Workstation and GRID software is not intended for remote use and must be operated by individuals who are physically using the workstation or other client workstations. • Performing and maintaining data backup is the responsibility of the customer. • VelocityGRID workstation is not expandable – user licenses cannot be added to the system. 	
Section 5 MVP Phantom, Doselab License w/ Phantom Package, Mobius S/N: 9999		
5.1	<p>Mobius3D MVP Phantom</p> <p>MVP Phantom provides support for external measurements in the Mobius3D® patient-specific quality assurance (QA) platform.</p> <p>Features:</p> <ul style="list-style-type: none"> • Plastic Water®, 0.5% dose equivalent to water with photon beams • Seven chamber positions • Film slot • Phantom Verification in Plan Checks and QA Checks <ul style="list-style-type: none"> ◦ Generates expected chamber doses and downloadable film plane (DICOM) <p>Prerequisites:</p> <ul style="list-style-type: none"> • Mobius3D Patient QA Server or Megaserver • Mobius3D MobiusCalc <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Supported ionization chamber 	1
5.2	<p>DoseLab Machine QA Phantom PKG</p> <p>DoseLab® Phantom Package provides a suite of phantoms designed for linear accelerator quality assurance (QA) tests.</p> <p>Features:</p> <ul style="list-style-type: none"> • MC2 Phantom <ul style="list-style-type: none"> ◦ Used for MV/kV image analysis • RLf Phantom <ul style="list-style-type: none"> ◦ Used for Flatness/Symmetry tests and Radiation Field/Light Field coincidence tests • WL³ Phantom <ul style="list-style-type: none"> ◦ Used to verify isocentric accuracy via the Winston-Lutz test 	1
5.3	<p>DoseLab Machine QA SW Additional, Perpetual</p> <p>DoseLab® software provides a suite of tools for linear accelerator quality assurance (QA) analysis, a linear accelerator QA database, and film dosimetry.</p> <p>Features:</p> <ul style="list-style-type: none"> • Built-in modules for linear accelerator QA <ul style="list-style-type: none"> ◦ MV/kV image analysis ◦ Flatness/Symmetry and Radiation Field/Light Field Coincidence ◦ Depth Dose ◦ Starshot ◦ MLC Strip Test ◦ Winston-Lutz (2D and 3D) ◦ VMAT / Dynamic MLC 	1

Item	Description	Qty
	<ul style="list-style-type: none"> ◦ CT / CBCT image analysis ◦ FractionLab log file analysis • AutoQA module for automatic analysis of QA images • Integrated machine QA database <ul style="list-style-type: none"> ◦ Trend analysis • Film Dosimetry <ul style="list-style-type: none"> ◦ Uniformity correction ◦ Manual and EDW film calibrations • Dose Comparison Interface <p>Prerequisites:</p> <ul style="list-style-type: none"> • Varian C Series, Trilogy Tx™, Novalis Tx™, TrueBeam®, VitalBeam™, Edge®, TrueBeam STx®, or any compatible third-party linear accelerator • Doselab QA Software <p>Customer Responsibilities:</p> <ul style="list-style-type: none"> • Verify third-party linear accelerator compatibility • Client computer with Windows XP or later, Microsoft Excel, 32-bit video card, 1024 x 768 minimum display, 2GB RAM, and 1GB hard drive space 	

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Onslow Memorial Jackson NC SOW for Professional Services

Hours to quote: 274

Consulting: 186

Applications trainer:88

Timing	Detail	Consultant	Application Trainer	Education Course	Apps/ Consulting Entitlement with Product	Comments
Radiation Oncology						
Configure DB & establish workflows	Current state use and workflow Assessment	16				
	Tbox Navigation Workflow Workshop for Clinical Leads - better than a demo but not training		24			
	ARIA System Configuration (note, most of these hours are performed remotely)	40			24	Entitlement to help Configure Eclipse
	Workflow workshop for clinical leads	24	24			
	Testing of interfaces for interoperability Solution (ADT, DFT, DOCs O/B, 8 hrs per interface)	24				Consultants to utilize Varian Testing Scripts as part of deliverable
	Project Communication (emails, calls, and WebEx)-Remote work	10				
	Practice Management & Interface Go Live					
Go Live	Week 1 - EMR (scheduling, documents, encounters, care paths)	16			24	
	Eclipse Onsite				24	Use as a review/retrian
	Week 2 - EMR Continued (Practice Management & Treatment Prep)	8			24	
	Treatment Go Live					
Go-Live Support	Week 3 - Go Live ARIA, Treatment, Imaging	16			24	One Linac
	Week 4 - Go Live ARIA, Treatment, Imaging	8	16			
Post Go-Live	3 week post follow up ARIA/Eclipse				16	
	8 week post follow up ARIA	24				
	6 month post follow up (Advanced Features/Workflow Efficiencies) ARIA/Eclipse		24			
Total Hours or Course Credits Per Category		186	88	0	136	
Total Advantage Credits (Hours or Course Credits)		274				

Covered Equipment and Services

Scalable TrueBeam - Essentials

- IDENTIFY SGRS Service
- IDENTIFY Patient Setup Service
- IDENTIFY Treatment Base System Service
- MLC 120
- KV Imager
- MV Imager
- Rapid Arc/VVMAT
- ARMM
- VCD-TBM
- PerfectPitch Couch

Services Attachment

Attachment 1	Description of Services Provided
Attachment 2	Detailed Service Specifications
Attachment 3	Terms and Conditions

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Description

Service Contract - Service Contract

Site: Onslow Memorial Hospital

Section 1: Scalable TrueBeam : Essentials

Periodic Maintenance Inspection (PMI)

Varian will perform the full annual program for the Periodic Maintenance Inspections (PMI) in accordance with Varian specifications. PMI will be performed during Varian's Standard Hours, at mutually agreed upon dates and times. The quantity and frequency of the inspections will depend on the configuration of the Covered Equipment.

Uptime Performance Guarantee 96%

Varian guarantees that the covered system described at the end of this section will achieve an uptime of 96% or better. Guidelines for calculating uptime are provided in Attachment 2.

Mandatory Upgrades coverage

Varian will perform all mandatory safety and reliability modifications for the Covered Equipment at a mutually agreed upon time.

Discounted Labor Rates

The Customer is entitled to a discount from the published standard labor rate for any service performed that is not covered under this Support Agreement. Details can be found in Attachment 2.

Comprehensive Parts Coverage

Varian will provide all parts necessary, except Consumable Items (as defined in Attachment 2), to keep the Covered Equipment functioning normally. To cover consumables, 'Consumables Items Supply' coverage must be included.

NFO & special freight handling

Varian will undertake every business effort to transport the parts to customer site as fast as reasonably possible.

Discounted Parts Pricing

The Customer is entitled to a 10% discount from list price for parts purchased that are not covered under this Support Agreement.

On-site Labor coverage (OSL)

Varian will provide on-site field service support for the Covered Equipment during Varian's Standard Hours, for issues that cannot be resolved by telephone or through remote support.

On-site Emergency Labor

Varian will provide on-site emergency field service support for the covered equipment for issues that cannot be resolved by telephone or through remote support SmartConnect®. Emergency field service support includes non-standard business hours coverage, only to the extent the number of such visits remains within Varian's customary practice. To qualify as an emergency service event, Customer must declare the equipment "down," cease treatment and make the equipment available to Varian service personnel immediately.

Discounted Training

This entitles the Customer to a 30% discount from list price on all available Varian classroom trainings or training credits published in the Varian sales catalog, in any Varian training facility available worldwide.

Help Desk Support Technical (HDST)

Varian's help desk specialists will provide technical support for the Covered Equipment. Support is available over telephone, through the MyVarian portal, and by e-mail during Varian's Standard Hours.

Remote Access

Varian will provide remote diagnostics and support during Varian's Standard Hours for service of a defect or an error that cannot be resolved by telephone or e-mail.

Unlimited Help Desk Sup. Clinical (HDSC)

Varian's help desk specialists will provide clinical product support for the Covered Equipment. Support is provided over telephone, through the MyVarian portal, and by e-mail during Varian's Standard Hours.

Service Price Table

Service Total

US \$238,726.00

Annually	Year 1	Year 2
Scalable TrueBeam - Essentials	US \$118,474.00	US \$120,252.00
Total	US \$118,474.00	US \$120,252.00

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Quotation Total

Quotation Total

US \$2,485,089.00

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Labor Rates

	Standard Hours	Non-Standard Hours
Customer Support Representative* (2-hour minimum)	\$385/hour	\$580/hour
Product Support Engineer/Product Specialist* (2-hour minimum)	\$580/hour	\$870/hour
Applications & Clinical Help Desk Support* (30-minute minimum)	\$385/hour	\$580/hour
On-Site Applications Support (2-day minimum, includes travel)	\$5,000/day	\$10,000/day

*On-site, remote (off-site) support or travel

Any involvement of a Product Support Engineer or Product Specialist requires the presence of the local Customer Support Representative and will be invoiced accordingly, unless previous arrangements are made between the local District Customer Support Manager and Customer Representative.

Unless a Non-standard hours or Extended Hours coverage option is included in the selected Service Level Agreement, Customers may request that service be performed during Non-Standard hours and authorization to approve Customer's request lies solely with the respective District Service Manager. Where such requests are approved, Customer will be invoiced at the Standard Hours rate with a 20% discount. The billing rates for Non-Standard hours service for Customers with a Varian Service Level Agreement (SLA) is \$308/hour for a Customer Support Representative and \$464 per hour for a Product Support Engineer/Product Specialist.

All rates are subject to change without prior notification.

Working Hours

"Standard Hours" (formerly "Normal Hours") are from 8 A.M. to 5 P.M. on Mondays through Fridays, not including Varian holidays

"Non-Standard Hours" (formerly "Non-Normal Hours") are from 5 P.M. to 8 A.M. (following day), Sunday through Saturday, including Varian holidays

"Extended Hours" 5 P. M. to 9 P.M. on Mondays through Fridays, not including Varian holidays

List of U.S. Holidays

1. New Year's Day
2. Presidents' Day
3. Good Friday
4. Memorial Day
5. Independence Day
6. Labor Day
7. Thanksgiving Day
8. Day after Thanksgiving
9. Christmas Holiday 1
10. Christmas Holiday 2

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Form MGM 1582I
12/2014

General Conditions for PremierAssurance Essentials and Elite contracts for Delivery Systems

1. Customer Responsibilities/Pre-requisites/Exclusions

Remote Access for Software Support:

Customers must have a Remote Service (SmartConnect) connection enabled in order to receive remote service and help desk support. The SmartConnect tool is provided by Varian as part of this agreement. Varian may install upgrades and updates remotely. If a remote connection is not provided or the type of remote connection does not allow the use of SmartConnect, Varian reserves the right to charge the customer 15% of the annual payment of the Support Agreement. Costs for any additional software and hardware associated with providing the connectivity for this remote connection are the Customer's responsibility.

Additional Hardware:

Unless otherwise agreed, the Customer is responsible for purchasing any additional hardware, network capacity, or other system components that have been identified by Varian as being required to install and operate any upgrade or purchasable option. Varian shall not be required to install or support any upgrade release or purchasable option if the Customer has not obtained the required hardware, network capacity and other system components.

2. Installation Note

The lead time for the installation of upgrades may vary. Please confirm availability and installation timing of the Upgrade with your Varian representative.

3. Contingencies

This Support Agreement is contingent on the customer meeting all pre-requisites and fulfilling all customer responsibilities identified in this quotation and in the accompanying documentation.

4. Validity of Quote

The Support Agreement presented in this quotation is valid only for the listed items described in this quotation and will expire on the date identified on the cover sheet of this quotation.

Definitions for Uptime 96%

The uptime statistics will be evaluated for each successive 12-month agreement period. Should the system fail to achieve the required uptime of 96%, and the failure is attributable to Varian, then the following year's support agreement will be adjusted according to the schedule below.

Uptime %	Credit
96.0 – 100.0	None
94.5 – 95.9	3%
94.4 and LOWER	6%

1. Prerequisites for an "Uptime Performance Guarantee" are
 - a. The remote service product "Smart Connect" must be installed, and its full functionality must be enabled including granting access to Varian remote service personnel via a fast internet connection.
 - b. All spare parts must be purchased from Varian and assembled by a certified Varian engineer.
2. The reduction in the agreement fee constitutes the sole and exclusive remedy for failure to meet the 96% uptime performance guarantee. Should the customer elect not to purchase a subsequent support agreement, the 96% uptime guarantee will not apply.

3. Uptime will be calculated using the following formula:

$$\text{UPTIME} = \frac{\text{BASIS} - \text{DOWNTIME}}{\text{BASIS}} \times 100$$

BASIS - Total treatment hours less total scheduled maintenance hours performed during normal business hours. **Scheduled maintenance** includes modifications, upgrades, planned maintenance, or any other mutually agreed upon discretionary service activity. Total treatment hours definition:

- Correspond to the standard office hours of the local Varian office
- Maximum 9 hours per day and 5 working days per week

DOWNTIME - The period of time in hours (calculated to the nearest 15 minutes) during which the Oncology system is inoperable to the point that it cannot be used for clinical purposes.

Downtime will be calculated based on the Varian dispatch reports and a review of service activity as described in the required Electronic Field Service Reports. Downtime will commence when the customer notifies Varian's Customer Service Center that the system is inoperable and available for service.

Downtime ends once repairs are completed and the Oncology system is again available for customer use. "Hours that are outside of the window established by the BASIS defined above are excluded from calculation of downtime."

4. During the agreement period, Varian will, at mutually agreed upon intervals, meet with the customer to review machine performance and downtime statistics.
5. Downtime as a result of circumstances beyond Varian's control, including but not limited to, acts of God, negligence, misuse, power and environmental failures, will be excluded from the calculations.
6. The uptime guarantee will remain in effect as long as the Oncology system is continuously supported by the selected Service Level Agreement.

Terms and Conditions of Sale

(Form RAD 1652V)

These Terms and Conditions of Sale (“**Terms of Sale**”) govern the sale of Products and Services and license of Software by Varian Medical Systems, Inc. or its subsidiary (collectively, “**Varian**”) referenced in the Varian Quotation (as defined in Section 1 below). These Terms of Sale may be supplemented by addenda, exhibits, schedules, and other attachments referenced in or attached to these Terms of Sale or the applicable Quotation and shall collectively constitute the entire agreement (“**Agreement**”) between the parties.

1. Definitions

- 1.1 “**Covered Product**” means Products for which the parties have agreed in writing for Varian to provide Support Services under warranty or a Support Agreement as further described in the Service and Support Schedule;
- 1.2 “**Customer**” means the customer referenced in the Quotation;
- 1.3 “**Hardware**” means any hardware products sold by Varian;
- 1.4 “**Managed Services**” means cloud or on-premise services where Varian provides Customer with virtualized managed data center infrastructure and technical operational services, such as monitoring, event management and maintenance of that virtualized infrastructure.
- 1.5 “**Post-Warranty Support**” shall mean Support Services provided after the initial warranty or software support period.
- 1.6 “**Products**” mean Hardware and/or Software;
- 1.7 “**Professional Services**” means installation, implementation and other ancillary services provided pursuant to the Professional Services Schedule, but does not include maintenance, warranty, or support;
- 1.8 “**Quotation**” means the applicable Varian quotation(s) by which Customer is purchasing Products and/or Services from Varian;
- 1.9 “**Relay Services**” means the subscription-based services which allow the transmission of Customer information between Software and a Varian mobile application.
- 1.10 “**Services**” collectively mean Support Services, Professional Services, Managed Services, and Relay Services;
- 1.11 “**Software**” means one or more computer programs in object code format, whether stand-alone or bundled with other products and related documentation, licensed by Varian and shall exclude Software licensed on a software as a service (SAAS) basis;
- 1.12 “**Support Agreement**” means a contract for Support Services that Customer can purchase under which Varian will provide Post-Warranty Support for the Covered Products; and
- 1.13 “**Support Services**” mean initial warranty or software support and Post-Warranty Support provided pursuant to the Service and Support Schedule.

2. Quotations and Prices

- 2.1 **Quotation Duration.** Prices and license fees for Products and Services are set forth in the applicable Quotation. A Quotation shall expire at the end of the period identified in the Quotation, or if no period is stated in the Quotation, the Quotation shall expire sixty (60) days from the date of issuance or if a Product on the Quotation is no longer available. If the parties choose to execute a Quotation after its expiration date, the expiration date will be treated as having been mutually amended to the date of last signature.
- 2.2 **Taxes**
 - 2.2.1 Varian’s prices exclude, and Customer shall be responsible for, all taxes, customs, duties, tariffs, withholding, levies, assessments, or fees of whatever kind or nature arising out of or in connection with this Agreement, including the sale, delivery, ownership, or use of the Products or performance of the Services, but excluding taxes based on Varian’s net income and the Medical Device Excise Tax, if applicable. If Customer asserts that any transaction under this Agreement is tax exempt, Customer shall provide to Varian a tax or levy exemption certificate acceptable to the taxing or levying authority. Varian will include on each invoice those taxes which are: (a) the responsibility of Customer (classified on the invoice by type of tax, i.e., sales tax, value-added tax, etc.); and (b) for which Varian has a legal obligation to collect and remit such taxes to the appropriate authority.

- 2.2.2 If Customer is required by law to make any deduction from the gross prices in a Quotation which are due to Varian for withholding tax, then Customer shall: (a) promptly notify Varian of such deduction, (b) pay such tax to the relevant tax authority; (c) pay Varian for the relevant invoice net of the required deduction or withholding by the due date of payment for that invoice; (d) promptly provide Varian with official tax receipts or other documentation issued by the relevant tax authority to evidence payment of the deducted or withheld amount; (e) provide Varian with assistance as is reasonably requested by Varian in recovering the deducted or withheld amount; and (f) if a double-taxation treaty applies which provides for a reduced withholding tax rate, then Customer shall only withhold and pay the reduced tax amount. Varian shall not be liable for any act, omission, or delay by Customer in respect of the Customers' tax compliance duties, including, but not limited to, any Varian liability for withholding tax, penalty, or interest which arises as a result of Customer's failure to withhold any applicable tax.
- 2.3 **Transportation and Risk of Loss.** All shipments will be made in accordance with the Incoterms (Incoterms 2010), UCC shipping terms, or other shipping terms, each as set forth in the Quotation, with Varian selecting the transportation company. Title shall pass at the same time that risk of loss shifts in accordance with the applicable Incoterms, UCC shipping terms, or other shipping terms. Varian shall insure such shipments for the full value of the Products shipped at Customer's expense or shall declare the full value of the Products to the transportation company at time of shipment. Within three (3) days of delivery, Customer shall fully examine the packaging of the Product delivered for damage and make all applicable complaints and claims arising out of such delivery to the carrier in writing, and Customer shall provide a copy of any such complaints and claims to Varian.
- 2.4 **Prerequisites and Conditions.** Where Customer is ordering in a Quotation radioactive or radiation-emitting Products or Service for such Products, Customer has requested and authorized Varian to utilize radioactive or radiation-emitting Products to perform as required under the Quotation at Customer's site. Varian's acceptance of any order and subsequent performance are expressly conditioned upon Customer's compliance with all applicable codes, regulations, and recommendations of competent health or radiation-protection authorities affecting Products or installation and use of the Products, including obtaining all required permits, and Varian's approval of Customer's credit. Where applicable, Customer acknowledges that Varian has notified Customer that there are regulatory requirements associated with possession and use of radiation-generating devices. Prior to installation of a radiation-generating device, Customer will apply for and obtain approval for installation of the device from the appropriate local and/or state radiological regulatory agency, and Customer will provide Varian with a copy of the approval form so that Varian can verify that Customer has obtained the required regulatory agency authorization.
- 2.5 **Government Required Disclosures.** Customer shall disclose the dollar value of any discounts or reductions in price for the Products and Services furnished by Varian in Customer's costs claimed or charges made to Medicare, Medicaid, and any other federal, state, or local programs which are providing reimbursement to Customer.
- 2.6 **Customer Changes Prior to Installation**
- 2.6.1 The Products, Services, and their related prices listed on the Quotation are based on Customer's software, hardware, and information technology infrastructure (e.g., servers, networks, and workstations) that, to Varian's knowledge as of the time of the Quotation, either: (a) exist at Customer's facility at the time the Quotation is prepared; or (b) will exist on the Product installation date, as communicated by Customer to Varian, at the time the Quotation is prepared ("**Customer IT Environment**").
- 2.6.2 If Customer changes its Customer IT Environment prior to Product installation or delivery of the Services, then Customer acknowledges that the Products, Services, and prices listed on the Quotation may no longer be valid. In such event, Customer agrees that Customer must pay Varian: (a) any price difference between the Product configuration on the Quotation and the newly requested Product(s) configuration at the time of actual installation ("**Current Version**"); (b) the price of any new Hardware or Software prerequisites then necessary for the Current Version of the Product to operate in the changed Customer IT Environment; and (c) any price difference between the Services listed on the Quotation and the Services needed to fully install the Current Version.
- 2.7 **Hardware Prerequisites for Software Upgrades and Updates.** If Customer has purchased upgrades or updates to Software, or is otherwise entitled to them under a Quotation, then Customer is responsible for purchasing any additional hardware, software or information technology infrastructure products that are necessary in order to successfully operate those upgrades or updates to the Software, unless: (a) Customer has also purchased a Hardware-refresh option for that Software from Varian; or (b) Customer has a valid Support Agreement in place which includes an applicable Hardware-refresh option.
- 2.8 **New Products.** If Varian commercially releases a new model or version of any Product between the signing of the Agreement and the shipment (or if no shipment, installation) of the Product, the Customer shall have the option of taking the new model or version of the Product. If Customer desires to take the new model or version, Customer must pay for any price difference between the old and new models or versions and the cost of any additional required prerequisites.

3. Payment

- 3.1 **Payment Due Dates and Late Payments.** Except as otherwise set forth in the Quotation or agreed by the parties in writing, all reasonably undisputed amounts invoiced shall be due and payable within thirty (30) days of the date of invoice. Varian may charge interest on past due balances at a rate equal to the lesser of one percent (1%) per month or the maximum amount permitted by applicable law. Varian may cancel or delay delivery of Products or Services when Customer's payments are late under any orders with Varian.
- 3.2 **Products.** Amounts payable for Products will be invoiced as set forth in the payment schedule in the Quotation. If no payment schedule is in the Quotation, Varian may invoice upon signing of the Quotation. If a Product is not installed within six (6) months after delivery is made available to Customer pursuant to the delivery date specified in the Quotation, and such delay is not due to the fault of Varian, then all remaining unpaid balances shall become immediately due regardless of the payment schedule in the Quotation, and Varian shall not be required to provide installation services six (6) months after such delivery of the Product is made available to Customer. For partial shipments, Products will be invoiced when shipped (for example, if Customer orders two linear accelerators on one Quotation to be installed on different dates, then Varian may invoice for the first linear accelerator and related accessories when the first accelerator and accessories are installed, and then again when the second linear accelerator and related accessories are installed).
- Customer represents and warrants to Varian, that after title to the Products passes from Varian to Customer and until Customer fully pays for the Products, Customer will (1) hold good and marketable title to the Products free and clear of all liens except those in favor of Varian and (2) not execute, file, or record any security agreement, financing statement, equivalent security or lien instrument, or continuation statement covering all or any part of the Products, except such as may have been filed by Customer or Varian in favor of Varian. Customer further agrees to take any other action, at the expense of Customer, reasonably requested by Varian to insure the attachment, perfection, and first priority of, and the ability of Varian to enforce, Varian's security interest in any and all of the Products including, without limitation, delivering and, where appropriate, filing financing statements and amendments relating to them under the UCC in any relevant jurisdiction. Customer hereby appoints Varian as its attorney-in-fact and authorizes Varian, from time to time, to execute and file one or more financing statements, amendments, and/or other similar instruments and provide any other information necessary to perfect or to enforce Varian's security interest in the Products and proceeds with respect to the Products which are subject to Varian's security interests. Until the obligations to Varian have been repaid in full Customer shall not, unless Varian consents in writing: (a) convey, sell, lease, license, transfer, or otherwise dispose of all or any part of the Products; (b) move or relocate the Products, which shall remain personal property at all times, without informing Varian in writing; or (c) assign or otherwise convey any right to receive income from the Products or the proceeds of any authorized sale of the Products.
- 3.3 **Services.** Varian may invoice Customer up to thirty (30) days prior to the start of rendering Services. If a Support Agreement states that the Services will be billed in increments (such as annual or quarterly), then Varian may invoice Customer up to thirty (30) days prior to the start of each applicable incremental period. If Customer is paying for Services on a time and materials basis, then labor charges and related expenses, including travel expenses, will be invoiced at the labor rates specified in or attached to the Quotation as the Services are rendered or as the expenses are incurred.

4. Cancellations, Modifications, and Termination

- 4.1 **Products.** No Product order accepted by Varian may be terminated, canceled, or modified by Customer, provided, however, that either party may terminate any Product order prior to delivery of the Product for material breach of the Agreement upon thirty (30) days written notice to the other party if such material breach has not been cured upon the expiration of such period. Where Customer breaches the Agreement by wrongfully cancelling a Product order, in addition to the other remedies that Varian may have available to it, Customer shall: (a) forfeit its deposits or down payments; or (b) if no deposits or down payments were made, pay to Varian all damages reasonably incurred by Varian. This Section shall not limit, and Varian shall be entitled to pursue, any other remedies that it may have under the law or in equity in the event of Customer's material breach of the Agreement.

4.2 Support Service

4.2.1 Term and Termination of Support Agreements

If Customer is ordering Post-Warranty Support under a Support Agreement before the expiration of the initial Hardware warranty and Software support period or a prior Support Agreement, then the initial term for the new Support Agreement shall begin immediately upon the expiration or termination of the applicable warranty or support period or prior Support Agreement. If Customer is ordering Post-Warranty Support for Products that are no longer covered under the initial Hardware warranty or Software support period, and are not currently covered under a Support Agreement, then the initial term of the Support Agreement shall begin when Customer signs the Quotation for those Services or issues a purchase order referencing it or any other date mutually agreed upon by the parties.

Support Agreements shall automatically renew for a single one-year extension, unless either party provides the other party with a written notice of its intention not to renew at least sixty (60) days prior to the

expiration of the then-current term of the applicable Support Agreement. After the initial term, Support Agreements are subject to a minimum annual service fee increase based on the increase, if any, of the annual rate in the Consumer Price Index table published by the U.S. Bureau of Labor Statistics for all Urban Consumers (Index 1982-1984=100) ("CPI"). The applicable annual service fee increase for the one-year extension shall be calculated by the cumulative compounded CPI increase for each year of the original term of the support agreement.

Except in the case of automatic renewals, Customer may terminate any Support Agreement for convenience by: (a) notifying Varian of its intention to terminate in writing at least one hundred twenty (120) days prior to expiration of the then-current term of the Support Agreement; and (b) paying Varian: (i) the full amount of the remainder of the Support Agreement fees for the current contract year of the Support Agreement; plus (ii) an early termination fee equal to fifty percent (50%) of the remaining Support Agreement fees after the current contract year that would have been due to Varian if the Support Agreement had not been terminated early. Customer must pay Varian's invoice for the foregoing fees within thirty (30) days of invoice date.

- 4.2.2 **Termination Where Product Costs Are Included and Amortized.** If Customer prematurely terminates a Support Agreement which includes the amortized cost of any additional Products (such as delivery system upgrades, software licenses, or any other purchasable options) into the cost of the Support Agreement, then Customer will be liable, and will be invoiced by Varian, for the unpaid portion of these additional Products at the Product's then-current list price, and Customer will pay such invoices within thirty (30) days.
- 4.2.3 **Termination for Failure to Maintain Products.** There may be instances where Customer requests Varian to issue a Quotation for Post-Warranty Support for an existing Varian Product that has been previously purchased and has not been under continuous support by Varian prior to examining the Covered Products (e.g., Customer may need to spend an allocated budget before a fiscal year-end). If Varian has not had an opportunity to inspect a Covered Product prior to the issuance or signing of a Quotation for Post-Warranty Support, then Varian shall have the right to inspect the Product to determine whether it meets a level of operation acceptable to Varian and, solely at Varian's option, to revoke the applicable Quotation before its signing, or to terminate the Support Agreement after the applicable Quotation is signed. Varian's agreement to provide Post-Warranty Support for Covered Products shall, at Varian's sole discretion, be further contingent upon the completion of repairs or maintenance indicated by Varian as required as a result of an inspection. Varian reserves the right to void the warranty or terminate that portion of Post-Warranty Support for a Covered Product where Customer purchases from a third party not affiliated with Varian labor or parts to maintain, verify, or validate the Covered Product.
- 4.2.4 **End of Sale and End of Support.** Varian may issue an end of sale notice for a Varian Product or Service by providing the Customer with eighteen (18) months written notice for Hardware and twelve (12) months for Software. Varian may terminate a Support Agreement for a Covered Product where Varian has determined to end support, subject to additional terms in the Quotation, or Varian work instructions and documentation, by giving Customer eighteen (18) months advance written notice for Hardware and twelve (12) months for Software ("**End of Support Termination**"). Varian may also terminate a Support Agreement for any Software that is two or more Versions older than Varian's then-current Version of such Software (e.g. if the then-current Version of the Software is version 7.0, then Varian may terminate a Support Agreement for any Software versions earlier than Version 6.0). However, Varian may shorten the periods described in this Section 4.2.4 if, in Varian's sole discretion, an End of Support Termination is required due to key component obsolescence issues or material product quality concerns.
- 4.2.5 **Survival of Terms.** All provisions of this Agreement which by their nature should survive termination of this Agreement shall remain in effect after termination of this Agreement.

5. Use Restrictions

- 5.1 Customer shall not decompile, disassemble, or reverse engineer any part of a Product except to the extent such prohibition is void under applicable law. Customer must ensure that anyone with authorized access to the Products will comply with the provisions of this Agreement.
- 5.2 The following shall apply to all Products sold or licensed to Customer under this Agreement. Nothing in this Section shall prohibit Customer from allowing hospitals and healthcare workers affiliated with Customer from using the Products if they have the requisite training or experience to do so. Without the written consent of Varian, Customer may not: (a) sublicense, sell, lease, rent, timeshare, distribute, or otherwise attempt to transfer its license to such Software and/or documentation to any other person or entity; (b) use the Software in a facility management or Service Bureau (as such term is defined below) manner or permit third parties to access the Software over the internet or through an application service provider model; or (c) allow access or use the Software other than for its intended purpose, in a manner not contemplated by Varian, nor beyond the scope of its license. For purposes of this Agreement, "**Service Bureau**" means an arrangement where third parties are permitted to access and use such Software, directly or indirectly, by any means to process their own data; or Customer uses such Software to process the data of any third party.

- 5.3 Except to the extent that the restrictions in Section 5.2 are void under applicable law, Customer shall not: (a) copy (except as expressly set forth in Section 2 of the Software Schedule and except for transitory copies created as part of the normal use of the Product), print, alter, or translate such Software; (b) circumvent any usage or other restrictions imposed by any license manager; (c) create any derivative work based on such Software; or (d) use such Software for application development purposes. Customer agrees that these provisions shall also apply to any copies of such Software that Customer acquires from third parties. Customer agrees that it shall not use any part of the Software apart from the Hardware or Software with which it was intended to operate.

6. Firmware and Operating Systems

Products sold by Varian may contain internal system code that is stored in non-volatile memory that executes functions of the Product ("**Firmware**"), as well as software that is included with the Product such as operating system software for operating computer systems, performing diagnostics, displaying information, and interfacing with other devices or software and further including any displays of copyrightable material stored in or otherwise embodied by such software or Firmware (collectively "**Operating System**"). Varian, or its licensors, own all Firmware and Operating Systems. Except where such Firmware or Operating System is owned by a third party and licensed directly by such third party to Customer, Varian hereby grants Customer, only for so long as Customer shall own or license the Product, a limited, personal, non-transferable, non-exclusive license to use the applicable Firmware and Operating System as part of the normal operation and maintenance of the Product. Support Services for the Firmware and Operating System shall be governed by those terms applicable to the underlying Product.

7. Proprietary Notices, Trademarks, Logos, and Trade Names

Varian or Varian's suppliers or licensors own all right, title, and interest (including, without limitation, all intellectual property rights) in and to the intellectual property in all Products, including their documentation and other materials provided with the Products. Customer shall not remove, alter, or obscure any copyright, trademark, trade secret, government restricted rights, or other proprietary or confidentiality notices or legends that are (a) placed or embedded by Varian or its suppliers or licensors in any software, (b) are displayed when any software is run, or (c) are applied to the Products, their packaging, labels, or any other materials provided under this Agreement. All trademarks, logos, and trade names displayed on the Products and any related documentation are the property of Varian or third parties, and Customer shall not use them without the prior written consent of Varian or the third party that owns them.

8. Confidential Information

- 8.1 Each party ("**Recipient**") may be exposed to certain information of the other party ("**Discloser**") which is confidential and valuable to Discloser and not generally known to the public ("**Confidential Information**"). Information shall be Confidential Information: (i) if disclosed in writing, it is conspicuously marked "Confidential" or bears some similar marking, or by its nature it is or should be understood to be confidential and or, (ii) if disclosed orally or by observation, its confidential nature is stated in writing by the Discloser at the time of disclosure or within fifteen (15) days. The following are also deemed to be Varian's Confidential Information whether or not they are marked or disclosed as confidential to Customer: Varian's Quotation, pricing information, code, Product documentation, roadmaps, and technical specifications or data, this Agreement and/or other terms contained in or attached to the Quotation, service order, and invoice. The term Confidential Information and this Section 8.1 expressly exclude protected or patient health information ("**PHI**") and personally identifiable information ("**PII**") since they are generally covered under a separate agreement such as a business associate agreement or addendum ("**BAA**") or by applicable law.

Recipient will hold Discloser's Confidential Information in confidence and will treat Discloser's Confidential Information with the same degree of care taken to protect its own similar confidential information, but in no event with less than reasonable care. Recipient further agrees to limit disclosure of such information to those of its directors, employees, contractors, and agents who have a need for such information to affect the use permitted under this Agreement and who are bound under a written agreement or legal obligation to keep such information confidential. Recipient will not be required to protect or hold in confidence any information which: (a) becomes publicly known through no wrongful act or omission of Recipient; (b) was previously disclosed by Discloser to Recipient without indication of confidentiality; (c) becomes known to Recipient, without confidential restriction from a third party unless Recipient had or should have had knowledge of its confidentiality; (d) is approved by Discloser for disclosure without restriction in a written document which is signed by a duly authorized officer of the Discloser; or (e) is independently developed by Recipient without use of Discloser's Confidential Information.

- 8.2 Disclosure of Confidential Information will not be precluded by this Section 8 if the disclosure is: (a) necessary to establish rights under this Agreement (subject to Recipient's obligation at its expense to make a good faith attempt to obtain a protective order prior to such disclosure); or (b) required by law or regulation or in response to a valid order of a court or request of other governmental body of a country or political subdivision, provided that Recipient notifies Discloser of such order on a timely basis and if possible prior to the disclosure. All Confidential Information, including copies made by Recipient, will remain the property of Discloser. The obligations of confidentiality imposed by this Agreement shall survive any termination of this Agreement.

9. Limited Warranty

9.1 Warranty for Hardware

- 9.1.1 **Warranty for Varian Hardware.** Unless otherwise provided in this Agreement or the Quotation, Varian warrants that Varian Hardware and any Firmware and Operating System loaded on Varian Hardware will be free from defects in material and workmanship and in substantial compliance with operational features of Varian's published specifications for the applicable Product at the time of sale ("**Specifications**"). This warranty shall begin upon completion of installation in accordance with the Hardware Schedule and continue for a period of one year from such date, but not to exceed two (2) years from date of shipment from Varian to Customer. This warranty shall not apply (a) where the Firmware or Operating System is owned by a third party which licenses it directly to Customer, or (b) to certain third party products provided or licensed directly by their manufacturer to Customer (e.g., Dell workstations are provided on terms from Dell instead of Varian). Clerical and typographical errors in Specifications are subject to correction. In providing warranty Service, Varian shall have the right to substitute remanufactured parts and components that meet the same quality standards as new materials and are covered by the same warranty or service obligations. Parts for which Varian has provided replacements shall, at Varian's option, become the property of Varian.
- 9.1.2 **Parts Warranty.** Varian warrants separately-sold parts to be free from defects in material and workmanship for a period of ninety (90) days from the date of shipment to Customer. All warranty repair or replacement of parts shall be limited to product malfunctions which are, as determined by Varian, due and traceable to defects in original material and workmanship, and replacement parts are warranted for the unexpired portion of the part's original warranty period. Components that carry separate warranties based upon use are not covered by this warranty. Parts that are expendable in normal use and service are not covered by this warranty. Parts for third party products, such as computer Hardware provided with Software, are not covered by this warranty, except when an applicable third party product warranty option has been purchased. Unused parts returned to Varian are subject to a restocking fee of fifteen percent (15%), and, if applicable, an additional retesting fee.
- 9.1.3 **Disclaimer for Parts Not Supplied by Varian.** If Customer requests Varian to install parts not purchased from Varian, then: (a) Varian reserves the right to refuse to install any or all such parts; (b) if Varian agrees to install those part(s), then Varian provides no warranty, whether expressed or implied, for the part(s) or Varian's installation Services, nor does installation by Varian imply that Varian certifies the part(s) or the vendor from whom the part(s) have been obtained by Customer; (c) labor to install the part(s) will be provided by Varian on an hourly basis, at Varian's then current labor rates; and (d) if additional damage is caused by those part(s), then Varian assumes no responsibility for any damage. If the Varian Product is under any Support Agreement and additional damage is caused by installation of parts not purchased from Varian, then Varian is not obligated to repair damage under such Support Agreement, and such repairs will be performed at Varian's then current labor rates.
- 9.1.4 **Warranty Remedies.** Customer's sole and exclusive remedy, and Varian's sole obligation, for any defect in or failure of Varian Hardware or Firmware or Operating System to perform properly shall be for Varian to repair or, at Varian's option, replace the defective Products in whole or in part. If, in Varian's sole opinion, repair or replacement is not commercially reasonable or feasible, Varian shall refund or credit a portion of any sums paid by Customer for the defective Product less reasonable depreciation.

9.2 **Warranty for Software and Services.** Varian's sole warranty for Software and Services are described in the Software Schedule, the Professional Services Schedule, and the Service and Support Schedule.

9.3 **Exclusions from Coverage.** Except where the claim or liability is caused by Varian, any warranty claim, support claim, or liability is excluded where the claim or liability arises out of: (a) accident, theft, misuse, or neglect; (b) use of the Products outside of normal operating conditions, specifications, or environment or in a manner not authorized by Varian as set forth in the applicable Product documentation or written instructions from Varian; (c) user modification of any Product not authorized by Varian in the applicable Product documentation or other writing; (d) computer viruses and other changes to the operating system or environment which adversely affect the Product; (e) defects, problems, or failures created by third party products (except those comprising parts or components of Varian Products) or their interface with Varian Products; (f) acts of God, electrical power surges, or other causes external to the Products; or (g) any version of the Software for which Support Services have been discontinued.

9.4 Third Party Product Terms and Warranties

- 9.4.1 **Third Party Products Integrated into Varian Products.** Except as otherwise set forth in this Agreement, a third party product that is integrated into a Varian Product shall be covered by the warranty or support obligations applicable to the Varian Product into which it is integrated; provided, however, that Varian's warranty shall not apply to certain third party products provided or licensed directly by their manufacturers to Customer (e.g., Dell workstations are subject to sales terms provided by Dell, and Microsoft SQL platforms are subject to additional Microsoft license terms) where such additional terms are provided by Varian to Customer in either in writing or via a link to a website containing them.

- 9.4.2 **Third Party Products Sold by Varian as Authorized Reseller.** Third party products sold by Varian as an authorized reseller shall be subject to the terms of this Agreement, which may be supplemented by prerequisites and additional terms in the Quotation or additional terms that are attached to the Quotation.
- 9.4.3 **Third Party Products Added to the Quotation at Customer's Request.** All other third party products than those described in Sections 9.4.1 and 9.4.2 ("**Separate Third Party Products**"), including those where Varian serves as a Pay Agent (defined below), shall be governed by that third party's terms and conditions, including, but not limited to, usage guidelines and restrictions, software licenses, warranties, and any other terms. Customer must agree to (or negotiate directly with the third party manufacturer or licensor) the third party terms and conditions applicable to the Separate Third Party Products. Varian may from time to time offer third party products for which Varian does not have a reseller agreement and where it acts solely as a pay agent for such third party to process payments for Separate Third Party Products ("**Pay Agent**"). Varian makes no representation or warranty with respect to the compatibility of Separate Third Party Products with Varian Products, nor that the Separate Third Party Products are designed or offered to interoperate with Varian Products as a single system that has received regulatory clearance or approval. Varian remains the manufacturer of record of its own Products, and the Separate Third Party Product manufacturer remains the manufacturer of record of its products. Varian may, from time to time, resell the Separate Third Party Products on its Quotation for the Customer's convenience only. In no event shall Varian have any liability or responsibility with respect to Separate Third Party Products, nor shall Varian have any liability for failure of the third parties to perform on their warranties. Customer agrees to seek any remedies with respect to the Separate Third Party Products solely against, as applicable, the third party manufacturer or its authorized distributor.
- 9.4.4 **Third Party Products Not Approved by Varian.** The combination or use of Products or Services with Non-Varian products, support or services that Customer has developed or purchased from third parties ("**Unapproved Third Party Products**") may: (a) cause adulteration of those Products which are medical devices; (b) degrade the performance of Varian Products or Services; (c) create information security risks for Customer's infrastructure, applications, or facility; or (d) otherwise impair the safe, effective, and efficient use of Varian Products or Services. Each party shall be responsible for implementing commercially reasonable safeguards to protect data stored on, accessed by, or processed by the Varian Products and Services. Varian shall be responsible for employing commercially reasonable efforts to provide adequate security measures on its Products and in its Services in performance of this Agreement, and Customer shall be responsible for employing commercially reasonable efforts to implement adequate security measures to protect its data, internal infrastructure, and systems while using the Products and Services provided under this Agreement. Varian shall have no responsibility for any service or warranty work required due to Unapproved Third Party Products, and Customer shall remain wholly responsible for any negative consequences to it or to others that result from those Unapproved Third Party Products.
- 9.5 **EXCLUSIONS OF IMPLIED WARRANTIES.** THESE LIMITED WARRANTIES ARE EXPRESSLY GIVEN IN LIEU OF, AND EXCLUDE, ALL OTHER EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS, OR CONDITIONS, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND/OR NON-INFRINGEMENT.

10. Intellectual Property Infringement

- 10.1 Varian shall defend, at its expense, indemnify, and hold Customer harmless from any third party claim brought against Customer that the design or manufacture of any Varian Hardware or Varian Software furnished by Varian to Customer under this Agreement infringes a patent, trademark, copyright registered in the United States, Canada, and the United Kingdom (the "**Claim**"), and Varian shall pay any settlement and any damages, costs, and reasonable attorney's fees finally awarded against Customer arising out of a Claim. If the Product's use is enjoined as a result of any Claim, or in Varian's opinion, the Product is likely to become subject to a Claim, Varian may, at its expense and sole option, modify the Product so that it becomes non-infringing, procure for Customer the right to continue to use the Product, substitute for the infringing Product another product having a functionality substantially equivalent to the Product, or accept return of the Product and refund the purchase price (less reasonable depreciation).
- 10.2 Varian's obligation under Section 10.1 is conditioned upon Customer (a) notifying Varian promptly in writing of the Claim; (b) giving Varian sole control of the defense, management, and settlement of the Claim, provided that Customer may participate in such defense at its own cost with counsel of its choice; and, (c) upon request, at Varian's cost, reasonably cooperating with Varian in such defense.
- 10.3 Subject to applicable law, Varian will not have any obligation to indemnify Customer for any Claim arising from: (a) settlements and their related costs and expenses where Customer settles a Claim without Varian's prior written consent; (b) use of the Product in a manner not authorized by Varian, as set forth in the applicable documentation for the Product or written instructions by Varian; (c) modification of the Product, except for modifications performed by Varian or pursuant to Varian's instructions; (d) combination of the Product with any other equipment, apparatus, software, processes, or materials not furnished by Varian, except as requested or performed by Varian; (e) compliance by Varian with Customer's designs, specifications, or instructions; or (f) methods of use of a Product, unless the Product has no substantial non-infringing use; where such infringement would not have

occurred but for such use, modification, combination, or compliance. The obligations of Varian in Section 10.1 do not extend to any claim arising directly or indirectly from Customer's breach of Section 7.

- 10.4 This Section 10 states each party's entire liability for any claim based upon or related to any alleged infringement of any patent or other intellectual property rights.

11. Bodily Injury

With respect to liability to third parties for bodily injury or death, each party shall be responsible in such proportion as reflects its relative fault for damages arising from, or in any way related to, the use or operation of any Product. Varian shall have no responsibility whatsoever for, and, subject to applicable law, Customer shall indemnify, defend, and hold Varian harmless from, any and all damage, injury, or death which arises from or relates to: (a) any use, operation, or service of any Product by anyone other than Varian personnel prior to completion of applicable acceptance tests by Varian and the radiation survey by Customer; (b) any use, operation, or service of any Product contrary to any written warning or instruction given by Varian with respect to such Product, including, but not limited to, unauthorized use and/or modification of any equipment, components, software, or accessories by any user, or their use on or with any explosive or incendiary materials; or (c) claims or damages associated with any non-Varian design, manufacture, or installation of any product or any custom design, manufacture, or installation by Varian that is performed pursuant to Customer's specifications, designs, or plans. This Section states each party's entire liability for bodily injury and death.

12. Limitations of Liability

12.1 **Consequential Damages.** SUBJECT TO APPLICABLE LAW, IN NO EVENT SHALL VARIAN, ITS SUPPLIERS AND LICENSORS, AND CUSTOMER BE LIABLE UNDER CONTRACT, TORT, OR ANY OTHER LEGAL THEORY FOR INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL LOSSES OR DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, LOST BUSINESS, LOST PROFITS, LOSS OF USE, OR DISCLOSURE, BREACH, OR LOSS OF, ACCESS OR DAMAGE TO CUSTOMER DATA, HOWEVER CAUSED, WHETHER FORESEEABLE OR NOT, EVEN IF THE OTHER PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

12.2 **Direct Damages.** SUBJECT TO APPLICABLE LAW, AND EXCEPT FOR INDEMNITY OBLIGATIONS UNDER SECTION 10 (INTELLECTUAL PROPERTY INFRINGEMENT), THE TOTAL AGGREGATE LIABILITY OF VARIAN, ITS SUPPLIERS AND LICENSORS, AND CUSTOMER FOR DAMAGES OR OTHERWISE ARISING FROM OR RELATED TO THIS AGREEMENT, SHALL BE LIMITED IN PROPORTION TO EACH PARTY'S RELATIVE FAULT AND NOT EXCEED THE AMOUNTS PAID AS INDICATED IN A QUOTATION FOR THE SPECIFIC PRODUCT OR SERVICE FROM WHICH THE CLAIM AROSE; PROVIDED, HOWEVER, THAT FOR ANY PRODUCT OR SERVICE THAT VARIAN PROVIDES FOR A TERM (E.G., SUPPORT AGREEMENTS), EACH PARTY'S LIABILITY SHALL NOT EXCEED THE TOTAL AMOUNTS PAID DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

THE PARTIES ACKNOWLEDGE THAT EXCLUSIONS AND LIMITATIONS IN SECTIONS 12.1 AND 12.2 ARE MATERIAL PARTS OF THE BARGAIN BETWEEN THE PARTIES AND THAT PRICES FOR THE PRODUCTS WOULD BE HIGHER WITHOUT THEM. THE EXISTENCE OF ONE OR MORE CLAIMS OR PARTIES WILL NOT ENLARGE THE LIMIT.

12.3 **Exception to Limitations.** The exclusions and limitations of liability set forth in Sections 12.1 and 12.2 will not apply to: (a) bodily injury and death under Section 11 (Bodily Injury) to human beings, (b) breaches of Section 5 (Use Restrictions), (c) breaches of Section 8 (Confidential Information), and (d) Customer's obligation to pay Varian for the Products and Services. Notwithstanding anything to the contrary, the limitations and exclusions set forth in Sections 12.1 and 12.2 shall apply to any schedules, addendums or other written agreements between the parties that are attached to, reference, or relate to the Products or Services ordered under the Quotation unless they contain a separate limitation or exclusion.

13. Compliance with Laws

13.1 **Export Compliance.** Customer acknowledges and agrees that the Products and related technology subject to this Agreement are subject to the export control laws and regulations of the United States, European Union, United Kingdom, Switzerland, and any other jurisdiction to which the Products and related technology are later transferred. Customer agrees to comply with such laws and regulations. Customer agrees that it shall use its best efforts to ensure that the Products and related technology are not: (a) sold, transferred, or diverted to any U.S., U.K., or E.U. sanctioned or embargoed country (including, but not limited to, Cuba, Iran, Sudan and Syria), unless authorized by the applicable jurisdictions; (b) sold, transferred, or diverted to any person, firm, or other entity listed in the U.S. Department of Commerce Denied Persons List or Entity List, the U.S. Department of Treasury's Specially Designated Nationals List, the U.S. Department of State's Debarred Parties listing, or any E.U. or local country listing of sanctioned persons; (c) sold, transferred, or diverted to any nuclear weapons, nuclear power, nuclear research, chemical/biological weapons, or missile/rocket technology end-user or end-use; or (d) sold, transferred, or diverted in violation of any other applicable import/export laws, regulations, licenses, or government orders. Customer shall promptly advise Varian in writing of any known or suspected sale, transfer, or diversion in violation

of the foregoing. Customer understands that Varian's performance under this Agreement is subject to Varian's receipt of all necessary licenses, permits, or approval from all relevant governments or their agencies for the import or export of the Products, and Customer agrees that Varian shall be free from all obligations and liabilities for Customer's deficient performance under this Agreement if such deficiency is caused by Varian's non-receipt or late receipt of such licenses, permits, or approval. The obligations of this Section as to these laws shall survive any termination of this Agreement.

- 13.2 **Debarment.** Varian represents that neither it nor any of its employees or agents providing Services under this Agreement are or have been excluded, terminated, suspended, or debarred from an applicable federal or state health care program or from participation in any federal or state procurement or non-procurement programs. Varian further represents that no final adverse action by the federal or a state government is pending or has occurred against Varian or its employees or agents employed to provide Products or Services pursuant to this transaction. For orders in the United States: Varian further represents that neither it nor any of its employees or agents providing Services under this Agreement has been convicted of a criminal offense as set forth in 42 U.S.C. §1320a-7, including but not limited to an offense related to the provision of healthcare items or services. Varian will promptly notify Customer of any change in the status of the representations set forth in this section. Any breach of this section shall give Customer the right to terminate this Agreement immediately upon providing written notice to Varian.
- 13.3 **Governmental Audit.** For orders in the United States and only to the extent required by applicable law, Varian shall, until four (4) years after the termination of this Agreement, make available, upon written request by the Secretary of the Department of Health and Human Services ("**Secretary of HHS**"), or upon request by the Comptroller General of the United States General Accounting Office ("**Comptroller General**"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents, and records as are necessary to certify the nature and extent of the costs of the Products and Services. Varian further agrees that, if it carries out any of its duties under this Agreement through a subcontract with a related organization with a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve (12)-month period, then such subcontract shall contain a provision requiring the related organization to make available, until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, upon written request by the Secretary of HHS or upon request by the Comptroller General, or any of their duly authorized representatives, a copy of such subcontract and such books, documents, and records of such organization as are necessary to verify the nature and extent of such costs.
- 13.4 **Customer Data.** "**Customer Data**" means any type of information, including PII or PHI, which is provided or made available by or on behalf of Customer to Varian, or is otherwise accessible by Varian, in connection with Varian Products and Services, including without limitation information or data which Customer inputs, provides, makes available or is otherwise accessible to Varian through Varian Products and Services. As between the parties, Customer shall retain all right, title, and interest (including any and all intellectual property rights) in and to the Customer Data as provided to Varian. Customer agrees, however, that Varian may use Customer Data received by Varian for processing, distributing, displaying, managing, administrating, modifying, performing, supporting and enhancing Products and Services or to carry out legal responsibilities of Varian. Customer warrants and represents, and assumes sole responsibility for ensuring that due notice is given to, and that sufficient consent obtained from, all relevant persons or entities, including without limitation patients, regarding the use and disclosure of Customer Data under this Agreement. Customer represents and warrants to Varian: (a) that Customer has and shall retain during the term of this Agreement sufficient rights and patient consent with respect to the Customer Data to authorize Varian to grant the licenses and other rights contemplated by this Agreement and for Varian to provide and support the Products and Services in the manner contemplated under this Agreement; and (b) Customer shall comply with applicable privacy and similar laws.
- 13.5 **Performance Data.** "**Performance Data**" means diagnostic, environmental, operational, usage, serviceability, other performance data, and feedback related to Customer's use of Varian Products and Services, exclusive of PII and PHI. Notwithstanding anything to the contrary, Customer acknowledges that Varian will retain all right, title, and interest to Performance Data and is permitted to use Performance Data for its business purposes.

14. Force Majeure

Neither party shall be liable for any delay in performance which is due to an act of God or causes beyond its reasonable control. Performance by a party shall be deemed suspended during the event causing such delay plus a reasonable period of time after such event, and the other party shall accept such delayed performance. Either party may terminate any Quotations not yet completed if such performance is delayed more than thirty (30) days under this Section.

15. Disputes, Mediation, Arbitration, and Governing Law

Except as otherwise set forth below, the parties shall endeavor to settle any dispute arising out of this Agreement, except those pertaining to intellectual property issues, by mediation under the Mediation Rules of the American Arbitration Association ("**AAA**"). The parties will attempt to agree on a mediator. Failing such agreement, the mediator will be appointed by AAA. Any dispute arising out of or relating to this Agreement, including the breach, termination, or validity of it, which has not been resolved by mediation within thirty (30) days after appointment of a mediator or such time period as the parties may otherwise agree, shall be submitted to and finally resolved by binding arbitration in accordance with the

AAA Commercial Rules, by an independent and impartial arbitrator appointed by AAA, provided, however, that if one party fails to participate in the mediation as agreed in this Section, the other party can commence arbitration prior to the expiration of the time periods set forth above. The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. §§1 et seq., and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Palo Alto, California. The governing law of the substance of this Agreement shall be the commercial law of the State of California, and the United Nations Convention for the International Sale of Goods shall not apply.

The procedural law for any dispute arising out of this Agreement shall be the law of the place where the action or arbitration is filed. Arbitral proceedings shall be conducted in English unless another language is mutually agreed upon by the parties. The arbitration tribunal shall not award punitive damages. The expenses of the arbitration, including the arbitrator's fees, expert witness fees, and attorney's fees, may be apportioned between the parties in any manner deemed appropriate by the arbitrator; however, in the absence of any formal ruling by the arbitrator each party shall share equally in the payment of the arbitrator's fees and bear its own costs, expert witness fees, and attorney's fees. The arbitration award shall be final and binding, shall be the sole and exclusive remedy regarding any and all claims and counterclaims presented, and may not be reviewed by or appealed to any court except for enforcement. Nothing in this Agreement shall prohibit either party from seeking to prevent any unauthorized copying, disclosure, use, retention, or distribution of its Confidential Information or infringement of intellectual property by injunctive relief or otherwise in a court of law. Varian shall have the exclusive right to bring legal action for failure to pay for Products or Services furnished in the courts of Varian's corporate domicile or any other place.

16. Limitation of Claims

Subject to applicable law, no claims, regardless of form, arising out of, or in any way connected with this Agreement or the Products or Services may be brought by Customer more than one year after the cause of action has accrued or performance under this Agreement has been completed or terminated, whichever is earlier.

17. Notices

Any notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered: (a) in person, (b) by overnight delivery with delivery confirmation, or (c) by first class certified mail, return receipt requested, or its international equivalent. All such notices shall be addressed to Varian at Legal Department, Varian Medical Systems, Inc., 3100 Hansen Way, M/S E-250, Palo Alto, CA 94304, fax 650-424-5998, and to Customer at the address and/or fax numbers set forth in the Quotation or to such other address as may be specified from time to time by notice in writing to the other party. Notice shall be deemed to have been given when received.

18. Headings

Headings used in this Agreement are for ease of reference only and will not be used to interpret any part of this Agreement.

19. Entire Agreement, Amendments, Illegality, and Priority of Documents

This Agreement contains the complete and exclusive statement of the terms of agreement of the parties with respect to this subject matter, and supersedes all prior and contemporaneous understandings, representations, and warranties, written and oral. This Agreement may be amended or modified only in a writing signed by both parties, provided, however, that in recognition that some product configurations have to be set at or near the time of installation, if an earlier revision of a Quotation is signed, subsequent unsigned corrections of the Quotation shall apply upon agreement of the parties. Customer's terms and conditions in any purchase order or specific order documentation, whether preprinted or otherwise, are expressly rejected by Varian and shall not apply. Unless otherwise indicated, these Terms of Sale do not govern any Products or Services sold or licensed under a separate written agreement between the parties. If a court or arbitrator holds any part of this Agreement to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity or enforceability of the remaining provisions, or portions of them, will not be affected, and such provisions will be changed and interpreted so as to best accomplish the objectives of such provisions within the limits of applicable law or court decisions. In the event of a conflict, the documents shall be interpreted to give priority in the following order: (a) amendments or addenda to this Agreement, if any, with highest priority given to the most recent amendment or addendum, (b) any applicable schedule or supplemental terms attached to or referenced in the Quotation, (c) Terms of Sale, and (d) Quotation, except that the Quotation will have higher priority than the Terms of Sale as to the length of warranty or support.

20. Waiver

No term or provision of this Agreement shall be deemed waived by either party, and no breach excused by either party, unless the waiver or consent shall be in writing signed by an authorized representative of the party granting such waiver or consent.

21. Assignment

Neither party may assign its rights nor delegate its duties under this Agreement without the written consent of the other party and any attempted assignment without such consent will be void, provided, however, Varian may subcontract various shipping, installation, and related activities, and its support of products manufactured by third parties back to the manufacturer, so long as Varian remains primarily responsible for those subcontracted obligations. However, either party

may assign or otherwise transfer its rights or delegate its duties under this Agreement, in whole or in part and subject to the terms of this Agreement, to a subsidiary or affiliate, or a purchaser or transferee of substantially all of the assets used by such party in its business to which this Agreement relates or in the event of a merger, acquisition, corporate restructuring, or change in control upon written notice to the other party.

22. Relationship of the Parties

This Agreement does not create a relationship such as a partnership, franchise, joint venture, agency, master/servant, or employment relationship. Neither party may act in a manner, which expresses or implies a relationship other than that of independent contractor, nor bind the other party.

23. Counterparts

This Agreement may be executed in two counterparts, each of which will be an original and which together will constitute one and the same instrument.

24. Sales to United States Government Agencies

Varian Products that are sold or distributed by Varian to an agency of the United States government (the “**Government**”) shall be subject to the Government’s rights in commercial items and commercial software.

25. Electronic Signatures

For purposes of signing acceptance and completion-of-installation documents, and for any other documents or agreements mutually agreed upon by the parties, the parties are authorized to use DocuSign or other similar mutually-agreed upon electronic signature solution to sign the document or agreement. Any documents signed through this electronic signature process shall be legally binding for their intended purpose. Either party retains the right to insist upon signing paper copies of the documents instead of using an electronic signature solution.

26. Insurance

During the term of this Agreement, Varian agrees to maintain at least the following insurance coverage and to provide Customer with certificates of insurance evidencing such coverage upon written request:

- 26.1 **General Liability.** Varian agrees to maintain insurance for products/completed operations, property damage, bodily injury, contractual liability, advertising injury, and personal injury liability with minimum limits of US\$1,000,000 per occurrence and US\$2,000,000 general aggregate. Coverage may be provided through a primary or excess/umbrella liability program or through any combination of them.
- 26.2 **Business Auto Liability.** Varian agrees to maintain coverage for all owned, non-owned, and hired vehicles with minimum limits of US\$500,000 combined single limit per accident for bodily injury and property damage.
- 26.3 **Worker’s Compensation Insurance and Employer’s Liability Insurance.** Varian agrees to keep in force statutory coverage for occupational injuries with minimum statutory limits and US\$500,000 employer’s liability applicable in jurisdictions of contract performance.

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Hardware Schedule

(Form RAD 9905B)

This Hardware Schedule supplements and is made a part of the Terms of Sale and applies to and governs the Hardware that Varian is selling to the Customer as indicated in a Varian Quotation. All capitalized terms not otherwise defined shall have the meaning set forth in the Terms of Sale.

1. Bill and Hold

This Section shall apply only to linear accelerators, simulators, and HDR BrachyTherapy afterloaders. If shipment is delayed due to unavailability of Customer facilities or any other cause, Customer may request and authorize Varian to hold the Product(s) in storage upon completion of manufacturing. Varian shall invoice Customer for, and Customer shall pay, eighty percent (80%) of the purchase price for such Product(s), which shall include any down payments or deposits. Varian will select a suitable storage facility and pay for the costs of storage and insurance for up to ninety (90) days. Title to the Product(s) shall pass when the Product(s) are placed into storage. The Product(s) shall be insured in Customer's name. If Customer has not requested shipment of the Product(s) within such ninety (90) day period, then Varian shall ship the Product(s) to the site designated in the applicable Quotation(s). When storage is required, the provisions of this Section shall prevail over any inconsistent provisions of this Agreement.

2. Architecture

Except as mutually agreed in writing, Varian will have no approval or other responsibility for any matter affecting or related to the adequacy of Customer's operating permit, architectural design, the radiation protection walls and barriers, patient viewing devices, compliance with all facility personnel safety devices and related inspections, utility service design and location, and other details pertaining to Customer's site under this Agreement. Customer may purchase Varian's architectural and construction services, if available, under a separate agreement with Varian's Site Solutions group.

3. Installation

A linear accelerator is typically delivered in separate sections which Varian will assemble in Customer's vault. Varian also will provide standard installation of the pieces and final positioning for the linear accelerator and setting. Customer will be responsible for the grouting of the subbase frame and the connection of such Products to the utilities and for any non-standard installation services (such as requiring cranes, the shoring of floors, the widening of doorways, and second floor delivery), and Varian will notify Customer approximately ninety (90) days prior to the scheduled Product shipment to allow Customer to provide for and coordinate such services. Except as otherwise agreed by the parties, Customer will be responsible for having the building, utilities, lighting, ventilation, air conditioning, mounting facilities, all necessary radiation shielding, and access to the room completed on the estimated delivery date or other mutually agreed upon date and ready for installation of the Products. Where Varian is installing a Product for Customer, Customer will reimburse Varian at Varian's standard service rates for any extra time and/or travel by Varian made necessary by any delays not caused by Varian. Varian shall have no obligation to operate Products to complete installation or testing unless Customer has provided adequate radiation shielding protection and other site preparations for the safety and protection of Customer's and Varian's personnel and Products. Upon completion of installation, Varian's representatives will demonstrate proper Product operation by performing the applicable Varian acceptance procedures. When no representative is present or assistance from Customer is not available when required by Varian, Varian may discontinue installation and shall charge Customer for any additional costs incurred at Varian's standard service rates. If union action or influence requires union labor to complete any installation of Products, then such installation shall be completed at Customer's expense under the engineering supervision of Varian.

4. Acceptance of Hardware

For Hardware that Customer installs, Varian shall invoice Customer when such Product is shipped. For Varian Hardware that Varian installs, acceptance shall occur upon the earlier of (a) completion of the applicable Varian acceptance procedure, (b) Customer's execution of Varian's acceptance form, which is the final step in the Varian acceptance procedure for each Product, (c) use of any such Product by Customer, its agents, employees, or licensees for any purpose other than testing after its receipt, or (d) six (6) months after delivery of the Product. Prior to acceptance, Varian's sole and exclusive liability will be, at Varian's option, to repair or replace defective or nonconforming parts or Product after receipt of notice of defect or nonconformity. After acceptance, Customer's remedies shall be solely as provided in the warranty. Varian shall not be required to provide installation services six (6) months after delivery of the Product unless mutually agreed by the parties in writing.

5. Calibration and Radiation Surveys

For linear accelerator and simulator Products and treatment planning Software, Customer shall be responsible for all Product calibration unless it has signed an agreement ordering physics or commissioning services through Varian. For non-BrachyTherapy Products, the dose rate and integrated dose measured by the accelerator transmission ionization chamber and dosimetry electronics must be calibrated by a qualified radiological physicist prior to use of the Product for patient treatment. For BrachyTherapy Products, the radioactive source must be calibrated by a qualified radiological physicist prior to use of the Product for patient treatment. Customer shall be responsible for testing and calibrating the Product on a regular basis. Customer also shall be responsible for conducting any radiation surveys required by

applicable law or regulation or necessary to establish that radiation does not exceed safe levels. For simulator and BrachyTherapy Products, unless Customer has signed an agreement ordering physics or commissioning services through Varian, Varian's obligation to calibrate these Products shall be limited to that required by local law. In the United States, Varian's calibration shall be limited to those certified components that are required under 21 C.F.R. 1020.30(d) (U.S. Code of Federal Regulations) to be calibrated by the installer where Varian is the installer. Customer shall be responsible for all other calibrations of simulator Products.

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Software Schedule

(Form RAD 2750D)

This Software Schedule supplements and is made a part of the Terms of Sale and applies to and governs Software that Varian licenses to the Customer as indicated in a Varian Quotation, except for those software products that: (a) are otherwise licensed to Customer under a separate written software license or subscription agreement between the parties; (b) are third party software products subject to separate license terms, and/or (c) fall within the meanings of either Firmware or Operating Systems (as defined in the Terms of Sale) for Hardware. All capitalized terms not otherwise defined shall have the meaning set forth in the Terms of Sale.

1. Additional Definitions

- 1.1 **"Access"** means use of Software installed on a workstation or used at a workstation through remote connection to a server via a single Local Area Network ("LAN") or a single Wide Area Network ("WAN"), but not from outside the designated LAN or WAN, except that remote administrative viewing of certain designated Software installed on a server will not be outside the scope of the permitted use; and
- 1.2 **"Documentation"** means the user manual for Software which describes the Software and provides information specific to that Software.

2. License Grant

Subject to and for so long as Customer is in compliance with the terms and conditions of the Agreement, Varian grants to Customer a limited, personal, non-exclusive, non-transferable license to use the Software for:

- 2.1 Server versions:
 - 2.1.1 to install and use a single copy on a single server (or single database server and single imaging server for imaging applications) and to Access the Software from a workstation; and
 - 2.1.2 for workstation components of a server versions, if any, to install and use copies of such workstation components on such workstations as necessary;
- 2.2 Workstation versions (which shall apply to all Varian Software not designated in the Quotation as a server module):
 - 2.2.1 for Software pre-installed by Varian on a workstation (such as a console) prior to its delivery to Customer, to use such workstation version on the workstation on which such application is installed;
 - 2.2.2 for which a license key manager is used, to install and use such workstation version on the number of workstations permitted by the license key manager;
 - 2.2.3 for which no license key manager is used and which is intended for a floating license, to install such workstation version on any number of workstations and to permit concurrent users up to the number of licenses purchased; and
 - 2.2.4 for an enterprise or site license, to install and use such workstation versions on the number of workstations and Varian linear accelerators at the Customer site(s) identified in the Quotation as to such Software; and
- 2.3 Application Program Interfaces ("APIs"): where the Varian Software contains APIs, to use the APIs solely for Customer's internal use to develop Customer's own software scripts, provided that Customer shall be fully responsible for any applicable verification, validation, compatibility with the underlying Software, installation, usage, removal, support, safety issue reporting, and other requirements or issues arising out of Customer's development and usage of such scripts and the scripts' usage of the APIs; if Customer wishes to commercialize its APIs, it must sign a separate agreement with Varian for such commercial activities; Varian shall not be responsible for providing support for any Varian or third party products that it is caused by a Customer script; Varian does not guarantee that the APIs will be provided or supported in future versions of its Software, nor does it guarantee forward or backward compatibility of any Varian APIs to any other version of its APIs or Customer's scripts; and
- 2.4 to copy the Software for back-up and archival purposes only, except to the extent that such restriction on copying is void under applicable law; and
- 2.5 to use (but not make copies of) the Documentation to assist in Customer's use of the Software pursuant to the terms of this Agreement, except that Customer may make an electronic copy on each workstation of the Documentation applicable to the Software installed or used on such workstation.

Each such license shall be valid until termination or expiration. Unless otherwise indicated, Mandatory Safety Releases, Updates, Upgrades, and Versions (as defined in the Service and Support Schedule) are hereby licensed in the same way that their underlying Products are licensed under this Software Schedule. Customer shall not be entitled to receive or use any source code of the Software, except as otherwise expressly stated herein. Varian shall have the right to conduct, and/or direct an independent third party firm to conduct, during normal business hours, an audit of the appropriate records of Customer to verify Customer's compliance with the licenses granted under this Section.

3. Title

Title to all copies of the Software and Documentation are proprietary to Varian or its licensors. No license, right, title, or interest in the Software or Documentation, or any intellectual property of Varian or any Varian third party licensor, is granted to Customer except as expressly stated in this Software Schedule.

4. Integration

Customer acknowledges that the import of data into, and the export of data out of, certain Software requires an interface between the Software and external programs or information systems, whether such programs or information systems are supplied by Varian or a third party.

5. Acceptance

For Software that Customer installs, Varian shall invoice Customer when such Product is shipped. Where Varian will be installing the Software, Customer will make its site available to Varian personnel to install the Software no later than thirty (30) days after delivery of the applicable Software to Customer. Customer shall provide a representative who shall be present at all times during installation (including installation of interfaces), and such representative shall be capable of either assisting Varian where necessary or waiving installation of interfaces to the extent that Customer has decided not to install Products requiring such interfaces. When no representative is present or assistance from Customer is not available when required by Varian, Varian may discontinue installation and shall charge Customer for any additional costs incurred at Varian's standard service rates. Customer will have the following periods to review the Software: (a) if Varian performs the installation, thirty (30) days after the date of installation, unless Customer accepts the Software earlier, or (b) if Customer shall perform the installation of third party software, thirty (30) days after delivery of the Software. Customer may reject Software only if it does not substantially conform to the Documentation. Customer's rejection must be in writing, describe the nonconformity in detail, and be provided to Varian within the applicable thirty (30) day period. Varian will have a reasonable period of time in which to correct, or to provide a workaround, for any such nonconformity. Customer will be deemed to have accepted the Software after the applicable thirty (30) day period if Varian has not received written notice of rejection within such period. Notwithstanding the foregoing, Customer's first productive use of the Software in Customer's business will be deemed to be acceptance of the Software.

6. Support and Warranties

6.1 Support in Lieu of Warranty & Limited Warranty

Varian represents that the Varian Software (except Firmware and Operating Systems for Varian Hardware) shall be in substantial compliance with operational features of Documentation or the applicable Product at the time of sale for the time periods set forth below:

6.1.1 for Software licensed to Customer for the first time or as a separate new configuration, as opposed to expansions of pre-existing configurations no warranty is provided. Varian will provide Customer with Support Services for a period of one year from the date of installation of the Software by Varian (or the date of delivery if the Software will be installed by, or is electronically delivered to, Customer), or such other period set forth in the Quotation, under the terms of the Service and Support Schedule, at no additional charge to Customer;

6.1.2 for Software licensed to Customer that adds one or more modules to, upgrades, or increases the number of licenses purchased under a pre-existing configuration, Varian warrants, for a period of thirty (30) days from the date of installation of the Software by Varian (or the date of delivery where the Software will be installed by Customer), that the Software, will, when used in accordance with the Documentation, substantially conform to the Documentation. Where Customer reports a non-conformity to Varian during the warranty period, Varian will provide workarounds, patches, bug fixes, or other corrections or will replace the affected Software, at Varian's option, and such remedy will be Customer's sole and exclusive remedy for breach of this warranty. If in Varian's sole and exclusive opinion any such workaround, patch, bug fix, correction, or replacement is not commercially reasonable, or if any such remedy fails of its essential purpose, Varian shall negotiate with Customer with respect to a refund of any equitable portion of any sums paid by Customer for the affected Software. Given that this is an expansion of a pre-existing configuration and that it is often difficult to determine whether a Software issue arises out of the original configuration or the expansion, the total support period for expansion will be synchronized to expire at the same time as the original Software, and Varian shall issue an invoice for the amount that the expansion increases the current Support Agreement.

Varian's provision of Mandatory Safety Releases, Updates, and, if applicable, Upgrades (as defined in the Service and Support Schedule) under the warranty or support in lieu of warranty in this Section and pursuant to the Service and Support Schedule shall not extend the original period for such warranty or support.

6.2 **Disclaimer.** EXCEPT AS PROVIDED IN THIS AGREEMENT, VARIAN DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, REPRESENTATIONS, AND CONDITIONS (EITHER IN FACT OR BY OPERATION OF LAW) INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT OF THIRD PARTY RIGHTS. VARIAN MAKES NO

WARRANTY THAT THE OPERATION OF ANY SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE. THE EXCLUSIVE REMEDY FOR INFRINGEMENT OF THIRD PARTY RIGHTS IS SET FORTH IN SECTION 10 (INTELLECTUAL PROPERTY INFRINGEMENT) OF THE TERMS OF SALE.

- 6.3 **Limitations.** Except as specifically stated in the Documentation, Varian does not make any representations or warranty regarding the compatibility of the Software with software or hardware not supplied by Varian. Varian will in its sole and exclusive discretion, use reasonable efforts to assist Customer with the use of Software with third party products. Such assistance is limited to telephone and service support regarding compatibility or interface questions. Varian does not make any representation or warranty regarding the clinical use of the Software and/or Varian beam data by Customer for the treatment of patients in performing any medical procedure. Customer acknowledges that the Software and Varian beam data are tools to assist Customer to determine the proper course of treatment that may be needed by a particular patient, and Customer assumes all risks associated with such treatment. Import, export, or distribution of any data or information Customer may develop or use in cooperation with the Software ("Data Related Activities") is Customer's sole responsibility, and, subject to applicable law, Customer agrees to defend, indemnify, and hold Varian harmless from any and all claims by Customer and/or third parties, regardless of the nature of such claims, arising either directly or indirectly out of Data Related Activities. The foregoing sentence shall not be construed to limit Varian's obligation to provide warranty work or support under Section 6.1.

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Professional Services Schedule

(Form RAD 10080A)

This Professional Services Schedule supplements and is made a part of the Terms of Sale and applies to and governs those Professional Services provided by Varian to Customer related to the development of interfaces for Varian medical oncology Software installation and certain other Professional Services, all as indicated in a Quotation and set forth under an SOW (as such term is defined below). All capitalized terms not otherwise defined shall have the meaning set forth in the Terms of Sale.

1. Additional Definitions

- 1.1 **"Change Order"** means any proposed change to the SOW (as defined in Section 1.4 below) mutually agreed to in writing by the parties;
- 1.2 **"Professional Services"** mean the Services identified in each individual SOW (if applicable), including, but not limited to, analysis and performance of integration of Varian's standard Software with Customer's information systems and business practices, development of interfaces between Varian's standard Software and Customer's computer systems and other services available from Varian; Professional Services shall not include training, which shall be governed by the Training Schedule.
- 1.3 **"Schedule"** shall mean any timetable or milestones for the Professional Services that are set forth in the SOW; and
- 1.4 **"SOW"** shall mean a statement of work, description of the work, or work order agreement, either in the Quotation or as separately agreed upon in writing by the parties describing the Professional Services to be performed by Varian for Customer.

2. Term

The term for the Professional Services portion of this Agreement shall be from the signing of this Agreement until completion or termination of the Professional Services.

3. Professional Services

- 3.1 **Generally.** In consideration of Customer's timely payment, Varian shall perform the Professional Services set forth in each SOW attached to or referencing this Agreement.
- 3.2 **Software.** Where Varian provides Customer with other software under an SOW to this Professional Services Schedule, including but not limited to interface engines and interfaces, then such software shall be governed by the Software Schedule. The interface engine, interface, or other software will be licensed under the Software Schedule in the same manner as the underlying application software which requires such interface engine, interface, or other software.
- 3.3 **Actual and Potential Delays.** Varian shall use commercially reasonable efforts to perform the Professional Services according to the Schedule. Whenever any event delays or threatens the timely performance of the Professional Services that is not due to Customer's fault, then, Varian will make commercially reasonable efforts to notify Customer of such event and furnish all relevant details. If Varian is unable to meet the Schedule for any Professional Services, Varian and Customer shall meet in good faith to discuss possible solutions, including revising the Schedule at no additional cost to Customer, provided that such revision does not add new Professional Services to the SOW.
- 3.4 **Office Space, Services, and Equipment.** Customer shall provide, at no cost to Varian and subject to Customer's reasonable usage and access requirements, use of office space, services, and equipment (such as copiers, fax machines, modems, and Internet access) as Varian reasonably requires to perform the Professional Services at Customer's site.
- 3.5 **Exclusions from Professional Services.** Except to the extent expressly set forth in an SOW, Professional Services shall not include, and Varian will have no approval or other responsibility for, any matter affecting or related to the adequacy of Customer's operating permit, architectural design, the radiation protection walls and barriers, patient viewing devices, compliance with all facility personnel safety devices and related inspections, utility service design and location, Customer's obligations to comply with applicable laws, and other details pertaining to Customer's site.

4. Rates, Expenses, Invoices, and Payment

- 4.1 **Firm Fixed Price Rates.** Varian may from time to time provide Customer with some pre-packaged Professional Services or other specially negotiated Professional Services on a firm fixed price basis, provided that such Professional Services will be clearly identified as being offered on a fixed price basis. Where the parties agree upon a firm fixed price, the Professional Services included within such price shall be limited to those specifically identified as being covered by such price, and Customer agrees to make payments according to the Schedule, including any applicable milestones.

- 4.2 **Expenses.** Varian shall submit a monthly time and expense summary to Customer by letter, fax, e-mail, or in person for the Professional Services performed during the prior month. Varian may bill Customer for its reasonable expenses, including, but not limited to, travel, lodging, and meals, required to perform the Professional Services for Customer.
- 4.3 **Invoices.** Varian shall submit invoices to Customer pursuant to the Schedule set forth in the Quotation or SOW. Upon request by Customer, Varian shall provide receipts or other documentation supporting reimbursable expenses to Customer.

5. Change Orders

If Customer desires a material change to any SOW, then, upon mutual agreement of the parties, the parties shall execute a Change Order in the form of a revised Quotation or revised SOW. If any Change Order causes a change to the cost of, the time required for, performance, or Schedule of the Professional Services, the appropriate modifications to the SOW shall be reflected in the Change Order.

6. Warranty

Varian warrants the Professional Services will be performed in a professional and workman-like manner and substantially conform to the SOW. This warranty shall begin upon completion of the Professional Services and expire ninety (90) days after such date. In the event that Varian's performance of the Professional Services fails to conform to the SOW, Varian's sole obligation with respect to the Professional Services will be to promptly bring the Professional Services into conformity with the SOW at no additional cost to Customer. Where this is not possible, Varian shall be entitled to retain, and Customer shall be liable for payment of, a proportionate share of the total payments set forth in the SOW reflecting Varian's percentage of completion of the work in conformity with the SOW, and applicable Varian's expenses.

7. Intellectual Property

Except as expressly stated in this Agreement or an SOW, neither party is granted any right, title, or interest in the pre-existing intellectual property of the other. With the exception of any data created for Customer, Varian shall own all right, title, and interest in all inventions, feedback and discoveries newly developed in performing the Professional Services.

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Service and Support Schedule

(Form MGM 1580AF)

This Service and Support Schedule supplements and is made a part of the Terms of Sale and applies to and governs all Support Services for the Varian Products provided by Varian to the Customer as indicated in a Varian Quotation. All capitalized terms not otherwise defined shall have the meaning set forth in the Terms of Sale.

1. Definitions

- 1.1 **"Mandatory Safety Release"** means updates, error corrections, or modifications to Software issued by Varian for safety reasons that Varian will require licensees of such Product to install and that are made available by Varian at no additional cost to licensees of such Product.
- 1.2 **"Update"** or **"Maintenance Release"** means bug fixes, patches, and other error corrections to a Software Covered Product designed to enable the Software to conform to its documentation and that are made generally available by Varian at no additional cost to the licensees of such Covered Product; Updates may be indicated by the number to the right of the second decimal in a software version number (e.g., version 2.1.1).
- 1.3 **"Upgrade"** or **"Upgrade Release"** means upgrades, enhancements, and improvements to the features or functionality of Software that are released and marketed by Varian as Upgrades; Upgrades may be indicated by the number to the right of the first decimal in a software version number (e.g., version 2.1).
- 1.4 **"Version"** (including purchase options) means Software applications, modules, or releases of the Software that include new features or functionality and that are released and marketed by Varian as Versions or purchase options; Versions may be generally indicated by the number to the left of the first decimal in a software version number (e.g., version 2.0)¹.

2. Mandatory Safety Releases

Varian shall provide Customer with and install Mandatory Safety Releases at no additional cost until the later of (a) the end of support of the Product specified in a notice by Varian given pursuant to Section 4.2.4 of the Terms of Sale, or (b) such later date as required by any regulatory agency.

3. Updates

Varian shall provide Customer with and install Updates for Covered Products at no additional cost. Varian may, at its election, install Updates remotely if applicable.

4. Upgrades and Versions

Varian shall offer Upgrades and Versions for Covered Products, along with associated installation and training, to Customer at the prices and upon the terms set forth in the Quotation.

5. Telephone Support

Varian shall provide telephone Support Services for Covered Products at no additional cost through (a) help desk telephone support and (b) technical telephone support.

- 5.1 **Help Desk Telephone Support.** Varian shall provide application help desk support for Covered Products at no additional cost during standard hours.
- 5.2 **Technical Telephone Support.** Varian shall provide technical telephone support for Covered Products at no additional cost during standard hours.

6. Remote Diagnostic and Remedial Support

Varian provides diagnostic and remedial Support Services for Covered Products remotely through remote services tools. Customer authorizes and consents to Varian (together with its Support Services personnel located at various locations globally) accessing, handling, and viewing Customer Data, including PHI (which may include in the case of certain Products, images via camera or video feed), in the course and for the purpose of providing and performing Support Services via the remote services tools. Customer shall be solely responsible for obtaining patient consent and complying with applicable privacy law in connection with Varian's use of the remote services tools and access to Customer Data as more particularly described in the Terms of Sale.

7. On-Site Support

- 7.1 **Generally.** Where an issue cannot be resolved by telephone or remote Support Services, Varian shall provide on-site Support Services for Covered Products during standard hours at no additional cost. Where Customer requests,

¹ Note that "version" with a lower case "v" is used interchangeably with "release" and is not an indicator of new functionality, but is used as a generic descriptor used to describe all software.

and Varian can offer, on-site support outside of Varian's standard hours, Customer agrees to pay for non-standard hours coverage at the hourly rates set forth in its then current labor rates and working hour schedule; provided, however, that such after-hours coverage shall be at no additional cost to Customers who have purchased a non-standard hours coverage option as part of their Support Agreement.

- 7.2 **Customer Hours, Holidays, and Site Rules.** Varian's employees and agents shall reasonably observe the working hours, holiday schedule, and site rules of the Customer while working on Customer's premises, provided that Customer provides in advance a copy of the hours, schedule, and rules to Varian, and those hours, schedule, and site rules shall not modify the terms of the Agreement unless mutually agreed upon by the parties in writing.

8. Periodic Maintenance Inspections

Varian shall provide Periodic Maintenance Inspections ("PMI's") for Hardware Covered Products at mutually agreed upon times with the understanding that unless the parties make other arrangements, Customer shall be expected to give access to Varian to begin performing PMI's before 1:00 p.m. (local time) to enable the PMI's to be completed during standard hours. Where Varian can offer to perform PMI's outside of Varian's standard hours and Customer can give access to Varian to begin performing PMI's before 5:00 p.m. (local time), Customer agrees to pay for non-standard hours PMI coverage at then current labor rates; provided, however, that such after-hours PMI's shall be at no additional cost to Customers who have purchased a non-standard hours coverage option as part of their Service agreement.

9. Severity Levels and Response Times

"**Severity Level 1**" means an issue which prevents the performance of any mission critical functions of a Covered Product, and which cannot be circumvented or avoided on a temporary basis by Customer.

"**Severity Level 2**" means an issue which significantly impairs the performance of any mission critical functions of a Covered Product, and which cannot be circumvented or avoided on a temporary basis by Customer.

"**Severity Level 3**" means an issue which does not prevent or significantly impair the performance of any mission critical functions of a Covered Product, or where such prevention or impairment can be circumvented or avoided on a temporary basis by Customer.

"**Severity Level 4**" means a low impact issue or documentation issue.

Varian shall give preference to Customers with Covered Products. Varian shall respond to Severity Level 1 and 2 issues within thirty (30) minutes and Severity Level 3 and 4 issues by the end of the next business day. Varian shall continue working Severity Level 1 and 2 issues until a solution or acceptable workaround is provided. For extended downtime of a Covered Product, Varian's customer support manager shall notify Varian's senior service and sales management, including, when required, product and design engineers. Workarounds do not constitute a resolution of an issue but may result in the issue being reassigned to Severity Level 3. The permanent resolution of Severity Level 3 and Severity Level 4 issues may appear in future Product releases. Varian issue resolution efforts may be suspended by agreement of Customer or during such period Customer assistance is required by Varian to continue effective work and is not available. Varian will provide contact persons to respond to the different severity level issues. Varian will notify Customer promptly if it is unable to resolve any Severity Level 1, 2 or 3 issue.

10. Parts

- 10.1 **Provision of Parts.** Varian shall provide to Customer all parts required in connection with Support Services for Covered Products at no additional cost. Parts provided pursuant to Services shall be included within the definition of "Products" for all purposes within the Terms of Sale except for the length of the warranty period. The Quotation may contain additional terms regarding parts depending on the support level selected by Customer. This section shall not cover parts ordered for spare or stock.
- 10.2 **Spare Parts Kit.** During the support period for a Covered Product, Customer shall maintain a spare-parts kit including all of the spare parts listed in the Varian standard spare parts list for such Covered Product.
- 10.3 **Parts Inventory.** Spare parts that the Customer has on hand in its spare-parts kit shall be available to the Varian customer Support representative. If the Covered Product is under warranty or under a Support Agreement, a part from Customer's spare-parts kit used by Varian to replace a part in a Covered Product will be replaced by Varian at no additional cost. If the Covered Product is not under warranty or under a Support Agreement, it is the responsibility of the Customer to replenish its spare parts stock as such parts are used for replacement.

11. Customer Responsibilities

- 11.1 **Authorized Representatives.** Customer shall request Services on a time and materials basis and order parts only through its authorized representatives and will provide a list of such authorized representatives upon request by Varian.
- 11.2 **Access to Premises.** Customer shall provide Varian with sufficient access to the Covered Products and Customer's premises and personnel to perform Varian's obligations and to install all Mandatory Safety Releases, including access for both remote diagnostics and onsite Services.

11.3 Qualified Operator and Equipment. Customer shall arrange for a qualified operator to be present, when, in the opinion of the Varian customer support representative, the situation requires two (2) persons for safety. To fulfill its Service responsibility, Varian will supply normal hand tools, test equipment, and other specialized fixtures. Customer shall provide other assistance and equipment reasonably required for Varian to perform Service responsibilities.

12. Service Tools

Any firmware and operating systems provided by Varian pursuant to Services is provided pursuant to Section 6 of the Terms of Sale (Firmware and Operating Systems), and any Software provided pursuant to Services is provided pursuant to the terms set forth in the Software Schedule; provided, however, that Varian's provision of such Software shall not extend existing warranty periods, if any, nor create any new ones. Subject to any signed security agreement or applicable site rules, during the initial warranty or software support period, and during Post-Warranty Support, Varian reserves the right to install and activate service-related software tools and service-related hardware tools at the customer site which allow Varian to enhance its ability to provide timely, high quality service and preventative maintenance. If the initial warranty or software support period has expired and the customer is not under a Support Agreement, Varian will deactivate service-related tools that are non-essential to performing service activities.

13. Exclusions from Services

The Services provided shall be limited to support of Covered Products. Products which are not Covered Products include, without limitation, Customer's network, any hardware upon which a Software Covered Product is loaded, any interfaces between Covered Products and other products (other than interfaces between Varian Products), and any products which interface with the Covered Products; however, these restrictions shall not apply to the extent that such network, hardware, interfaces, or products are included as Covered Products. In addition, Varian shall not be required to: (a) provide Services for any Products if, in Varian's reasonable opinion, they are required because of Customer's failure to install Mandatory Safety Releases, Updates, or Upgrades made available to Customer or because of causes other than defects or errors in the Covered Products; (b) render Services at locations other than the Customer site(s) listed in the Quotation. Varian shall also have no responsibility or liability for delays caused by Customer.

14. Configuration Changes for Support Agreements

If the Customer changes the configuration of its Products after the signing of a Support Agreement, including the addition of sub-equipment, features, purchase options, modules, upgrades, or increases in the number of licenses acquired during the term of this Agreement, this Agreement's price will be modified to reflect the incremental value of such changes in configuration. The price change will be based on Varian's current pricing in effect at that time at the time of the change. The price change will go into effect at the end of the warranty or support period provided with the added Hardware or licenses and will continue for the remainder of the term of the Agreement.

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Training Schedule

(Form RAD 10439)

This Training Schedule supplements and is made a part of the Terms of Sale and applies to and governs educational courses provided by Varian or its subcontractors to Customer, as indicated in a Quotation. All capitalized terms not otherwise defined shall have the meaning set forth in the Terms of Sale.

1. Term

The term for the training portion of this Agreement shall be from the signing of this Agreement until completion, expiration, or termination of the training.

2. Office Space, Services, and Equipment

Customer shall provide, at no cost to Varian and subject to Customer's reasonable usage and access requirements, use of office space, services, and equipment (such as copiers, fax machines, modems, and Internet access) as Varian reasonably requires to perform the Professional Services at Customer's site.

3. Expenses

If Varian is required to conduct training at Customer's site, Varian may bill Customer for its reasonable expenses, including, but not limited to, travel, lodging, and meals, required to perform the training for Customer.

4. Payment

Except to the extent that a special payment arrangement has been agreed to by the parties in a Quotation or SOW, Customer shall pay each invoice within thirty (30) days from the date of the invoice.

5. Intellectual Property

Except as expressly stated in this Agreement or an SOW, neither party is granted any right, title, or interest in the pre-existing intellectual property of the other. With the exception of any data created for Customer, Varian shall own all right, title, and interest in all inventions, feedback and discoveries newly developed in performing the training.

6. Applicable Training

Except as otherwise agreed in writing by the parties, this Section applies to all training provided by Varian to Customer, including training that is included in the purchase price of a Product or Service and training that is purchased in the form of professional service and training credits (e.g. Advantage or FlexCredits).

7. General Rules

- 7.1 Each day of on-site training or Professional Services is defined as eight (8) hours – between 8 a.m. to 5 p.m. local time, normal working days, excluding holidays. Time over eight (8) hours per day will be deducted from remaining balance of the on-site training entitlement.
- 7.2 Varian employees and agents shall observe the statutory holiday schedules for both Varian and the Customer. Travel and lodging to attend classroom training is not included in the price unless otherwise stated in this Agreement.
- 7.3 All classroom training must be attended at the nearest Varian education center where the class is offered.
- 7.4 On-site training or Professional Services requires that the equipment or software to be used for training is available and in good working order. The Customer staff that is to be trained shall be available during the scheduled time of the training event.
- 7.5 As part of a Service contract the Customer may be entitled, as set forth in the Quotation, to training before or at the time Upgrades are installed. The method of delivery of that training is at the discretion of Varian and may include web-based digital streaming media or instructor-led remote webinar. Training material shall be delivered via electronic media.
- 7.6 Customer acknowledges that, prior to Varian providing training, Varian may provide Customer and/or Customer's representatives with supplemental training terms ("**Supplemental Training Agreements**"), such as training program prerequisites, safety guidelines, and Varian equipment-loan agreements. Customer agrees that Customer is deemed to have accepted and agreed to the terms of the Supplemental Training Agreements, on behalf of itself and its representatives participating in Varian's training, upon the commencement of the training, even if the Supplemental Training Agreements have not been executed by Customer. Customer further expressly agrees:
(a) to comply with the terms of the Supplemental Training Agreements; (b) to ensure that all of its representatives participating in Varian's training are aware of, and have agreed to comply with, the terms of the Supplemental Training Agreements; and (c) to be responsible for Customer's representatives' breach of, or failure to comply with, the Supplemental Training Agreements.

7.7 Travel and lodging that is purchased through Varian can only be used for attendance of Varian clinical schools and education courses at a Varian Education Center. The amounts paid to Varian for such travel and lodging shall be applied only to the travel and lodging expenses, including airfare, hotel accommodations, and rental car fees. The Customer is responsible for any expenses outside of such amounts paid to Varian. Travel and lodging charges will be direct billed and are not reimbursable if travel is booked outside of Balboa Travel or the travel agents used by Varian only. The hotel must be Varian preferred. Any remaining balance is non-refundable. Travel and lodging cannot be used to attend tradeshows or any event not related to Varian education and training courses.

8. Forfeiture and Expiration

- 8.1 **Forfeiture for Inadequate Notice of Cancellation.** A training event that is part of a Support Agreement or purchased separately will be forfeited if it is scheduled and then cancelled by the Customer within two (2) weeks of the training event date. It cannot be reinstated or rescheduled, except where this training is required due to an Upgrade.
- 8.2 **Expiration.** Training that is included within the purchase price of a Product shall expire eighteen (18) months after the completion of installation of the Product. Purchased Professional Service and training credits (e.g. Advantage or FlexCredits) that are purchased as part of a Support Agreement shall expire at the end of the original term of the Support Agreement regardless of any extensions of that agreement. Purchased Professional Service and training credits that are purchased in standalone training orders shall expire twenty-four (24) months from the purchase date or acceptance of the first Product in that order, whichever is the latter.

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December 11, 2020

Ms. Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

RE: Request for Exemption from Review to Replace a Linear Accelerator Pursuant to N.C. Gen. Stat. § 131E-184(f)

Dear Ms. Frisone:

I am writing on behalf of Onslow Radiation Oncology, LLC (“ORO”) and Onslow County Hospital Authority (“OCHA”) with regard to the replacement of an existing linear accelerator owned and operated by ORO. Pursuant to Project ID # P-7769-06, ORO and OCHA were awarded a Certificate of Need (“CON”) effective April 29, 2008 to acquire one linear accelerator and one simulator and develop a radiation oncology center on the campus of Onslow Memorial Hospital (“OMH”) in Onslow County. That linear accelerator has reached the end of its useful life and is in need of replacement. Further, the existing linear accelerator lacks modern technology that has been developed since its implementation, and its replacement will improve the care available to patients in Onslow County. ORO operates the only linear accelerator in Onslow County. As shown in Table 17C-4 of the 2020 SMFP, Onslow County has a population of more than 200,000, and, based on the current methodology, any county with a population exceeding 120,000 needs a linear accelerator. As such, ORO needs to replace the equipment to maintain service to the community it serves. The capital cost to replace the existing linear accelerator, including all necessary renovations, will exceed \$2 million.

The purpose of this letter is to notify the North Carolina Department of Health and Human Services, Division of Health Service Regulation, Healthcare Planning and CON Section (“the Department”) of this exempt equipment replacement under the CON law’s exemption provisions set forth under N.C. GEN. STAT. § 131E-184. In particular, under subpart (f), the General Assembly has elected to exempt the following, otherwise reviewable, events from CON review:

- (f) *The Department shall exempt from certificate of need review the purchase of any replacement equipment that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E176(22a) if all of the following conditions are met:*
- (1) *The equipment being replaced is located on the main campus.*
 - (2) *The Department has previously issued a certificate of need for the equipment being replaced. This subdivision does not apply if a certificate of need was not required at the time the equipment being replaced was initially purchased by the licensed health service facility.*



- (3) *The licensed health service facility proposing to purchase the replacement equipment shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.*

See N.C. GEN. STAT. § 131E-184(f).

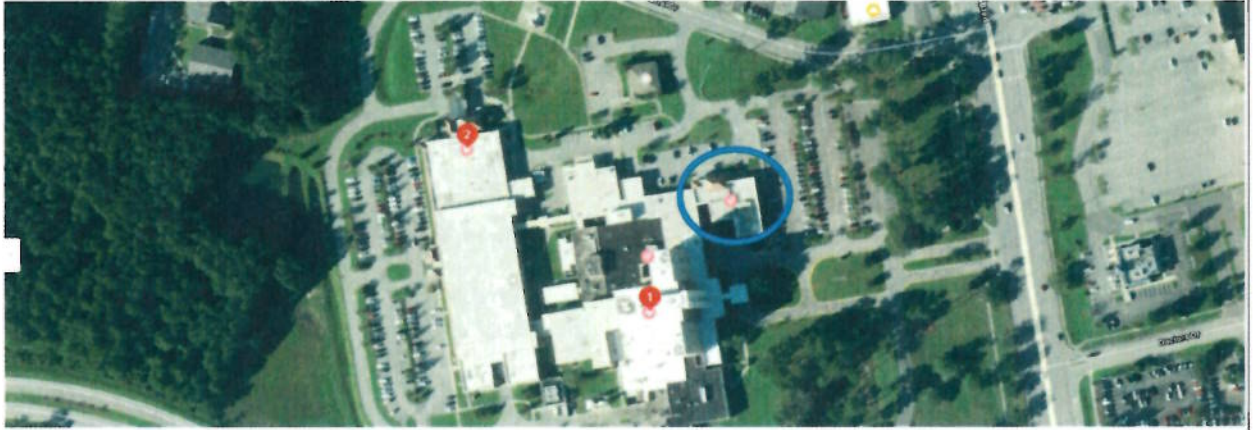
The replacement of the existing linear accelerator meets each of the conditions set forth in N.C. GEN. STAT. § 131E-184(f) as follows.

- (1) The equipment being replaced – the existing linear accelerator – is owned and operated by ORO through a CON held by it and OCHA. The sole member of ORO is OMH, a licensed hospital, which is owned by OCHA. The existing linear accelerator is located on the main campus (which is the only hospital campus) of OMH. Please see page 3 of OMH’s 2020 Hospital License Renewal Application, which lists the sole campus at 317 Western Boulevard, site of the proposed replacement project. Main campus is defined in N.C. GEN. STAT. § 131E-176 as follows:

- (14n) *All of the following for the purposes of G.S. 131E-184(f) and (g) only: a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building. b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.*

The linear accelerator to be replaced is located in a building on OMH’s campus with a separate entrance, attached by an indoor walkway to the main hospital building. There is no physical separation between the building that houses the linear accelerator and the main hospital building, and the building that houses the linear accelerator is located well within 250 yards of (and attached to) the main hospital building. OMH is wholly owned by OCHA, which was a co-applicant in Project ID # P-7769-06 and is included, along with ORO, on the CON issued in 2008 to acquire the existing linear accelerator. While ORO provides and bills for the linear accelerator service, as a pass-through entity, the income for the linear accelerator service ultimately flows to OCHA. Further, OMH covers any losses incurred by ORO. All staff necessary to provide the linear accelerator service, including the administrator, are employees of OMH and leased to ORO. ORO has three managers, each of whom is an employee of OMH. The physician providing radiation oncology services is a member of the OMH medical staff and employed by OMH’s physician group. OCHA, the ultimate owner of both OMH and ORO, is governed by a Board of Directors; the boardroom from which the OCHA Board conducts business is located within the main OMH hospital building. As such, the linear accelerator is located on the site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building (and is located within 250 yards of the main building) consistent with the definition of main campus provided in N.C. GEN. STAT. § 131E-176(14n). Please see the photo below, which shows the hospital structure and the attached portion of the building housing the linear

accelerator (circled). Of note, the room where the OCHA Board meets and conducts business, including its governance of ORO and OMH, is located in the bottom right portion of the hospital structure shown below, with the dark colored roof.



- (2) The Department issued a CON effective April 29, 2008 to ORO and OCHA for the linear accelerator being replaced (Project ID # P-7769-06).
- (3) This letter serves as prior written notice to the Department of ORO's and OCHA's intent to replace the existing linear accelerator. The facts documented herein demonstrate that the replacement equipment project meets the exemption criteria of N.C. GEN. STAT. § 131E-184(f).

Based on the foregoing information, we respectfully request that the Department confirm that the replacement equipment project described herein is exempt from CON review under N.C. GEN. STAT. § 131E-184(f).

Thank you for your attention to this matter. If you have any questions or require any additional information to consider this request, please do not hesitate to contact me at 910-577-2830.

Sincerely,



Danny Waller
Senior Vice President of Support Services

From: [Daniel Carter](#)
To: [Waller, Martha K](#)
Cc: [Yakaboski, Greg](#); [Hale, Gloria](#)
Subject: [External] Exemption letter
Date: Friday, December 11, 2020 4:56:09 PM
Attachments: [ORO Linac Replacement Exemption Letter 12-11-2020.pdf](#)

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Martha,

Please see the attached Exemption Letter for Onslow County (HSA VI) for processing.

Please let me know if you all have any questions.

Have a great weekend.

Thanks.

Daniel

Daniel Carter | PARTNER

danielcarter@ascendient.com | 919.226.1705 | [LinkedIn](#) | www.ascendient.com



HIGHER THINKING FOR HEALTHCARE MANAGEMENT

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STATE OF NORTH CAROLINA
Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

**Project Identification Number P-7769-06
FID#061343**

**ISSUED TO: Onslow Radiation Oncology, LLC and Onslow County Hospital Authority
317 Western Blvd.
Jacksonville, NC 28546**

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: Onslow Radiation Oncology shall acquire one linear accelerator and one simulator and develop a radiation oncology center/Onslow County

CONDITIONS: See Reverse Side

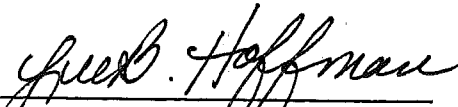
**PHYSICAL LOCATION: Onslow Radiation Oncology
317 Western Blvd.
Jacksonville, NC 28546**

MAXIMUM CAPITAL EXPENDITURE: \$7,946,653

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: August 1, 2008

This certificate is effective as of the 29th day of April, 2008.



Chief, Certificate of Need Section
Division of Health Service Regulation

CONDITIONS

1. Onslow Radiation Oncology, LLC ("ORO") and Onslow County Hospital Authority (the "Authority") shall materially comply with all representations made in their certificate of need application, identified as Project I.D. No. P-7769-06, and the Supplemental Information provided to the Agency on December 3, 2007 and January 30, 2008. In those instances in which any of these representations conflict, ORO and the Authority shall materially comply with the last-made representations.

2. ORO and the Authority 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

Completion of final drawings and specifications	July 1, 2008
Construction Section's approval of final drawings and specifications	October 1, 2008
Contract Award (Notice to Proceed)	October 1, 2008
Ordering Equipment	June 15, 2009
Arrival of Equipment	December 1, 2009
Completion of construction	January 1, 2010
Occupany/offering of all services	March 1, 2010