

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig R. Smith, Section Chief
Phone: (919) 855-3873
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July 6, 2012

Ms. Barbara L. Freedy
Director, Certificate of Need
Novant Health, Inc.
2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

RE: No Review – Replacement Equipment / Clemmons Medical Center / Replace and relocate CT scanner to Clemmons Medical Center / Forsyth County
FID# 080517

Dear Ms. Freedy:

In response to your letter of June 21, 2012, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a) (7). Therefore, Clemmons Medical Center (f/k/a FMC-Clemmons) may proceed to acquire, without a certificate of need, a Siemens SOMATOM Definition AS 20-slice Configuration CT scanner to replace the existing 4-slice CT scanner currently located at Piedmont Imaging, Winston-Salem. The replacement scanner will be relocated to Clemmons Medical Center upon completion of Project I.D. #G-8165-08. This determination is based on your representations that the existing unit will be removed as soon as possible from North Carolina and will not be used again in the State without first obtaining a certificate of need. Further, please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section and the Medical Facilities Planning Section with the serial number of the new equipment, to update the inventory.

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

Sincerely,

A handwritten signature in cursive script that reads "Lisa Pittman".

Lisa Pittman, Team Leader

A handwritten signature in cursive script that reads "Craig R. Smith".

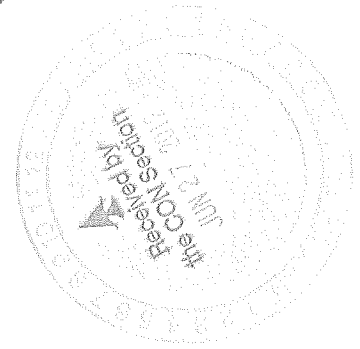
Craig Smith, Chief
Certificate of Need Section





Remarkable People. Remarkable Medicine.

Lisa



June 21, 2012

Ms. Lisa Pittman, Team Leader
Certificate of Need (CON) Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

RE: Replacement Equipment Exemption Request –CT Scanner to Be Relocated to Forsyth Medical Center’s Clemmons Medical Center, Clemmons, NC (Forsyth County)

Dear Ms. Pittman:

This letter outlines Novant Health Inc.’s., Forsyth Medical Center’s, and Clemmons Medical Center’s request to relocate an existing Novant Health/MedQuest 4-slice CT Scanner from MedQuest’s Piedmont Imaging (“PI”) 185 Kimel Park Dr. Winston-Salem, NC 27103 to Clemmons Medical Center (“CLMC”), Clemmons, NC 27103. The 4-slice CT scanner was a refurbished unit when it was installed and began to be used at Piedmont Imaging in 2002, and has been in use at PI for about ten years¹. Ambulatory services, including imaging, a freestanding ED, and a surgery center are currently under development at CLMC pursuant to a Certificate of Need issued for CON Project I.D. # G-8165-08. Condition #3 of that Certificate of Need specifies that an existing Novant CT scanner in the CLMC CT service area is to be relocated to CLMC, rather than implementation of a new CT scanner at CLMC. See Attachment F for a copy of the CON for Project I.D. # G-8165-08 and a copy of the Agency’s recent 6/5/2012 Material Compliance Decision Letter which states, in part, that: *“the 4-slice CT scanner currently located at Piedmont Imaging, Winston-Salem, is located in the service area of Clemmons Medical Center f/k/a FMC-Clemmons and is in material compliance with the CON.”*

The estimated total cost to implement the project is \$357,324 including the purchase of the new 20-slice CT scanner. See Attachment A for a copy of the vendor equipment quote for the new CT scanner. Attachment B includes the Architect’s letter discussing the construction costs related to the installation of the CT scanner at CLMC. A summary of the Total Capital Costs is found in Attachment C. This project cost does not include sales, property, or excise taxes as Novant, FMC, and CLMC are non-profit, tax-exempt organizations and are not subject to these taxes. Siemens will be the vendor removing the existing 4-slice CT scanner from PI and the cost for the

¹ The provision in the CON replacement equipment regulations at 10A NCAC 14C.0303(e)²(β) is not applicable and states *“Replacement Equipment is not comparable to the equipment being replaced if: ...the replacement equipment is new, the existing equipment was reconditioned when purchased, and the replacement equipment is purchased less than three years after the acquisition of the existing equipment.”* In this project, the replacement equipment (20-slice CT scanner) is being purchased more than three years after the existing (4-slice CT scanner) equipment.

removal of the 4-slice CT scanner is documented by a letter signed by a Siemens Medical Solutions representative. See Attachment E for a copy of the equipment removal letter for the 4-slice CT scanner.

Both the existing equipment and the replacement equipment are comparable medical equipment as explained in the following pages. This project should be approved by the Agency as exempt pursuant to N.C.G.S. Section 131E-184(a)(7).

This exempt project will replace a functionally similar equipment item. The existing 4-slice CT scanner and the proposed new 20-slice CT scanner are consistent with the replacement equipment definition at 10 NCAC 03R.0214(d) which states that the replacement equipment is comparable to the equipment being replaced if it has the same technology as the equipment currently in use, although it may possess expanded capabilities due to technological improvements. The ability of the 20-slice CT scanner to perform CTA studies is an expanded capability beyond what a 4-slice, ten-year old CT scanner can provide.

Pursuant to 10A NCAC 14C.0303, the proposed 20-slice CT scanner constitutes replacement equipment because:

1. It is comparable to the equipment currently in use. It has the same technology as the equipment currently in use, although it does possess expanded capabilities due to technological improvements.
2. It is functionally similar and is used for the same diagnostic or treatment purposes as the equipment currently in use and is not used to provide a new health service.
3. The acquisition of the new equipment will not result in more than a 10 percent increase in patient charge or per procedure operating expenses within the first twelve months after the replacement equipment is acquired.
4. The existing equipment was not purchased second-hand nor was the existing equipment leased (as a non-capital lease).
5. The replacement equipment is not capable of performing procedures that will result in the provision of a new health service or type of procedure that has not been provided with the existing equipment.

Attached for your convenience please find:

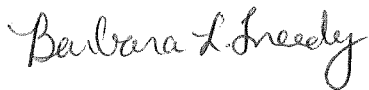
- A. a vendor equipment price quote for the new 20-slice CT scanner (Attachment A);
- B. Architect's Certified Construction/Installation cost letter (Attachment B);
- C. the project/capital cost worksheet which identifies the components of the project costs (Attachment C);
- D. the NC CON equipment comparison form summarizing essential information about the proposed equipment purchase (Attachment D);
- E. letter regarding the removal of the existing 4-slice CT scanner(Attachment E); and
- F. Certificate of Need for Clemmons Medical Center (Project I.D. # G-8165-08) & June 5, 2012 CON Agency Material Compliance Decision Letter on Project I.D. # G-8165-08 (Attachment F)

As discussed above, the total cost for the project is \$357,324. This is below the \$2 Million statutory exemption threshold for replacement equipment. The equipment is being purchased for the sole purpose of replacing the existing equipment.

In conclusion, based on the information described above, please confirm that CLMC's replacement equipment request does not constitute a "new institutional health service" set forth in N.C.G.S. Section 131E-176(16) and that it does fit within the replacement equipment exemption definition. Therefore, it is not subject to certificate of need review.

Please let us know as soon as possible if you need additional information to assist in your consideration of this request. Thanks you for your prompt consideration of this request.

Sincerely,



Barbara L. Freedy
Director, Certificate of Need
Novant Health, Inc.

Enclosures

CC: Craig Smith, Chief, CON Section
Chad Setliff, VP, Novant Health, Inc., Greater Winston-Salem Market (including Clemmons), Cardiac, Orthopedic, & Neurosciences and
Marty Haynes, Novant, Strategic Sourcing
Jette Drummond, VP, Novant Health, Inc., Greater Winston-Salem Market, Lab & Imaging
Laura MacFadden, Sr. Director, Design & Construction, Novant Health, Inc.

FILE: ClemmonsCTScannerReplacEquipExemptionCoverLtr.06.21.12.doc

Attachment A
#268,162 (Page 3)

SIEMENS

Siemens Medical Solutions USA, Inc.
51 Valley Stream Parkway, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Stuart Waddey - (919) 605-9227

Customer Number: 0000035729

Date: 6/20/2012

NOVANT HEALTH INC

3333 SILAS CREEK PKWY
WINSTON-SALEM, NC 27103-3013

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

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Proposal valid until 9/30/2012

Trade-in of existing Siemens CT scanner required.

Pricing within this SOMATOM Definition AS20 Quotation is contingent upon Customer purchasing MR Quotes 1-2WJ8IR and 1-1Y87G2 at the same time. Customer also agrees to purchase the Novant AX unit concurrently.

This Quotation is specific to Novant Health Inc and contains information which is confidential and proprietary to Siemens, including but not limited to discounts and pricing. The Customer may not distribute or disclose this quotation or any portion hereof to, or discuss any of the information (including pricing) contained herein with, any other customer or consultant, buying group, or other third party. The pricing set forth in this quotation is valid through September 30, 2012. This date supersedes any other validity date indicated in the quotation.

Accepted and Agreed to by:

Siemens Medical Solutions USA, Inc.

By (sign): _____
Name: Stuart Waddey
Title: Account Executive
Date: _____

NOVANT HEALTH INC

By (sign): _____
Name: _____
Title: _____
Date: _____

All pages of the signed proposal must be returned to Siemens to process the order - Thank you.

SIEMENS

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51 Valley Stream Parkway, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Stuart Waddey - (919) 605-9227

Quote Nr: 1-3XSXQ9 Rev. 3

Terms of Payment: 00% Down, 80% Delivery, 20% Installation
Free On Board: Destination

Purchasing Agreement: MedAssets

MedAssets terms and conditions apply to Quote
Nr 1-3XSXQ9

SOMATOM Definition AS 20-slice Configuration

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

Qty	Part No.	Item Description
1	14420801	SOMATOM Definition AS (20 Slice) The SOMATOM Definition AS (AS, 20-slice configuration) is Siemens' state-of-the-art single source CT that offers the possibility to maximize clinical outcome and to minimize radiation dose. The ultimate goal is to provide medical professionals more time to take better care of their patients. With this, it is set to raise the standard of patient-centric productivity. Using Siemens' z-Sharp technology the SOMATOM Definition AS can provide fast sub-millimeter volume coverage and very high spatial resolution. The high rotation time of 0.33 seconds (optional) delivers excellent temporal resolution. With Siemens' new FAST - Fully Assisting Scanner Technologies - the SOMATOM Definition AS can simplify typically time consuming and complex procedures: the scanning process gets more intuitive and the results become more reproducible. Its comprehensive low dose portfolio includes many unique features like CARE kV that sets the ideal voltage for every examination or industry's first Adaptive Dose Shield that prevents clinically irrelevant over-radiation in spiral scanning. Additionally, its large bore of 78 cm opens CT to all patients, meaning that virtually no patient is excluded.
1	14420773	FAST CARE Platform Siemens' unique FAST CARE platform is set to raise the standard of patient-centric productivity. Utilizing FAST - Fully Assisting Scanner Technologies -, typically time-consuming and complex procedures during the scan process are extremely simplified and automated, not only improving workflow efficiency, but optimizing the overall clinical outcome by creating reproducible results, making diagnosis more reliable and reducing patient burden through streamlined examinations. Siemens' desire for as little radiation exposure as possible lies at the heart of the CARE - Combined Applications to Reduce Exposure - research and development philosophy offering a unique portfolio of dose saving features, many of them being introduced as industry's first.
1	14420771	CARE Child Dedicated pediatric CT imaging, including 70 kV scan modes and specific CARE Dose4D curves and protocols
1	14428058	Gantry tilt incl. tilted spiral Allows for sequential scanning with a tilted gantry between +/- 30°, depending on the vertical position of the table. Using the gantry tilt sensitive organs (like eye lenses) can be moved out of the scan range or it eases access during interventional procedures. The tilted spiral allows to utilize the gantry tilt for spiral scan modes.
1	14408328	ELEVATE O Definition AS Elevate from an old Siemens CT scanner to a new SOMATOM Definition AS.
1	14408032	Rear cover incl. gantry panels Rear Cover including gantry control panels with control functionality from the backside.
1	14408094	Keyboard English Keyboard in the above-mentioned language.
1	14408023	Cooling System Water Water heat exchanger for the dissipation of heat loss generated in the gantry to an environmentally friendly cooling water circulation system. This optimizes system availability independently of the ambient conditions. System operating temperature: 18 - 28 degrees C, 18 - 75 % rel. humidity (not condensing).

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Qty	Part No.	Item Description
1	14408026	Hose pipe insulated 30 m Hose pipes to connect the "Cooling System" with the gantry.
1	14408031	Cable loom 25 m Cable loom used to connect the power distribution system (PDS) with the gantry.
1	14420777	Patient Table 2000 mm Patient table to support up to 200cm scan range. Motor-driven table height adjustment from min. 48 cm to max. 92 cm, longitudinal movement of the tabletop 200 cm in increments of 0.5 mm, positioning accuracy +/- 0.25 mm from any direction. Horizontal scan range 200 cm. Table height can be controlled alternatively by means of foot switch (2 each on both sides of the patient table). In the case of emergency stop or power failure, the tabletop can also be moved manually in horizontal direction. Max. table load: 227 kg/500 lbs, Table feed speed: 2-200 mm/s, Distance between gantry front and table base 40 cm. Positioning aids: Positioning mattress, mattress protector, head-arm support (inclusive cushion), and non-tiltable head holders with positioning cushion set, patient restraining system for head fixation, restraining-strap set with body fixation strap that can be directly connected to the patient table top, headrest, table extension with positioning mattress, knee-leg support.
1	14408101	Computer Desk #AWP New CT desk to accommodate the control components and color monitor. Width: 1200 mm, Depth: 800 mm, Height: 720 mm.
1	14408102	Computer Cabinet #AWP New cabinet to accommodate the computer system and UPS. Matched to the design of the control console table. Width: 800 mm, Depth: 800 mm, Height: 720 mm
1	CT_PM	CT Project Management
1	CT_STD_RIG_I NST	CT Standard Rigging and Installation
→ 1	CT_STD_DEIN STALL	CT Standard De-Installation (4 Slice CT scanner)
1	CT_INITIAL_32 CT_FOLLOWU P_12	Initial onsite training 32 hrs
1		Follow-up training 12 hrs
1	CT_ADD_24 CT_CLS_NOTV L	Additional onsite training 24 hours
2	APTTE4XGA24 ODC	Training Class with T&L not included
1		HARDWIRED TYPE 2 Surge protective Device
1	CTSDEF01	CT SLICKER; SOMATOM Definition
1	4SPAS014	Low Contrast CT Phantom & Holder
1	CT_ADDL_RIG GING	Additional Rigging CT Out of Scope @ \$4,900
1	CT_PR_AS20_ EO_BON	AS20 Elevate O Bonus

System Total: \$268,162

FINANCING: The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

ACCESSORIES: Don't forget to ask us about our line of OEM imaging accessories to complete your purchase. All accessories can be purchased or financed as part of this order. To purchase accessories directly or to receive our accessories catalog, please call us directly at 1-888-222-9944 ext. 7 or contact your local Sales Representative.

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

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Siemens Medical Solutions USA, Inc. General Terms and Conditions

1. GENERAL

1.1 Contract Terms. These terms and conditions constitute an integral part of any contract between Seller and Purchaser identified on the first page hereof and shall govern the sale of the products identified in such contract ("Products"). Seller shall not be bound by, and specifically objects to, any terms, conditions or other provisions which are different from or in addition to the provisions of this Agreement (even if provided to Seller concurrently with this Agreement), unless Seller specifically agrees to any such provision in a writing signed by Seller. Neither Seller's lack of objection to any such terms, nor delivery of the Products or provision of any services hereunder, shall constitute the agreement of Seller to any such terms. Purchaser acknowledges that this is a commercial and not a consumer transaction.

1.2 Acceptance. Purchaser shall be deemed to have assented to, and to have waived any objection to, this Agreement upon the earliest to occur of any of the following: Purchaser's completion or execution of this Agreement; Purchaser's acceptance of all or any part of the Products; Purchaser's issuance of a purchase order for any Products identified on Seller's quotation or proposal; or delivery of the Products to the common carrier for shipment pursuant hereto.

1.3 Refurbished/Used Products. For Products identified on this Agreement as used or refurbished Products, these Products have been previously owned and used. When delivered to Purchaser, the Products may have received mechanical, electrical and/or cosmetic reconditioning, as needed, and will comply with the manufacturer's specifications. Since pre-owned Products may be offered simultaneously to several customers, the sale of such Products to Purchaser cannot be guaranteed and is subject to continuing availability at the time Purchaser accepts Seller's offer to sell the Products. If the Products are no longer available, Seller will use its best efforts to identify other products in its inventory that may be suitable for purchase by Purchaser, and if substitute products are not acceptable to Purchaser, then Seller will cancel the order and refund to Purchaser any deposits previously paid. The warranty period for any used or refurbished Products will be separately stated on the quotation.

1.4 Third Party Products. If this Agreement includes the sale of third party products not manufactured by Seller, then Purchaser agrees and acknowledges that (a) Purchaser has made the selection of these products on its own, (b) the products are being acquired by Seller solely at the request of and for the benefit of Purchaser, in order to eliminate the need for Purchaser to issue a separate purchase order to the manufacturer of the products, (c) no representation, warranty or guarantee has been made by Seller with respect to the products, (d) the obligation of Purchaser to pay Seller for the products is absolute and unconditional, (e) Purchaser will indemnify and hold Seller harmless from and against any and all claims, regardless of the form of action, related to, resulting from or caused by the products or any work or service provided by the manufacturer of the products or any other party, (f) use of the products may be subject to Purchaser's agreement to comply with any software licensing terms imposed by the manufacturer, as well as any applicable laws, rule and regulations; and (g) the manufacturer, and not Seller, is solely responsible for any required installation, testing, validation, tracking, product recall, warranty service, maintenance, support, and complaint handling, as well as any other applicable FDA regulatory requirements, and the Purchaser will look solely to the manufacturer regarding these services and will assert no claim against Seller with respect to these products.

2. PRICES

2.1 Quotations. Unless otherwise agreed to in writing or set forth in the quotation, all prices quoted by Seller are based on U.S. dollars, and include standard and customary packaging. F.O.B. terms are set forth in Section 6.2 hereof. Domestic prices apply only to purchasers located in, and who will use the Products in, the U.S. International prices apply to all purchasers located outside of, or who will use or ship or facilitate shipment of the Products outside of, the U.S. Unless otherwise stated, the quotation shall only be valid for forty-five (45) days from the date of the quotation.

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

2.3 Escalation. Unless otherwise agreed to in writing, except as to Products to be delivered within six (6) months of Seller's acceptance of Purchaser's order, Seller reserves the right to increase its prices to those in effect at the time of shipment.

3. TAXES

3.1 Any sales, use or manufacturer's tax which may be imposed upon the sale or use of Products, or any property tax levied after readiness to ship, or any

excise tax, license or similar fee required under this transaction, shall be in addition to the quoted prices and shall be paid by Purchaser. Notwithstanding the foregoing, Seller agrees to honor any valid exemption certificate provided by Purchaser.

4. TERMS OF PAYMENT; DEFAULT

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

4.2 Late Payment. A service charge of 1½% per month, not to exceed the maximum rate allowed by law, shall be made on any portion of Purchaser's outstanding balance which is not paid within thirty (30) days after invoice date, which charge shall be determined and compounded on a daily basis from the due date until the date paid. Payment of such service charge shall not excuse or cure Purchaser's breach or default for late payment.

4.3 Payment of Lesser Amount. If Purchaser pays, or Seller otherwise receives, a lesser amount than the full amount provided for under this Agreement, such payment or receipt shall not constitute or be construed other than as on account of the earliest amount due Seller. Seller may accept any check or payment in any amount without prejudice to Seller's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying a check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

4.4 Where Payment Due Upon Installation or Completion. Should any terms of payment provide for either full or partial payment upon completion of installation or thereafter, and completion of installation is delayed for any reason for which Seller is not responsible, then the Products shall be deemed installed upon delivery and the balance of payments shall be due no later than thirty (30) days from the delivery date regardless of the actual installation date.

4.5 Default; Termination. Each of the following shall constitute an event of default under this Agreement: (i) a failure by Purchaser to make any payment due Seller within ten (10) days of receipt of written notice of non-payment from Seller; (ii) a failure by Purchaser to perform any other obligation under this Agreement within thirty (30) days of receipt of written notice from Seller; (iii) a default by Purchaser under any other obligation to or agreement with Seller or Siemens Financial Services, Inc., or any assignee of the foregoing (e.g., a promissory note, lease, rental agreement, license agreement or purchase contract); or (iv) the commencement of any insolvency, bankruptcy or similar proceedings by or against Purchaser (including any assignment by Purchaser for the benefit of creditors). Upon the occurrence of any event of default, at Seller's election: (a) the entire amount of any indebtedness and obligation due Seller under this Agreement and interest thereon shall become immediately due and payable without notice, demand, or period of grace; (b) Seller may suspend the performance of any of Seller's obligations hereunder, including, but not limited to, obligations relating to delivery, installation and warranty services; (c) Purchaser shall put Seller in possession of the Products upon demand; (d) Seller may enter any premises where the Products are located and take possession of the Products without notice or demand and without legal proceedings; (e) at the request of Seller, Purchaser shall assemble the Products and make them available to Seller at a place designated by Seller which is reasonable and convenient to all parties; (f) Seller may sell or otherwise dispose of all or any part of the Products and apply the proceeds thereof against any indebtedness or obligation of Purchaser under this Agreement (Purchaser agrees that a period of 10 days from the time notice is sent to Purchaser shall be a reasonable period of notification of sale or other disposition of the Products by or for Seller); (g) if this Agreement or any indebtedness or obligation of Purchaser under this Agreement is referred to an attorney for collection or realization, Purchaser shall pay to Seller all costs of collection and realization (including, without limitation, a reasonable sum for attorneys' fees, expenses of title search, all court costs and other legal expenses) incurred thereby; and (h) Purchaser shall pay any deficiency remaining after collection of or realization by Seller on the Products. In addition, Seller may terminate this Agreement upon written notice to Purchaser

SIEMENS

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51 Valley Stream Parkway, Malvern, PA 19355
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SIEMENS REPRESENTATIVE
Stuart Waddey - (919) 605-9227

in the event that Purchaser is not approved for credit or upon the occurrence of any material adverse change in the financial condition or business operations of Purchaser.

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

5. EXPORT TERMS

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

5.2 Purchaser acknowledges that Seller is required to comply with applicable export laws and regulations relating to the sale, exportation, transfer, assignment, disposal and usage of the Products provided under this Agreement, including any export license requirements. Purchaser agrees that such Products shall not at any time directly or indirectly be used, exported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with such applicable export laws and regulations. It shall be a condition of the continuing performance by Seller of its obligations hereunder that compliance with such export laws and regulations be maintained at all times. **PURCHASER AGREES TO INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NON-COMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.** If Purchaser purchases a Product at the domestic price and exports such Product, or transfers such Product to a third party for export, outside of the U.S., Purchaser shall pay to Seller the difference between the domestic price and the international retail price of such Product pursuant to the payment terms set forth herein. Purchaser shall deliver to Seller, upon Seller's request, written assurance regarding compliance with this section in form and content acceptable to Seller.

6. DELIVERY, RISK OF LOSS

6.1 Delivery Date. Delivery and installation dates will be established by mutual agreement of the parties. Seller shall make every reasonable effort to meet the agreed upon delivery date(s), but shall not be liable for any failure to meet such date(s). Partial shipments may be made.

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

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

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

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

7. SECURITY INTEREST/FILING

7.1 Purchaser grants to Seller a security interest in the Products (and all accessories and replacements thereto and all proceeds thereof) until payment in full by Purchaser and satisfaction of all other obligations of Purchaser hereunder. Purchaser hereby (i) authorizes Seller to file (and Purchaser shall promptly execute, if requested by Seller) and (ii) irrevocably appoints Seller its agent and attorney-in-fact to execute in the name of Purchaser and file, with such authorities and at such locations as Seller may deem appropriate, any Uniform Commercial Code financing statements with respect to the Products and/or this Agreement. Purchaser further represents and covenants that (a) it will keep the Products in good order and repair until the purchase price has been paid in full, (b) it will promptly pay all taxes and assessments upon the Products or the use thereof, (c) it will not attempt to transfer any interest in the Products until the purchase price has been paid in full, and (d) it is solvent and financially capable of paying the full purchase price for the Products.

8. CHANGES, CANCELLATION, AND RETURN

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

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

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

9. FORCE MAJEURE

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

10. WARRANTY

10.1 Seller warrants that the Products manufactured by Seller and sold hereunder shall be free from defects in material or workmanship under normal use and service for the warranty period. The final assembled Products shall be new although they may include certain used, reworked or refurbished parts and components (e.g., circuit boards) that comply with performance and reliability specifications and controls. Seller's obligation under this warranty is limited, at Seller's option, to the repair or replacement of the Product or any part thereof. Unless otherwise set forth in the Product Warranty attached hereto and incorporated herein by reference, the warranty period shall commence upon the earlier of the date that the Products have been installed in accordance with Section 12.6 hereof (which date shall be confirmed in writing by Seller) or first patient use, and shall continue for 12 consecutive months. Seller makes no warranty for any Products made by persons other than Seller or its affiliates, and Purchaser's sole warranty therefor, if any, is the original manufacturer's warranty, which Seller agrees to pass on to Purchaser, as applicable. The warranty provided by Seller under this Section 10 extends only to the original Purchaser, unless the Purchaser obtains the Seller's prior written consent with respect to any sale or other transfer of the Equipment during the term of the warranty.

10.2 No warranty extended by Seller shall apply to any Products which have been damaged by fire, accident, misuse, abuse, negligence, improper application or alteration or by a force majeure occurrence as described in Section 9 hereof or by the Purchaser's failure to operate the Products in accordance with the manufacturer's instructions or to maintain the recommended operating environment and line conditions; which are defective due to unauthorized attempts to repair, relocate, maintain, service, add to or modify the Products by the Purchaser or any third party or due to the attachment and/or use of non-Seller supplied parts, equipment or software without Seller's prior written approval; which failed due to causes from within non-Seller supplied equipment, parts or software including, but not limited to, problems with the Purchaser's network; or which have been damaged from the use of operating supplies or consumable parts not approved by Seller. In addition, there is no warranty coverage for any transducer or probe failure due to events such as cracking from high impact drops, cable rupture from rolling equipment over the cable, delamination from cleaning with inappropriate solutions, or TEE bite marks. Seller's obligation under this warranty is limited to the repair or replacement, at Seller's option, of defective parts. Seller may effectuate such repair at Purchaser's facility, and Purchaser shall furnish Seller safe and sufficient access for such repair. Repair or replacement may be with parts or products that are new, used or refurbished. Repairs or replacements shall not interrupt, extend or prolong the term of the warranty. Purchaser shall, upon Seller's request, return the noncomplying Product or part to Seller with all transportation charges prepaid, but shall not return any Product or part to Seller without Seller's prior written authorization. Purchaser shall pay Seller its normal charges for service and parts for any inspection, repair or replacement that falls outside the warranty set forth in Section 10.1. Seller's warranty does not apply to consumable materials, disposables, supplies, accessories and collateral equipment, except as specifically stated in writing or as otherwise set

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forth in the Product Warranty attached hereto and incorporated herein by reference, nor to products or parts thereof supplied by Purchaser.

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

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

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

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

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

11. LIMITATION OF LIABILITY

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

11.2 SELLER SHALL NOT BE LIABLE FOR ANY LOSS OF USE, REVENUE OR ANTICIPATED PROFITS; COST OF SUBSTITUTE PRODUCTS OR SERVICES; LOSS OF STORED, TRANSMITTED OR RECORDED DATA; OR FOR ANY INDIRECT, INCIDENTAL, UNFORESEEN, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR ANY OTHER THEORY OR FORM OF ACTION, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SALE OR USE OF THE PRODUCTS. THE FOREGOING IS A SEPARATE, ESSENTIAL TERM OF THIS AGREEMENT AND SHALL BE EFFECTIVE UPON THE FAILURE OF ANY REMEDY, EXCLUSIVE OR NOT.

12. INSTALLATION - ADDITIONAL CHARGES

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

12.2 Installation by Seller. If Seller specifies it will install the Products, the following applies: subject to fulfillment of the obligations set forth in Section 12.4 below, Seller shall install the Products and connect them to the requisite safety switches and power lines to be installed by Purchaser. Except as otherwise specified below, if such installation and connection are performed by Seller's technical personnel, prices shown include the cost thereof, provided that the installation and connection can be performed within the Continental United States or Puerto Rico and during normal business hours. Any overtime charges or other special expenses shall be additional charges to the prices shown.

12.3 Trade Unions. In the event that a trade union, or unions, or other local labor conditions prevent Seller from performing the above work with its own employees or contractors, then Purchaser shall either make all required arrangements with the trade union, or unions, to permit Seller to complete the work or shall provide the personnel, at Purchaser's sole cost and expense.

Moreover, any additional cost incurred by Seller and related to such labor disputes shall be paid by the Purchaser and Seller's obligations under such circumstances will be limited to providing engineering supervision of installation and connection of the Products to existing wiring.

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

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

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

13. PATENT, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS

13.1 Infringement by Seller. Seller warrants that the Products manufactured by Seller and sold hereunder do not infringe any U.S. patent or copyright. If Purchaser receives a claim that any such Products, or parts thereof, infringe upon the rights of others under any U.S. patent or copyright, Purchaser shall notify Seller immediately in writing. As to all infringement claims relating to Products or parts manufactured by Seller or one of its affiliates:

(a) Purchaser shall give Seller information, assistance and exclusive authority to evaluate, defend and settle such claims.

(b) Seller shall then, at its own expense, defend or settle such claims, procure for Purchaser the right to use the Products, or remove or modify them to avoid infringement. If none of these alternatives is available on terms reasonable to Seller, then Purchaser shall return the Products to Seller and Seller shall refund to Purchaser the purchase price paid by Purchaser less reasonable depreciation for Purchaser's use of the Products. The foregoing states Seller's entire obligation and liability, and Purchaser's sole remedy, for claims of infringement.

13.2 Infringement by Purchaser. If some or all of the Products sold hereunder are made by Seller pursuant to drawings or specifications furnished by Purchaser, or if Purchaser modifies or combines, operates or uses the Products other than as specified by Seller or with any product, data, software, apparatus or program not provided or approved by Seller, then the indemnity obligation of Seller under Section 13.1 shall be null and void and should a claim be made that such Products infringe the rights of any third party under patent, copyright or otherwise, then Purchaser shall indemnify, defend and hold Seller harmless against any liability or expense, including reasonable attorneys' fees, incurred by Seller in connection therewith.

14. DESIGNS AND TRADE SECRETS; LICENSE; CONFIDENTIALITY

14.1 Any drawings, data, designs, software programs or other technical information supplied by Seller to Purchaser in connection with the sale of the Products are not included in the sale of the Products to Purchaser, shall remain Seller's property and shall at all times be held in confidence by Purchaser. Such information shall not be reproduced or disclosed to others without Seller's prior written consent.

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

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14.3 Diagnostic/Maintenance Software is not included under Section 14.2 above, is available only as a special option under a separate Diagnostic Materials License Agreement, and may be subject to a separate licensing fee.

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

15. ENGINEERING CHANGES

15.1 Seller makes no representation that engineering changes which may be announced in the future will be suitable for use on, or in connection with, the Products.

16. ASSIGNMENT

16.1 Neither party may assign any rights or obligations under this Agreement without the prior written consent of the other and any attempt to do so shall be void, except that Seller may assign this Agreement without consent to any subsidiary or affiliated company, and may delegate to authorized subcontractors or service suppliers any work to be performed under this Agreement so long as Seller remains liable for the performance of its obligations under this Agreement. This Agreement shall inure to and be binding upon the parties and their respective successors, permitted assigns and legal representatives. Seller shall have no obligations under this Agreement to any assignee of Purchaser that is not approved by Seller in advance.

17. COSTS AND FEES

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

18. MODIFICATION

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

19. GOVERNING LAW; WAIVER OF JURY TRIAL

19.1 This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

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

20. COST REPORTING

20.1 Purchaser agrees that it will fully and accurately account for and report in all cost reports and otherwise fully and accurately disclose to federal and state health care program payors and fully and accurately reflect where and as appropriate to the applicable reimbursement methodology, all services and other items, including any and all discounts, received from Seller under this Agreement, in compliance with all applicable laws, rules and regulations, including but not limited to the Social Security Act and implementing regulations relating to Medicare, Medicaid and other federal and state health care reimbursement programs.

21. INTEGRATION

21.1 These terms and conditions, including any attachments or other documents incorporated by reference herein, constitute the entire agreement and the complete and exclusive statement of agreement with respect to the subject matter hereof, and supersede any and all prior agreements, understandings and communications between the parties with respect to the Products.

22. SEVERABILITY; HEADINGS

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

23. WAIVER

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

24. NOTICES

24.1 Any notice or other communication under this Agreement shall be deemed properly given if given in writing and delivered in person or mailed, properly addressed and stamped with the required postage, to the intended recipient at its address specified on the face hereof. Either party may from time to time change such address by giving the other party notice of such change in accordance with this section.

25. RIGHTS CUMULATIVE

25.1 The rights and remedies afforded to Seller under this Agreement are in addition to, and do not in anyway limit, any other rights or remedies afforded to Seller by any other agreement, by law or otherwise.

26. END USER CERTIFICATION

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

03/2012 Rev

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

1. DEFINITIONS: The following definitions apply to this Schedule:

"**Agreement**" shall mean the attached (i) Quotation for Products and/or Services including the Terms and Conditions of Sale and applicable schedules; and/or (ii) Software License Agreement describing the software licensed herein and the specific system for which the license is issued.

"**Licensor**" shall mean Siemens Medical Solutions USA, Inc.

"**Licensee**" shall mean the end-user to whom Licensor provides Software or Documentation for its internal use under the Agreement.

"**Software**" shall mean the software described in the attached Agreement, including the following as contained therein: (i) software programs consisting of a series of statements or instructions to be used directly or indirectly in a programmable controller or computer to bring about a certain result and (ii) databases consisting of systemized collections of data to be used or referenced directly or indirectly by a programmed controller or computer. Notwithstanding the foregoing, "Software" does not include "firmware" as such term is conventionally understood. Diagnostic/Maintenance Software also is not included within the scope of the Software licensed under this Schedule, and is available only as a special option under a separate Diagnostic Materials License Agreement and may be subject to a separate licensing fee.

"**Documentation**" shall mean the documents and other supporting materials which are intended to support the use of an associated product, including (but not limited to) instructions, descriptions, flow charts, logic diagrams and listings of the Software, in text or graphic form, on machine readable or printed media.

"**Designated Unit**" shall mean a single control unit or computer identified on the first page of the Agreement, on which Software licensed hereunder may be used by Licensee.

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

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6. DELIVERY, RISK OF LOSS AND TITLE: Notwithstanding the provisions of Section 6 of the attached Terms and Conditions of Sale, if any, the Software and Documentation licensed hereunder shall be delivered on or about the delivery date stated in the Agreement unless a separate delivery

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CT Warranty Information

<u>Equipment</u> (New Systems and "Proven Excellence" Refurbished Systems Only)	<u>Period of Warranty</u> ¹	<u>Coverage</u>	
CT System (not including consumables)	12 month	Full Warranty (parts & labor, including all tubes)	
<u>Post-Warranty (after expiration of system warranty) – Replacement parts only!</u>			
Straton	Prorated to a maximum of 160,000 scan seconds or 12 month whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(160,000 - \text{scan-seconds used}) / 160,000 * 100$
Single Tank tube with rotating anode (non spiral) (Rotanx)	Prorated to a maximum of 60,000 scans or 12 month whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(60,000 - \text{scans used}) / 60,000 * 100$
Single Tank tube with rotating anode (spiral) (Rotanx)	Prorated to a maximum of 130,000 scanseconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(130,000 - \text{scanseconds used}) / 130,000 * 100$
Opti 151 and Opti 157 tube	Prorated to a maximum of 60,000 scans or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(60,000 - \text{scans used}) / 60,000 * 100$
All other Dura tubes and Opti 131 tube	Prorated to a maximum of 130,000 scanseconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(130,000 - \text{scanseconds used}) / 130,000 * 100$
Dura Akron B tubes	Prorated to a maximum of 150,000 scanseconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(150,000 - \text{scanseconds used}) / 150,000 * 100$
Dura Akron Q tubes	Prorated to a maximum of 120,000 scanseconds or 12 months whichever occurs first	Prorated credit given to customer against replacement cost	credit percentage = $(120,000 - \text{scanseconds used}) / 120,000 * 100$
Cathode-ray tubes (CRT)	12 months		
Spare Parts	6 months	Parts only	
Consumables	Not covered		

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

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

Detailed Technical Specifications

SOMATOM Definition AS 20-slice Configuration

Part No. / Product	Description
<p>14420801 SOMATOM Definition AS (20 Slice)</p>	<p>The SOMATOM Definition AS (AS, 20-slice configuration) is founded on Siemens' proprietary UFC detector system and the revolutionary STRATON X-ray source. In combination with Siemens' z-Sharp Technology, FAST (Fully Assisting Scanner Technologies) and CARE (Combined Applications to Reduce Exposure) solutions as well as Siemens exclusive CT Clinical Engines options, the SOMATOM Definition AS (AS, 20-slice configuration) offers unprecedented image quality and detail at significantly reduced patient exposure, as well as substantially increased diagnostic speed and confidence thus raising the standard of patient-centric productivity.</p> <p>The STRATON source provides direct oil cooling of the anode, eliminating the need for heat storage capacity (0 MHU). The resulting small and compact design enables an unprecedented cooling rate of 7.3 MHU/min as well as reliable performance even when operating at a high rotation time of 0.33 sec (optional). In combination with the HeartView CT option temporal resolution of 165 ms (optional) of the SOMATOM Definition AS (AS, 20-slice configuration) allows scan even high heart rates.</p> <p>With the high isotropic resolution of 0.4 mm voxel size, it visualizes small anatomical structures with exceptional quality. Neuro head image quality is significantly improved with Neuro BestContrast, by optimizing grey/white matter differentiation without increase in radiation dose.</p> <p>The UFC (Ultra Fast Ceramics) detector of the SOMATOM Definition AS (AS, 20-slice configuration) acquires 20 slices per rotation.</p> <p>In combination with a 78 cm large bore, 200 cm scan range (optional), and the 80 kW generator power, it adapts to virtually any patient independent of size or condition, helping to save precious time from scan to diagnosis.</p> <p>With all this, the SOMATOM Definition AS (AS, 20-slice configuration) offers high image detail and sub-millimeter volume coverage enabling fast whole body examinations - adapting to challenging patients such as poly-trauma and incautious or uncooperative patients, leading to an improvement in image quality and patient comfort.</p> <p>Siemens has developed many significant products and protocols that follow the "As Low as Reasonably Achievable" (ALARA) principle to reduce radiation dose to the lowest possible level. This desire for as little radiation exposure as possible lies at the heart of our CARE - Combined Applications to Reduce Exposure - research and development philosophy. The SOMATOM Definition AS (AS, 20-slice configuration) consequently offers a unique portfolio of dose saving features, many of them being industry's first like the Adaptive Dose Shield, CARE kV or 70kV scan modes. Using Siemens' CARE solutions radiation dose can be significantly reduced compared to conventional CT systems.</p> <p>With the introduction of Siemens' unique FAST CARE platform, the SOMATOM Definition AS (AS, 20-slice configuration) is set to raise the standard of patient-centric productivity. Utilizing FAST - Fully Assisting Scanner Technologies -, typically time-consuming and complex procedures during the scan process are extremely simplified and automated, not only improving workflow efficiency, but optimizing the overall clinical outcome by creating reproducible results, making diagnosis more reliable and reducing patient burden through streamlined examinations.</p> <p>With its unique Adaptive 4D Spiral scan mode (optional) the SOMATOM Definition AS (AS, 20-slice configuration) overcomes the coverage limitations in dynamic CT imaging when using a static detector and allows for up to 8 cm coverage in dynamic CT imaging.</p> <p>In addition the SOMATOM Definition AS (AS, 20-slice configuration) optionally offers a built in 3D minimal invasive suite, enabling 3D guided interventions with full control of the radiologist due to the all new wireless in-room control.</p> <p>Also the SOMATOM Definition AS (AS, 20-slice configuration) offers the widest range of clinical applications options, which allow performing everything from fast and confident diagnoses to comprehensive reporting in only a matter of minutes, reviewing results before the patient is off the table.</p>

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Part No. / Product	Description
<p>(Continued) 14420801 SOMATOM Definition AS (20 Slice)</p>	<p>1. Gantry: Aperture: 78 cm; power supplied via low-voltage slip ring. Scanning system: Rotational speed of the gantry: Rotation time of 0.5 (0.33 sec optional). Detector system based on Siemens' proprietary UFC (ultra fast ceramics) with 14,720 elements, 20 detector electronic channels (DAS) utilized for up to 20 slices/rotation acquisition, and 1,472 measuring channels per slice (The measuring system can contain replacement components).</p> <p>In cases of very low signal at the detector (e.g. when scanning bariatric patients), the Adaptive Signal Boost improves image quality by amplifying individual pixels based on an analysis of the surrounding image data. It reduces streaks and noise and maintains the correct HU values for large patients.</p> <p>Spiral acquisition modes 20-slice configuration: 20 x 0.6 mm, 10 x 0.6 mm, 16 x 1.2 mm</p> <p>Sequence acquisition modes 20-slice configuration: 20x0.6 mm, 2x1mm, 6x1.2 mm, 16x1.2 mm, 12x1.2mm, 1x5 mm, 1x10 mm</p> <p>Three laser light markers: Horizontal, sagittal, and vertical laser light that shows the isocenter position of the scan plane.</p> <p>2. Tube Assembly: Source: STRATON high performance X-ray source. Tube current range: Single source 20-666 mA; Tube anode heat storage capacity 0 MHU. Cooling rate 7.3 MHU/min (5,400 kJ/min). Focal spot size according to IEC 60336: 0.7 x 0.7 mm/7°; 0.9 x 1.1 mm/7°. Computer controlled monitoring of anode temperature, Multifan principle with flying focal spot.</p> <p>3. High Power X-ray Generator: Microprocessor-controlled, low-noise high-frequency generator with integrated, automatic self-testing system for continuous monitoring of operation. Settings: High-voltage range 70, 80, 100, 120 and 140 kV; power max. 80 kW, adjustable in fine steps.</p> <p>4. Control and Evaluation Unit: Control box: CT control with patient intercom, user-recordable patient instruction system, 30 automatic patient instruction (API) text pairs are available in nine languages.</p> <p>syngo Acquisition Workplace: The syngo Acquisition Workplace provides an intelligent and reliable workflow for data acquisition, image reconstruction and routine post-processing at the CT scanner. Built on the unique syngo platform, the syngo Acquisition Workplace is intuitive and user friendly. Computer system: High-performance computer with 1x Xeon QC6700, 2.66GHz, NVIDIA Quadro FX1700 DVI DVI graphics card for fast 3D post-processing. High resolution, flicker free, 19-inch (48 cm) color flat panel display for medical diagnostic applications combining the demanding requirements of medical imaging with the advantages of liquid crystal displays. This display provides a resolution of 1280 x 1024 and has a wide viewing angle, features high contrast even under high ambient light conditions. Display light output stability is ensured by controlled backlight throughout the whole lifetime. Keyboard and mouse, 8 Gbyte RAM, 146 Gbyte image storage for 260,000 uncompressed images, CD-R 700 MB for 1,100 images. DVD DICOM with 4.7 GB media for 8,400 images. External USB 2.0 devices for data storage are supported (recommended: Iomega 160 Gbyte External Hard Drive Hi-Speed USB 2.0; Maxtor One Touch 160 Gbyte External Hard Drive).</p> <p>5. CT Image Computer System: Reconstruction computer for the preprocessing and reconstruction of the CT raw data. The reconstruction computer contains of a cluster of 2,2 GHz dual kernel high-performance processors performing the preprocessing and reconstruction of the CT data with up to 20 images per second. The raw data memory is 450 Gbyte.</p> <p>6. Cooling System: SOMATOM Definition AS (AS, 20-slice configuration) can be equipped with either air or water cooling adapting to your room requirements. This optimizes system availability independently of the ambient conditions and reduces expensive reconstruction costs. System operating temperature: 18-28°C, 18 - 75 % rel. humidity (not condensing).</p> <p>7. syngo User Software: syngo features an intuitive and thus easy-to-learn user interface developed from prototypes in close cooperation with users. syngo visualizes the examination in individual process steps on so-called task cards, such as patient registration or examination card. A large number of functions and input parameters as well as the language</p>

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Part No. / Product	Description
<p>(Continued) 14420801 SOMATOM Definition AS (20 Slice)</p>	<p>used can be selected according to individual requirements. Frequently repeated processes can be automated and saved.</p> <p>Patient registration: The system can accept patient data in different ways. These include entering the data via keyboard or transfer of a worklist via network. DICOM Worklist: Software module for accepting lists of patient data and exam requirements from a Radiology Information Systems (RIS) via DICOM Get Worklist functionality. The program enables very efficient working and ensures consistent patient data. In emergency cases, fast registration is possible. Here the system automatically assigns an emergency number which can later be replaced by the actual patient number. The input profile can be designed individually.</p> <p>Examination card: The SOMATOM Definition AS (AS, 20-slice configuration) is delivered with a large number of predefined examination protocols (e.g. for pediatric applications), making examination planning a very fast and efficient procedure. Example: A three-phase examination of the liver available as independent protocol only needs to be adapted to the patient's individual situation. Each examination is represented pictorially as a so-called "chronicle", which views the individual phases of the examination separately. This has the advantage that the individual phases of the examination can be accessed quickly and selectively and changes to the protocol can be made easily in graphical mode via drag-and-drop using the mouse. With a so-called routine window, it is possible to adapt individual examination parameters, representing a submenu of the essential parameters and giving information at a glance about the parameterization of the examination.</p> <p>Viewing card: On the viewing card it is possible to move interactively with the mouse through the image volume of the ongoing examination. The images of different examinations can be displayed simultaneously for comparison. A large number of functions are available for evaluation, documentation and archiving.</p> <p>Filming card: A virtual film sheet shows a 1:1 display of the film sheets to be printed out, thus enabling an effective preview of filming jobs and rewindowing of the images, as well as providing a large number of evaluation functions. Layout changes are possible interactively with up to 64 images. The printout parameters for the autofilming process running in parallel to acquisition or reconstruction are also defined with the filming card. Freely selectable positioning of images onto film sheet, configurable image text.</p> <p>3D card: Secondary reconstruction calculation: Real-time MPR for real-time reformatting of secondary reconstructions. Slice orientation: coronar, sagittal, oblique and double-oblique. Secondary reconstructions can be determined from the topogram, other MPR views or from a 3D surface reconstruction. Reconstruction with selectable slice thickness.</p> <p>CT Angio: Software for the reconstruction of angular projections from the images of a spiral data record for the display and diagnosis e.g. of aneurysms, plaques, stenoses, vascular anomalies or vascular origins. MIP: Maximum Intensity Projection, MinIP: Minimum Intensity Projection and Thin MIP available. Interfering or irrelevant parts of the image can be eliminated with the integrated volume editor. The angular projections are reconstructed around a definable axis, whereby the maximum CT values in this direction are selected for each angular projection. The resulting images can be viewed with the CINE function as a series of images with a 3D image effect.</p> <p>3D Display: Software for the three-dimensional display of surfaces of a body region from a series of continuous slices, for display and analysis of complex anatomies, e.g. the visceral cranium, pelvis, hips, for the purpose of planning surgical interventions. The 3D objects can be tilted and rotated interactively on the monitor and can also be displayed in relation to multiplanar reconstruction (MPR).</p> <p>Volume card: Volume scans of tissues and organs, based on a "region-growing" algorithm and interactive ROI definition.</p> <p>DynEva card: Software for dynamic evaluation of the contrast enhancement in organs and types of tissues, enabling the reconstruction of</p> <ul style="list-style-type: none"> - Time-density curves (up to 5 ROIs) - Peak-enhancement images - Time-to-peak images. <p>Video Capture and Editing Tool: Software contains integrated solution for imaging and visualization of 4D information, allowing the generation and editing of video files for improved diagnoses, recording and teaching. A</p>

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Part No. / Product	Description
<p><i>(Continued)</i> 14420801 SOMATOM Definition AS (20 Slice)</p>	<p>wide range of multimedia formats is supported, e.g. AVI, Flash (SWF), GIF, QuickTime (MOV), streaming video.</p> <p>Additional task cards available as an option.</p> <p>8. Examination and Evaluation Functions: Topogram: Scanning perspectives: a.p., p.a., lat.; length of scan field: 128 - 1574mm (optional up to 1974 mm), width of scan field: 512 mm, 1.5 - 16s (optional 20.22s). The topogram can be switched off manually when the desired examination length is reached.</p> <p>Tomogram: Scan field size: 50 cm. Scan times: 0.33 (optional), 0.5 and 1 seconds. Slice thickness in sequence: 0.6, 0.75, 1, 1.2, 1.5, 2.0, 2.4, 3, 4.0, 4.8, 5, 6, 7, 7.2, 8, 9, 10, 12, 14.4, 15, 20 mm Slice thickness in spiral: 0.6, 0.75, 1.0, 1.5, 2, 3, 4, 5, 6, 7, 8, 10 mm Real-time image display. Immediate image reconstruction and display without time delay simultaneously to data acquisition in 512 x 512 matrix size.</p> <p>Spiral: Scanning technique for continuous volume scans with continuous table feed in multirotation mode. Max. scan time 100 seconds with full low-contrast resolution. Volume length 1540 mm (optional 1940mm) with full low-contrast resolution (max. 200 cm scan range possible using multiple automatic ranges). Selection of the pitch factor between 0.3 and 1.5 depending on scan mode. Selection of up to 33 separately parameterizable examination ranges in a patient protocol. In addition individual anatomic sections can be successively combined and then scanned automatically. Storage of up to 10,000 examination protocols. Rotation times/cycle: (0.33 optional) sec, 0.5 sec and 1 sec.</p> <p>The intelligent algorithm Neuro BestContrast improves native head image quality especially grey/white matter differentiation. Images are decomposed into high and medium/low spatial frequencies. While relevant tissue information is contained in medium and low frequencies noise is dominated by high frequencies. Separate processing of medium and low frequency information improves the tissue contrast without amplifying image noise resulting in a better signal to noise ratio.</p> <p>Dynamic: Program for functional dynamic examinations. Serial scanning technique in one slice position with variable scans cycle times.</p> <p>Serio sequential examination without table feed: Up to 100 scans in uninterrupted, continuous sequence without table feed. Scan cycle time: 0.75 - 60 seconds.</p> <p>Multiscan spiral examination without table feed: Continuous multirotational data acquisition in one slice position. Quantitative evaluation and graphical display of time-density curves.</p> <p>WorkStream4D with Asynchronous Recon: 4D workflow with direct generation of axial, sagittal, coronal, or double-oblique images from standard scanning protocols. Elimination of manual reconstruction steps. Asynchronous Recon allows for multiple image reconstructions and reformats, parallel to scanning. With this feature, up to eight reconstructions job requests can be loaded into a scan protocol. Immediately upon completion of the scan acquisition, these reconstruction jobs are automatically executed in the background without delaying the start of next patient examination.</p> <p>Image reconstruction and storage: Image reconstruction in full resolution (512 x 512 matrix) takes place during the examination with up to 40 images per second, with full cone beam reconstruction and full image quality. Reconstruction fields of 5 cm to 50 cm through raw data zoom with the possibility of freely selecting the image center either prospectively before each scan or retrospectively. Reconstructions of different slice thicknesses from a single raw data record, e.g. lung soft tissue and lung high-contrast with CombiScan, with simultaneous suppression of partial volume artifacts. Up to 8 reconstructions per scan range can be predefined with the examination protocol. Patient-related storage of the image and raw data.</p> <p>Image display: 1024 x 1024 display matrix; screen splitting configurable up to 64 image segments; CT value scale from -1024 to +3071 HU. For very dense objects, the CT value scale can be extended from -10240 to +30710 HU (extended CT scale) e.g. for suppressing metal artifacts.</p> <p>Image evaluation: Complete software-controlled image evaluation program for all diagnostic requirements.</p> <p>CINE Display: Dynamic display technique for the visualization of time or volume series. A series of up to 1024 images can be displayed at a frame rate of at least 30 f/s. Automatic or interactive mouse-operated control.</p> <p>Multitasking functions: Simultaneous processing during operation of the scanner.</p> <p>Real-time Display: Image reconstruction in pace with the examination in full image quality (512 x 512 matrix)</p>

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<p>(Continued) 14420801 SOMATOM Definition AS (20 Slice)</p>	<p>with up to 20 images/second (with full cone beam reconstruction).</p> <p>Metro Display: Simultaneous display, processing and evaluation of images from other patients while the current patient is being scanned.</p> <p>Metro Documentation: Simultaneous documentation of images from any previously examined patient while the current patient is being scanned.</p> <p>Metro Copy: Automatic transfer of image data to the syngo CT Workplace (optional) or a DICOM network node.</p> <p>9. Network Module: For the connection to a local Ethernet (10, 100 Mbit or 1-Gigabit) in order to communicate with networked printers, diagnostic and therapy workstations, RIS or HIS systems and teleradiology routers.</p> <p>Scope of functions:</p> <ul style="list-style-type: none"> - Configurable network stations. - Unlimited selection of stations. - DICOM Standard (Digital Imaging and Communications in Medicine) for the transfer of information between DICOM-compatible units from different manufacturers. The scope of functions is described in detail in the DICOM Conformance Statement, and the standard version comprises the functions Send/Receive, Query/Retrieve and BasicPrint, Worklist, Storage Commitment, MPPS (Modality Performed Procedure Step). <p>10. Integrated CARE Solutions: UFC Detector: Up to 30% dose reduction compared to conventional CT detectors. High efficiency for low mAs requirements enable best possible image quality with low patient dose.</p> <p>Adaptive Dose Shield: world's first dynamic tube collimation that protects the patient from clinically irrelevant radiation in every spiral scan.</p> <p>CARE Filter: Specially designed X-ray exposure filter installed at the tube collimator. Up to 25% dose reduction with increased image quality.</p> <p>Pediatric Protocols: Special examination protocols with 80 kV and a large range of adjustable mAs values for optimum adaptation of the radiation exposure to the age and weight of the child to be examined.</p> <p>CARE Topo: Real-time topogram, Manual interruption possible once desired anatomy has been imaged.</p> <p>CARE Bolus: Operating mode for CM-enhancement triggered data acquisition. The objective is optimum utilization of the contrast medium bolus in its "plateau" phase in the target organ. This option has been especially adapted to the increased speed and timing requirements resulting from the multirow capability and faster rotation. The CM enhancement is observed via monitoring scans in a user-defined ROI with a trigger threshold. As soon as the enhancement reaches its predefined threshold, the spiral scan is triggered as quickly as possible. License for software use on one modality.</p> <p>11. Siemens Remote Service: Siemens Remote Service (SRS) offers a wide range of medical equipment-related remote services resulting in increased system availability and efficiency. SRS employs sophisticated authentication and authorization procedures, state-of-the-art encryption technologies and logging routines together with strictly enforced organizational measures that provide optimal patient data security and access protection. The following SRS services are included for all service agreement customers and during warranty period:</p> <p>Remote Diagnosis & Repair: In case of an unforeseen system malfunction, Siemens competent experts may directly connect with the CT system in order to identify the problem quickly. Moreover the remote repair function enables Siemens to often correct software errors immediately. Should an engineer on site be required, Remote Diagnosis & Repair allows Siemens to identify defective parts efficiently and accelerate their delivery, thereby keeping repair times to a minimum.</p> <p>Event Monitoring: Event Monitoring screens the performance of the system. If a parameter deviates from a predefined value, a status message is automatically sent to the Siemens UPTIME Service Center. Service Engineers may evaluate the status message at periodic intervals and may initiate appropriate action within the scope of the service agreement.</p>

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Part No. / Product	Description
<p><i>(Continued)</i> 14420801 SOMATOM Definition AS (20 Slice)</p>	<p>SOMATOM LifeNet: An information and service portal directly at the CT Scanner consoles, featuring up to date information on CT products, application guides, accessories and training schedules as well as download of the latest scan protocols and 90 day free trial licenses on available software applications.</p> <p>Notes on software use: Use of the entire integrated software, including optional software programs, is restricted exclusively to the application with this system.</p> <p>Note: This product is in compliance with IEC60601-1-2 and fulfills CISPR 11 Class A. Note: In a domestic environment this product may cause radio interference in which case the user may be required to take adequate measures.</p>
<p>14420773 FAST CARE Platform</p>	<p>Siemens has always been at the forefront to deliver highest image quality and reduce radiation dose at the same time to the lowest possible level. But today, an additional barrier has to be mastered to maximize clinical outcome: overcome the growing restrictions and limitation of resources. With FAST CARE, Siemens opens a new chapter in CT, explicitly focusing on the optimization of patient-centric productivity in modern healthcare delivery. With FAST CARE, time-consuming and complex procedures such as scan or recon preparations are extremely simplified – ideally reduced to a single click. The scanning process gets more intuitive and the results become more reproducible.</p> <p>The FAST CARE platform consists the following features:</p> <p>FAST Scan Assistant: An intuitive user interface for solving conflicts by changing the scan time, resp. the pitch and/or the maximum tube current manually.</p> <p>CARE kV: First automated, organ-sensitive voltage setting to improve image quality and contrast-to-noise-ratio while optimizing dose and potentially reducing it by up to 60%.</p> <p>CARE Child: Dedicated pediatric CT imaging, including 70 kV scan modes and specific CARE Dose4D curves and protocols</p> <p>CARE Profile: Visualization of the dose distribution along the topogram prior to the scan</p> <p>CARE Dashboard: Visualization of activated dose reduction features and technologies for each scan range of an examination to analyze and manage the dose to be applied in the scan</p> <p>CARE Dose Configurator: Enhancement of Siemens' renowned real-time dose modulation CARE Dose4D, introducing new reference curves for each body region and for each body habitus allowing to adjust the configuration even more precisely to the patient's anatomy.</p> <p>Dose Notification: As requested by the new release of the standard IEC 60601 3rd edition, the SOMATOM Definition AS (AS+ Excel Edition, 128-slice configuration) provides the ability to set dose reference values (CTDIvol, DLP) for each scan range. If these reference values are exceeded the Dose Notification window informs the user.</p> <p>Dose Alert: As requested by the new release of the standard IEC 60601 3rd edition, the SOMATOM Definition AS (AS+ Excel Edition, 128-slice configuration) automatically adds up CTDIvol and DLP depending on z-position (scan axis). The Dose Alert window appears, if either of these cumulative values exceeds a user-defined threshold.</p>
<p>14420771 CARE Child</p>	<p>With Siemens' unique STRATON tubes, the tube voltage can now be reduced to 70kV which helps to reduce radiation exposure to patients. With prior tube technology, the minimum tube voltage setting was 80 kV. The new tube voltage setting of 70 kV helps to further reduce the radiation dose to small pediatric or neonate patients.</p> <p>CARE Child consists of:</p> <ul style="list-style-type: none"> - dedicated 70 kV scan modes - new CARE Dose4D curves for children - respective Children Protocol utilizing these features
<p>CT_PM CT Project Management</p>	<p>A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemens equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical</p>

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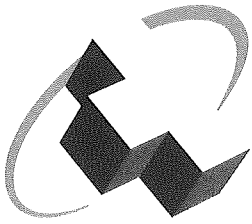
Part No. / Product	Description
(Continued) CT_PM CT Project Management	education.
CT_STD_RIG_INST CT Standard Rigging and Installation	This quotation includes standard rigging and installation of your CT new system. Standard rigging into a room with reasonable access, as determined by Siemens Project Management, during standard working hours (Mon. – Fri./ 8 a.m. to 5 p.m.) It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning documents. Any special rigging requirements (Crane, stairs, etc.) and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer. All other "out of scope" charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.
CT_INITIAL_32 Initial onsite training 32 hrs	Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday – Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
CT_FOLLOWUP_12 Follow-up training 12 hrs	Up to (12) hours of follow-up on-site clinical education training, scheduled consecutively (Monday – Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
CT_ADD_24 Additional onsite training 24 hours	Up to (24) hours of on-site clinical education training, scheduled consecutively (Monday – Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist if applicable. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
CT_CLS_NOTVL Training Class with T&L not included	Tuition for (1) imaging professional to attend a classroom course of choice at one of the Siemens training centers. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
APTTE4XGA240DC HARDWIRED TYPE 2 Surge protective Device	APT Hardwired Type 2 surge protective device having the following features: Surge current rating: 240kA/ phase System Voltage: 277/480 wye (additional voltages are available) Individually replaceable Phase Modules UL 1449 3 rd edition Listed Monitoring: LED's Dry contacts, and audible Alarm Installation note: TE/XGA is to be installed at distribution powering Siemens equipment. Panel shall include 30 - 60A breaker as a servicing disconnect means for service purposes.
CTSDEF01 CT SLICKER; SOMATOM Definition	Thermoseal seams and flaps deflect fluids, reducing contaminant penetration into the cushion and table. Contaminants are retained on the tabletop or shunted to the floor. Cleanup is faster, more thorough, and contaminant build-up is reduced. Built using heavy, clear, micro matte vinyl, and top grade hook and loop fastening strips (Velcro) to better fit the specified table. Custom vinyl resists tears and minimizes radiologic interference. Expected life is 1 to 2 years depending on usage. Latex free. Set includes CT Skirts.

SIEMENS

Siemens Medical Solutions USA, Inc.
51 Valley Stream Parkway, Malvern, PA 19355
Fax: (866) 309-6967

SIEMENS REPRESENTATIVE
Stuart Waddey - (919) 605-9227

Part No. / Product	Description
(Continued) CTSDEF01 CT SLICKER; SOMATOM Definition	Shipped with main cover, a catheter bag holder, and 3 restraining belts unless otherwise noted. Includes warranty from RADSCAN Medical. This product has been verified for compatibility with the following Siemens' products: SOMATOM Definition. Compatibility with other products cannot be assured and may void service contracts and/or system warranties.



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architecture

engineering

interior design

planning

June 18, 2012

Mr. Nick Eller
Novant Health
Planning, Design and Construction
1980 S. Hawthorne Road, Suite 200
Winston-Salem, North Carolina 27103

Re: Clemmons Medical Center
CT Scanner REER
Clemmons, North Carolina

Dear Nick:

We have prepared our estimate for the CT Scanner REER at the Clemmons Medical Center. We estimate the construction cost for this project to be \$73,662.00.

The architectural and engineering design fees and project reimbursables are \$15,500.00. Therefore, the total estimated construction cost including fees and reimbursables is \$89,162.00.

If I can be of further assistance, please do not hesitate to contact me.

PETERSON ASSOCIATES, p.a.

David Meech, AIA, LEED®AP
Project Manager

DMM/pfm

6533



6-18-12

2115 Rexford Road
Suite 500
Charlotte, NC 28211
P704.364.3400
F704.364.7080
www.peterson-ae.com

PROPOSED CAPITAL COSTS

Attachment C

Project Name: **CT-SCANNER REER**

June 21, 2012

Proponent: **CLEMMONS MEDICAL CENTER**

A. Site Costs

(1)	Full purchase price of land		\$	-
	Acres _____ Price per Acre		\$	-
(2)	Closing Costs		\$	-
(3)	Site Inspection and Survey		\$	-
(4)	Legal fees and subsoil investigation		\$	-
(5)	Site Preparation Costs	\$		-
	Soil Borings	\$		-
	Clearing Earthwork	\$		-
	Fine Grade For Slab	\$		-
	Roads Paving	\$		-
	Concrete Sidewalks	\$		-
	Water and Sewer	\$		-
	Footing Excavation	\$		-
	Footing Backfill	\$		-
	Termite Treatment	\$		-
	Sub-Total Site Preparation Costs		\$	-
(6)	Other (specify)		\$	-
(7)	Sub-Total Site Costs		\$	-

B. Construction Contract

(8)	Cost of Materials			
	General Requirements	\$		-
	Concrete/Masonry	\$		-
	Woods/Doors & Windows/Finishes	\$		-
	Thermal & Moisture Protection	\$		-
	Equipment/Specialty Items	\$		-
	Mechanical/Electrical	\$		-
	Other	\$		-
	Sub-Total Cost of Materials		\$	42,169.00
(9)	Cost of Labor GC Labor		\$	31,493.00
(10)	Other - N/A		\$	-
(11)	Sub-Total Construction Contract		\$	73,662.00

C. Miscellaneous Project Costs

(12)	Building Purchase		\$	-
(13)	Fixed Equipment Purchase/Lease		\$	268,162.00
	Other (contingency)		\$	-
(14)	Movable Equipment Purchase/Lease		\$	-
(15)	Furniture		\$	-
(16)	Landscaping		\$	-
(17)	Consult Fees			
	Architect and Engineering Fees	\$		15,500.00
	Legal Fees	\$		-
	Market Analysis	\$		-
	Other (Test and Balance)	\$		-
	Sub-Total Consultant Fees		\$	15,500.00
(18)	Financing Costs (e.g. Bond Loan, etc)		\$	-
(19)	Interest During Construction		\$	-
(20)	Other (SPECIFY)		\$	-
	Other (SPECIFY)		\$	-
(21)	Sub-Total Miscellaneous		\$	283,662.00
(22)	Total Capital Cost of Project (Sum A-C above)		\$	357,324.00

EQUIPMENT COMPARISON

Attachment D

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT Scanner	CT scanner
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating for MRIs	N/A	N/A
Model Number	Volume Zoom Sensation 4 Slice	Somatom Definition AS 20 Slice
Serial Number	24629S04	TBD
Provider's Method of Identifying Equipment	Serial #	Serial #
Specify if Mobile or Fixed	Fixed	Fixed
Mobile Trailer Serial Number/VIN #	N/A	N/A
Mobile Tractor Serial Number/VIN #	N/A	N/A
Date of Acquisition of Each Component	06/02/2002	
Dues Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	Refurbished	New
Total Capital Cost of Project (Including Construction, etc.) <Use Attached Form>	\$625,000	\$
Total Cost of Equipment	\$625,000	\$268,162
Fair Market Value of Equipment (depreciated value of the existing 4-slice CT scanner)	\$25,000	N/A
Net Purchase Price of Equipment	\$625,000	\$268,162
Locations Where Operated	Piedmont Imaging, 185 Kimel Park Dr. Winston-Salem, NC	Clemmons Medical Center, Clemmons, NC
Number Days In Use/To Be Used in N.C. Per Year	255 days	365 days
Percent of Change in Patient Charges (by Procedure)	None	None
Percent of Change in Per Procedure Operating Expenses (by Procedure)	N/A	None
Type of Procedures Currently Performed on Existing Equipment	CT scans	N/A
Type of Procedures New Equipment is Capable of Performing	CT scans	CT/CTA scans

File: CONReplaceReqEquipCompareFormClemmonsCTScannerFINAL.06.2012.DOC
 RALLIB01:619008.1

SIEMENS

Medical Solutions USA, Inc

Marty Haynes, Sourcing Manager
Novant Health, Inc.-Strategic Sourcing

Name	Robert Ferrero Zone Controller 4800 North Point Parkway Alpharetta, GA 30022
Tel.	
Fax.	+1 (770) 369-8232
Mobile	+1 (610) 551-3795
E-mail	Robert.ferrero@siemens.com
Date	June 19, 2012

Re: Removal of 4-slice CT scanner to be Replaced by 20-slice Siemens CT scanner
At FMC's Clemmons Medical Center, Clemmons, NC (Forsyth County)

Dear Mr. Haynes:

This is to inform you that Siemens, from whom Novant/Clemmons Medical Center is purchasing the 20-slice CT scanner, will remove the old 4-slice CT scanner from its location at Piedmont Imaging, 185 Kimel Park Dr., Winston-Salem, NC and will take that scanner out of the state of North Carolina and will not seek to bring that scanner back into North Carolina, without seeking necessary CON approvals. The costs associated with the de-installation of this CT scanner are included in the Siemens' vendor quote for the new 20-slice CT scanner.

The trade-in value of the 4-slice CT scanner is essentially zero, due to the age of the 4-slice CT scanner, operational since 2002.

Sincerely,



Robert Ferrero
Zone Controller
Southeast Zone



North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhhs.gov/dhsr/>

Drexdal Pratt, Director

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

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

June 5, 2012

Ms. Denise M. Gunter
Nelson Mullins Riley & Scarborough LLP
380 Knollwood Street, Suite 530
Winston-Salem, NC 27103

RE: Material Compliance/ Project I.D. #G-8165-08/ Novant Health, Inc. and Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center/ Relocate a 4-slice CT scanner from Piedmont Imaging, Winston-Salem to Clemmons Medical Center, Clemmons per the certificate of need issued for Project I.D. #G-8165-08/ Forsyth County
FID# 080517

Dear Ms. Gunter:

In response to your letter of May 21, 2012 regarding the above referenced project, the Certificate of Need Section has determined that the proposed change is in material compliance with representations made in the application and with Condition #3 of the CON.

In the Required State Agency Findings for Project I.D. #G-8165-08, Section .2300 Criteria and Standards for Computed Tomography Equipment, page 113, the Agency states:

"Although the applicants claim the service area for the proposed FMC-Clemmons does not include the rest of Forsyth County or Iredell and Yadkin counties, the applicants state that 1 out of every 10 patients it projects to serve at FMC-Clemmons reside in those areas. Therefore, the rest of Forsyth County and Iredell and Yadkin counties are included in the service area for the proposed FMC-Clemmons."

Therefore, the 4-slice CT scanner currently located at Piedmont Imaging, Winston-Salem is located in the service area of Clemmons Medical Center (f/k/a FMC-Clemmons) and is in material compliance with Condition #3 of the CON.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination.



Terrill Johnson Harris
June 5, 2012
Page 2

If you have any questions concerning this matter, please feel free to contact this office. Please refer to the Project I.D. # and Facility I.D. # (FID) in all correspondence.

Sincerely,



Lisa Pittman, Team Leader

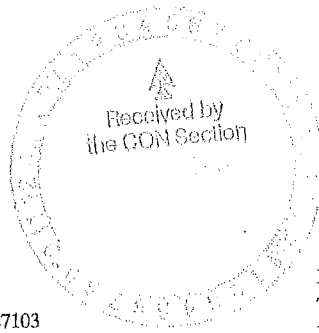


Craig Smith, Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR
Construction Section, DHSR

Nelson Mullins

Nelson Mullins Riley & Scarborough LLP
Attorneys and Counselors at Law
380 Knollwood Street / Suite 530 / Winston-Salem, NC 27103
Tel: 336.774.3300 Fax: 336.774.3372
www.nelsonmullins.com



Denise M. Gunter
Tel: 336.774.3322
Fax: 336.774.3372
denise.gunter@nelsonmullins.com

May 21, 2012

Hand Delivered

Martha J. Frisone, Assistant Chief
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section
809 Ruggles Drive
Raleigh, North Carolina 27603

Re: Material Compliance Request for Clemmons Medical Center, Project I.D. No. G-8165-08 (Health Service Area II/Forsyth County)

Dear Martha:

As you know, the CON Section issued a CON for Clemmons Medical Center on December 4, 2009. See Exhibit A. Planning and development of Phase 1 of this project (outpatient services) is now underway. Condition No. 3 of the CON states that:

Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall not acquire a new CT scanner for the Clemmons campus of Forsyth Medical Center but instead may contract for an existing mobile CT scanner or relocate one of Novant Health, Inc.'s existing CT scanners currently located in the CT service area to the Clemmons campus.

See Condition No. 3.

Novant has determined that mobile CT service would be cost prohibitive. Further, since a mobile CT scanner would need to move at least once a week, a mobile CT scanner does not provide the permanent CT coverage that is needed to support the Clemmons Medical Center emergency department, which will be open 24 hours per day, 7 days per week, 365 days per year. As you know, most hospitals today find CT scanner support to be essential for their emergency departments.

Martha J. Frisone
May 21, 2012
Page 2

In the CON application for Clemmons Medical Center, Novant defined the CT service area as all of Davie County and two western Forsyth County zip codes that comprise Lewisville (27023) and Clemmons (27012). Unfortunately, Novant does not have any existing CT scanners in this CT service area. Novant is, therefore, literally unable to comply with Condition No. 3 but it must have CT service in order to support the emergency department at Clemmons Medical Center.

In reviewing potential options, Novant determined that one of its affiliated entities, Piedmont Imaging, located at 185 Kimel Park Drive, Winston-Salem, North Carolina 27103, has a 4-slice CT scanner that could be moved to Clemmons Medical Center. Piedmont Imaging is located approximately eight (8) miles away from Clemmons Medical Center and is located in a zip code (27103) that is adjacent to the Clemmons zip code (27012). *See Exhibit B* (Google map) and *Exhibit C* (zip code map). Novant anticipates that the 4-slice CT scanner will need to be replaced with a faster machine, and it will file a separate replacement equipment request once this material compliance request is approved.

Novant is now respectfully requesting that the CON Section determine that Novant is in material compliance with Condition No. 3 of the CON for Clemmons Medical Center CON if it relocates the 4-slice CT scanner from Piedmont Imaging to Clemmons Medical Center. This proposed relocation will not alter the scope of the Clemmons Medical Center project or cause Clemmons Medical Center to provide any new institutional health service that Clemmons Medical Center is not already allowed to offer. This proposed relocation does not increase the number of CT scanners in Forsyth County. Novant is the ultimate parent entity of Piedmont Imaging and is therefore the ultimate owner of the 4-slice CT scanner at Piedmont Imaging. Thus, this proposed relocation does not cause Novant to acquire a CT scanner. This proposed relocation will not cause the approved capital cost of Clemmons Medical Center (\$101,249,131) to exceed the limit set by N.C. Gen. Stat. § 131E-176(16)e. None of the definitions of "new institutional health service" in N.C. Gen. Stat. § 131E-176(16) applies to this request. Novant represents that the costs of services and patient charges will not increase as a result of this proposed relocation.

There is no CON associated with the 4-slice CT scanner at Piedmont Imaging. Piedmont Imaging management has determined that the relocation of the 4-slice CT scanner to Clemmons Medical Center will not hinder Piedmont Imaging's ability to provide CT scanner services to patients because Piedmont Imaging will still have another CT scanner on site.

I also note that the Department approved a somewhat similar request made by Presbyterian Hospital Mint Hill in 2010. As in this case, a condition on the Presbyterian Hospital Mint Hill CON precluded Novant from locating a new CT scanner at that hospital. Through a declaratory ruling request, the Department permitted Novant to relocate an unimplemented new CT scanner to Presbyterian Hospital Mint Hill. *See Declaratory Ruling* issued August 2010, attached as Exhibit D.

Martha J. Frisone
May 21, 2012
Page 3

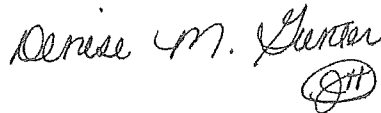
Accordingly, based on the foregoing information, Novant respectfully requests that it be allowed to relocate the 4-slice CT scanner from Piedmont Imaging to Clemmons Medical Center, and that this proposal be deemed in material compliance with the CON issued for Project I.D. No. G-8165-08.

As Novant's plans for Clemmons Medical Center are moving forward rapidly, we respectfully request the CON Section's response at the earliest possible time.

Thank you for your time and consideration. Please do not hesitate to let me know if there are any questions.

With best personal regards.

Sincerely,

A handwritten signature in cursive script that reads "Denise M. Gunter". To the right of the signature is a circular stamp containing the initials "DMG".

Denise M. Gunter

Enclosures

EXHIBIT

TABBOLES

A

STATE OF NORTH CAROLINA

Department of Health and Human Services
Division of Health Service Regulation

CERTIFICATE OF NEED

for

Project Identification Number #G-8165-08

FID #080517

ISSUED TO: Novant Health, Inc. and
Forsyth Memorial Hospital, Inc.
d/b/a Forsyth Medical Center
3333 Silas Creek Parkway
Winston-Salem, NC 27103

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: Novant Health, Inc. and Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center shall establish a new campus of Forsyth Medical Center in Clemmons which shall be licensed as part of Forsyth Medical Center by: 1) relocating no more than 10 existing acute care beds from Medical Park Hospital and 40 existing acute care beds from Forsyth Medical Center for a total of no more than 50 acute care beds, including no more than 4 intensive care unit beds; 2) relocating no more than 5 existing shared operating rooms from Medical Park Hospital; and 3) developing no more than 6 unlicensed observation beds / Forsyth County

CONDITIONS: See Reverse Side

PHYSICAL LOCATION: Tax Parcel ID No. 4207 031E
[North of the I-40W right of way between Exdts 182
(Levisville-Clemmons Road) and 184 (Tanglewood/Harper Road)]
Clemmons, NC 27012

MAXIMUM CAPITAL EXPENDITURE: \$101,249,131

TIMETABLE: See Reverse Side

FIRST PROGRESS REPORT DUE: June 30th, 2010

This certificate is effective as of the 4th day of December, 2009

Craig R. Smith by M. F. Hinson
Chief, Certificate of Need Section
Division of Health Service Regulation

Forsyth Medical Center - Clemmons
Project I.D. #G-8165-08

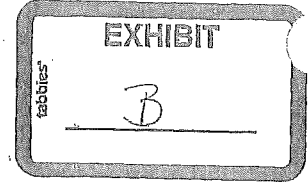
Conditions

1. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall materially comply with all representations made in their certificate of need application, except as specifically amended by the conditions of approval.
2. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall develop and operate no more than 46 licensed general acute care beds, 4 licensed intensive care unit beds, 6 unlicensed observation beds and 5 licensed shared operating rooms in Clemmons.
3. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall not acquire a new CT scanner for the Clemmons campus of Forsyth Medical Center, but instead may contract for an existing mobile CT scanner or relocate one of Novant Health, Inc.'s existing CT scanners currently located in the CT service area to the Clemmons campus.
4. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall not develop a gastrointestinal endoscopy room at the Clemmons campus of Forsyth Medical Center.
5. Upon completion of the project, Novant Health, Inc. shall take the steps necessary to amend the license of Medical Park Hospital to delicense 10 acute care beds at Medical Park Hospital for a total of no more than 12 acute care beds at Medical Park Hospital.
6. Upon completion of the project, Novant Health, Inc. shall take the steps necessary to amend the license of Medical Park Hospital to delicense five shared operating rooms at Medical Park Hospital for a total of no more than seven operating rooms at Medical Park Hospital.
7. Upon completion of the project, Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center shall take the steps necessary to amend the license of Forsyth Medical Center to delicense 40 acute care beds on the Winston-Salem campus for a total of no more than 700 acute care beds on the Winston-Salem campus following completion of this project and Project I.D. #G-7604-06 (relocate 11 acute care beds from the Winston-Salem campus to Kernersville).
8. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall not acquire, as part of this project, any equipment that is not included in the proposed capital expenditure in Section VIII of the application or that would otherwise require a certificate of need.
9. Prior to issuance of the certificate of need, Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall provide the Certificate of Need Section with the average reimbursement received per procedure for the 20 surgical procedures most commonly performed at Medical Park Hospital during CY 2008 and a list of all services and items included in the reimbursement.
10. Prior to issuance of the certificate of need, Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall provide the Certificate of Need Section a breakdown of the total number of surgical services staff, which was provided, that will be utilized in each of the following areas: 1) pre-operative; 2) post-operative; 3) operating room; and 4) other.
11. Prior to issuance of the certificate of need, Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall provide the Certificate of Need Section with the projected number of patients (except NICU patients) from the proposed service area who are projected to require intensive care services, regardless of provider, by the patients' county of residence in each of the first 12 quarters of operation and the assumptions and methodologies for these projections.
12. Prior to issuance of the certificate of need, Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall provide the Certificate of Need Section with the breakdown of the total number of patients to be served and inpatient days of care to be provided by county of residence for each of the first twelve calendar quarters of operation by type of intensive care unit (i.e., the general med/surg, cardio and cardiovascular surgery units).
13. Prior to issuance of the certificate of need, Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall provide documentation that the nursing care in the ICU will be supervised by a qualified registered nurse with specialized training in the care of critically ill patients, cardiovascular monitoring and life support.
14. Forsyth Memorial Hospital, Inc. d/b/a Forsyth Medical Center and Novant Health, Inc. shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Certificate of Need Section in writing prior to issuance of the certificate of need.

In a letter received by the CON Section on January 9, 2009, the applicants acknowledged acceptance of and agreed to comply with all conditions as stated in the December 23, 2008 conditional approval letter and Required State Agency Findings and submitted all information required by Conditions 9 - 13.



Directions to 185 Kimel Park Dr, Winston-Salem, NC 27103
8.0 mi - about 14 mins



Harper Rd, Clemmons, NC

- | | | |
|----|---------------------------------------------------------------------------------|---------------------------|
| 1. | Head southeast on Harper Rd toward Pineside Dr
About 1 min | go 0.5 mi
total 0.5 mi |
| 2. | Take the 2nd left onto S Peace Haven Rd
About 1 min | go 0.5 mi
total 0.9 mi |
| 3. | Take the 1st right onto Lewisville Clemmons Rd
About 2 mins | go 0.5 mi
total 1.5 mi |
| 4. | Turn left to merge onto I-40 E toward US-421 S/Winston-Salem
About 5 mins | go 4.9 mi
total 6.4 mi |
| 5. | Take exit 189 for US-158/Stratford Rd | go 0.3 mi
total 6.7 mi |
| 6. | Turn right onto US-158 W/S Stratford Rd
About 1 min | go 0.5 mi
total 7.2 mi |
| 7. | Turn left onto Burke Mill Rd
About 2 mins | go 0.6 mi
total 7.8 mi |
| 8. | Turn left onto Kimel Park Dr
Destination will be on the right
About 1 min | go 0.2 mi
total 8.0 mi |

185 Kimel Park Dr, Winston-Salem, NC 27103

These directions are for planning purposes only. You may find that construction projects, traffic, weather, or other events may cause conditions to differ from the map results, and you should plan your route accordingly. You must obey all signs or notices regarding your route.

Map data ©2012 Google

Directions weren't right? Please find your route on maps.google.com and click "Report a problem" at the bottom left.

Zip Code Finder and Boundary Map.

EXHIBIT
C

Key Zip or Address or click on the map.

B 27103
Winston Salem, NC
2008 Households: 1378

A 27102
Winston Salem, NC
2008 Households: 0

Top 2012 Online Grants
Grant Funding May Be Available
Qualify!
www.ClassesUSA.com

Hoover's - Official Site
Company profiles, news, & more
with a Free Trial.
www.hoovers.com

Avnet Express @
5 Million Reasons to See What's
Components Online!
AvnetExpress.Avnet.com

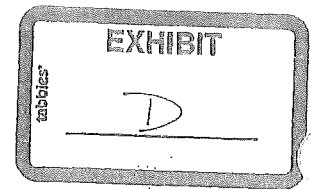
Find Local Plumbers
Search For Plumbing Contractors
Code, Fast & Reliable
www.FindAPlumber.com

Map data © 2012 Google, Zillow, USNavguide.com

Zip Code information on this map as of January, 2010. Source: USNavguide LLC. Household counts as of 2008 estimate. Source: US Census Bureau. County data as of 2009. Source: Census Tiger program.

[Index](#) [Instructions](#) [Privacy Policy](#) [Individual Zips](#) [Zip Codes by Radius](#) [Problems viewing this page](#) [Read our Blog](#)

Zip Code Map Version 3.0 Copyright © 1996-2010 John Corvot - USNavguide, All rights reserved.



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

IN RE: REQUEST FOR DECLARATORY)
RULING BY PRESBYTERIAN MOBILE)
IMAGING, LLC, PRESBYTERIAN) DECLARATORY RULING
HOSPITAL MINT HILL, LLC AND)
NOVANT HEALTH, INC.)
Project I.D. Nos. F-7415-05 & F-7648-06)

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

Presbyterian Mobile Imaging, LLC ("PMI"), Presbyterian Hospital Mint Hill, LLC ("PHMH") and Novant Health, Inc. ("Novant") (collectively, "Petitioners") have requested a declaratory ruling for Project I.D. No. F-7415-05 ("Project") allowing for a location change on the grounds that it does not constitute a material change in scope or physical location or a failure to materially comply with the representations made by PMI in its Certificate of Need ("CON") application or the conditions imposed upon the CON. N.C.G.S. §§ 131E-181(a) and (b). Petitioners further seek a declaratory ruling that they have shown good cause to transfer the CON for the Project to PHMH (Project I.D. No. F-7648-06). This ruling will be binding upon the Department and the entities requesting it, as long as the material facts stated herein are accurate. This ruling pertains only to the matters referenced herein. Except as provided by N.C.G.S. § 150B-4, the Department expressly reserves the right to make a prospective change in the interpretation of the statutes and regulations at issue in this Declaratory Ruling. Denise M.

Gunter of Nelson Mullins Riley & Scarborough LLP has requested this ruling on behalf of Petitioners and has provided the material facts upon which this ruling is based.

STATEMENT OF THE FACTS

PMI and PHMH are owned by Novant, and both are located in Mecklenburg County. Effective 21 December 2006, the CON Section issued a CON for Project I.D. No. F-7415-05 authorizing PMI to develop a new freestanding diagnostic center and to acquire a new 64-slice computerized tomography ("CT") scanner ("Project Unit") to be located on the first floor of the Presbyterian Medical Tower at 1718 East Fourth Street in Charlotte, North Carolina (the "Original Site"). Subsequent to the issuance of the CON, Petitioners determined that locating the Project Unit at the Original Site would not provide for patient privacy and would create administrative inefficiencies.

Effective 2 July 2007, the CON Section issued a CON for Project I.D. No. F-7648-06 authorizing PHMH to relocate no more than 50 existing acute care beds and 5 existing operating rooms from Presbyterian Orthopaedic Hospital and 1 existing gastrointestinal endoscopy room from Presbyterian Hospital Matthews to establish a new hospital in Mint Hill, Mecklenburg County, North Carolina. PHMH is scheduled to open in November 2012 at 12325 Albemarle Road, Charlotte, North Carolina. The conditions of PHMH's CON (Project ID No. F-7648-06) provide that PHMH shall not acquire a new CT scanner but shall relocate one of Novant's existing CT scanners currently located in Mecklenburg County to the hospital. Petitioners state that they considered relocating an existing CT scanner from one of Novant's four hospitals or six outpatient imaging centers in Mecklenburg County but determined that the existing scanners at these facilities were too integral to their operations and relocating them was not feasible. Petitioners further state that they also considered locating the Project Unit at one of Novant's

existing locations and then relocating it to PHMH when the hospital becomes operational but determined that doing so would create additional expenses and cause disruption upon disabling the Project Unit for relocation.

Therefore, in this request, Petitioners propose to change the site of the Project Unit from the Original Site to PHMH and to transfer PMI's CON for Project I.D. No. F-7415-05 to PHMH. Petitioners represent that both the Original Site and PHMH are in Mecklenburg County and are approximately 13.2 miles apart. Petitioners further represent that they do not contemplate any change to the scope of services proposed in their original applications nor will there be any increase in patient charges as a result of the site change.

ANALYSIS

The CON law would require a full review of Petitioners' proposed changes if those changes were to represent a material change in the physical location or scope of the project. N.C.G.S. § 131E-181(a).

The proposed change of the site for Petitioners' project does not constitute a material change in the physical location or the scope of the proposed project. PHMH is approximately 13.2 miles from the Original Site and within the same county. PHMH was approved for CT scanner services, so the scope of services for Project I.D. No. F-7648-06 would remain the same. Developing the Project Unit at PHMH rather than the Original Site would lower the cost to make the Project Unit operational by approximately \$130,000. The development of the Project Unit at PHMH is in material compliance with the CONs issued for both PHMH and PMI.

The Petitioners have shown good cause for the proposed transfer of PMI's CON to PHMH. While ownership of the Project Unit will change from PMI to PHMH, Novant is the parent of both entities. The transfer would not result in any change in services to patients or in

the ultimate number of CT scanners owned by Novant in Mecklenburg County. In addition, Novant represents that “[t]he cost of services and patient charges will not increase as a result of this proposed relocation.”

N.C.G.S. § 131E-189(b) allows the Agency to withdraw a CON if the applicant fails to develop the service in a manner consistent with the representations made in the application or with any conditions that were placed on the CON. Petitioners will not be developing their projects in a manner that is materially different from the representations made in their applications, nor will they be developing their projects in a manner that is inconsistent with any of the conditions that were placed on their CONs.

CONCLUSION

For the foregoing reasons, assuming the statements of fact in the request to be true, I conclude that the substitution of PHMH for the Original Site for PMI’s new 64-slice CT scanner as approved in Project I.D. No. F-7415-05 will not constitute a material change in the physical location or scope of the project, will not violate N.C.G.S. § 131E-181, and will not constitute a failure to satisfy a condition of the CON in violation of N.C.G.S. § 131E-189(b). I further conclude that development of the Project Unit at PHMH will not constitute a material change in the physical location or scope of Project I.D. No. F-7648-06, will not violate N.C.G.S. § 131E-181, and will not constitute a failure to satisfy a condition of the CON in violation of N.C.G.S. § 131E-189(b). In addition, I find that good cause exists to transfer the CON for Project I.D. No. F-7415-05 to PHMH.

This the _____ day of August, 2010.

Drexdal Pratt, Director
Division of Health Service Regulation
N.C. Department of Health and Human Services

CERTIFICATE OF SERVICE

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

CERTIFIED MAIL

Denise M. Gunter
Nelson Mullins Riley & Scarborough LLP
380 Knollwood, Suite 530
Winston-Salem, NC 27103

This the _____ day of August, 2010.

Jeff Horton
Chief Operating Officer