



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

August 20, 2013

Gail Harris R.T.(R)C.T.  
Alliance Medical Associates  
2905 Crouse Lane  
Burlington, NC 27215

**No Review - Replacement Equipment**

Facility: Alliance Medical Associates  
Project Description: Replacement of Existing CT Scanner  
County: Alamance

Dear Ms Harris,

The Certificate of Need Section (CON Section) received your letter of July 25, 2013 regarding the above referenced proposal, along with the additional clarifying information dated August 8, 2013. Based on the CON law in effect on the date of this response to your request, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective.

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

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

Sincerely,

Celia C. Inman  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

**Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

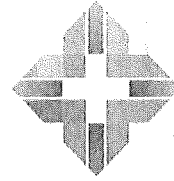
Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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Received by  
the CON Section  
AUG 19 2013

# AllianceMedical

ASSOCIATES

*Care. Dedication. Excellence.*

August 8, 2013

Celia C. Inman  
N.C. Department of Health and Human Services  
Project Analyst, CON Section - Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603

Dear Ms. Inman:

Thank you for your time in the matter of our request for CON Exemption for replacement of our CT Scanner. I am writing in response to your request for further information regarding our medical equipment located here at 2905 Crouse Lane, Burlington, NC.

Attached is a detailed description of services that are currently offered on the current system and will be offered on the replacement system. Per your request, a table outlining the medical equipment owned by and used here is also attached. Pioneer Ambulatory Surgery, LLC, although located at this address is a separate entity and possesses its own CON. Pioneer ASC does not utilize any diagnostic equipment such as X-ray, other than the scopes and necessary supporting medical equipment necessary to perform approved endoscopic studies. There is no cardiology diagnostic equipment, particularly cardiac catheterization equipment located at 2905 Crouse Lane. All cardiac catheterizations are done at Alamance Regional Medical Center.

Sincerely,

Gail Harris R.T.(R)C.T.  
CT/XRAY TECHNOLOGIST

Attachments

ALLIANCE MEDICAL ASSOCIATES  
2905 CROUSE LANE  
BURLINGTON NC 27249

SERVICES PROVIDED  
CT SCAN

- CT HEAD: Including CT Head with and without IV contrast. CT Sinus, Temp Bones, Facial Bones, including but not limited to Mandible, Maxilla, TMJ and Orbits.
- CT EXTREMITY: This pertains to all extremities (ie: Hip, Knee, Femur, Lower leg, Ankle, Foot, Shoulder, Humerus, Elbow, Lower arm, Wrist and Hands including fingers.) These are done primarily without IV contrast to rule bone abnormality, but can be done with contrast for soft tissue evaluation as patient history and condition warrants.
- CT NECK: Can be done with or without IV contrast, primarily due to soft tissue evaluation for mass, knot or thyroid pathology.
- CT SPINE: CT C-spine, T-spine, L-spine and Sacrum. Routinely done without contrast to evaluate vertebrae, fracture, etc. These can be done with IV contrast if warranted, (ie: Cellulitis, infection)
- CT of Body: CT Chest, CT Abdomen, CT Pelvis. Depending on Patient history, these scans can be done without IV contrast, with IV contrast and a combination of with and without IV contrast. Also these scans can be done separately or in any combination (ie: CT Chest, Abd and pelvis, CT Abd, Pelvis, etc.) as warranted by patient symptom and/or diagnosis.
- CTA: CT Angiography can be done on any vascular area of interest. CTA Carotids, CTA Aorta (Including Ascending and Thoracic Aorta in chest, Abdominal Aorta in abdomen. CTA Brain (COW), CTA Runoff (Includes scanning from Aorta through legs and to feet if warranted for peripheral vascular disease, as in Aorta, Iliac arteries, femoral, popliteal and arteries of the lower leg) CTA of Chest and Cardiac Vasculature to Rule out Pulmonary embolism, thrombosis or blockage. All CTA are done with IV contrast and a large bore IV catheter to evaluate the arteries in question for aneurysm, thrombosis, calcifications or other pathology of the vasculature.
- CT Venograms are done as needed, such as in the case of suspected thrombosis in the extremities.

Please note that these services are provided for Adult patients only. This practice does not provide pediatric services.

MEDICAL EQUIPMENT LOCATED AT ALLIANCE MEDICAL ASSOCIATES, LLC  
2905 CROUSE LANE BURLINGTON NC

Provide the estimated cost or fair market value (FMV) of each item of medical equipment valued at more than \$10,000, regardless of whether the equipment was leased or purchased.

**Medical Equipment Valued at More than \$10,000**

Type of Equipment	Date of Acquisition	Manufacturer	Model	Serial #	Original Cost	FMV (and Basis)
CT Scanner Refurbished	6/28/06	Siemens	4823501K1139	1383	\$250,000	n/a
Radiographic Machine Refurbished	6/28/06	Summit	E-7239	6D0890	\$50,000	n/a
Bone Densitometry New	12/18/06	Hologic	Discovery-P	82678	\$44,000	n/a
Ultrasound (ECHO) Refurbished	6/1/06	Phillips	SONO 5500	US97803894	\$24,000	\$5700 (Online Estimate)



North Carolina Department of Health and Human Services  
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Division Director

August 5, 2013

Gail Harris R.T.(R)C.T.  
Alliance Medical Associates  
2905 Crouse Lane  
Burlington, NC 27215

**Information Required for No Review Determination**

Facility: Alliance Medical Associates  
Project Description: Replacement of Existing CT Scanner  
County: Alamance  
FID #: 060846

Dear Ms. Harris:

The Certificate of Need (CON) Section has received your request for a determination as to whether the above mentioned project requires a certificate of need. Per your letter dated July 25, 2013, with accompanying vendor quote, the only capital costs to be incurred with the proposed project is the purchase of the replacement CT scanner, a Siemens Somatom Sensation 64 eco CT scanner, at a cost of \$300,000, including shipping, installation and training.

In order for the CON Section to make such a determination as to whether the above project requires a certificate of need, please submit the following information to this office:

1. A detailed description of all services to be provided as a result of the proposed project including, where applicable, proposed changes in types of procedures to be performed.
2. A list of all medical equipment valued at more than \$10,000 located at 2905 Crouse Lane, Burlington, NC. Please use the following table to provide this information.

Your prompt response will assist the CON Section in making a timely review of your request. If you have any questions regarding this matter, please feel free to contact this office.

Sincerely,

Celia C. Inman, Project Analyst  
Certificate of Need Section

**Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

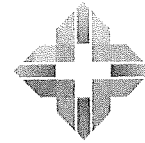
Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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Celia



# AllianceMedical

ASSOCIATES

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7/25/2013

Lisa Pittman  
North Carolina Division of Healthcare Regulation  
Certificate of Need Section  
809 Ruggles Drive  
Raleigh, North Carolina 27603

Received by  
the CON Section  
JUL 31 2013

RE: Replacement Equipment Exemption Request – CT scanner at Alliance Medical Associates, Burlington, North Carolina.

Dear Ms Pittman:

This letter is to outline Alliance Medical Associate's project to replace an existing fixed CT scanner with newer technologically advanced CT equipment. Alliance Medical Associates intends to purchase a refurbished Siemens Somatom 64 slice CT scanner to replace the Siemens Somatom Volume Zoom 4 slice currently being used in this office. The existing equipment is near the end of its useful life and is at risk for service interruptions due to downtime and replacement parts availability. Although, the current CT scanner has reduction dose software, the replacement unit is more technologically advanced and offers more options for better dose reduction as well as optimal imaging capabilities.

The total cost of the project to purchase and install the new CT equipment is \$300,000.00 as shown in the capital cost schedule and quote from Siemens provided in Attachment A. The total project capital cost includes shipping, installation and training. The existing Siemens Somatom Volume Zoom unit will be purchased by Siemens Medical Systems and will be taken out of service and not used in North Carolina without proper Certificate of Need (CON) authorization.

This exempt project will replace a functionally similar equipment item and will not increase the inventory of approved CT scanners or other equipment here at Alliance Medical Associates. The existing CT scanner is used for diagnostic CT scans and the replacement CT scanner will be used for diagnostic CT scans at Alliance Medical Associates. A chart comparing the existing equipment and the replacement equipment is included in Attachment B.

The North Carolina Certificate of Need statutes provide a definition of replacement equipment in N.C.G.S. 131E-176(22a). The definition requires the replacement equipment be comparable to the

existing medical equipment and cost less than \$2 million when installed. The statutes further provide in 131E-184(a)(7) an exemption from certificate of need review for replacement equipment projects if prior notice is provided to the CON Section.

This letter serves as prior notification of our intent to proceed with this project. We would appreciate your written concurrence that this project is exempt from CON review. If you have any questions or require further information regarding this project, please call at 336-538-2494 ext 239.

Sincerely,

Gail Harris R.T.(R)C.T.  
CT/XRAY TECHNOLOGIST

Attachments



**ATTACHMENT A**

**Vendor Quote**

**Inman, Celia C**

**From:** Gail Harris R.T,(R)C.T. ALLIANCE MEDICAL ASSOCIATES, LLC [harrgail59@yahoo.com]  
**Sent:** Tuesday, August 20, 2013 8:50 AM  
**To:** Inman, Celia C  
**Subject:** Fw: De-intstallation- CT  
**Attachments:** Alliance Medical signed quote.pdf

Hello Ms. Inman,

The following message is from the Siemens representative in reference to de-installation of current CT scanner as you requested. The signed contract is also attached to this message. Please let me know if there is any problem opening this attachment. I will be also sending the updated Cost Chart in a separate email. Thank you again for your help with this matter.

Sincerely,  
 Gail Harris

Gail Harris R.T.(R)C.T.  
 Alliance Medical Associates, LLC  
 2905 Crouse Lane  
 Burlington, NC 27215  
 336-538-2494 ext 239

----- Forwarded Message -----

**From:** "Argo, Craig" <craig.argo@siemens.com>  
**To:** "Gail Harris R.T.(R)C.T. ALLIANCE MEDICAL ASSOCIATES, LLC" <harrgail59@yahoo.com>  
**Sent:** Tuesday, August 20, 2013 8:39 AM  
**Subject:** De-intstallation- CT

Gail,

As we discussed, the de-installation cost of the existing Siemens Volume Zoom CT system is included in \$300,000 purchase price of the new system. This is included in Part Number CT\_TRADE\_IN\_ALLOW on page 4 of the quote.

Also, our Project Manager has visited your sight and determined that there are no special rigging requirements (Crane, stairs, etc.) and/or special site requirements (e.g. removal of existing systems, etc.) that would add incremental costs.

The only cost that is beyond the scope of the standard rigging and installation is the mandatory Ground Leakage Testing required by the State of North Carolina. This cost is covered in Part # CT\_ADDL\_RIGGING \$2,000, also on page 4 of the quote. It too is included in your total contract cost of \$300,000.

I hope this is helpful, but let me know if you need any further information.

Best regards,  
 Craig

8/20/2013

**ALLIANCE MEDICAL ASSOCIATES**  
2905 CROUSE LN  
BURLINGTON, NC 27215

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.

<u>Table of Contents</u>	<u>Page</u>
SOMATOM Sensation 64 eco, Scalable Refurbishment .....	3
General Terms and Conditions .....	6
Warranty Information.....	14

Proposal valid until 9/05/2013

Trade-in of existing CT scanner required.

This proposal includes the trade-in of equipment referenced in Trade Sheet Project 2013-498.

Siemens' ecoline systems are systems which were previously owned. These units have been refurbished by the Siemens Refurbished Systems (RS) business unit so that they meet Siemens' stringent quality standards. It is the goal of the Siemens RS business unit to assure excellent functionality and reliability, similar to that of new systems. This allows Siemens to provide a 12-month warranty for refurbished equipment.

Please note: Siemens' ecoline systems are offered subject to availability on a "first-come, first-served" basis.

**SIEMENS / NOVATION GROUP BUY 2013 PROMOTIONAL OFFERING**

Confidentiality Agreement: This Quotation is strictly confidential and you agree that this information will be held in the strictest of confidence and not shared with any third parties, buying evaluation groups or anyone not directly employed by your facility.

**Siemens & Novation Group Buy Promotion:**

- Group Buy ends September 30, 2013.
- Binding purchase orders and signed Service Agreements must be received by Siemens on or before September 30, 2013.
- Contingent purchase orders (except State CON) are not acceptable.
- 45 day quote validity period is not applicable for this proposal.

As part of the FY2013 Novation Group Buy Program, Siemens is providing up to an additional 4% discount on discountable items for all qualified orders of two or more systems for which point of sale (POS) Service Contracts are purchased. This quote already reflects the 4% Multiple System & POS discounts. Siemens will charge the customer for the 2% Multiple System discount if a binding purchase order for the second or more systems is not received by Siemens within two days of the first system order or no later than September 30, 2013. Siemens will charge the customer for the 2% POS Service Contract Discount if a signed POS Service Contract for the two or more systems is not received by Siemens within two days of the first system order or no later than September 30, 2013.

Applications training included.

Accepted and Agreed to by:

Siemens Medical Solutions USA, Inc.

By (sign): [Signature]  
Name: Stephen Argo  
Title: Account Executive  
Date: 8/15/13

*CON Contingent*

ALLIANCE MEDICAL ASSOCIATES

By (sign): [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: 8/15/13

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

Quote Nr: 1-5FNQPU Rev. 0

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

Purchasing Agreement: NOVATION (UHC, VHA, Provista)

NOVATION (UHC, VHA, Provista) terms and conditions apply to Quote Nr 1-5FNQPU

Customer certifies, and Siemens relies upon such certification, that: (a) NOVATION GB 2013 is the sole GPO for the purchases described in this Quotation, and (b) the person signing this Quotation is fully authorized under the Customer's policies to choose and indicate for Customer such appropriate GPO.

**SOMATOM Sensation 64 eco, Scalable Refurbishment**

All items listed below are included for this system:

Qty	Part No.	Item Description
1	14430043	<p><b>RS SOMATOM Sensation 64 eco Basic</b></p> <p>The Siemens ecoline system to be delivered was previously in use and may show signs of use. This ecoline system will be disinfected and cleaned. The reliability and technical functionality of the Siemens ecoline system is assured throughout the warranty period. Factory installation of the ecoline system takes place at the customer site in the same manner as the corresponding new system. With Basic Refurbishment, ecoline systems may not necessarily be supplied with the newest hardware or software that are released for these respective models. Important note: This offer is subject to confirmation, due to the limited availability of ecoline systems. The availability must be verified prior to the signing of any contract. SOMATOM Sensation base configuration. Innovative X-ray computed tomography scanner with continuously rotating tube-detector system. SOMATOM Sensation employs latest Siemens tube and detector technology that enables fast imaging speed combined with Multi-slice acquisition Scanner comprises: Gantry with high-power X-ray generator, patient table, control and evaluation unit, computer system, cooling system, syngo user software and network module. SOMATOM Sensation computed tomography scanner with 64-slice configuration</p>
1	14434764	<p><b>RS ecoline CT System Delivery (Basic)</b></p> <p>Siemens ecoline systems have already been in use and are refurbished by Siemens Refurbished Systems based on stringent quality standards. Systems may show signs of use which do not affect their functionality. In terms of safety and reliability, the ecoline system with Basic Refurbishment is comparable to a new system. Therefore the warranty for ecoline systems is 12 month provided like new systems. For x-ray tubes special warranty conditions apply for high-vacuum elements like new systems. Important note: This offer is non-binding, subject to prior sale to other interested parties.</p>
1	14408971	<p><b>RS Keyboard English</b></p> <p>Keyboard in the above-mentioned language.</p>
1	14402442	<p><b>RS Cooling System Water/Air #split</b></p> <p>Water-to-air heat exchanger for the dissipation of heat loss generated in the gantry to the outside air. System operating temperature: 15 - 28 degrees C, 15 - 75 % rel. humidity (not condensing). Ideal for installation far from the scan room. Cooling system contains to units, water/water exchanger close to the scan room and an additional remote water/air exchanger. Maximum distance between water/water unit and remote water/air exchanger up to 40 meters enabled by thin diameter of water transferring pipes.</p>
1	14414146	<p><b>RS Service Switch</b></p> <p>Service switch to shut off the outdoor cooling unit for maintenance or in case of emergency</p>
1	10017540	<p><b>RS Hose pipe 30 m</b></p> <p>Hose pipes to connect the "Cooling System" with the gantry.</p>

- 1 14406168 **RS Cable loom, 24 m**  
Cable loom used to connect the power distribution system (PDS) with the gantry.
- 1 14402351 **RS Power Cable 24m**
- 1 14401777 **RS Compensator Transformer**  
Required for matching all power lines except for 400 Volt power line.
- 1 14401778 **RS UPS Option, Sensation**  
Uninterruptible power supply for countries with unstable power lines. The UPS ensures the supply of power to the computer system IRS/ICS (Acquisition Workplace) and IES (CT Workplace) in the event of network fluctuations and brief power failures.
- 1 14406112 **RS Sensation Patient Table**  
Special configuration for SOMATOM Sensation with HeartView option.
- 1 CT\_PM **CT Project Management**  
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 education.
- 1 CT\_ADDL\_RIG  
GING **Additional Rigging CT \$2,000**
- 1 CT\_INST\_RIED  
EL\_01 **Riedel Chiller Start-up by SBT**
- 1 CT\_STD\_RIG\_I  
NST **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.
- 1 4SPAS014 **Low Contrast CT Phantom & Holder**
- 1 CTSP4002 **CT SLICKER; SENSATION AND VOLUME ZOOM**  
PSPD250480Y
- 1 3K **Surge Protective Device (SPD)**
- 1 CT\_TRADE\_IN  
\_ALLOW **CT Trade-in of existing Volume Zoom; Serial Nbr 24313 S04 ; Proj Nbr 2013-498; De-  
Install 9/30/13; Expires 8/18/13 -\$28,000**
- 1 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.
- 1 CT\_FOLLOWU  
P\_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.

- |   |          |   |
|---|----------|---|
| 1 | 14408118 | <b>RS CT Cardiac Engine #64</b><br>State-of-the-art ECG-synchronized acquisition and intuitive ECG editing ensure optimal image quality and lowest possible patient dose. syngo will help you deliver excellent diagnostic output from risk assessment to accurate morphological and functional analysis. Guided workflows leading to a comprehensive report turn data into diagnostic outcomes within minutes. The CT Cardiac Engine contains: - HeartView DSCT - 0.33s rotation - syngo Circulation - syngo InSpace4D with Advanced Vessel Analysis - syngo Calcium Scoring (on syngo Acquisition and MultiModality Workplace) Relevant scanner features: - z-Sharp Technology - CARE Dose4D - Workstream4D |
| 1 | 14401800 | <b>RS ECG cable IEC2</b><br>ECG cable, IEC2 (AHA/US color coding).  |
| 1 | 14418055 | <b>RS syngo CT.3D #MM</b><br>A powerful 3D processing workplace designed to optimize clinical workflow for CT applications and in combination with other imaging modalities. A new and advanced Expert-i functionality enables the physician to interact with the syngo MultiModality Workplace from virtually everywhere.  |
| 1 | 14408913 | <b>RS Enhanced Graphics Card 4GB #MM</b><br>The Enhanced Graphics Card 4GB provides best performance for all advanced 3D applications.  |
| 1 | 14406154 | <b>RS Keyboard English #MMWP</b><br>Keyboard in the above-mentioned language.   |

**System Total:       \$300,000**

**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 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](http://www.siemens.com/tell-us).

# 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 1 1/2% 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



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.

**8.1** 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

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.

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.

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.

20.1 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

# 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).**

3. SOFTWARE AND DOCUMENTATION LICENSE: Subject to the payment of any applicable annual license fee(s), whether stated separately or included in the purchase price of another product, and to Licensee's acceptance of all of the obligations set forth herein and to the fulfillment of those obligations, Licensor or, if applicable, its licensor or supplier, hereby grants to Licensee a paid-up, nonexclusive and nontransferable (except as expressly provided in this Schedule) limited license to use the Software provided by Licensor under the Agreement solely for Licensee's own use on the Designated Unit and to use the Documentation in support of Licensee's authorized use of the Software, for the purpose of operating the Designated Unit in accordance with the instructions set forth in the user's manual supplied with the Designated Unit and for no other purpose whatsoever. A separate license is required for each Designated Unit on which the Software is to be used. Licensee may obtain from Licensor one copy of the Software licensed hereunder for backup and archival purposes only as is necessary to support Licensee's own authorized use of the Software, provided that Licensee includes on or in all copies (in any form) all copyright, trade secret or other proprietary notices contained on or in the Software as provided by Licensor. Additional copies of the Documentation may be licensed from Licensor at its then applicable charges. Licensee may make the Software and Documentation (including any copies) available only to its employees and other persons on Licensee's premises to whom such disclosure is necessary to enable Licensee to use the Software or Documentation within the scope of the license provided in this Schedule. If the Software is

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**THE FOLLOWING APPLIES ONLY TO THE EXTENT THAT THE QUOTATION INCLUDES AN EQUIPMENT TRADE-IN. THESE REQUIREMENTS ARE IN ADDITION TO ANY OTHER REFERENCED TERMS AND CONDITIONS ON THE QUOTATION AND SHALL REMAIN IN EFFECT REGARDLESS OF ANY CONTRARY LANGUAGE IN THE QUOTATION.**

This Quotation includes the trade-in equipment described herein and referenced by either the Project Number identified in the Quotation hereof (non-Ultrasound) or the Trade Allowance Part Number (Ultrasound) as further described in the associated Trade Sheet which is incorporated herein by reference. Purchaser certifies that the description of the trade-in equipment as set forth on the Trade Sheet is a true and accurate representation of the equipment, and that the equipment is in good working condition unless otherwise noted on the Trade Sheet.

The trade-in equipment must be made available for removal no later than turnover of the new equipment. Purchaser must vacate the room of all items not listed on the Trade Sheet, or otherwise clearly identify all items listed on the Trade Sheet, prior to the start of the de-installation. If this is not done, Seller will have no liability for items which are subsequently removed or scrapped. If the de-installation or return of the trade-in equipment is delayed by Purchaser for reasons other than a force majeure event, or if upon inspection by Seller it is determined that the equipment does not meet the manufacturer's operating specifications, or if any items listed as included on the Trade Sheet are not made available at the time of de-installation, then trade-in value will be re-evaluated and any loss in value or additional costs incurred by Seller shall be deducted from the established trade-in value and the pricing set forth on this Quotation will be adjusted by change order. In the event that access to the trade-in equipment is denied past 14 days post-turnover, then Purchaser shall pay to Seller a rental fee in the amount 10% of the total trade-in value plus any additional value provided by an Elevate/Promotional program included in this Quotation (no less than \$1000) for each month, or part thereof, that access is denied. In addition, if the purchase and installation of the new equipment covered by this Quotation is not completed, then Seller shall invoice Purchaser for all costs and expenses incurred by Seller in connection with the de-installation and removal of the trade-in equipment, including but not limited to labor, materials, rigging out, and transportation, which costs shall be paid by Purchaser within thirty (30) days of the invoice date.

Purchaser further acknowledges and agrees that (i) the trade-in equipment will be free and clear of all liens and encumbrances including, but not limited to, unpaid leases and loans, and that upon request, it will execute a bill of sale or other documents reasonably satisfactory to Siemens to transfer title and ownership of the equipment to Seller, (ii) it is Purchaser's sole responsibility to delete all protected health information and any other confidential information from the equipment prior to de-installation, without damaging or cannibalizing the equipment or otherwise affecting the operation of the equipment in accordance with its specifications, (iii) the equipment, including all updates, upgrades, modifications, enhancements, revisions, software, SAV disks and manuals, shall be returned to Siemens in good operating condition, reasonable wear and tear excepted, and (iv) to the extent not prohibited by applicable law, Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, causes of action, damages, liability, costs and expenses (including reasonable attorney's fees) resulting or arising from Purchaser's failure to comply with item (i) above.

FOR MR SYSTEMS: cryogen levels must be least 75% upon time of de-installation. FOR MOBILE SYSTEMS: system must be road worthy and a state issued title transferring ownership to Seller must be received by Seller prior to the removal of the mobile system. FOR MODALITY TRADE SYSTEMS (non-Ultrasound): The trade-in equipment must be available for inspection within two weeks of the scheduled de-installation date. In addition, Purchaser must provide a clear path for the removal of the trade-in equipment. Any additional costs due to the need to use a larger rig (other than a standard 80 ton rig), as well as any construction activities, street closings, permits, etc., required to de-install/remove the equipment are out-of-scope costs and will be the responsibility of Purchaser.

## CT Warranty Information

<u>Equipment</u> (New Systems and "Proven Excellence" Refurbished Systems Only)	<u>Period of Warranty</u> <sup>1</sup>	<u>Coverage</u>	
CT System (not including consumables)	12 month	Full Warranty (parts & labor, including all tubes)	
<b><u>Post-Warranty (after expiration of system warranty) – Replacement parts only!</u></b>			
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.

<sup>1</sup> 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.



**ATTACHMENT B**

**Comparison of Existing and Replacement Equipment**

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Alliance Medical Associates – CT Equipment		
Type of Equipment (List Each Component)	CT Scanner – 4 Slice	CT Scanner – 64 Slice
Manufacturer of Equipment	Siemens	Siemens
Tesla Rating For MRIs	N/A	N/A
Model Number	Somatom Zoom	Sensation 64, eco
Serial Number	1383	TBD
Provider's Method of Identifying Equipment	Internal Asset Numbering System	Internal Asset Numbering System
Specify if Mobile or Fixed	Fixed	Fixed
Date of Acquisition of Each Component	June 2006	TBD
Does Provider Hold Title or Capital Lease?	Title	Title To Be Held Upon Purchase
Specify if Equipment Was/Is New or Used When Acquired	Used	Used
Total Capital Cost of Project (Including Construction)	\$250,000.00	\$300,000.00
Total Cost of Equipment	\$250,000.00	\$300,000.00
Fair Market Value of Equipment	N/A	\$300,000.00
Net Purchase Price of Equipment	N/A	\$300,000.00
Location Where Operated	Alliance Medical Associates	Alliance Medical Associates
Number Of Days In Use/To Be Used in N.C. Per Year	365	365
Percentage of Change in Patient Charges (by Procedure)	N/A	N/A
Percentage of Change in Procedure Operating Expenses (by Procedure)	N/A	N/A
Type of Procedures Currently Performed on Existing Equipment	CT Imaging, CTA	N/A
Type of Procedures New Equipment is Capable of Performing	N/A	CT Imaging, CTA