



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

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Ambassador (Ret.)
Secretary DHHS

Drexdal Pratt
Division Director

August 20, 2014

Lynn DeJaco
155 Memorial Drive
P.O. Box 3000
Pinehurst, NC 28374

Exempt from Review - Replacement Equipment

Facility: FirstHealth Moore Regional Hospital
Project Description: Replace CT Simulator located in the Cancer Care Center at FirstHealth Moore Regional Hospital
County: Moore
FID #: 943358

Dear Ms. DeJaco:

In response to your letter of July 10, 2014, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(7). Therefore, you may proceed to acquire, without a certificate of need, the Philips Brilliance Big Bore CT simulator, serial number to be determined at purchase, to replace the existing GE Lightspeed Qxi CT simulator, serial number 401455CN1. This determination is based on your representations that the existing unit will be removed from North Carolina and will not be used again in the State without first obtaining a certificate of need. Furthermore, please be advised that as soon as the replacement equipment is acquired, you must provide the CON Section with the serial number of the new equipment to update the inventory.

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

It should be noted that 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,

Tanya S. Rupp
Project Analyst

Martha J. Frisone, Interim Chief
Certificate of Need Section

cc: Acute and Home Care Licensure and Certification Section, DHSR
Construction Section, DHSR
Medical Facilities Planning Branch, DHSR



Certificate of Need Section

www.ncdhhs.gov

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

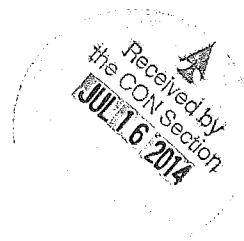
Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

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

An Equal Opportunity/ Affirmative Action Employer



July 10, 2014



Ms. Martha Frisone
Chief, Certificate of Need Section
Department of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

RE: Request for No Review Determination for Replacement of CT Simulator Unit located in the Cancer Care Center at FirstHealth Moore Regional Hospital / Moore County

Dear Ms. Frisone:

Pursuant to T10 NCAC 3R.0304(a), FirstHealth Moore Regional Hospital (FMRH) intends to replace an existing CT unit and requests a determination that such replacement falls within the definition of NCGS 131E-184 (a)(7) and the regulations set out in T10.3R.0214, as exempt from review.

Statement of Facts

FMRH proposes to replace an existing GE CT unit that was purchased in 2008. The existing CT unit is outdated and has limited capabilities in its ability to be upgraded. FMRH has determined that it would be most effective to replace the existing CT unit with state-of-the-art technology that can be further upgraded in the future. FMRH proposes to renovate the CT vault September through October and utilize a "loaner" Philips CT simulator until the replacement CT simulator is delivered in the 1st Quarter 2015.

Exemption from Review

Pursuant to NCGS 131E-184(a)(7) "The department shall exempt from certificate of need review a new institutional health service if it receives prior written notice from the entity proposing the new institutional health service, when notice includes an explanation of why the new institutional health service is required, for any of the following: ... (7) To provide replacement equipment."

NCGS 131E-176(22a) defines "replacement equipment" as equipment that cost less than \$2,000,000 and is purchased for the sole purpose of replacing comparable medical equipment currently in use which will be sold or otherwise disposed of when replaced.

Applicable Regulations

NCAC T10: 03R .0214 defines "comparable medical equipment" as equipment that is functionally similar and which is used for the same diagnostic or treatment purposes. Replacement equipment is comparable if:

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

Replacement equipment is not comparable to the equipment being replaced if the replacement equipment is capable of performing procedures that could result in the provision of a new health service or type of procedure that has not been provided with the existing equipment.

Compliance

FirstHealth Moore Regional Hospital hereby certifies that:

1. The estimated replacement cost for the CT simulator unit is \$557,105. This assumes purchase of a Philips Brilliance Big Bore CT Simulator per the attached quotations (Exhibit A). Renovation and A/E costs are \$187,198 for a total project cost of \$764,303 (Exhibit B).
2. The replacement equipment will be purchased for the sole purpose of replacing comparable equipment currently in use, which will be dismantled by Philips Healthcare. A comparison of the existing and replacement equipment is provided in Exhibit C.
3. The replacement equipment is functionally similar to existing equipment and will be used for the same treatment planning as the equipment currently in use.
4. No increase in charges will occur within the first twelve months after the replacement equipment is acquired.
5. The average cost per CT simulation procedure increases by \$0 (0%) as a result of the replacement.

PROPOSED CAPITAL COSTS

Project name: CT Simulator ReplacementProponent: FirstHealth Moore Regional Hospital

Site Costs		
(1)	Full purchase price of land _____ Acres at \$ _____ per acre	N/A
(2)	Closing costs	N/A
(3)	Site inspection and survey	N/A
(4)	Legal fees/subsoil investigation	N/A
(5)	Site preparation costs	N/A
(6)	Other (Demolition)	N/A
(7)	Sub-Total Site Costs	N/A
Construction Contract		
(8)	Cost of materials	\$187,198
(9)	Other (Specify)	N/A
(10)	Sub-Total Construction Contract	\$187,198
Miscellaneous Project Costs		
(11)	Building purchase	N/A
(12)	Fixed equipment purchase/lease	\$577,105
(13)	Movable equipment purchase/lease	N/A
(14)	Furniture	N/A
(15)	Landscaping	N/A
(16)	Consultant fees	N/A
(17)	Financing costs (e.g. bond, loan, etc.)	N/A
(18)	Interest during construction	N/A
(19)	Other (Contingency)	N/A
(20)	Sub-Total Miscellaneous	\$577,105
(21)	TOTAL CAPITAL COST OF PROJECT	\$764,303

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



 Lynn DeJaco, Chief Financial Officer

7-10-14

 Date

EQUIPMENT COMPARISON

Exhibit C

	EXISTING EQUIPMENT	REPLACEMENT EQUIPMENT
Type of Equipment (List Each Component)	CT	CT Simulator
Manufacturer of Equipment	GE	Philips
Tesla Rating for MRIs	N/A	N/A
Model Number	Lightspeed Qxi	Brilliance Big Bore
Serial Number	401455CN1	TBD at purchase
Provider's Method of Identifying Equipment	Research, Quality and Price	Research Quality and Price
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	March 2008	October 2014
Does Provider Hold Title to Equipment or Have a Capital Lease?	Title	Title
Specify if Equipment Was/Is New or Used When Acquired	New	New
Total Capital Cost of Project (Including Construction, etc.)	N/A	\$764,303
Total Cost of Equipment	N/A	\$577,105
Fair Market Value of Equipment	\$0	\$577,105
Net Purchase Price of Equipment	N/A	\$577,105
Locations Where Operated	FirstHealth Moore Regional	FirstHealth Moore Regional
Number Days in Use/To be Used in N.C. Per Year	365	365
Percent of Change in Patient Charges (by Procedure)	N/A	0%
Percent of Change in Per Procedure Operating Expenses (by Procedure)	N/A	0%
Type of Procedures Currently Performed on Existing Equipment	CT Simulation	N/A

Determination Requested

FirstHealth Moore Regional Hospital requests that the Division of Health Service Regulation make a determination that replacement of existing CT simulator unit as proposed herein does not constitute a new institutional health service and is thus exempt from certificate of need review.

If you require additional information concerning this request, please contact me at 910-715-1981.

Sincerely,



Lynn DeJaco
Chief Financial Officer

Attachments: Exhibit A - Vendor Quotes
 Exhibit B - Proposed Total Capital Cost of Project
 Exhibit C - Existing/Replacement Equipment Comparison

PHILIPS HEALTHCARE
A division of Philips Electronics North America Corporation
22100 Bothell Everett Highway
P.O. Box 3003
Bothell, Washington 98041-3003

PHILIPS

Quotation #: 1-YQJ957	Rev: 14	Effective From: 09-Oct-13	To: 23-Nov-13
Presented To: FIRSTHEALTH MOORE REGIONAL 110 PAGE RD PINEHURST, NC 28374-8746 MARGIE THOMAS CHIEF RADIATION THERAPIST Tel: (910) 715-3477 Alternate Address:	Presented By: Brett Kimball <i>Account Manager</i> Steve Weiss <i>Regional Manager</i> Tel: Fax: Tel: (678) 924-6087 Fax: (678) 924-6003		
Date Printed: 09-Oct-13			
Submit Orders To: 22100 BOTHELL EVERETT HWY BOTHELL WA 98021 Tel: (888) 564-8643 Fax: (425) 458-0390			

The Service information contained in this Quote is subject to a separate service proposal.

This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips Electronics North America Corporation ("Philips") and is intended for use only by the customer whose name appears on this quotation. It may not be disclosed to third parties without the prior written consent of Philips.

IMPORTANT NOTICE: Health care providers are reminded that if the transactions herein include or involve a loan or discount (including a rebate or other price reduction), they must fully and accurately report such loan or discount on cost reports or other applicable reports or claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, such as may be required by state or federal law, including but not limited to 42 CFR 1001.952(h).

Quote Solution Summary

<u>Line #</u>	<u>Product</u>	<u>Qty</u>	<u>Price</u>
	100017 Brilliance CT Big Bore Oncology Systems	1	\$577,105.00
Equipment Total:			\$577,105.00

Solution Summary Detail

<u>Product</u>	<u>Qty</u>	<u>Each</u>	<u>Monthly</u>	<u>Price</u>
100017 Brilliance CT Big Bore Oncology Systems	1	\$577,105.00		\$577,105.00
SVC0931 Support			\$4,916.67	

The Service information contained in this Quote is subject to a separate service proposal.

Buying Group: NOVATION

Contract #: XR11011 CT

Add'l Terms:

Each Quotation solution will reference a specific Buying Group/Contract Number representing an agreement containing discounts, fees and any specific terms and conditions which will apply to that single quoted solution. If no Buying Group/Contract Number is shown, Philips' Terms and Conditions of Sale will apply to the quoted solution.

Each equipment system listed on purchase order/orders represents a separate and distinct financial transaction. We understand and agree that each transaction is to be individually billed and paid.

Payment 0% Down, 80% Shipment, 20% Due When the Product is Available for First Patient Use, Net due 10 days from date of invoice

Quote Summary

100017 Brilliance CT Big Bore Oncology Systems

Qty	Product
1	NNAC327 Brilliance CT, Big Bore Oncolo
1	NCTA485 Keyboard Language - English
1	NCTA020 Operator's Manual - English
1	NCTA170 Oncology
1	NCTD296 CT Simulation on Console
1	NCTD293 O-MAR
1	NCTD379 LAP CARINAiso3 green(Floor)
1	NCTB850 Load and Unload Foot Pedals
1	NCTA082 30-min Console UPS
1	989605200561 Teal 100KVA Isotran LM
2	989801292078 Full Travel Package for OffSite Training
1	989801299678 Airfare to Cleveland for Biomed Training
15	989801299679 Food,Transpt Lodging for Cleveland Blomed Training
1	989801299744 CT3021 Brilliance Air Family
1	989801299745 CT3020 Brilliance/Ingenuity/ICT Gateway
1	989801210062 Medrad Stellant SX CT Injector- OH Sys
1	989801210007 Medrad Stellant ISI Interface Unit
1	SP059D System Admin
1	SP019 Trade in Allowance

100017 Brilliance CT Big Bore Oncology Systems

System Type: New
 Freight Terms: FOB Destination
 Warranty Terms: Part numbers beginning with two (2) asterisks (**) are covered by a System 12 Months Warranty. All other part numbers are third (3rd) party items.
 Special Notations: Contingencies must be removed 120 days before scheduled shipment to assure delivery on specified date.
 Additional Terms: Any rigging costs are the responsibility of the Purchaser.

Line #	Part #	Description	Qty
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1	**NNAC327	Brilliance CT, Big Bore Oncolo	1
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The Brilliance CT Big Bore oncology configuration is designed to meet the unique needs of radiation oncology focusing on accuracy, patient positioning, imaging performance and radiation oncology workflow. This configuration also has the added benefit of being ideal for use in a multipurpose environment where CT imaging procedures for trauma, bariatric or general radiology are required in addition to CT simulation.

At Philips, we understand that radiation oncology demands more from imaging systems than simply image quality. Our solutions build on customer insights to assure that accuracy and efficient workflow are a part of everything we do.

Brilliance Big Bore Key Features

- 85cm bore size and 60cm true scan field of view
- Tumor LOC simulation and patient marking application
- Pulmonary Toolkit for Oncology for respiratory correlated imaging
- Patient couch which supports a table load of up to 295 kg (650 lbs) and flat therapy table top for oncology
- Patient couch-flat therapy table top combination complies with AAPM TG-66 guidelines for positional accuracy
- iDose Iterative Reconstruction technology
- Dose management software that provides more options for achieving low dose without sacrificing image quality
- Philips MRC X-Ray Tube
- 16-Slices per rotation

Features

Tumor LOC

The Tumor Localization (Tumor LOC) application provides the tools necessary to perform accurate and efficient CT simulation and patient marking directly on the scanner console. Features and capabilities of Tumor LOC software include:

- Visualization and analysis of standard and respiratory correlated (4D) CT datasets.
- Maximum, minimum and average intensity projections.
- Routine and dynamic generation of Digitally Reconstructed Radiographs (DRRs), Digitally Composited Radiographs (DCRs), and Multiplanar Reformatted Reconstruction (MPRs), images.
- Isocenter management which supports generation of a single isocenter or separate isocenters for multiple target volumes or general regions.
- Support for absolute and relative marking as well as export of isocenters and structure sets as DICOM RT structure, DICOM RT plan and DICOM RT Image.
- Contouring and editing tools for delineation of critical structures and target volumes.

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		<ul style="list-style-type: none"> Tools to assess organ motion, including cine and slab image display of single or multiple respiratory phases, as well as review and analysis of breathing waveform and breathing statistics for multiphase 4D CT. 	

Pulmonary Toolkit for Oncology

The Pulmonary Toolkit for Oncology supports three different modes of operation including:

- Prospective Axial enables the user to trigger an axial scan at a particular breath level (threshold) as the patient continues to breath regularly.
- Prospective Spiral enables the user to visualize the breathing waveform and begin a spiral scan at a desired breath level. This mode is used in conjunction with breath-hold imaging.
- Retrospective Spiral (4D CT) results in the ability to generate multiple phases allowing for visualization of motion during the respiratory cycle. The resulting images can be used to assess motion of the tumor and critical organs, make decisions about gating the radiotherapy delivery, and delineate a target volume that encompasses the entire range of tumor motion.

In addition to conventional phase-based binning during reconstruction, the 4D CT mode also features TrueImage 4D Amplitude Binning. This feature uses a proprietary algorithm that incorporates the amplitude of the respiratory signal in addition to phase information when creating retrospective 4D-CT volumes. This approach can help reduce artifacts and enhance image quality for 4D studies for patients with uneven breathing patterns.

The Pulmonary Toolkit for Oncology supports respiratory surrogate devices such as:

- The Philips bellows device which is a pneumatic mechanism placed around the patient's chest or abdomen to dynamically observe changes in pressure caused by respiratory motion via a transducer linked to the CT scanner. The bellows device is included with the Pulmonary Toolkit for Oncology.
- The video-based tracking Real-time Position Management system, from Varian, (Varian RPM), software versions 1.6 and 1.7. The Pulmonary Toolkit for Oncology includes the necessary equipment to establish and maintain an interface between the scanner and the RPM device, but the Varian RPM device itself is not included. The customer should contact their Varian Medical Systems representative to ensure their RPM configuration is correct for the Philips Brilliance CT.

MRC X-ray Tube

With its patented spiral groove bearing design, Philips' MRC tube dissipates heat as rapidly as it is collected, with an effective heat storage capacity far superior to a conventional ball bearing design. MRC X-Ray tube provides motion-free focal spot guarantees optimized image quality.

Detector

Detector design is fundamental to the objective of acquiring high quality images while minimizing patient dose. Philips designs configuration-specific detectors that minimize the separation between elements to always provide the highest geometric detector efficiency. Direct-to-digital signal conversion with TACH technology reduces dose and improves image quality.

Material:	Solid State - GOS
Slip Ring:	Optical - 2.5Gbps transfer rate
Slice Collimation:	16 x 0.75mm, 16 x 1.5mm, 8 x 3.0mm, 4 x 4.5mm, 2 x 0.6mm

Generator

The Brilliance generator uses modern, low-voltage slip ring technology to provide a constant high voltage to the CT x-ray tube assembly.

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
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	Output capacity:	60 kW	
	kV selections:	90, 120, 140 kVp	
	mA selections:	20 to 500 mA	

Scan Times

0.44, 0.5, 0.75, 1, 1.5, 2 seconds for full 360° scans
 0.29, 0.33 seconds for partial angle 240° scans

Reconstruction

iDose4 Iterative Reconstruction Technology

The iDose4 iterative reconstruction technique gives you control of the dial so you can personalize image quality based on your patients' clinical needs. iDose4 enhances radiation oncology capabilities on the Brilliance CT Big Bore with improved image quality at low dose. This is important for contouring target volumes and critical structures in radiation therapy planning; and helping customers to improve accuracy and treatment of disease, sparing healthy tissue.

iDose4 reconstruction is achieved in seconds rather than minutes. iDose4 features the RapidView console – hardware advances designed specifically to satisfy performance requirements and processing power needed to allow iDose4 to be used routinely.

Adaptive filtering

Adaptive filters reduce pattern noise (streaks) in non-homogenous bodies, improving overall image quality.

RapidView 4D Reconstruction

RapidView 4D reconstruction is the result of years of advanced research, and was designed to satisfy the performance requirements and processing power needed to seamlessly integrate iDose4 into your department. RapidView 4D provides dramatic improvements in multiphase Pulmonary Retrospective 4D imaging workflow by displaying reconstructed retrospective images in under 4 minutes. This performance will allow clinicians to evaluate tumor motion within the patient's allotted simulation time slot. The RapidView 4D system employs true cone beam reconstruction algorithms and Philips-patented back projection hardware to provide the user with the images they require, without compromise in image quality. The following features are a part of the RapidView reconstruction:

ConeBeam Reconstruction Algorithm – COBRA

Philips patented Cone Beam Reconstruction Algorithm (COBRA) enables true three-dimensional data acquisition and reconstruction in helical scanning.

Dose Management

Philips' DoseWise philosophy is a set of principles and practices that ensures the best possible outcomes with minimal risk to patients and staff. The Brilliance CT Big Bore platform employs a number of features that help provide high dose efficiency.

NEMA XR-25 (DoseCheck)

DoseCheck enables the ability to set dose thresholds and provides alerts and notifications to the scan operator when radiation dose levels will be exceeded.

There are two threshold level values:

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty.
		<ul style="list-style-type: none">• Notification Values• Alert Values	

Notification values apply to a single image series, and Alert values apply to an overall exam. Both CT DIvol and Dose Length Product (DLP) values can be set. For Alert values that will be exceeded, the system requires the user provide name and password information before proceeding to scan. Also, an additional indication will appear in the Dose Info Page Series when the Notification or Alert values have been exceeded during a scan.

DICOM Structured Report for Dose (DICOM SR)

Dose SR complies with the IEC, DICOM PS and IHE standards for dose reporting. The report includes CT DIvol and DLP dose values.

DoseRight ACS (Automatic Current Selection)

Personalizes the dose for each patient based on the planned scan by suggesting the lowest mAs settings to maintain consistent image quality at low dose throughout the scan.

DoseRight Angular Dose Modulation

Automatically controls the tube current angularly, increasing the signal over areas of higher attenuation (e.g., lateral) and decreasing signal over areas of less attenuation (e.g., anteroposterior).

DoseRight Z-DOM (Longitudinal Dose Modulation)

Automatically controls the tube current, adjusting the signal along the length of the scan, increasing the signal over regions of higher attenuation (e.g., shoulders, pelvis), and decreasing the signal over regions of less attenuation (e.g., neck, legs).

Dose Displays

- Volume Computed Tomography Dose Index (CT DIvol)
- Dose-Length Product (DLP)
- Dose Efficiency

Scan and Image Acquisition

Dedicated Oncology Protocols

Developed in collaboration with top cancer centers, dedicated oncology protocols provide simplicity for the CT sim therapist and ensure optimal results.

Locking Protocols

Prevents unapproved modification of scanning protocols through password-protection.

Scan Field of View

True scan field of view: 60 cm

100017, Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
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Extrapolated field of view: 70 cm

Multi Surview Planning

Requested by radiation oncology users where patient positioning and alignment is critical, Multi Surview allows user to repeat the AP and LAT survivals until satisfied that their patient is properly aligned on the table top.

Spiral Scanning

Multiple contiguous slices acquired simultaneously with continuous table movement during scans allowing for multiple, bidirectional acquisitions

Axial Scanning

Multiple-slice scan with incremental table movement between scans.

Dynamic Focal Spot

Dynamic Focal Spot (DFS) doubles the data sampling density from the detectors effectively doubling the number of detectors and providing ultra-high spatial resolution in axial and spiral scanning.

Dedicated Pediatric Protocols

Developed in collaboration with top children's hospitals, age and weight-based infant and pediatric protocols enhance image quality at low dose.

Dual Surview Planning

Provides flexibility in exam planning with both anteroposterior and lateral survivals.

Test Injection Bolus Timing

Establishes the optimum contrast injection delay time using a test injection. A real-time graph of the enhancement in a selected region of interest is displayed. The delay time is then selected to provide optimal peak contrast enhancement and reduced contrast usage.

Bolus Tracking

An automated injection planning technique that permits a user to monitor actual contrast enhancement and to initiate scanning at a pre-determined enhancement level. Combine with SAS for full automation.

Spiral Auto Start

Spiral Auto Start allows the injector to communicate with the scanner. This allows the technologist to monitor the contrast injection and to start the scan (with a predetermined delay) while in the scan room.

Image Management, Storage, and Filming

DICOM 3.0-compliant image format. Lossless image compression/decompression is used during image storage/retrieval to/from all local storage areas. Images can be auto-stored to selected archive media

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		<ul style="list-style-type: none">• 292 GB Hard Disk• Image Storage Capacity 512 X 512 Image Matrix = 500,000 typical number of uncompressed images	

DVD-RAM Storage

Provides a solution for data storage. DVD-RAM disks are written in a proprietary Philips format and are able to be read only on Philips EBW (v3.0.1 or higher), IntelliSpace Portal, and CT scanner units (v2.3 or higher) with a DVD-RAM drive.

- 4.7 GB DVD Image Storage Capacity: 512 X 512 Image Matrix = 15,000 typical number of compressed images

Filming

Allows the user to set up and store filming parameters. Pre-stored protocols can be set to include auto-filming. The operator can film immediately after each image, at the end of a series, or after the end of a study, and review images before printing. The operator can also automatically film the study at three different windows and incorporate Combine Images functionality to manage large datasets. Basic monochrome and color DICOM print capability are supported.

Networking

Network connections should be located within 10 feet of the console. The Brilliance CT supports 10/100/1000Mbps (10/100/1000BaseT) network speeds. For optimal performance, Philips recommends a minimum of 100Mbps network speed (1Gbps preferred) and for the CT network to be segmented from the rest of the hospital network.

DICOM Connectivity

Full implementation of the DICOM 3.0 communications protocol allows connectivity to DICOM 3.0 compliant scanners, workstations, and printers; supports IHE requirements for DICOM Connectivity. Further details on connectivity and interoperability are provided within the DICOM Conformance statement.

CD Writer

A Compact Disk (CD) drive creates a CD with DICOM images plus DICOM image viewing software, on very low cost CD media. The CD Writer permits a standard PC with a built-in CD drive to view and perform basic manipulation, such as zoom, pan, and window level, on the DICOM images stored on the CD.

- Image Storage Capacity: 512 X 512 Image Matrix = 1,200 typical number of uncompressed images

Operator Console, Patient Handling, and Setup

Operator Console

The operator console is configured with a dual monitor display, keyboard and mouse connected to a CT host computer offering the Brilliance Workspace user environment which supports scan planning, acquisition, reconstruction, visualization and archiving of CT data.

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		<p><i>Manual Scan</i></p> <p>Places slice-by-slice scans under operator control with on-line or off-line reconstruction, background image archiving to local or remote storage devices. At any time, the operator is able to switch from automatic to manual scan and back.</p>	

Automatic Scan

Enables automatic execution of pre-planned studies, with concurrent, on-line or off-line reconstruction, background image archiving to local or remote storage devices, without operator intervention

Patient Handling System

The patient handling system is comprised of the Brilliance CT Big Bore gantry and patient couch support.

Gantry

The gantry consists of two scan control panels, one on each side of the front gantry panel, for gantry tilt, patient couch elevation and stroke. A separate gantry scan control box is located at the operator console and includes functions such as emergency stop, intercom, and scan enable/pause buttons in addition to the controls of the gantry.

- Gantry Aperture: 85 cm diameter
- Gantry Tilt: -30 degrees to +30 degrees

Intercom System and Multilingual Autovoice

The intercom system provides two-way communication between the scan room and the operator console. Additionally, a standard set of commands for patient communication before, during and after scanning is available in several pre-selected languages. Customized messages can also be created. Pre-selected languages available include-English, Hebrew, German, French, Arabic, Danish, Spanish, Russian, Swedish, Italian, Georgian, Chinese, Japanese, Turkish and Portuguese.

Automatic Procedure Selection

Maps the procedure selection from the HIS-RIS with individual scan protocol(s) simplifying the scanning process. Only the most relevant scan protocol(s) for any requested procedure are shown to the user, ensuring that only the desired scanning procedures are performed. This is especially useful for infrequent users of the CT scanner.

Patient Couch

The patient couch is designed to address positional accuracy requirements for absolute patient marking in radiation oncology and to meet the growing need to support bariatric CT imaging. The patient couch consists of a carbon-fiber table top with foot pedal and handrail control for easy positioning and quick release. The couch is designed to support a load capacity of 295kg (650 lbs). The Flat therapy table top for oncology that complies with AAPM TG-66 guidelines when installed with bariatric couch. The following components are included:

Flat Therapy Tabletop kit:

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		<p>The flat therapy tabletop features a comprehensive patient positioning system including the Indexed Immobilization licensed from Varian Medical Systems, Inc. The flat therapy tabletop supports immobilization accessories that deliver precision required for conformal and stereotactic procedures. The indexed surface allows the positioning system to be locked into place according to the treatment plan specifications. The combination of the flat therapy table top for oncology and the patient couch comply with AAPM TG-66 guidelines for positional accuracy.</p>	

The flat therapy tabletop also includes a phantom holder, water level phantom and laser calibration bar phantom with two Lok bars necessary for proper use of the laser calibration phantom. The phantom holder fits over the therapy tabletop, allowing the operator to perform calibrations with the QA phantom while the therapy tabletop is attached.

Also Includes

- *Expert Protocol Planning*
- *Preset Post-Processing*
- *DICOM Modality Worklist*
- *Prefetch Study*
- *Split Study*

Applications

CT Reporting

Provides reporting capabilities for paper print of clinical results from the Philips Brilliance Workspace including display of key images and results frames. The report is available for paper or electronic distribution to referring physicians, patients, or for medical records. Each report is editable and new default templates can be easily created and included in the system configuration. The report can be saved as a PDF file for digital transfer or printed as a paper report. The CT Reporting package includes all applications-specific reports when the application itself is purchased separately

Surview Plan

Planning via interactive mouse control of multiple, independent acquisition series of any type on Surview image.

Image Processing

The interactive image viewer is designed for fast, efficient and simple image review and filming purposes. Images can be handled individually or in user-selected groups.

- Image viewer window: Displays a single image or a selection of images.
- Zoom & Pan: Magnification from 0.8 to 10 times
- Scroll Bar, Leaf and Cine, Invert Image, Image Parameters Display

Organ ID

Automatically isolates lung images for better viewing, including lung limit detection, zoom and pan setting, lung windowing, image enhancement, and image filming.

Image Graphics

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		To help interpret clinical images, a variety of text and graphic aids can be individually positioned and manipulated with the mouse:	

- Text annotation
- Cursors for pixel value measurements.
- Regions of Interest (ROI) - elliptical, rectangular, curved or freehand, with instantaneous calculation and display of area, average pixel value and standard deviation. Values of several ROIs may be added or subtracted.
- Lines, grid and scales for distance measurements, curved and freehand lines for measuring any shape.
- Arrows for pointing to features.
- Angle measurements.
- Histogram of pixel values in a user-defined region of interest.
- Profile of the pixel values along any line.
- Grid with adjustable spacing for distance assessment

Window Control

Eight user-defined preset windows provide fast and convenient window setting. Mouse-driven fine adjustments of the window center and width enable optimal image viewing

- Highlight Window: paints user-defined range of CT densities in color.
- Double Window: Simultaneous displays two independent CT density ranges on the same image, i.e. thorax slice with lung and mediastinum windows
- Invert Window: Ability to toggle between negative and positive image.

Also Includes

- *Quantitative CT Measurement Tool*
- *Volume Rendering*
- *Custom Image Filters*
- *CT Viewer*

ScanTools and ScanTools Pro

The ScanTools package of advanced components and productivity features streamlines routine imaging studies, and comes standard with your scanner. ScanTools Pro is a supplemental set of tools standard on your scanner that enhances productivity, workflow, and diagnostic confidence. The components of ScanTools and ScanTools Pro are located throughout the quote under the appropriate headings.

Siting information

Power Requirements

- 200/208/240/380/400/416/480/500 VAC at 100 kVA and 50/60Hz
- Three-phase distribution source

Clinical Education Program for Brilliance CT Big Bore Oncology

100017 Brilliance CT Big Bore Oncology Systems

Line # Part # Description Qty

Essentials OffSite Education: Philips will provide two (2) lead simulation therapists, as selected by customer, with in-depth lectures covering basic clinical applications, Philips-specific imaging techniques, protocol optimization and scan parameters. A Brilliance CT "system emulator" is used during the lab sessions to simulate all basic scanning operations without x-ray exposure. Students will graduate from this class with an 80% understanding of the base system functionality. The remaining 20% is covered during the Handover OnSite experience. This twenty-eight (28) hour class is located in Cleveland, Ohio, and is scheduled based on your equipment configuration, geography, and availability. Due to program updates, the number of class hours is subject to change without notice. Customer will be notified of current, total class hours at the time of registration. This class is a prerequisite to your equipment handover OnSite Education, and should be attended no earlier than two weeks prior to system installation. ASRT CEU credits may be available for each participant that meets the Guidelines provided by Philips during the scheduling process. **Travel and lodging are not included, but may be purchased through Philips. It is highly recommended that 989801292078 (CT Full Travel Pkg OffSite) is purchased with all OffSite courses.**

Handover OnSite Education: Clinical Education Specialists will provide twenty-four (24) hours of education for up to three (3) dedicated Therapy staff members. This training will encompass all aspects of data acquisition for CT Simulation. Monday is reserved for acceptance testing and commissioning if required. ASRT CEU credits may be available if the participant meets the Philips Guidelines. Note: Site must be patient-ready. Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation.

Follow-Up OnSite Education: Clinical Education Specialists will provide twenty-four (24) hours of education for up to three (3) dedicated Therapy staff members, selected by customer. This course covers Tumor LOC and Respiratory Correlated Imaging. Schedule patients based on Training Guidelines. ASRT and MDCB credits may be available if the participant meets the Philips Guidelines. Note: Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation. **It is highly recommended that 989801292077 (CT Cross Trainer Module) and 989801292221 (CT Cross Sectional Anatomy Module) are purchased.**

Note: The North America Clinical Education Specialists for Oncology are a team of Certified Medical Dosimetrists and registered Radiation Therapist with expert level knowledge of radiotherapy treatment planning and CT simulation.

Education expires one (1) year from equipment installation date (or purchase date if sold separately).
Ref #234194080-100614

2	**NCTA485	Keyboard Language - English	1
3	**NCTA020	Operator's Manual - English	1
		Operator's Manual	
		• English	
4	**NCTA170	Oncology	1
		Primary Use of Scanner	
		• Oncology	
5	**NCTD296	CT Simulation on Console	1

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		This application adds the capabilities to Tumor LOC to enable CT simulation on the scanner console. This can provide workflow flexibility and productivity in situations such as emergency simulations, "Sim and Treat", and simple simulation cases.	

Simulation capabilities include:

- Multiple radiotherapy machine characterizations
- Visualization and analysis of multiple treatment beams
- Beam modifiers such as blocking and MLC capabilities

Note: Tumor LOC is a prerequisite.

6	**NCTD293	O-MAR	1
		Metal Artifact Reduction for Orthopedic implants reduces artifacts in image data caused by high density metal objects such as prosthetic hip replacements. This artifact reduction may aid diagnosis and help treatment planning accuracy by enhancing visualization of critical structures and target volumes	

Prerequisite: For installed base upgrades on Brilliance 64-Channel, Brilliance 64-Channel w/ Essence technology, iCT SP, and iCT, O-MAR requires iDose4 installed

7	**NCTD379	LAP CARINAiso3 green(Floor)	1
		LAP DORADO 3 CT Simulation Laser System with three green movable lasers for identifying the isocenter location: One Ceiling-mounted Sagittal Laser; and two (Side) Lasers mounted on floor posts on each side of the patient support. The LAP laser system along with the CARINAiso software and control console completes the integration of Tumor L.O.C. CARINAiso software imports patient's surface, isocenter, MLC and field information, along with patient orientation and patient data to enable automatic movement of lasers to patient marking position. LAP will provide one (1) year warranty, preinstallation support by email and phone, and one (1) on-site visit for installation and training of two (2) days duration.	

Note: Transfer of isocenter position from Tumor LOC to CARINAiso for automatic movement of laser to patient marking position is only applicable if system has Tumor LOC and an absolute marking couch (ie. Brilliance Big Bore).

8	**NCTB850	Load and Unload Foot Pedals	1
		Load and Unload foot pedals allow the operator to move the patient couch to the load or unload position using a foot pedal thus improving patient handling efficiency by the freeing the operator's hands to prepare, restrain, or release the patient.	

Prerequisite: Rear Gantry Panel for Field Upgrades

9	**NCTA082	30-min Console UPS	1
		Uninterruptible Power Supply (UPS) provides up to 30 minutes of battery backup for computer/reconstruction system.	

10	**989605200561	Teal 100kVA Isotran LM	1
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11	**989801292078	Full Travel Package for OffSite Training	2
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1000175 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		Includes one (1) participant's airfare from North American customer location to Cleveland, Ohio, with modest lodging, ground transportation, and meal expenses. Breakfast/dinner provided by the hotel, and lunch/breaks are catered by Phillips. All other expenses will be the responsibility of the attendee. Details are provided during the scheduling process. Note: Cancellation/rescheduling policy strictly enforced. Expires one (1) year from the earlier of equipment delivery date or purchase date.	

12	**989801299678	Airfare to Cleveland for Biomed Training	1
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Includes one (1) participant's airfare from North American customer location to the Cleveland Training Center (CTC) in Cleveland, Ohio. All other expenses will be the responsibility of the attendee. Details are provided during the scheduling process. Note: Cancellation/rescheduling policy strictly enforced. Expires one (1) year from the earlier of equipment delivery date or purchase date.

13	**989801299679	Food Transpt Lodging for Cleveland Biomed Training	15
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Includes one (1) day of modest lodging, ground transportation, and meal expenses in Cleveland, Ohio for one (1) attendee. All other expenses will be the responsibility of the attendee. Details are provided during the scheduling process. Note: Cancellation/rescheduling policy strictly enforced. Although this part is only for one day, it is sold in multiple quantities to account for entire length of course. Expires one (1) year from the earlier of equipment delivery date or purchase date.

14	**989801299744	CT3021 Brilliance Air Family	1
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Brilliance Air Family

Course Number: CT3021

System Codes:

Course Title: Brilliance Air Family

Course Length: 10 days

Delivery Method(s): Lab-based training

Modality: CT

Location: CTC, PHC, SLC

Target Audience: Service Engineers, (BioMeds in NA only)

DESCRIPTION:
The customer service engineer who completes this course will be able to troubleshoot, repair and maintain any of the seven systems in the Brilliance Air Family:

- Brilliance Air 6/10/16
- Brilliance Air 16Power
- Brilliance Big Bore
- Brilliance Air 40-slice
- Brilliance Air 64-slice (U or TDMS configurations)

PREREQUISITES:

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		CT3020 – Brilliance/Ingenuity/ICT Gateway	
		Following are required if not completed as a pre-req for a previous course:	
		FC9002 Safety	
		FC9003 Imaging Systems Safety	
		FC9004 Regulatory	
		E-Learning Located AT: https://www.theonlinelearningcenter.com/default.aspx?ReturnUri=%2fMain.aspx	

COURSE OBJECTIVES:

At the end of this course, the student will be able to:

- System Overview
 - follow the procedures in the Installation Manual to install the Brilliance system
 - demonstrate safe practices when working with, in or around a Brilliance scanner
 - physically identify system covers and follow the procedures to remove, replace and align them
- Operator Interface
 - Identify a Gantry Controls-related failure to the lowest Field Replaceable Unit using a time effective method
 - Follow the instructions provided to calibrate or adjust the components related to the Operator Interface
 - Follow the instructions to perform key system operations related to the Operator Interface
 - Physically identify Field Replaceable Unit components of the gantry controls and follow the procedures to remove, replace and align them
- Power Distribution
 - Identify a power distribution-related failure to the lowest Field Replaceable Unit using a time effective method
 - Follow Installation instructions to connect the power distribution components of the system
 - Follow the prescribed safety methods to avoid electrical and ESD hazards pertaining to power distribution
 - Physically identify Field Replaceable Unit components of the power distribution and follow the procedures to remove and replace them
- Communications
 - Identify a communications-related failure to the lowest Field Replaceable Unit using a time effective method
 - Identify and use the procedures to remove, replace and align the Field Replaceable Units related to communications
- Service Tools
 - Identify and use key service tool diagnostic to diagnose failures in the system in a time effective method.
- DMS (Data Measurement System)
 - Identify a DMS/TDMS-related failure to the lowest Field Replaceable Unit using a time effective method
 - Physically identify Field Replaceable Unit components related to the Data Measurement System and follow the procedures to replace them
- High Voltage
 - Identify a high voltage system-related failure to the lowest Field Replaceable Unit using a time effective method
 - Physically identify Field Replaceable Unit components related to the high voltage system and follow the procedures to remove and replace them
- Rotor Motion
 - Physically identify Field Replaceable Unit components related to rotor motion and follow the

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		procedures to remove, replace and align them	
		Identify a rotor motion-related failure to the lowest Field Replaceable Unit using a time effective method	
		Beam Path	
		Identify a collimator-related failure to the lowest Field Replaceable Unit using a time effective method	
		Physically identify Field Replaceable Unit components of the beam path and follow the procedures to remove, replace and align them	
		Perform calibrations related to the collimator to ensure accurate CT image quality	
		Image Quality	
		Perform the constancy tests	
		Perform acceptance testing	
		Calibrate the Brilliance Air scanner	

* PHILIPS PROPRIETARY MATERIALS SUCH AS DIAGNOSTIC SOFTWARE AND SERVICE DOCUMENTATION ARE NOT INCLUDED IN THE TRAINING AND WILL NOT BE AVAILABLE FOR USE OUTSIDE OF THE TRAINING ENVIRONMENT. THE TRAINEE MUST RETURN ALL PROPRIETARY MATERIALS RECEIVED DURING THE TRAINING AT THE END OF THE TRAINING. CUSTOMER ACKNOWLEDGES AND AGREES THAT NEITHER CUSTOMER NOR TRAINEE WILL RECEIVE A LICENSE TO SUCH PROPRIETARY MATERIALS AND THAT THE TRAINEE MAY NOT BE ABLE TO FULLY UTILIZE THE TRAINING WITHOUT THE USE OF SUCH PROPRIETARY MATERIALS. (CERTAIN LICENSES MAY BE OBTAINED THROUGH PURCHASE OF A PHILIPS RIGHTFIT SERVICE AGREEMENT.) Course dates and location to be finalized by Philips. Philips shall attempt to accommodate Customer requested dates and training location. The price quoted includes course tuition. Travel and living expenses are not included, but may be purchased separately through Philips.

- IMPORTANT Notes Regarding Admission to Philips Customer Engineer Training Courses:
1. Trainee must meet all prerequisites
 2. Course expires one (1) year from equipment installation date (or purchase date if sold separately)
 3. Customer must sign Philips Nondisclosure statement
 4. Trainee must sign Philips Nondisclosure statement
 5. Customer must sign Philips terms and conditions of training

Revision: 20090707

15	**989801299745	CT3020 Brilliance/Ingenuity/iCT Gateway Brilliance/Ingenuity/iCT Gateway	1
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Course Number: CT3020

System Codes: NA.

Course Title: Brilliance/Ingenuity/iCT Gateway

Course Length: 5 days

Delivery Method(s): Lecture/Lab

Modality: CT

100017/Brilliance CT Big Bore Oncology Systems

Line # Part # Description Qty

Location: Training Centers

Target Audience: Phillips Service Engineers, Customer Engineers

DESCRIPTION:

This course contains the material required for a FSE not trained on the Brilliance (air) CT system to prepare to attend the Brilliance Air system course or the Brilliance iCT differences course. The course provides the engineer with the knowledge and the skills required to safely install, calibrate and repair the Couch, CIRs and Host subsystems. In addition, the FSE learns the System operation, Software installation and Remote Services Network configuration processes.

PREREQUISITES:

CT1020 CT Basics Skills Virtual Class
FC9002 Safety
FC9003 Imaging Systems Safety
FC9004 Regulatory

E-Learning Located AT:

<https://www.theonlinelearningcenter.com/default.aspx?ReturnUrl=%2fMain.aspx>

COURSE OBJECTIVES:

At the end of this course, the student will be able to:

- Operate a Brilliance System
- Identify failures pertaining to the operator interface
- Use Gantry State information to troubleshoot system problems
- Troubleshoot problems related to Gantry communications
- Follow prescribed Safety procedures
- Use available Service Tools for troubleshooting
- Calibrate Gantry angulation and couch
- Perform Planned Maintenance tasks following the recommended schedule
- Identify and perform the procedures to Remove and Replace key FRUs
- Perform corrective maintenance for the Couch, CIRs, Host and Gantry Angulation and Communication subsystems
- Perform documented software installation procedures

100017 Brilliance CT Big Bore Oncology Systems

Line #	Part #	Description	Qty
		Enable Philips service level diagnostics with IST/ICE	

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IMPORTANT Notes Regarding Admission to Philips Customer Engineer Training Courses:

1. Trainee must meet all prerequisites
2. Course expires one (1) year from equipment installation date (or purchase date if sold separately)
3. Customer must sign Philips Nondisclosure statement
4. Trainee must sign Philips Nondisclosure statement
5. Customer must sign Philips terms and conditions of training

Revision: 20090707

16	**989801210062	Medrad Stellant SX CT Injector- OH Sys	1
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Medrad Stellant SX CT - Single Syringe - Overhead System:

Medrad Catalog # SCT 122

The Stellant SX CT Injection System is comprised of the injector head located in the screening room and a touch screen Display Control Unit (DCU) and Base unit, which is typically located in the control room. The three components are connected by a communication link.

Control console system with 200 ml variable speed injector head with automatic docking, Auto Advance and Auto retract. Includes touch screen display input, 75 ft. cable to control console, injector head overhead mount, operation manual and two 200 ml syringe kits.

Philips representatives are responsible for the unpacking, assembly and installation of the CT Injector equipment. Medrad will be available for technical assistance, by phone: call (412) 767-2400. Medrad will also provide an operational checkout, final calibration, in-service of the equipment and initial applications training. Please contact the local Medrad sales office at least two weeks in advance to schedule installation. Call (412) 767-2400.

Philips does not warranty the Medrad Stellant CT Injector System but will pass on the Medrad warranty. Medrad warrants each new injector system; including control unit, display control, remote panel and injector head sold in North America and Europe against defects in material and

100017 Brilliance CT Big Bore Oncology Systems

workmanship, under proper, normal use and service for a period of one year (12 months) from the date of installation. There will be no charge for any action deemed necessary by Medrad, including parts, travel, or labor to fulfill the terms of the warranty, during normal business hours (8:30am to 5:00pm, local time, Monday through Friday, except holidays).

Not compatible with PQ/UltraZ/Mx8000 injector Interface. NOT compatible with MCT8651 SAS Spiral Auto Start on Mx8000.

Line #	Part #	Description	Qty
17	**989801210007	Medrad Stellant ISI Interface Unit	1
Medrad Stellant "ISI Interface Unit: Medrad Catalog # 3010434 The Medrad Stellant "ISI" Interface Unit provides the needed interface between the Stellant CT Injector and the SAS Option of the Brilliance CT Scanner.			
18	SP059D	System Admin	1
Quote includes six months of additional primary service coverage.			
19	SP019	Trade in Allowance	1
Customer represents and warrants that (i) Customer has, and shall have when title passes, good and marketable title to the equipment being traded in and (ii) has the authority to effect such trade in.			
Product: GE LIGHTSPEED			
Serial Number: 256215CN5			
Manufacturer: GE MEDICAL SYSTEMS			

Trade-In authorization number: 29968
 Trade-In Value: \$18,800.00
 De-install Date: ~~12/27/2013~~ 12/11/2013 2014

Customer will be trading-in equipment that is described on the attached System Disclosure Form (the "Trade-In"), which Trade-In the parties agree (i) will be removed on the De-install Date and (ii) is currently in the condition as represented on the System Disclosure Form. In addition, the parties agree as follows:

1. Customer represents and warrants that Customer has good and marketable title to the Trade-In as of the date of this Quotation and will have good and marketable title when Philips removes the Trade-In from Customer's site (the "Removal Date");
2. Title to the Trade-In shall pass from Customer to Philips on the Removal Date, unless otherwise agreed by Philips and the Customer;
3. Notwithstanding anything to the contrary in any Business Associate Addendum, Customer represents and warrants that as of the Removal Date all Protected Health Information will have been de-identified or removed from the Trade-In;
4. Philips may test and inspect the Trade-In prior to de-installation. If the condition of the Trade-In is not substantially the same on the Removal Date (ordinary wear and tear excepted) as it is identified on the System Disclosure Form, then Philips may reduce the price quoted for the Trade-In;
5. If the removal date is delayed until after the De-Install Date, unless Philips causes the delay, then Philips may reduce the price quoted for the Trade-In by six percent (6%) per month.
6. Philips is responsible for normal de-installation costs of the Trade-In.
7. The trade-in value will not include costs associated for any facility modifications and/or rigging required for de-installation and must be accounted for separately.
8. Customer is responsible for all plumbing necessary to properly drain coolant from chiller system and cap the lines.
9. Prior to the Removal Date, Customer shall remove from the room all equipment that is not being de-installed.

100017 Brilliance CT Big Bore Oncology Systems

*****PROMOTIONS*****

Promotion Name
Novation POS Service CT

Description
Philips is pleased to offer an additional 1% promotional discount off the total list price of the solution proposed here, when that solution is purchased with a signed Point of Sale Full Service Agreement of a minimum 48 month term.

NET PRICE

\$577,105.00

Buying Group: NOVATION

Contract #: XR11011 CT

Add'l Terms:

Each Quotation solution will reference a specific Buying Group/Contract Number representing an agreement containing discounts, fees and any specific terms and conditions which will apply to that single quoted solution. If no Buying Group/Contract Number is shown, Philips' Terms and Conditions of Sale will apply to the quoted solution.

Each equipment system listed on purchase order/orders represents a separate and distinct financial transaction. We understand and agree that each transaction is to be individually billed and paid.

Price above does not include any applicable sales taxes.

The preliminary delivery request date for this equipment is: March 2014

If you do not issue formal purchase orders indicate by initialing here _____.

Tax Status:

Taxable _____ Tax Exempt

If Exempt, please indicate the Exemption Certification Number: 56-1936354, and attach a copy of the certificate.

Delivery/Installation Address:

FirstHealth Moore Regional Hosp.
155 Memorial Drive
Pinehurst, NC 28374

Invoice Address:

FirstHealth Moore Regional Hospital
Accounts Payable
P.O. Box 3000
Pinehurst, NC 28374

Contact Phone #:

Margie Thomas (910) 715-3477

Contact Phone #:

Pat Allred (910) 715-1571

Purchaser approval as quoted:

Date: Daryl Kelands 11/7/13

Title:

CEO

This quotation is signed and accepted by an authorized representative in acknowledgement of the system configuration, terms and conditions stated herein.

Philips Standard Terms and Conditions of Sale

The products and services listed in the quotation are offered by Philips Healthcare, a division of Philips Electronics North America Corporation ("Philips") only under the terms and conditions described below.

1. **Price; Taxes.** The purchase price stated in the quotation does not include applicable sales, excise, use, or other taxes in effect or later levied. Customer shall provide Philips with an appropriate exemption certificate reasonably in advance of the date the product is available for delivery otherwise, Philips shall invoice Customer for those taxes, and Customer shall pay those taxes in accordance with the terms of the invoice.

2. **Cancellation.** Philips' cancellation policies are set forth in the applicable schedule attached to these Terms and Conditions of Sale.

3. **Payment Terms.**

3.1 Unless otherwise specified in the quotation, Philips will invoice Customer, and Customer will immediately pay such invoice on receipt for each product in accordance with the payment terms set forth in the applicable schedule attached to these Terms and Conditions of Sale:

3.2 Orders are subject to Philips' on-going credit review and approval.

3.3 Customer shall pay interest on any amount not paid when due at the maximum rate permitted by applicable law. If Customer fails to pay any amount when due, in addition to any other rights or remedies available to Philips at law or in equity, Philips may discontinue the performance of services, discontinue the delivery of the product, or deduct the unpaid amount from any amounts otherwise owed to Customer by Philips under any agreement with Customer. In any action initiated to enforce the terms of the quotation following a Customer default or product cancellation under an order arising from the quotation, Philips shall be entitled to recover as part of its damages all costs and expenses, including reasonable attorneys' fees, in connection with such action.

3.4 **Credit Card.** Philips, at its discretion, will accept a credit card for payment on orders with a net value of \$50,000 or less.

4. **Trade - In.** If Customer will be trading-in any equipment ("Trade-In"), then:

4.1 Customer represents and warrants that Customer has good and marketable title to such Trade-In;

4.2 Title to the Trade-In shall pass from Customer to Philips upon Philips making the new equipment available for first patient use. Removal of the Trade-In from Customer's site shall occur no later than the date Philips makes the new product available for first patient use, unless otherwise agreed in writing between Philips and the Customer; and

4.3 Notwithstanding anything to the contrary in any Business Associate Addendum ("BAA"), Customer represents and warrants that Customer has removed or de-identified all Protected Health Information ("PHI") from the Trade-In equipment as of the date the equipment is removed. To the extent Customer has not done so, Customer agrees to reimburse Philips for any out-of-pocket costs Philips incurs to remove or de-identify PHI from the Trade-In.

4.4 If (a) the condition of the Trade-In is not substantially the same when Philips removes the Trade-In (ordinary wear and tear excepted) as it was when Philips quoted the Trade-In value; or (b) Customer delays the removal of the Trade-In, then Philips may reduce the price quoted for such Trade-In or cancel the Trade-In and Customer will pay the adjustment amount within thirty (30) days of receipt of invoice.

4.5 If Philips does not receive possession of the Trade-In, Philips will charge Customer, and Customer will pay within thirty (30) days of receipt of invoice, the amount of the Trade-In allowance.

4.6 Evidence that Customer intends to trade in an asset as part of the purchase or lease of any product(s) shall be in the form of, but not limited to: (a) receiving a trade in quote and/or authorization from Philips on the value of the asset to be traded in; (b) providing Philips with serial numbers of assets to be traded in; and/or, (c) providing Philips with a de-installation date to remove an existing asset in order to install Philips quoted equipment.

5. **Leases.** If Customer desires to convert the purchase of any product to a lease, Customer will arrange for the lease agreement and all other related documentation to be reviewed and approved by Philips not later than ninety (90) days prior to the date of the availability for delivery of major components of the product. The Customer is responsible for converting the transaction to a lease, and is required to secure the leasing company's approval of all of these Terms and Conditions of Sale. No product will be delivered to the Customer until Philips has received copies of the fully executed lease documents and has approved the same.

6. **Security Interest.** Customer hereby grants to Philips a purchase money security interest in the products until all payments have been made. Customer shall sign any financing statements or other documents necessary to perfect Philips' security interests in the products. Where permitted by applicable law, Customer's signature on the quotation or on a purchase order issued as a result of the quotation gives Philips the right to sign on Customer's behalf and file any financing statement or other documents to perfect Philips' security interest in the product.

7. **Shipment and Risk of Loss.**

7.1 The applicable schedule attached to these Terms and Conditions of Sale shall apply for delivery.

7.2 Title to any product (excluding software), and the risk of loss or damage to any product shall pass to the Customer F.O.B. destination. Customer shall obtain and pay for insurance covering such risks at destination.

8. **Installation, Site Preparation, Remote Services.**

8.1 **Installation.** Customer shall provide Philips full and free access to the installation site and suitable and safe space for the storage of the products before installation. Customer shall advise Philips of conditions at or near the site, including any hazardous materials, that could adversely affect the installation or pose a health or safety risk to Philips' personnel, and shall ensure that those conditions are corrected and hazardous materials removed, and that the site is fully prepared and available to Philips before installation work begins. Customer shall ensure, at no charge to Philips, that there are no obstacles preventing Philips from moving the product from the entrance of the Customer's premises to the installation site. Customer shall be responsible, at its expense, for rigging, the removal of partitions or other obstacles, and restoration work. The products will be installed during normal working hours. Philips will unpack the product, construct applicable pads (if required for certain products), connect the product to a safety switch or breaker to be installed by the Customer, and calibrate and test the product. If local labor conditions, including but not limited to a requirement to utilize union labor, require the use of non-Philips employees to participate in the installation of the product, then such participation of non-Philips employees shall be at Customer's expense. In such case, Philips will provide engineering supervision during the installation.

8.2 **Site Preparation.** Except where Philips has agreed in writing to provide construction services for a fee pursuant to a construction agreement and scope of work signed by Customer, Customer shall be responsible, at its expense, for the preparation of the installation site where the product will be installed including any required structural alterations. Customer shall provide any and all plumbing, carpentry work, conduit, wiring including communications and/or computer wiring, network equipment, power supply, surge suppression and power conditioning (except to the extent they are expressly included in the quotation), fire protection and environmental controls, ground fault and isolation system, and other fixtures and utilities required to properly attach, install, and use the product. Site preparation shall be in compliance with all safety, electrical, RF or magnetic shielding and acoustical suppression and building codes relevant to the product and its installation and use. The sufficiency of any installation site plans shall be the responsibility of Customer. Customer, at its expense, shall obtain all permits and licenses required by federal, state, or local authorities in connection with the installation and operation of the product, including any certificate of need and zoning variances. PHILIPS MAKES NO WARRANTY AND ASSUMES NO LIABILITY FOR THE FITNESS OR ADEQUACY OF THE SITE IN WHICH THE PRODUCT IS TO BE INSTALLED OR USED. CUSTOMER INDEMNIFIES PHILIPS AGAINST ANY CLAIMS, INCLUDING SUBROGATION CLAIMS, ARISING FROM CUSTOMER'S SITE PREPARATION RESPONSIBILITIES.

8.3 **Remote Services Network ("RSN").** Customer will (a) provide Philips with a secure location at Customer's premises to store one Philips RSN router (or a Customer-owned router acceptable to Philips at Customer's option) for connection to the equipment and to Customer's network; and (b) at all times during the warranty period provide Philips with full and free access to the router and a dedicated broadband Internet access node, including but not limited to public and private interface access, suitable to establish a successful connection to the products through the Philips RSN and Customer's network for Philips' use in remote servicing of the product, remote assistance to personnel that operate the products, updating the products software, transmitting automated status notifications from the product and regular uploading of products data files (such as but not limited to error logs and utilization data for improvement of Philips products and services and aggregation into services). Customer's failure to provide such access at the scheduled time will constitute Customer's waiver of the scheduled planned maintenance service and will void support or warranty coverage of product malfunctions until such time as planned maintenance service is completed or RSN access is provided. Customer agrees to pay Philips at the prevailing demand service rates for all time spent by Philips service personnel waiting for access to the products.

9. Product Warranty.

9.1 If a separate product warranty page prints as part of this quotation, that product warranty applies to your purchase and is incorporated herein; otherwise Section 9.2-9.7 shall apply.

9.2 **Hardware/Systems.** Philips warrants to Customer that the Philips equipment (including its operating software) will perform in substantial compliance with its performance specifications in the documentation accompanying the products, for a period of 12 months beginning upon availability for first patient use.

9.3 **Stand-alone Licensed Software.** For a period of ninety (90) days from the date Philips makes Stand-alone Licensed Software available for first patient use, such Stand-alone Licensed Software shall substantially conform to the technical user manual that ships with the Stand-alone Licensed Software. "Stand-alone Licensed Software" means sales of Licensed Software without a contemporaneous purchase of a server for the Licensed Software. If Philips is not the installer of the Stand-alone Licensed Software, the foregoing warranty period shall commence upon shipment.

9.4 If the start of the installation is delayed for any reason beyond the control of Philips for more than thirty (30) days following the date that Philips notifies Customer that the major components of the product are available for delivery, the warranty period begins on the thirty-first (31st) day following that date.

9.5 Philips' sole obligations and Customer's exclusive remedy under any product warranty are limited, at Philips' option, to the repair or the replacement of the product or a portion thereof within thirty (30) days after receipt of written notice of such material breach from Customer ("Product Warranty Cure Period") or, upon expiration of the Product Warranty Cure Period, to a refund of a portion of the purchase price paid by the Customer, upon Customer's request. Any refund will be paid to the Customer when the product is returned to Philips. Warranty service outside of normal working hours (i.e. 8:00 A.M. to 5:00 P.M., Monday through Friday, excluding Philips' observed holidays), will be subject to payment by Customer at Philips' standard service rates.

9.6 This warranty is subject to the following conditions: the product (a) is to be installed by authorized Philips representatives (or is to be installed in accordance with all Philips installation instructions by personnel trained by Philips); (b) is to be operated exclusively by duly qualified personnel in a safe and reasonable manner in accordance with Philips' written instructions and for the purpose for which the products were intended; and (c) is to be maintained and in strict compliance with all recommended and scheduled maintenance instructions provided with the product; and Customer is to notify Philips immediately if the product at any time fails to meet its printed performance specifications. Philips' obligations under any product warranty do not apply to any product defects resulting from improper or inadequate maintenance or calibration by the Customer or its agents; Customer or third party supplied interfaces, supplies, or software including without limitation loading of operating system patches to the Licensed Software and/or upgrades to anti-virus software (except DAT file changes) running in connection with the Licensed Software without prior validation approval by Philips; use or operation of the product other than in accordance with Philips' applicable product specifications and written instructions; abuse, negligence, accident, loss, or damage in transit; improper site preparation; unauthorized maintenance or modifications to the product; or viruses or similar software interference resulting from connection of the product to a network. Philips does not provide a warranty for any third party products furnished to Customer by Philips under the quotation; however, Philips shall use reasonable efforts to extend to Customer the third party warranty for the product. The obligations of Philips described herein and in the applicable product-specific warranty document are Philips' only obligations and Customer's sole and exclusive remedy for a breach of a product warranty.

9.7 THE WARRANTIES SET FORTH HEREIN AND IN PHILIPS' WARRANTY DOCUMENT WITH RESPECT TO A PRODUCT (INCLUDING THE SOFTWARE PROVIDED WITH THE PRODUCT) ARE THE ONLY WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE PRODUCT, THE SOFTWARE, AND THE TRANSACTIONS CONTEMPLATED BY THE QUOTATION, AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER WRITTEN, ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Philips may use refurbished parts in the manufacture of the products, which are subject to the same quality control procedures and warranties as for new products.

10. **Philips Proprietary Service Materials.** Any Philips maintenance or service software and documentation provided with the product and/or located at Customer's premises is intended solely to assist Philips and its authorized agents to install and to test the products or to assist Philips and its authorized agents to maintain and to service the products under warranty or a separate support agreement with Customer. Customer agrees to restrict access to such software and documentation to Philips' employees and those of Philips' authorized agents only and to permit Philips to remove its Proprietary Service Materials upon request.

11. Patent Infringement Claims.

11.1 Philips shall indemnify, defend, and hold harmless Customer against any new claim that a Philips Product provided in the quotation infringes, misappropriates, or violates any third party intellectual property right, whether patent, copyright, trademark, or trade secret, provided that Customer: (a) provides Philips prompt written notice of the claim; (b) grants Philips full and complete information and assistance necessary for Philips to defend, settle, or avoid the claim; and (c) gives Philips sole control of the defense or settlement of the claim.

11.2 The provisions of this section shall not apply if the product is sold or transferred.

11.3 If (a) a Philips' Product is found or believed by Philips to infringe such a claim; or, (b) Customer has been enjoined from using the Philips Product pursuant to an injunction issued by a court of competent jurisdiction, Philips may, at its option, (i) procure the right for Customer to use the product, (ii) replace or modify the product to avoid infringement, or (iii) refund to Customer a portion of the product purchase price upon the return of the original product. Philips shall have no obligation for any claim of infringement arising from: Philips' compliance with Customer's designs, specifications, or instructions; Philips' use of technical information or technology supplied by Customer; modifications to the product by Customer or its agents; use of the product other than in accordance with the product specifications or applicable written product instructions; use of the product with any other product; if infringement would have been avoided by the use of a current unaltered release of the products; or use of the Philips Product after Philips has advised Customer, in writing, to stop use of the Philips Product in view of the claimed infringement. Philips will not be liable for any claim where the damages sought are based directly or indirectly upon the quantity or value of products manufactured by means of the products purchased under this quotation, or based upon the amount of use of the product regardless of whether such claim alleges the product or its use infringes or contributes to the infringement of such claim. The terms in this section state Philips' entire obligation and liability for claims of infringement, and Customer's sole remedy in the event of a claim of infringement.

12. Limitation of Liability. THE TOTAL LIABILITY, IF ANY, OF PHILIPS AND ITS AFFILIATES FOR ALL DAMAGES AND BASED ON ALL CLAIMS, WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT, OR OTHERWISE, ARISING FROM A PRODUCT, LICENSED SOFTWARE, AND/OR SERVICE IS LIMITED TO THE PRICE PAID HEREUNDER FOR THE PRODUCT, LICENSED SOFTWARE, OR SERVICE. THIS LIMITATION SHALL NOT APPLY TO:

- (a) THIRD PARTY CLAIMS FOR BODILY INJURY OR DEATH CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT;
- (b) CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY DAMAGE;
- (c) OUT-OF-POCKET COSTS INCURRED BY CUSTOMER TO PROVIDE PATIENT NOTIFICATIONS, REQUIRED BY LAW, TO THE EXTENT SUCH NOTICES ARE CAUSED BY PHILIPS' UNAUTHORIZED DISCLOSURE OF PHI; and,
- (d) FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PHI AS THE BASIS OF THE FINE/PENALTY, ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

13. DISCLAIMER. IN NO EVENT SHALL PHILIPS OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT.

14. Confidentiality. Each party shall maintain as confidential any information furnished or disclosed to one party by the other party, whether disclosed in writing or disclosed orally, relating to the business of the disclosing party, its customers and/or its patients, and the quotation and its terms, including the pricing terms under which Customer has agreed to purchase the products. Each party shall use the same degree of care to protect the confidentiality of the disclosed information as that party uses to protect the confidentiality of its own information, but in no event less than a reasonable amount of care. Each party shall disclose such confidential information only to its employees having a need to know such information to perform the transactions contemplated by the quotation. The obligation to maintain the confidentiality of such information shall not extend that (a) is or becomes generally available to the public without violation of this Agreement or any other obligation of confidentiality or (b) is lawfully obtained by the receiving Party from a third party without any breach of confidentiality or violation of law.

15. Compliance with Laws & Privacy.

15.1 Each party shall comply with all laws, rules, and regulations applicable to the party in connection with the performance of its obligations in connection with the transactions contemplated by the quotation, including, but not limited to, those relating to affirmative action, fair employment practices, FDA, Medicare fraud and abuse, and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Health care providers are reminded that if the purchase includes a discount or loan, they must fully and accurately report such discount or loan on cost reports or other applicable claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, as required by federal law (see 42 CFR 1001.952[h]).

15.2 In the course of providing project implementation related services and/or warranty services to Customer, hereunder, it may be necessary for Philips to have access to, view and/or download computer files from the products that might contain Personal Data. "Personal Data" means information relating to an individual, from which that individual can be directly or indirectly identified. Personal Data can include both personal health information (i.e. images, heart monitor data, and medical record number) and non-health information (i.e. date of birth, gender). Philips will process Personal Data only to the extent necessary to perform and/or fulfill its project implementation related service, warranty service and/or warranty obligations hereunder.

15.3 It is Customer's responsibility to notify Philips if any portion of the order is funded under the American Reinvestment and Recovery Act ("ARRA"). To ensure compliance with the ARRA regulation, Customer shall include a clause stating that the order is funded under ARRA on its purchase order or other document issued by Customer.

16. Excluded Provider. Philips represents and warrants that Philips, its employees and subcontractors, are not debarred, excluded, suspended or otherwise ineligible to participate in a federal health care program, nor have they been convicted of any health care related crime for the products and services provided under this Agreement (an "Excluded Provider"). Philips shall promptly notify Customer when it becomes aware that Philips or any of its employees or subcontractors, providing services hereunder, have become an Excluded Provider whereupon Customer may terminate this order by express written notice for product and services not yet shipped or rendered.

17. General Terms. The following additional terms shall be applicable to the purchase of a product:

17.1 Force Majeure. Each party shall be excused from performing its obligations (except for payment obligations) arising from any delay or default caused by events beyond its reasonable control including, but not limited to, acts of God, acts of third parties, acts of any civil or military authority, fire, floods, war, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, subcontractors or suppliers, voluntary or mandatory compliance with any government act, regulation or request, shortage of labor, materials or manufacturing facilities.

17.2 Bankruptcy. If Customer becomes insolvent, is unable to pay its debts when due, files for bankruptcy, is the subject of involuntary bankruptcy, has a receiver appointed, or has its assets assigned, Philips may cancel any unfulfilled obligations, or suspend performance; however, Customer's financial obligations to Philips shall remain in effect.

17.3 Assignment. Customer may not assign any rights or obligations in connection with the transactions contemplated by the quotation without the prior written consent of Philips, which consent shall not be unreasonably withheld, and any attempted assignment without such consent shall be of no force or effect.

17.4 Export. Customer shall assume sole responsibility for obtaining any required export authorizations in connection with Customer's export of the products from the country of delivery.

17.5 Governing Law. All transactions contemplated by the quotation shall be governed by the laws of the state where the equipment will be installed, without regard to that state's choice of law principles, and expressly excluding application of the Uniform Computer Information Transactions Act ("UCITA"), in any form. EACH PARTY, KNOWINGLY AND AFTER CONSULTATION WITH COUNSEL, FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, WAIVES ALL RIGHT TO TRIAL BY JURY OF ANY CLAIM ARISING WITH RESPECT TO THIS AGREEMENT OR ANY MATTER RELATED IN ANY WAY THERETO.

17.6 Entire Agreement. These Terms and Conditions of Sale, the terms and conditions set forth in the quotation and the applicable Philips' product-specific warranty document constitute the entire understanding and agreement by and between the parties with respect to the transactions contemplated by the quotation, and supersede any previous understandings or agreements between the parties, whether written or oral, regarding the transactions contemplated by the quotation. The pricing in the quotation is based upon the terms and conditions in the quotation. No additional terms, conditions, consents, waivers, alterations, or modifications shall be binding unless in writing and signed by the parties. Customer's additional or different terms and conditions, whether stated in a purchase order or other document issued by Customer, are specifically rejected and shall not apply to the transactions contemplated by the quotation.

17.7 Headings. The headings in the quotation are intended for convenience only and shall not be used to interpret the quotation.

17.8 Severability. If any provision of the quotation is deemed to be illegal, unenforceable, or invalid, in whole or in part, the validity and enforceability of the remaining provisions shall not be affected or impaired, and shall continue in full force and effect.

17.9 Notices. Notices or other communications shall be in writing, and shall be deemed served if delivered personally, or if sent by facsimile transmission, by overnight mail or courier, or by certified mail, return receipt requested and addressed to the party at the address set forth in the quotation.

17.10 Performance. The failure of Customer or of Philips at any time to require the performance of any obligation will not affect the right to require such performance at any time thereafter. Course of dealing, course of performance, course of conduct, prior dealings, usage of trade, community standards, industry standards, and customary standards and customary practice or interpretation in matters involving the sale, delivery, installation, use, or service of similar or dissimilar products or services shall not serve as references in interpreting the terms and conditions of the quotation.

17.11 Obligations. Customer's obligations are independent of any other obligations the Customer may have under any other agreement, contract, or account with Philips. Customer will not exercise any right of offset in connection with the terms and conditions in the quotation or in connection with any other agreement, contract, or account with Philips.

17.12 Additional Terms. The Product specific schedules listed below are incorporated herein as they apply to the equipment listed on the quotation and their additional terms shall apply solely to Customer's purchase of the products specified therein. If any terms set forth in a schedule conflict with terms set forth in these Terms and Conditions of Sale, the terms set forth in the schedule shall govern:

(a) Schedule 1: Xcelera, Xper IM, Cardiovascular Information System (CVIS) and TraceMasterVue EKG Storage System (TMV) Products.

LICENSED SOFTWARE

1. License Grant.

1.1 Subject to any usage limitations for the Licensed Software set forth on the product description of the quotation, Philips grants to Customer a nonexclusive and non-transferable right and license to use the computer software package ("Licensed Software") in accordance with the terms of the quotation. The License shall continue for as long as Customer continues to own the product, except that Philips may terminate the License if Customer is in breach or default. Customer shall return the Licensed Software and any authorized copies thereof to Philips immediately upon expiration or termination of this License.

1.2 The License does not include any right to use the Licensed Software for purposes other than the operation of the product. Customer may make one copy of the Licensed Software in machine-readable form solely for backup purposes. Philips reserves the right to charge for backup copies created by Philips. Except as otherwise provided under section 1.6, Customer may not copy, reproduce, sell, assign, transfer, or sublicense the Licensed Software for any purpose without the prior written consent of Philips. Customer shall reproduce Philips' copyright notice or other identifying legends on such copies or reproductions. Customer will not (and will not allow any third party to) decompile, disassemble, or otherwise reverse engineer or attempt to reconstruct or discover the product or Licensed Software by any means whatsoever.

1.3 The License shall not affect the exclusive ownership by Philips of the Licensed Software or of any trademarks, copyrights, patents, trade secrets, or other intellectual property rights of Philips (or any of Philips' suppliers) relating to the Licensed Software.

1.4 Customer agrees that only authorized officers, employees, and agents of Customer will use the Licensed Software or have access to the Licensed Software (or to any part thereof), and that none of Customer's officers, employees, or agents will disclose the Licensed Software, or any portion thereof, or permit the Licensed Software, or any portion thereof, to be used by any person or entity other than those entities identified on the quotation. Customer acknowledges that certain of Philips' rights may be derived from license agreements with third parties, and Customer agrees to preserve the confidentiality of information provided by Philips under such third party license agreements.

1.5 The Licensed Software shall be used only on the product(s) referenced in the quotation.

1.6 Customer may transfer the Licensed Software in connection with sale of the product to a healthcare provider who accepts all of the terms and conditions of this License; provided that Customer is not in breach or default of this License, the Terms and Conditions of Sale, or any payment obligation to Philips.

2. Modifications.

2.1 If Customer modifies the Licensed Software in any manner, all warranties associated with the Licensed Software and the products shall become null and void. If Customer or any of its officers, employees, or agents should devise any revisions, enhancements, additions, modifications, or improvements in the Licensed Software, Customer shall disclose them to Philips, and Philips shall have a non-exclusive royalty-free license to use and to sub-license them.

2.2 The Licensed Software is licensed to Customer on the basis that (i) Customer shall maintain the configuration of the products as they were originally designed and manufactured and (ii) the product includes only those subsystems and components certified by Philips. The Licensed Software may not perform as intended on systems modified by other than Philips or its authorized agents, or on systems which include subsystems or components not certified by Philips. Philips does not assume any responsibility or liability with respect to unauthorized modification or substitution of subsystems or components.

071612 (Rev I)

Schedule 1
Interventional X-Ray (iXR), Diagnostic X-Ray (DXR), Computed Tomography (CT), Magnetic Resonance (MR),
Positron Emission Tomography (PET), Nuclear Medicine (NM), Radiation Oncology (PROS), Women's Healthcare (WHC), and
Ultrasound (US) products (including Image Guided Intervention and Therapy (IGIT) Products)

1. Payment Terms.

Unless otherwise specified in the quotation, Philips will invoice Customer, and Customer will pay such invoice on receipt, as follows:

- 1.1 For Interventional X-Ray (iXR), Diagnostic X-Ray (DXR), Computed Tomography (CT), Magnetic Resonance (MR), Positron Emission Tomography (PET), Nuclear Medicine (NM), Radiation Oncology (PROS), and Women's Healthcare (WHC):
- (a) 10% of the purchase price shall be due with Customer's acceptance of the quotation.
 - (b) 70% of the purchase price shall be due on delivery of the major components of the product. Product installation will not begin until Customer has paid this portion of the purchase price.
 - (c) 20% of the purchase price shall be due when the product is available for first patient use. Available for first patient use means the product has been installed and substantially meets Philips' published specifications.

1.2 For Ultrasound(US) products (including IGIT Products):

- (a) 100% of the purchase price shall be due thirty (30) days from Philips' invoice date.

1.3 If the start of the installation is delayed for any reason beyond the control of Philips for more than thirty (30) days following the date that Philips notifies customer that the major components of the product are available for delivery, the unpaid portion of the purchase price shall be due on the thirty-first (31st) day following such date.

2. Cancellation. The quotation is subject to change or withdrawal prior to written acceptance by Customer. All purchase orders issued by Customer are subject to acceptance by Philips. If Customer cancels an order prior to product shipment, Customer shall pay a cancellation charge of fifteen percent (15%) of the net order price. Orders are non-cancellable for products shipped.

3. Delivery.

3.1 Philips will use reasonable efforts to ship the product to the Customer by: (a) by the mutually agreed upon shipment date; or (b) by the date stated in the quotation; or (c) as otherwise agreed in writing. Philips will ship the product according to Philips' standard commercial practices. Philips will deliver the equipment during normal working hours, 8:00 - 5:00 PM, in the time zone where the Customer is located. Philips may make partial shipments. Philips will pay shipping costs associated with product shipment.

3.2 Prior to the shipment of any product, Philips may change the construction or the design of the product without notice to the Customer so long as the function, footprint, and performance of the product are not substantially altered.

3.3 If Customer requests a delay in the date major components of the product are available for delivery, then Philips will place the product in storage and the unpaid portion of the purchase price shall be due. Customer will reimburse Philips for all storage fees incurred upon receipt of invoice.

4. Additional Customer Installation Obligations for Magnetic Resonance.

4.1 Customer shall provide any and all Site preparation and shall be in compliance with all RF or magnetic shielding and acoustical suppression and building codes relevant to the product and its installation and use.

4.2 Customer's contractor or Customer's architect is required to provide detailed information on the proposed Helium Exhaust Pipe for their MRI system prior to installation to ensure safety specifications are being met.

Required Details include:

- (a) Architectural drawing or sketch with complete dimensions including lengths, bending radii, bending angles, and pipe diameters for entire Helium Exhaust Pipe run from RF enclosure to discharge location.
- (b) Completed Helium Exhaust Pipe Verification Checklist (Provided by Local Philips Project Manager)
- (c) Picture showing the area where the Helium Exhaust Pipe will discharge.

4.3 Magnets will not be released for delivery unless and until Helium Exhaust Pipe details are provided for verification and have been confirmed to meet all life safety specifications.

5. Additional Terms Related to Sales of IGIT Products.

5.1 As part of installation, Philips will connect the IGIT product to such DICOM compatible scanners as Customer may designate (in writing), including CT and MR scanners and, if ultrasound navigation is included in the product, an iU22 ultrasound system.

5.2 If Customer requires that Philips connect the IGIT product to more than two (2) scanners or other devices, then Philips shall invoice Customer and Customer shall pay for installation services at Philips' then-current daily service rate. Additionally, Customer shall (a) make the scanner(s) the Customer has designated available to Philips' installation representative, (b) create and provide a data set of the installation phantom on or before the installation date, and (c) have its IT representative available to assist in connecting the IGIT product to Customer's DICOM devices during the agreed installation time. If such installation and connection is delayed due to Customer failing in its obligations described in this section, then Philips may invoice Customer and Customer shall pay either for (a) any time that Philips spends waiting at the site for such obligation to be fulfilled, at Philips' then-current service rate, or (b) reasonable travel expenses if Philips has to reschedule such installation.

5.3 Training on the IGIT Product is not included with the purchase of the IGIT product unless it is separately identified on the quotation.

6. Additional Terms Related to Sales of the IntelliSpace Breast Solution, including the MammoDiagnost VU.

6.1 Installation. Philips will install the IntelliSpace Breast Solution and perform installation tests on the application running with the hardware provided as part of the solution, including the MammoDiagnost VU. Philips also configures and provides interfaces to the equipment and information systems set forth in a statement of work signed by Philips and the Customer. Interfaces set forth in Subsection 6.2 below are Customer's responsibility and are not part of Parts installation deliverables.

6.2 Customer's Interface Obligations for Third Party RIS and MIS Applications. Customer is responsible to develop and implement interfaces from the Licensed Software running on the client workstation to any third party Radiology Information System ("RIS") or Mammography Information System ("MIS") or to contract with the RIS and/or MIS vendor to have them perform these interface obligations on Customer's behalf. Interfacing the solution from the solutions server is not permitted. Philips shall provide Customer an API toolkit for the Licensed Software to aid Customer to perform such interface tasks. The successful and reasonably timely completion of these projects takes good faith efforts on the part of both Philips and Customer, especially when Customer has third party interfaces to develop and implement. A project implementation plan is based on completion dates mutually agreed by the parties that should be

reflective of the obligations of both parties. These dates are entered into the project implementation plan for this solution (the "Project Implementation Plan"). In the event Customer has not fulfilled its interface obligations by the dates set forth in the Project Implementation Plan, Customer will sign Philips' acceptance (MDIR) document for the Philips deliverables sold and pay the final payment described in Subsection 1.1(c), provided that Philips has installed the Philips deliverables and provided the interfaces Philips is responsible for pursuant to Subsection 6.1, and that the Philips deliverables substantially meet Philips' published specifications.

6.3 Prior Validation of Operating System Updates and/or Upgrades. Patches introduced by operating system oem's or upgrades to anti-virus software can impact the performance and functionality of the applications that run on them and affect patient safety. Philips shall perform validation testing of certain Microsoft operating systems and MacAfee anti-virus software during the warranty period. Philips shall have no obligation to validate any other third party operating system or anti-virus software. Customer shall not install or use (a) operating system patches, updates or upgrades; (b) anti-virus updates (except to the DAT files, i.e., virus definitions); or, (c) upgrades to anti-virus search engines, collectively (a)-(b) prior to validation testing and approval by Philips ("Unauthorized Updates"). Philips shall have no liability, including, without limitation, for warranty claims, arising from use of the Licensed Software with Unauthorized Updates. In the event Philips discovers that Customer is using an Unauthorized Update with the Licensed Software, Philips shall have the right to require Customer to roll back to the most recently validated versions of operating systems and anti-virus, prior to performing any support.

6.4 Customer's Network Connectivity Obligations. Customer must have network connectivity between the IntelliSpace Breast solution server, the client workstation, and the optional DynaCAD server of not less than 1GB/s, and all three systems must be on the same subnet. A connection of no less than 100 MB/s is required between the IntelliSpace Breast solution and the hospital network. However for optimal performance a 1GB/s network between the IntelliSpace Breast and the hospital network is recommended.

6.5 RSN Warranty Condition Requirement. As a condition to receiving warranty service on this solution, Customer agrees it shall use Philips Remote Service Network ("RSN") service to enable Philips to access the system to perform its support obligations.

PHILIPS PRODUCT WARRANTY

COMPUTED TOMOGRAPHY (CT) SYSTEMS

This product warranty document is an addition to the terms and conditions set forth in the quotation to which this warranty document is attached. The terms and conditions of the quotation are incorporated into this warranty document. The capitalized terms herein have the same meaning as set forth in the quotation.

TWELVE (12) MONTH SYSTEM WARRANTY

Philips warrants to Customer that the Philips CT System (the "System") will be free from defects in material and manufacturing workmanship for a period of twelve (12) months after completion of installation or availability for patient use, whichever occurs first. If an X-ray tube, Chiller Unit, Power Conditioner Unit, CT Injector Unit, Option, Upgrade or Accessory is purchased from Philips, they will be covered by the special warranty set forth below.

PLANNED MAINTENANCE

During the warranty period, Philips service personnel will schedule planned maintenance visits, in advance, at a mutually agreeable time on weekdays, between 8:00 A.M. and 5:00 P.M., excluding Philips observed holidays.

SYSTEM OPTIONS, UPGRADES OR ACCESSORIES

Any commercially available options, upgrades, or accessories for the System which are delivered and/or installed on the System during the original term of the System warranty shall be subject to the same warranty terms contained in the first paragraph of this warranty, except that such warranty shall expire on the later of: a) upon termination of the initial twelve (12) month warranty period for the System on which the option, upgrade or accessory is installed, b) after ninety (90) days for parts only from the date of installation. Any commercially available options, upgrades, or accessories for the System which are delivered and/or installed on the System after the original term of the System warranty has expired shall be subject to the same warranty terms contained in the first paragraph of this warranty, except that such warranty shall expire the later of: a) after ninety (90) days for parts only from the date of installation, or b) on the twelve (12) month renewal date of any current service agreement then in effect on the System.

X-RAY TUBE WARRANTY

BRILLIANCE CT SERIES - MRC X-RAY TUBES:

INGENUITY CT SERIES - MRC X-RAY TUBES:

ICT SERIES - MRC X-RAY TUBES:

MX16 SERIES - CTR2150 X-RAY TUBES:

The CT X-ray Tube ("Tube") warranty period is for twelve (12) months from the date of installation or availability for patient use, whichever occurs first. If a tube becomes inoperative or fails when operated within this twelve (12) month warranty period, upon return of the tube, Philips will provide a replacement tube at no additional charge. The replacement tube will be warranted for the balance of the original twelve (12) month warranty.

All claims under this Tube warranty must be made within sixty (60) days of failure, or fourteen (14) months of (1) the date of installation (if installation of the tube is performed by Philips) or (2) the delivery (if installation of the tube is not performed by Philips), whichever comes first.

CHILLER UNIT, POWER CONDITIONER UNIT OR INJECTOR UNIT WARRANTY

The System can be purchased with an optional Chiller Unit, Power Conditioner Unit or Injector Unit. If any of these Units are purchased with the System, Philips will include these Units under the twelve (12) month System warranty as an OEM Warranty pass through. Authorized representatives of the Original Equipment Manufacturer will perform warranty service on each of these units.

SYSTEM SOFTWARE AND SOFTWARE UPDATES

The software provided with the System will be the latest version of the standard software available for that system as of the 90th day prior to the date the System is delivered to Customer. Updates to standard software for the System that do not require additional hardware or equipment modifications will be performed as a part of normal warranty service during the term of the warranty. "Updates" shall mean changes to the right of the decimal point for the software shipped with the product.

All software is and shall remain the sole property of Philips or its software suppliers. Use of the software is subject to the terms of a separate software license agreement. Customer must sign all such license agreements prior to or upon the delivery of the product. No license or other right is granted to Customer or to any other party to use the software except as set forth in the license agreements.

Any Philips maintenance or service software and documentation provided with the product and/or located at Customer's premises is intended solely to assist Philips and its authorized agents to install and to test the System, to assist Philips and its authorized agents to maintain and to service the System under a separate support agreement with Customer, or to permit Customer to maintain and service the System. Customer agrees to restrict the access to such software and documentation to Philips' employees and those of its authorized agents, and to authorized employees of Customer only.

WARRANTY LIMITATIONS

Philips' obligations under the System warranty are limited, at Philips' option, to the repair or the replacement of the System or a portion thereof, or to a credit or refund of a portion of the purchase price paid by Customer. Any refund will be paid to Customer when the System is returned to Philips. Certain of the parts used in the manufacture or installation of, or in the replacement parts for, this System may contain refurbished components. If such components are used, they will be subject to the same quality control and inspection procedures as new components. Any System warranty is made on condition that Philips receives written notice of a System defect during the warranty period, and within thirty (30) days following the discovery of the defect by Customer. Philips' obligations under the System warranty do not apply to any System defects resulting from: improper or inadequate maintenance or calibration by Customer or its agents; Customer or third party supplied software, interfaces, or supplies; use or operation of the product other than in accordance with loss, or damage in transit; improper site preparation; operation of the system outside its environmental, electrical, or performance specifications; unauthorized maintenance or Philips' applicable product specifications and written instructions; abuse, negligence, accident, modifications to the System; or to viruses or similar software interference resulting from the connection of the product to a network. Philips does not provide a warranty for any such third party products furnished to Customer by Philips; however, Philips shall use reasonable efforts to extend to Customer the third party warranty for the product. The obligations of Philips described above are Philips' only obligations and Customer's sole and exclusive remedy for a breach of a System warranty. Repairs or replacement parts do not extend the term of this warranty.

THE WARRANTIES SET FORTH IN PHILIPS' WARRANTY DOCUMENT WITH RESPECT TO THIS SYSTEM (INCLUDING THE SOFTWARE PROVIDED WITH THE SYSTEM) ARE THE ONLY WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE SYSTEM, THE SOFTWARE, AND THE TRANSACTIONS CONTEMPLATED BY THE QUOTATION, AND ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ACCESS TO SYSTEM

Philips shall have full, free and safe access to the System and Customer's operation, performance and maintenance records for the System, on each scheduled or requested warranty service visit. Philips shall also have access to and use of any machine, service, attachment, features or other equipment required to perform the necessary service contemplated herein at no charge to Philips. Customer waives warranty service if it does not provide such access to the System and Customer's records. Should Philips be denied access to the System and Customer's records at the agreed upon time, a charge equal to the appropriate hourly rate will be accepted by Customer for "waiting time."

WARRANTY SERVICE

In the event it is not possible to accomplish warranty service within normal working hours (8:00 A.M. to 5:00 P.M., Monday through Friday, excluding Philips observed holidays), or in the event Customer specifically requests that warranty service be performed outside of Philips normal working hours, Customer agrees to pay for such services at Philips standard service rates in effect. Customer Support Agreements are available for extended coverage.

TRANSFER OF SYSTEM

In the event Customer transfers or relocates the System, all obligations under this warranty will terminate unless Customer receives the prior written consent of Philips for the transfer or relocation. Upon any transfer or relocation, the System must be inspected and certified by Philips as being free from all defects in material, software and workmanship and as being in compliance with all technical and performance specifications. Customer will compensate Philips for these services at the prevailing service rates in effect as of the date the inspection is performed. Any System, which is transported intact to pre-approved locations and is maintained as originally installed in mobile configurations, will remain covered by this warranty.

CONDITIONS

This warranty is subject to the following conditions: the System (a) is to be installed by authorized Philips representatives (or is to be installed in accordance with all Philips installation instructions by personnel trained by Philips), (b) is to be operated exclusively by duly qualified personnel in a safe and reasonable manner in accordance with Philips written instructions and for the purpose for which the products were intended, (c) is to be maintained and in strict compliance with all recommended and scheduled maintenance instructions provided with the System, and (d) Customer is to notify Philips immediately in the event the System at any time fails to meet its printed performance specifications.

LIMITATIONS OF LIABILITY AND DISCLAIMERS

Quotation #: 1-YQJ957

Rev.: 14

Page 30 of 43

The liability, if any, of Philips AND ITS AFFILIATES for damages whether arising from breach of the terms in the quotation, breach of warranty, negligence, indemnity, strict liability or other tort, or otherwise with respect to the products and services is limited to an amount not to exceed the price of the product or service giving rise to the liability.

IN NO EVENT SHALL PHILIPS OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES WHETHER ARISING FROM BREACH OF THE TERMS IN THIS QUOTATION, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT. PHILIPS SHALL HAVE NO LIABILITY FOR ANY GRATUITOUS ADVICE PROVIDED TO THE CUSTOMER.

FORCE MAJEURE

Philips and Customer shall each be excused from performing its obligations arising from any delay or default caused by events beyond its reasonable control including, but not limited to: acts of God, acts of third parties, acts of the other party, acts of any civil or military authority, fire, floods, war, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, subcontractors or suppliers, voluntary or mandatory compliance with any government act, regulation or request, shortage of labor, materials or manufacturing facilities.

Philips system specifications are subject to change without notice Document Number 4535 983 03551 999

Non-Disclosure Agreement for Philips Confidential Pricing Information

The parties specified below agree to the following terms:

A. Philips

Name	Philips Healthcare, a division of Philips Electronics North America Corporation
Address	22100 Bothell-Everett Highway, Bothell, WA 98021 United States of America

B. Company

Name	FIRSTHEALTH MOORE REGIONAL
Address	110 PAGE RD PINEHURST, NC 28374-8746

C. Confidential Information

Authorized Purpose	To evaluate Philips' confidential information relating to pricing for imaging equipment ("Pricing") in connection with the potential purchase of such imaging equipment.
Period	Begins on the date Pricing is first disclosed and continues for 5 years from date Pricing is last disclosed.

D. Philips Contact

Name	Brett Kimball
Title	
Telephone	
Fax	
e-mail	
Signature	

Company Contact

Name	Douglas Rooney
Title	Admin Dev Mgt Mgr
Telephone	910-710-1079
Fax	910-710-1088
e-mail	
Signature	<i>Douglas Rooney</i>

- The following terms and conditions (the "Agreement") apply to Pricing disclosed by Philips and its Affiliates ("Philips") to Company and its Affiliates ("Company"), in connection with the Authorized Purpose.
 - Subject to Philips' prior written consent, Company may disclose, or request that Philips disclose, Pricing to Company's Affiliates that need to know the Pricing for carrying out the Authorized Purpose, provided they are advised of and agree to be bound by this Agreement. Company is responsible for any breach of this Agreement by its Affiliates.
 - An Affiliate is any corporation, company, or other entity, that: (i) is under the Control of a party hereto; or (ii) has Control of a party hereto; or (iii) is under common Control with a party hereto. For this purpose "Control" means that more than fifty percent (50%) of the controlled entity's shares or ownership interest representing the right to make decisions for such are owned or controlled, directly or indirectly.
- Philips may disclose Pricing to Company with respect to the Authorized Purpose in writing, orally, or otherwise. All information is assumed to be Pricing, and confidential, if the confidential or proprietary nature is reasonable under the circumstances.
- All Pricing disclosed by Philips shall remain Philips' the property. Company does not, by implication, estoppel, or otherwise, acquire any intellectual property right, title, or ownership, nor a license to any such intellectual property right, with respect to any Pricing disclosed by Philips hereunder.

ALL PRICING IS PROVIDED ON AN "AS IS" BASIS, WITHOUT ANY WARRANTY WHATSOEVER. PHILIPS SHALL HAVE NO LIABILITY WHATSOEVER RESULTING FROM THE USE OF THE INFORMATION PROVIDED.
- Company shall:
 - not use the Pricing for any purpose other than the Authorized Purpose;
 - not disclose the Pricing to any third party;
 - protect the Pricing against disclosure in the same manner and with the same degree of care with which Company protects its own confidential information but not less than a reasonable degree of care; and
 - limit circulation of the Pricing to Company's employees as have a need to know in connection with the Authorized Purpose.

These obligations shall survive the termination of this Agreement. Philips may terminate this Agreement at any time by means of a written notice to Company. Company shall return to Philips, or certify destruction of, all Pricing, immediately upon termination or expiration of this Agreement.
- Information disclosed by Philips to Company pursuant to this Agreement shall not be confidential to the extent that the information:
 - is or becomes part of the public domain without violation of this Agreement or any other obligation of confidentiality;
 - is known by Company prior to disclosure by Philips;
 - is lawfully obtained by Company from a third party without any breach of confidentiality or violation of law; or
 - is developed by Company completely independently of any such disclosure by Philips.
- If Company is required, pursuant to administrative or judicial action or subpoena, to disclose the Pricing, Company shall use its best efforts to maintain the confidentiality of the Pricing, e.g. by asserting in such action any applicable privileges. Immediately after gaining knowledge or receiving notice of such action or subpoena, Company shall notify Philips and give Philips the opportunity to seek any other legal remedies so as to maintain such Pricing in confidence, including a reasonable protective order.
- Company may not transfer or assign any or all of its rights and/or obligations or delegate the performance of any or all of its obligations under this Agreement, directly or indirectly, through acquisition, merger or otherwise, without the prior written consent of Philips. Any transfer, assignment or delegation in contravention of the foregoing shall be void.
- Company shall not disclose, export or release the Pricing in contravention of any applicable laws or regulations.
- This Agreement shall be governed and construed in accordance with the laws of the State of New York, without giving effect to its conflict of laws provisions.
- This Agreement contains the entire understanding of the parties and supersedes any previous understandings or agreements with respect to the subject matter hereof. This Agreement may be amended only in writing signed by authorized representatives of each party.

PHILIPS HEALTHCARE
 A division of Philips Electronics North America Corporation
 22100 Bothell Everett Highway
 P.O. Box 3003
 Bothell, Washington 98041-3003



Quotation #: 1-YQJ957	Rev. 14	Effective From: 10/09/2013	To: 11/23/2013
Presented To: FIRSTHEALTH MOORE REGIONAL 110 PAGE RD PINEHURST, NC 28374-8746 MARGIE THOMAS CHIEF RADIATION THERAPIST Tel: (910) 715-3477 Alternate Address:		Presented By: Brett Kimball <i>Account Manager</i> Steve Weiss <i>Regional Manager</i> Tel: Fax: Tel: (678) 924-6087 Fax: (678) 924-6003	
Date Printed: 09-Oct-13			
Submit Orders To: 22100 Bothell Everett Hwy Bothell, WA 98021-8431 Tel: (800) 982-2011 Fax: (425) 487-8110			

IMPORTANT NOTICE: Health care providers are reminded that if the transactions herein include or involve a loan or discount (including a rebate or other price reduction), they must fully and accurately report such loan or discount on cost reports or other applicable reports or claims for payment submitted under any federal or state health care program, including but not limited to Medicare and Medicaid, such as may be required by state or federal law, including but not limited to 42 CFR 1001.952(h).

Model	Months	Qty	Service Plan
100017 Brilliance CT Big Bore Oncology Systems	60	1	SVC0931 Philips RightFit Service Agreement Support

Home Office Use Only		
Site #	Start Date	End Date

POINT OF SALE SERVICE CONTRACT SECTION

This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips Electronics North America Corporation ("Philips") and is intended for use only by the customer whose name appears on this quotation. It may not be disclosed to third parties without the prior written consent of Philips.

Philips Ultrasound Customer Services Ranked #1 by Customers in IMV ServiceTrak™ All Systems Survey in 2012 for the 20th consecutive year

Brilliance CT Big Bore Oncology Systems

Additional Equipment Covered

Part #

Medrad Stellant SX CT Injector- OH Sys

989801210062

-Comprehensive parts and labor support for CT INJECTOR

Item #	Part #	Description
1	SVC0931	Philips RightFit Service Agreement Support

Thank you for the opportunity to provide this proposed Philips RightFit Service Agreement. Our Support Service Agreement offers you cooperative hands-on participation from Philips, and open communications.

LABOR:

- Second Response Labor Coverage. This includes labor and travel coverage from 8:00 am - 5:00 pm, Monday - Friday, excluding Philips published holidays. Labor is provided by Philips after the customer engineer has made an initial attempt to resolve equipment problems or concerns.
- Preferential Scheduling of service calls for service contract customers.
- On-site Response. At customer's request, Philips service goal is to be on-site within 4 hours.
- Preferred rates for labor and travel. This includes reduced hourly rates for labor and travel for corrective or planned maintenance outside of Service Agreement coverage hours.
- Diagnostic Software License. This includes a license granted by Philips to the customer to use Philips proprietary diagnostic software tools. The license is not transferable.
- Service Documentation License. This includes a license granted by Philips to the customer to use Philips proprietary service documentation. The license is not transferable
- Customer Engineer Training is required with the purchase of this service agreement in order for this contract to be valid. Training courses must be purchased separately. Travel and living expenses for trainees may also be purchased. Technical training addresses problem resolution, planned maintenance, safety, and other topics. The training is conducted at a Philips training center. Training course length and timing are determined by Philips.

PARTS:

- Standard parts coverage. This provides coverage on parts to maintain and repair the equipment including both hardware and software items.
- 10:30 am next day parts delivery. This provides UPS next day delivery by air, available in most areas. (Actual time depends on local shipper delivery schedule and delivery restrictions for oversized or hazardous parts).

LIFECYCLE:

- Operating system software and hardware reliability updates. This includes on-site or remote labor, travel and parts necessary to complete safety, performance and reliability modifications to existing equipment software or hardware.
- 25% discount on any items selected from Philips Life Solutions catalog, excluding power monitoring.

CUSTOMER CARE SOLUTIONS CENTER:

- 24/7 Technical telephone support.
- Clinical telephone support from 8:00 am - 5:00 pm, Monday – Friday.
- Remote Services. This supports remote system diagnostics and monitoring. Philips equipment is connected via an Internet secure single point of access network to our solutions center as described in the Terms and Conditions exhibit. Features may vary by equipment and software release level.

SOLUTION ENHANCEMENTS:

- Philips Service Information. This contains important service management reports through a secure Internet site. Information on equipment service status, historical service performance, engineer response time, and planned maintenance schedules is available.
- Utilization Essentials. This provides a compilation of workflow-related reports for visibility into system utilization and potential opportunities for business improvements. Availability dependent on system type and software release levels.
- Quarterly customer loyalty meetings. These include a review of current and future performance goals of Philips equipment and service.

1.1 SVC00827 Tube Coverage Brilliance CT Big Bore Oncology-Low

Multi-Slice CT Tube replacement as needed during the agreement term for the Brilliance CT Big Bore Oncology system. This coverage option is for low usage which equates to approximately 10 patients per day, 3,640 procedures per year and 75,000 scan seconds per year. Overage charges are determined by measuring scan seconds per year. Tube replacements will be performed during standard working hours, as specified in the agreement. If the actual scan seconds in any one year agreement period exceed 75,000, then at the annual anniversary of the agreement, a \$0.50 charge per each scan second in excess will apply. If the actual scan seconds in any one year agreement period exceed the agreement coverage by greater than twenty-five percent (25%), then at the anniversary of the contract, the CT Tube replacement coverage will be adjusted upward to the next coverage level for the remainder of the agreement term and previous year overage charges will be waived.

1.2 SVC00268 Transition Assist - Support

Transition Assist – Support includes an option to move from a Support agreement to an Assist agreement upon the agreement anniversary date.

- 90 days prior to agreement anniversary, the option is available to transition to an Assist agreement.
- Original term length must be maintained.
- Strategic Parts coverage options are not removable during the agreement term.
- Move from Support to Assist can only be done once in the agreement term, however you may move back up to Support or a comprehensive agreement at any point in the agreement term.

Brilliance CT Big Bore Oncology Systems

Service Plan: SVC0931 Philips RightFit Service Agreement Support
 Quantity: 1

To commence at a time of system warranty expiration with the exception of In-Warranty Coverage and selected Supplement Items Plans

Select Payment Terms Desired:

Select Choice *	Payments Plans	Single System Net	Total Net
<input type="checkbox"/>	60 Monthly Payments at	\$4,917	\$4,917
<input type="checkbox"/>	20 Quarterly Payments at	\$14,750	\$14,750
<input checked="" type="checkbox"/>	5 Yearly Payments at	\$59,000	\$59,000
<input type="checkbox"/>	Single Payment at	\$295,000	\$295,000

* If no selection is made, the default choice will be monthly payments.

Prices above do not include any applicable sales taxes

The service agreement payment does not include optional equipment. If optional equipment is purchased please see attached Equipment Configuration Option Pricing (if available) or contact your Account Manager for amended service pricing.

Buying Group: NOVATION

Contract #: XR11011 CT

Add'l Terms:

Each Quotation solution will reference a specific Buying Group/Contract Number representing an agreement containing discounts, fees and any specific terms and conditions which will apply to that single quoted solution. If no Buying Group/Contract Number is shown, Philips' Terms and Conditions of Sale will apply to the quoted solution.

Each equipment system listed on purchase order/orders represents a separate and distinct financial transaction. We understand and agree that each transaction is to be individually billed and paid.

For services performed outside the contract hours of coverage, Philips will request a Purchase Order before dispatching a Field Service Engineer.

Our facility does not issue formal purchase orders. We authorize payments 'in lieu of a Purchase Order' for the equipment as described in Philips Healthcare Service Agreement. Initialed: _____

Our facility does issue formal purchase orders, however, due to our business/system limitations, we cannot issue a formal purchase order until _____ days prior to warranty expiration. Initialed: _____

Customer Agreement as Quoted

Upon customer signing and acceptance by an authorized Philips representative, this document constitutes a contract and customer agrees to be bound by all terms hereof which include IMPORTANT LIMITATIONS OF LIABILITY.

BY: X David J. Kilarski
 Customer Signature
DAVID J. KILARSKI
 Printed Name
 Title CEO Date 11/7/13

For Headquarters Use Only

Philips by its acceptance thereof, agrees to provide maintenance service for the equipment listed above in accordance with all terms.

Signature _____

Title _____ Date _____

Service Agreement Terms and Conditions

PHILIPS HEALTHCARE SERVICE AGREEMENT TERMS AND CONDITIONS

1. SERVICES PROVIDED

The services listed in the quotation (the "Services") are offered by Philips Healthcare, a division of Philips Electronics North America Corporation ("Philips") only under the terms and conditions described below, and on any exhibits and attachments, each of which are hereby incorporated (the "Agreement").

2. EXCLUSIONS

The Services do not include:

- 2.1 Servicing or replacing components of the system/Equipment other than those systems or components listed in the Exhibits (the "System") that is at the listed location ("Site");
- 2.2 Servicing System if contaminated with blood or other potentially infectious substances;
- 2.3 Any service necessary due to:
 - (i) a design, specification or instruction provided by Customer or Customer representative;
 - (ii) the failure of anyone to comply with Philips' written instructions or recommendations;
 - (iii) any combining of the System with other manufacturers' product or software other than those recommended by Philips;
 - (iv) any alteration or improper storage, handling, use or maintenance of the System by anyone other than Philips' subcontractor or Philips;
 - (v) damage caused by an external source, regardless of nature;
 - (vi) any removal or relocation of the System; or
 - (vii) neglect or misuse of the System;
- 2.4 Any cost of materials, supplies, parts, or labor supplied by any party other than Philips or Philips' subcontractors.

3. CUSTOMER RESPONSIBILITIES

During the term of this Agreement, Customer will:

- 3.1 Ensure that the Site is maintained in a clean and sanitary condition; and that the System, product or part is decontaminated prior to service, shipping or trade-in as per the instructions in the User manual;
- 3.2 Dispose of hazardous or biological waste generated;
- 3.3 Maintain operating environment within Philips specifications for the Site (including temperature and humidity control, incoming power quality, incoming water quality, and fire protection system);
- 3.4 Use the System in accordance with the published manufacturer's operating instructions.

4. SYSTEM AVAILABILITY

If Customer schedules service and the system is not available at the agreed upon time, then Philips may cancel the service or charge the Customer at the prevailing demand service rates for all time spent by Philips service personnel waiting for access to the System.

5. PAYMENT

All payments under this Agreement are due thirty (30) days from the date of Philips' invoice until the Agreement amount and all applicable taxes and interest are paid in full. Customer will pay interest on any amount not paid when due at the lesser of 1.5% interest per month or the maximum rate permitted by applicable law.

6. EXCUSABLE DELAYS

Philips is excused from performing under this Agreement when Philips' delay or failure to perform is caused by events beyond Philips' reasonable control including, but not limited to, acts of God, acts of third parties, acts of the other party, acts of any civil or military authority, fire, floods, war, terrorism, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, subcontractors or suppliers, voluntary or mandatory compliance with any government act, regulation or request, shortage of labor, materials or manufacturing facilities.

7. TERM AND TERMINATION

7.1 The term of this Agreement shall be set forth in the quotation(s) attached hereto and incorporated herein.

7.2 This Agreement is non-cancelable by Customer and will remain in effect for the term specified in this Agreement. However, Customer may cancel this Agreement upon 60 days written notice to Philips (i) representing that the System is being permanently removed from the Site and that the System is not being used in any other Customer site, or (ii) specifically describing a material breach or default of the Agreement by Philips, provided that Philips may avoid such cancellation by curing the condition of breach or default within such 60 day notice period.

7.3 In addition, if the Customer sells or otherwise transfers any of the System to a third party and the System remains installed and in use at the same location, but such third party does not assume the obligations of the Customer under this Agreement or enter into a new service agreement with Philips with a term at least equal to the unexpired term of this Agreement, then the Customer may terminate this Agreement with respect to such System upon no less than thirty (30) days prior written notice to Philips, in which case the Customer shall pay to Philips (i) all amounts due under this Agreement through the effective date of termination (based on the notice requirement) and (ii) as liquidated damages and not as a penalty, an amount equal to 30% of the remaining payments due under this Agreement for such System from the date of termination through the scheduled expiration of the term of this Agreement.

8. DEFAULT

Customer's failure to pay any amount due under this Agreement within 30 days of when payment is due constitutes a default of this Agreement and all other agreements between Customer and Philips. In such an event, Philips may, at its option, (i) withhold performance under this Agreement and any or all of the other agreements until a reasonable time after all defaults have been cured, (ii) declare all sums due and to (iii) commence collection activities for all sums due or to become due hereunder, including, but not limited to costs and expenses of collection, and reasonable attorney's fees, (iv) terminate this Agreement with 10 days' notice to Customer, and (v) pursue any other remedies permitted by law.

9. END OF LIFE

If Philips determines that its ability to provide the Service Coverage is hindered due to the unavailability of parts or trained personnel, or that the system can no longer be maintained in a safe or effective manner as determined by Philips, then Philips may terminate this Agreement upon notice to the Customer and provide Customer with a refund of any Customer pre-payments for periods of Service Coverage not already completed.

10. WARRANTY DISCLAIMER

Philips' full contractual service obligations to Customer are described in this Agreement. Philips provides no warranties under this Agreement. All service and parts to support service under this Agreement are provided AS IS. NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLIES TO ANYTHING PROVIDED BY PHILIPS' SUBCONTRACTOR OR PHILIPS.

11. LIMITATIONS OF LIABILITY AND DISCLAIMER

11.1 Philips' total liability, if any, and Customer's exclusive remedy with respect to the Services or Philips' performance of the Services is limited to an amount not to exceed the price stated in this Agreement for the Service that is the basis for the claim. THIS LIMITATION SHALL NOT APPLY TO THIRD PARTY CLAIMS FOR BODILY INJURY OR DEATH CAUSED BY PHILIPS' NEGLIGENCE. PHILIPS WILL HAVE NO LIABILITY FOR ANY ASSISTANCE PHILIPS PROVIDES THAT IS NOT REQUIRED UNDER THIS AGREEMENT.

11.2 IN NO EVENT SHALL PHILIPS OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOST REVENUES OR PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR THE COST OF SUBSTITUTE PRODUCTS OR SERVICES WHETHER ARISING FROM BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, INDEMNITY, STRICT LIABILITY OR OTHER TORT.

12. PROPRIETARY SERVICE MATERIALS

Philips may deliver or transmit certain proprietary service materials (including software, tools and written documentation) that have not been purchased by or licensed to Customer. The presence of this property within the Site will not give Customer any right or title to this property or any license or other right to access, use or decompile this property. Customer will use all reasonable efforts to protect this property against damage or loss and to prevent any access to or use of this property by any unauthorized party. Customer shall immediately report to Philips any violation of this provision.

13. THIRD PARTY MANAGEMENT

If Customer has contracted with a third party service management organization, asset management company, maintenance management company, technology management company, maintenance insurance organization or the like ("Third Party Organization") for purposes of centralized billing and management of services provided to Customer, at Customer's written request, Philips will route invoices for payment of services rendered by Philips to such Third Party Organization and accept payment from them on Customer's behalf. Notwithstanding the above, the services provided by Philips are subject solely to the terms and conditions set forth in this Agreement. Customer guarantees the payment of all monies due or that may become due under this Agreement in spite of any collateral arrangements Customer may have with such Third Party Organization or any payments Customer has made to the Third Party Organization. Philips has no contractual relationship for the Services rendered to Customer except as set forth herein. To the extent that the parts and services Philips provides are not covered by Customer's arrangement with such Third Party Organization, Customer shall promptly pay for such parts and services on demand.

14. TAXES

Any applicable tax will be invoiced to and payable by Customer, along with the Agreement Price in accordance with the payment terms set forth in this Agreement, unless Philips receives a tax exemption certificate from Customer which is acceptable to the taxing authorities. Customer will not be obligated to pay any federal, state, or local tax imposed upon or measured by Philips' net income.

15. INDEPENDENT CONTRACTOR

Philips is Customer's independent contractor, not Customer's employee, agent, joint venture, or partner. Philips' employees and Philips subcontractors are under Philips' exclusive direction and control. Philips has no liability or responsibility for and does not warrant customer's or customer's employees' act or omissions related to any services that are performed by customer's employees under this agreement.

16. RECORD RETENTION AND ACCESS

If Section 1861(v)(1)(I) of the Social Security Act applies to this Agreement, then Subsections (i) and (ii) of that Section are made a part of this Agreement. In such an event, Philips shall retain and make available, and insert the requisite clause in each applicable subcontract requiring Philips subcontractor to retain and make available, the contract(s), book(s), document(s), and record(s) to the person(s), upon the request(s) for the period(s) of time required by these Subsections.

17. HIPAA PRIVACY

Philips complies with all applicable provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Upon Customer request Philips will provide a mutually agreeable Business Associates agreement. In the course of providing the Services to Customer, Philips may need to access, view, or download computer files from the System that might contain Personal Data. Personal Data includes information relating to an individual, from which that individual can be directly or indirectly identified. Personal Data can include both personal health information (e.g., images, heart monitor data, and medical record number) and non-health information (e.g., date of birth and gender). Philips will process Personal Data only to the extent necessary to fulfill its Service obligations under this Agreement.

18. CONFIDENTIALITY

Each party will maintain as confidential any information furnished or disclosed to one party by the other party, whether disclosed in writing or disclosed orally, relating to the business of the disclosing party, its customers, or its patients, and this Agreement and its terms, including its pricing terms. Each party will use the same degree of care to protect the confidentiality of the disclosed information as that party uses to protect the confidentiality of its own information, but not less than reasonable care. Each party will disclose such information only to its employees having a need to know such information to perform the transactions contemplated by this Agreement. The obligation to maintain the confidentiality of such information will not extend to information in the public domain at the time of disclosure, or to information that is required to be disclosed by law or by court order and will expire five years after the Exhibit terminates or expires.

19. SUBCONTRACTS AND ASSIGNMENTS

Philips may subcontract to service contractors of Philips' choice any of Philips' service obligations to Customer or other activities performed by Philips under this Agreement. No such subcontract will release Philips from those obligations to Customer. Customer may not assign this Agreement or the responsibility for payments due under it without Philips' prior express written consent, which will not be unreasonably withheld.

20. INSURANCE

Upon Customer request, Philips will provide a Certificate of Philips insurance coverage.

21. RULES AND REGULATIONS

To the extent made known in writing to Philips, Philips and its subcontractors will comply with Customer's rules and regulations provided such rules and regulations do not conflict with established Philips policies.

22. EXCLUDED PROVIDER

Philips represents and warrants that Philips, its employees, and subcontractors, are neither debarred, excluded, suspended, or otherwise ineligible to participate in a federal health care program, nor have they been convicted of any health care related crime for the products and services provided under this Agreement (an "Excluded Provider"). Philips shall promptly notify Customer if it becomes aware that Philips or any of its employees or subcontractors, providing the Services becomes an Excluded Provider, whereupon Customer may terminate this order by express written notice for services not yet rendered.

23. SOLICITATION OF PHILIPS EMPLOYEES

For the duration of this Agreement and for one year following the expiration or termination of this Agreement, Customer and its affiliates will not directly or indirectly solicit any employee of Philips or its affiliates engaged in providing the services.

24. SURVIVAL, WAIVER, SEVERABILITY, NOTICE, CHOICE OF LAW

Customer's obligation to pay any money due to Philips under this Agreement survives expiration or termination of this Agreement. All of Philips' rights, privileges, and remedies with respect to this Agreement will continue in full force and effect after the end of this Agreement. A party's failure to enforce any provision of this Agreement is not a waiver of that provision or of such party's right to later enforce each and every provision. If any part of this Agreement is found to be invalid, the remaining part will be effective. Notices or other communications will be in writing, and will be deemed served if delivered personally, or if sent by facsimile transmission, by overnight mail or courier, or by certified mail, return receipt requested and addressed to the party at the address set forth on the face of this Agreement. The law of the state in which the System is located will govern any interpretation of this Agreement and dispute between Philips and Customer without regard to the principles of choice of law.

25. ENTIRE AGREEMENT; EXHIBITS

This Agreement constitutes the entire understanding of the parties and supersedes all other agreements, written or oral, regarding its subject matter. No additional terms, conditions, consent, waiver, alteration, or modification will be binding unless in writing and signed by Philips' authorized representative and Customer. Additional or different terms and conditions, whether stated in a purchase order or other document issued by Customer, are rejected and will not apply to the transactions contemplated by this Agreement. No prior proposals, statements, course of dealing, course of performance, usage of trade or industry standard will be part of this Agreement. The service specific exhibits listed below, and any associated attachments, are incorporated herein as they apply to the services listed on the quotation and their additional terms shall apply solely to Customer's purchase of the services specified therein. If any terms set forth in an exhibit conflict with terms set forth in these Terms and Conditions of Sale, the terms set forth in the schedule shall govern.

- Exhibit 1: Additional Imaging System Service Terms and Conditions
- Exhibit 2: Philips Technology Upgrades
- Exhibit 3: Additional Support & Assist Coverage Terms and Conditions
- Exhibit 4: Uptime Guarantee
- Exhibit 5: Additional Clinical Education Training Terms and Conditions
- Exhibit 6: Additional Software Maintenance Agreement Terms and Conditions
- Exhibit 7: Software Maintenance Agreement Hardware Support
- Exhibit 8: Additional Patient Care Services Terms and Conditions

26. AUTHORITY TO EXECUTE

The parties acknowledge that they have read the terms and conditions of this Agreement, that they know and understand the same, and that they have the express authority to execute this Agreement.

21594h v1 (rev011613)

ADDITIONAL IMAGING SYSTEM SERVICE TERMS AND CONDITIONS

Exhibit 1

1. SERVICES PROVIDED

- 1.1. **Initial Covered System Inspection.** Within 90 days after the Effective Date, Philips will inspect the Covered System not previously serviced by Philips and notify Customer of any Covered System that does not meet manufacturer's specification. Philips will provide Customer a written estimate for repairs necessary to bring any of the Covered System within proper manufacturer's specifications. Upon Customer's request, Philips will provide necessary repairs at Philips' then contract labor rate. If customer elects not to have System repaired, then Philips may remove such System from coverage in this agreement.
- 1.2. **Repair Service.** Commencing on the Effective Date and subject to the repair limitation below, Philips or Philips' subcontractors will provide repair services for Covered System. Philips will provide all replacement parts, which may be refurbished, and labor necessary to repair Covered System, unless excluded in paragraph 3. All components used are subject to Philips inspection and quality control procedures, and shall be warranted to the same extent that a non-refurbished component is warranted. Parts removed for replacement become the property of Philips and Philips shall remove parts from the System Site. Philips may increase its contract price if the System is upgraded or reconfigured.
- 1.3. **Planned Maintenance Service.** Philips will provide Customer a planned maintenance schedule for the Covered System. Philips will provide such planned maintenance during the Service Coverage hours (as defined in the agreement) at a time that is mutually agreed upon. Customer will make the Covered System available in accordance with this schedule. Philips or its subcontractors will provide planned maintenance on the Covered System at scheduled intervals. If Philips cannot locate Covered System, or Covered System was not made available for planned maintenance when scheduled, Philips will notify the Customer that Customer has 90 days to make available Covered System for planned maintenance, otherwise customer waives right to service and Philips may delete Covered System from the contract.
- 1.4. **Software Updates.** Philips will install operating system software updates provided by the Original Equipment Manufacturer (OEM) for Covered System. Software updates mean revisions to OEM proprietary operating system software that enhance existing System functions and operation without hardware changes, but will not install operating system software upgrades to new software platforms or software options offered separately for sale by the OEM.

2. CONTRACT ADMINISTRATION

- 2.1. **System Additions and Deletions.** After completing the inspection, Customer may add a System to the Covered System list by contacting Philips. Customer and Philips will agree on a mutually-agreeable price and contract start date. The covered System will be added to the contract after receipt of the signed inventory modification form. Customer may delete Covered System only if: (i) Customer permanently removes it from operation or (ii) it is no longer under Customer's exclusive ownership or control and Customer notifies Philips in writing. The covered System will be deleted from the contract after receipt of the signed inventory modification form.
- 2.2. **Management and Staffing.** If on-site staffing is provided, Philips will determine and provide the management and service staff necessary to provide the Services under this Exhibit. Philips will pay all salaries, payroll and other employment taxes or fees, worker's compensation insurance, and other charges or insurance levied or required by any federal, state, or local statutes, relating to its employees.
- 2.3. Customer shall execute the Agency Authorization Agreement set forth as Attachment C as required by Philips to perform certain duties and responsibilities included within this Exhibit.

3. EXCLUSIONS Unless specifically included in this Agreement, the Services do not include providing or paying the cost of:

- 3.1. Any rigging or structural alteration incident to the Services;
 - 3.2. Consumable items and supplies (such as biomedical laser tubes and patient used pads), cryogenes, PET calibration sources, film, batteries, cassettes;
 - 3.3. Cosmetic repairs;
 - 3.4. The cost of factory reconditioning, rebuilds, or overhauls if repairs cannot maintain the equipment in satisfactory operating condition;
 - 3.5. Disposing hazardous, infectious, or biomedical waste or materials;
 - 3.6. Providing service to any System under a current service agreement between Customer and another vendor until such agreements expire or are terminated by Customer. Philips is not liable for any cancellation penalty or cost associated with Customer's termination of any such agreement;
 - 3.7. Unless otherwise specified in the quotation, maintaining or repairing third-party products, nuclear camera detector crystals, CT Tubes and radiation therapy tubes, x-ray tubes, flat panel detectors, image intensifiers magnet replacement, magnet refrigeration system (coldhead, compressor, chillers), MR RF rooms, surface coils HVAC systems, power conditioners, uninterruptible power supplies, special ultrasound transducers (probes) (accessory or attach), TEE probes, TV camera pick-up tubes, photo multiplier tubes, accelerator center beam lines; piped medical gases (up to the wall outlets), copier drums, electron guns, fiber optic bundles, foot/hand controls (switches, accessory, or attachment), klystrons and thyristors, magnetrons, plumbicons, waveguides, and attachments.
 - 3.8. If this agreement includes coverage for biomedical services: arthroscopy instruments, blood pressure cuffs (accessory or attachment), centrifuge motor brushes, electronic thermometer probes, electrosurgical instruments (pencils & pads), general or surgical instruments, laboratory glass, laser tubes, phaco hand pieces (cataract extraction units, accessory or attachment), non-electrical surgical equipment, rigid & semi-rigid scopes.
4. **COVERAGE** Philips will provide services on-site during the hours listed in Customer's service agreement, excluding Philips observed holidays, unless otherwise set forth in attachments or exhibits ("Service Coverage"). Customer may request service outside of the Service Coverage or service that is not otherwise included in this Agreement and, subject to the availability of personnel and repair parts, Philips will provide such service at Philips' then-current preferred rates and for material and labor. Customer will be charged a minimum of three hours on-site time plus applicable travel charges and expenses per service visit.

5. DOCUMENTATION Upon Customer's written request, Philips will provide repair and planned maintenance records for the Covered System.

6. CUSTOMER RESPONSIBILITIES During the term of this Agreement Customer will

- 6.1. Attend a start-up meeting at Customer's facility, prior to the Effective Date of this Agreement, so Philips can explain the Services to the Customer's management and selected staff;
- 6.2. Provide a secure dedicated space within Customer's main facility and at each additional facility or location as necessary for the resident Philips staff.
- 6.3. Provide Philips with broadband internet or Wi-Fi access for business purposes.
- 6.4. Provide Philips with the system service manuals for any non-Philips System;
- 6.5. Maintain all software licenses applicable to the Covered System.
- 6.6. For Philips use in remote servicing of the System, provide Philips a secure location for hardware to connect System to Philips Remote Service (PRS).
 - 6.6.1. The PRS hardware remain Philips' property and is only provided during the term of this Agreement;
 - 6.6.2. Provide Philips and its vendors full and free access to the PRS hardware to enable Philips to remotely access the System or non-Philips System; and
 - 6.6.3. Provide Philips at each System Site, at all times during the term of this Agreement, a dedicated broadband Internet access node, including public and private interface access, suitable to establish a successful connection to the System through the PRS and Customer network.
- 6.6.4. If the System cannot be connected to the PRS, and Customer fails to provide the access described in section 6, then Customer waives its rights to Services under this Agreement and any uptime guarantee.

7. CRYOGENS (Applies only to MRI Service)

- 7.1. If Cryogenes are included in this agreement, Customer shall report any magnet cooling system (cold-head, compressor, or chiller) malfunction within 24 hours. If customer fails to report any malfunctions, then customer is responsible for any additional cryogen expenses.
- 7.2. If the System is not connected to the PRS, then Customer shall report readings for all System covered by this Agreement into the Magnet Monitoring System at 1-800-722-9377 (option 8) each week.
- 7.3. Philips may increase the price for Cryogen services if the Consumer Price Index (CPI) for open market crude helium prices, as reported by the Bureau of Land Management (BLM), is increased by five percent (5%) percent or more during any 12 month period.

rev 051712

ADDITIONAL SUPPORT AND ASSISTANCE COVERAGE TERMS & CONDITIONS

Exhibit 3

1. SERVICES PROVIDED:

1. Training

If training is included with the Agreement, then Philips will admit the number of employees of Customer identified on the face of the Agreement ("Trainee(s)") into the next scheduled training course that relates to the System identified in the quotation or this agreement where space is available, or to any subsequent scheduled course as the parties may agree. Philips will provide training to the Trainee(s) only to the extent service training for the System is included in Philips' training course offerings then in effect and is included on the face of the Agreement. Training will be conducted at Philips' service training facilities, or through remote training options as defined by Philips for the applicable course. All travel and living expenses incurred by the Trainee(s) will be borne by Customer, unless otherwise indicated on the face of the Agreement. Philips may cancel or reschedule courses.

Philips' obligation to provide training hereunder is expressly subject to the Customer Non-Disclosure Terms and Conditions set forth in Attachment 3-1 to this Exhibit (which are incorporated into this Exhibit) and expressly contingent on each Trainee signing a Customer Employee Non-Disclosure Agreement set forth as Attachment 3-2 to this Exhibit. Trainee(s) must meet the minimum admission requirements set forth in the course syllabus, and must satisfy all prerequisites prior to admission. Philips makes no warranty that any Trainee will pass all or any portion of the training courses provided or that the training will result in any Trainee being qualified or able to troubleshoot and repair any or all possible malfunctions that may occur in the Covered System.

1.2 Customer Service Documentation; Customer Diagnostic Software License

If software and documentation are included in the Agreement, then Philips grants to Customer and Customer accepts from Philips a limited, non-exclusive and non-transferable license (the "License") to load and run the customer diagnostic software issued for the Philips-manufactured Covered System ("Diagnostic Software") and use customer service documentation issued for the Philips-manufactured Covered System ("Service Documentation") in conjunction with the maintenance, service and repair of the Covered System and at the Covered System Site, and subject to Customer Non-Disclosure Terms and Conditions and Customer Employee Non-Disclosure Agreement. Customer acknowledges that the Diagnostic Software and Service Documentation, and all trademarks, copyrights, patents, trade secrets, proprietary rights, or other property rights of Philips associated therewith, are and will remain the exclusive property of Philips. Customer acknowledges that the Diagnostic Software and the Service Documentation included in this Agreement are only for the Philips-manufactured Covered System, not for any Covered System manufactured by third parties.

The Diagnostic Software and Service Documentation are licensed by Philips for ultimate end use by government agencies only under the following conditions: (a) software and technical data rights in the Software and Documentation include only those rights customarily provided to end user customers as defined in the Agreement; (b) this customary commercial License in the Software and Documentation is provided in accordance with FAR 12.211 (Technical Data) and FAR 12.212 (Computer Software) and, for Department of Defense purchases, DFAR 252.227-7015 (Technical Data - Commercial Items) and DFAR 227.7202-3 (Rights in Commercial Computer Software or Computer Software Documentation); (c) if a federal government or other public sector customer has a need for rights not conveyed under these terms, it must negotiate with Philips to determine if there are acceptable terms for transferring such rights, and a mutually acceptable written agreement specifically conveying such rights must be executed by both parties.

1.3 Parts Coverage

If Parts or Combination (parts and labor) Pool coverage is not included in the Agreement, then Philips will sell parts to Customer at Philips' published list price. If Parts coverage is included in the Agreement, then the cost of parts used in corrective maintenance of the Covered System at the Covered System Site is included in this Exhibit, subject to the terms and conditions of the Agreement. Customer may request parts to maintain, service, or repair only Covered Systems at the Site. Customer may not resell or exchange such parts with any third party. If a replaced part is a returnable part as indicated by Philips, Customer must return to Philips the returnable part within 14 days of shipment. If the parts are resold or exchanged, or the part is not returned to Philips in the time stated, Customer shall pay Philips' published list price for such parts plus freight and any other amounts due Philips. Unless priority parts delivery is included in the Agreement, all replacement parts ordered under this Exhibit will be shipped using Philips standard shipping priority prepaid subject to availability. Other freight arrangements will be at Customer's request and expense.

1.4 On-Site Coverage

If on-site coverage is included in the quotation, then prior to receiving such coverage, Customer shall follow this process. Customer's trained engineer shall attempt to resolve issue. If Customer's trained engineer is unable to resolve issue then Customer shall contact Philips Customer Solutions Center. If Philips Customer Solutions Center is unable to remotely resolve the issue, then Philips shall dispatch an engineer to the customer site. The Customer's engineer will be present during all such visits. If the Covered System requires any major component replacements, (for example: tubes, flat panel detectors, and coldheads), then Philips must be present for such replacements. Second Response coverage does not include planned maintenance unless otherwise stated on the face of the Agreement.

1.5 Combination Pool (Parts and Labor)

If Customer purchased Combination Pool option, the initial account balance and the site to which that balance applies (site balance) is specified in the quotation. As Customer requests or uses either on-site labor or parts under Combination Pool coverage, the Combination Pool monetary level stated on the face of the Agreement will be reduced at Philips then current standard rates for on-site labor and Philips then current published list price for parts. If Combination Pool coverage is exhausted during any year of the term then Customer may request on-site labor or parts at Philips' list price less the discount specified in the quotation. Combination Pool coverage expires on an annual basis and no credit for any unused portion is carried forward. Customer may allocate the site balance to on-site labor or parts purchased by Customer between the Covered Systems at the site. Customer may not allocate the site balance to System not listed in the quotation.

ADDITIONAL SUPPORT AND ASSISTANCE COVERAGE TERMS & CONDITIONS

1.6 Additional Requested Services

If Customer purchased assist without labor coverage, then Philips will provide requested on-site labor to Customer at Philips' then-current standard hourly rates.

1.7 Tubes, Flat Detectors and Image Intensifiers

If tube, flat detector, or image intensifier coverage is included in the Agreement, then Philips will provide and install these parts on the Covered System.

2. Customer Responsibilities

- 2.1 Customer shall assign the Trainee to perform the obligations of Customer described under the Agreement.
- 2.2 Customer shall notify Philips if the Trainee's employment with Customer terminates or Customer assigns another trained employee to maintain or repair the Covered System. Customer's selected employee shall attend training and customer shall pay list price for such training.
- 2.3 Customer shall maintain the Covered Equipment in strict compliance with the planned and remedial maintenance requirements specified by Philips, utilizing replacement parts that meet or exceed Philips' specification. If Customer does not meet these responsibilities, then Philips may terminate any or all of the options specified above and may void any warranty provided herein.

3. Termination

In addition to the termination rights described in the Agreement, Philips may immediately terminate this Exhibit or the Agreement and the License without liability to Customer by providing Customer written notice of termination on the happening of any of the following: (a) Customer removes the system from operation at the Covered System Site; (b) Customer no longer owns sole and exclusive title to the Covered System (c) someone other than Customer, Philips, or an authorized Philips distributor or dealer services the Covered System; (d) a competitor of Philips acquires an ownership interest in Customer; or (e) Customer or the Trainee(s) violates any condition or restriction set forth in Customer Non-Disclosure Agreement Terms and Conditions or Customer Employee Non-Disclosure Agreement. Customer must notify Philips

If Customer or Trainee(s) breaches any other term, covenant, or condition herein, then Philips may terminate this Exhibit or the Agreement and the License without liability to Customer upon three (3) days written notice to Customer.

Upon expiration or termination of this Exhibit or the Agreement, the License expires and Customer must immediately return the Philips' Diagnostic Software and Service Documentation and all copies or reproductions thereof to Philips at Customer's expense. Such termination or expiration will not relieve Customer of any of its obligations incurred prior to such termination or expiration, and will not impair any of Philips' rights that have accrued prior to such date. The covenants of Customer contained herein will survive the expiration or termination of this Exhibit or the Agreement and the License. In addition to all other rights and remedies, Philips is entitled to

4. Warranty and Warranty Disclaimer

In addition to the warranty obligations described in the Agreement, Philips warrants that any replacement parts or special service tools and Service provided under this Exhibit will be free from defects in material and workmanship for a period of 90 days from the date of installation (when installed by Philips) or 30 days from the date the parts were delivered to Customer (when not installed by Philips). Certain items such as x-ray tubes, photomultiplier tubes, cathode-ray tubes, and high voltage transformers may carry separate warranties that are provided at the time of purchase. This warranty does not include any defect or failure to perform that is the direct or indirect result, in whole or in part, of accident, abuse, misuse, operation of the Covered System in which the part is installed outside of its environmental, electrical or performance specifications, power fluctuations or failures, fires, floods or other similar or dissimilar natural causes, or improper installation or calibration. If a Part does not comply with this warranty, then Customer shall promptly return part to Philips and Philips shall repair or replace such part. THE WARRANTIES STATED ABOVE ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT WITH RESPECT TO ANYTHING PROVIDED BY PHILIPS OR ITS SUBCONTRACTOR UNDER THIS EXHIBIT OR THE AGREEMENT. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY IS THE REPAIR OR REPLACEMENT OF A NON-CONFORMING PART AND THE REPAIR OF COVERED SYSTEM FOR ANY NON-CONFORMING SERVICE.

21594h v1 (rev 051712)

ADDITIONAL SUPPORT AND ASSIST COVERAGE TERMS & CONDITIONS

**SUPPORT AND ASSIST COVERAGE
CUSTOMER NON-DISCLOSURE TERMS AND CONDITIONS ATTACHMENT 3 - 1**

Agreement Number _____

1. Philips holds and owns certain proprietary and trade secret information ("Philips Proprietary Information"), relating to the installation, service, maintenance, and repair of the products, whether or not manufactured or sold by Philips, including the Software and Documentation and any work product or diagnostic results derived therefrom, any oral, written, or electronically recorded information regarding the installation, service, maintenance, repair, construction, design, theory of design, theory of operation, diagnostic tools, teaching materials, hardware schematics, electrical schematics, software of any nature in any form and on any media, repair analysis techniques or maintenance of any Covered System, service notes, safety bulletins, installation manuals, service manuals, service diagnostic tools and techniques, and any other corresponding information of Philips or any of its predecessors, successors, affiliates, subsidiaries, or assigns.
2. Customer warrants that all Trainees attending any Philips training are Customer's employees. For the purpose of this Attachment, the term "employee", or other word contemplating the same relationship as "employee", will have the same meaning as when the term is used by the Internal Revenue Service (as distinct from an "independent contractor") to determine whether there is an obligation to withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid.
3. Prior to the disclosure or dissemination of any Philips Proprietary Information to Customer's Trainee(s) and prior to attending training, Customer must deliver an original copy of the signed Customer Employee Non-Disclosure Agreement (Attachment 3-1) to Philips. The execution by Customer's Trainee(s) of the Customer Employee Non-Disclosure Agreement and its delivery to Philips is a CONDITION PRECEDENT to Philips' obligation to train or otherwise disclose or disseminate any Philips Proprietary Information to said Customer Trainee(s).
4. Customer will treat any Philips Proprietary Information that is received in strictest confidence and will refrain from disclosing or disseminating any of the Philips Proprietary Information without Philips' prior, express, written consent, except to those employees of the Customer who have executed a Customer Employee Non-Disclosure Agreement. Except as permitted under this Attachment, Customer will not directly or indirectly disclose, copy, access, run, perform, display, disassemble, decompile, reverse engineer, modify, adapt, translate, create derivative works, distribute, sublicense, sell, assign, or otherwise transfer all, or any part, of the Proprietary Information, or cause or permit the Proprietary Information, or any part thereof, to be used by any persons, other than the Trainees, and only on the System and at the applicable System Site. Except as permitted under this Attachment, Customer will not, directly or indirectly, permit or authorize its employees to use the Philips Proprietary Information.
5. All information disclosed to Customer's Trainee(s) in connection with said training, and all related information regarding the Covered System that Customer may have access to, is presumed to be Philips Proprietary Information.
6. The use or disclosure of any of the Philips Proprietary Information by Customer's Trainee(s) for purposes other than the service, maintenance, or repair of the Covered System without Philips' prior, express, written consent is a breach of this Attachment and an unauthorized use or disclosure of Philips' trade secrets or other proprietary rights. If there is such an unauthorized use or disclosure, Philips will be entitled to compensation for all damages arising out of or resulting therefrom, including all consequential damages and attorney's fees incurred by Philips. Considering the substantial investment that Philips has in the Philips Proprietary Information, a violation by or for Customer of any provision of this Attachment or the Customer Employee Non-Disclosure Agreement by Customer's Trainee(s) will cause irreparable injury to Philips and Philips will be entitled, in addition to any other rights and remedies it may have at law or in equity, to an injunction enjoining and restraining the Customer from violating, or continuing to violate, its obligations under this Attachment. Customer confers jurisdiction to enforce the provisions of this Attachment upon the courts of any State of the United States. Customer shall indemnify and hold Philips harmless from any damages resulting from Customer or Trainee's breach of this Attachment.
7. The obligations hereunder to maintain the confidentiality of Philips Proprietary Information will endure permanently. Customer may not assign this Attachment nor may any party succeed to Customer's rights and obligations hereunder, unless with the prior written approval of Philips. The terms and conditions of this Attachment will inure to and be binding upon Customer's affiliates, parent, subsidiaries, officers, directors, employees, agents, or other representatives and its permitted assigns and successors.

22185h v1 - Customer NDA - (rev051712)

ADDITIONAL SUPPORT AND ASSISTANCE COVERAGE TERMS & CONDITIONS

**SUPPORT AND ASSISTANCE COVERAGE
CUSTOMER EMPLOYEE NON-DISCLOSURE AGREEMENT ATTACHMENT 3 - 2**

Agreement Number _____

(Name of Employee) _____ (Customer Name) _____

(Residence Address) _____ (City) _____ (State) _____ (Zip) _____

In consideration of the training, Customer service documentation, or Customer service software received or to be received by me from Philips, and in further consideration of Philips' disclosure to me of its proprietary information, I agree to the following:

1. "Philips Proprietary Information" means information disclosed to me, known by me, or acquired by me as a result of my training by Philips or its agents or in my subsequent use of such information in the installation, service, maintenance, or repair of Covered System, including any oral, written, or electronically recorded information regarding the installation, service, maintenance, repair, construction, design, theory of design, theory of operation, diagnostic tools, teaching materials, hardware schematics, electrical schematics, software of any nature in any form and on any media, repair analysis, maintenance of any Covered System, service notes, safety bulletins, installation manuals, service manuals, service diagnostic tools or technical data, or any other information or data, or any responding information of Philips or any of its agents.

2. I acknowledge that as part of Philips' training of me in the installation, service, maintenance, or repair of Covered System, including any oral, written, or electronically recorded information, I received a substantial investment in the Philips Proprietary Information, including its training school and development of special troubleshooting methods and protocols for the Covered System. I further acknowledge that as part of the Philips training, including training on how to set up and operate the Covered System, system and subsystems in the Covered System. During the Philips training, including detailed schematic diagrams of the Covered System, system and subsystems, their potential trouble spots, and programs and special codes to perform tests and analysis to troubleshoot the Covered System, the Philips training will be extremely valuable and cannot be duplicated elsewhere.

Will be completed just prior to customer's enrollment
File

I may receive the benefit of Philips' development of teaching materials for service, maintenance, and repair of the Covered System, including design and operation of the Covered System, and details of operation of the Covered System that is not available outside of the Philips training and the operation of the Covered System. I acknowledge that the Philips training will be extremely valuable and cannot be duplicated elsewhere.

3. I will treat the Philips Proprietary Information in strictest confidence, will not create derivative works, disassemble, disseminate, lecture upon, or otherwise disclose the Philips Proprietary Information, and I have an obligation to maintain the confidentiality of Philips Proprietary Information.

I will not compile, modify, adapt, translate, copy, reproduce, or otherwise use, without the express, written consent of Philips, any Philips Proprietary Information.

4. Upon my employment with my current employer ("Employer") I will not use the Philips Proprietary Information in my possession, custody, or control, or in any other documents relating in any way to the Philips Proprietary Information, if Employer does not designate an employee or agent to accept the Philips Proprietary Information in the circumstances.

I will not use the Philips Proprietary Information in my possession, custody, or control, or in any other documents relating in any way to the Philips Proprietary Information, if Employer does not designate an employee or agent to accept the Philips Proprietary Information in the circumstances.

5. For a period of one year from the date of termination or retirement of my employment with Philips, I will not directly or indirectly install, service, maintain or repair the type of Covered System on which I am being trained, unless I become an employee or agent of Philips, one of its authorized dealers or distributors, or a Philips customer having an agreement similar to the agreement that permitted me to attend the training.

I will not directly or indirectly install, service, maintain or repair the type of Covered System on which I am being trained, unless I become an employee or agent of Philips, one of its authorized dealers or distributors, or a Philips customer having an agreement similar to the agreement that permitted me to attend the training.

6. I acknowledge that no license or right is granted hereby and no license or right will be incorporated herein by reference, by implication, or by other means with respect to or under any invention, patent application, patent, copyright, trade secret, or proprietary right contained in or in any way relating to the Philips Proprietary Information.

7. This Agreement and all matters relating to the construction, interpretation, and enforcement thereof will be governed by the laws of the State of Washington, without regard to principles of choice of law.

8. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the unenforceable provision may be stricken without affecting the remainder of this Agreement.

(Employee's Signature) _____

(Date) _____

#22184h v1 - Customer Employee NDA - (rev 051712)