



NC DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

November 6, 2018

Lisa Griffin
llgriffin@novanthealth.org

Exempt from Review – Replacement Equipment

Record #: 2755
Facility Name: Novant Health Matthews Medical Center
FID #: 945076
Business Name: Novant Health, Inc.
Business #: 1341
Project Description: Replace existing nuclear medicine camera
County: Mecklenburg

Dear Ms. Griffin:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of October 29, 2018 and the confidential material, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(a)(7). Therefore, you may proceed to acquire without a certificate of need the GE Healthcare Optima NMCT 640 to replace the ADAC Laboratories Forte PowerPak SPECT. This determination is based on your representations that the existing unit will be sold or otherwise disposed of and will not be used again in the State without first obtaining a certificate of need if one is required.

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

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

Sincerely,

Handwritten signature of Julie M. Faenza

Julie M. Faenza
Project Analyst

Handwritten signature of Martha J. Frisone

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

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

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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

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

October 29, 2018

Via Email

Julie Faenza, Project Analyst, Certificate of Need
N.C. Department of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603



2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

Re: Novant Health Matthews Medical Center
Replacement of Nuclear Medicine Camera
Matthews, North Carolina (FID # 945076; Mecklenburg County)

Dear Ms. Faenza:

Novant Health Matthews Medical Center (“NHMMC”) intends to replace an existing nuclear medicine camera located in the Nuclear Medicine Department at the hospital in Matthews, North Carolina. The existing nuclear medicine camera is over twelve years old and is past its useful life. Therefore, NHMMC will acquire a new GE Healthcare Optima NMCT 640 nuclear medicine camera system. See **Attachment A** for the Equipment Quote including the removal and trade-in of the existing unit indicated at the top of Page 2. Also included is a Price Hold Letter from GE Healthcare indicating that the quoted price expires December 31, 2018. As part of the equipment cost, the vendor will provide onsite clinical training for the equipment. The total capital cost for the proposed replacement equipment project is estimated to be \$796,561¹. See **Attachment B – Project Capital Cost**.

The proposed project meets the definition of “replacement equipment” found in G.S. 131E-176(22a) and 10A N.C.A.C 14C.0303 for the following reasons:

- (1) NHFMC will replace the existing electrophysiology lab equipment with the proposed equipment that is functionally similar and will be used for the same diagnostic purposes, although it possesses expanded capabilities due to technological improvements.
- (2) The proposed equipment will not be used to provide a new health service.
- (3) The acquisition of the proposed equipment will 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.
- (4) NHFMC seeks to replace comparable medical equipment currently in use at project cost less than \$2 million.
- (5) The existing equipment was not purchased second-hand nor was the existing equipment leased.
- (6) The existing equipment will be removed from North Carolina.

In support of our request, please find attached:

Attachment A – Vendor Equipment Quote & Price Hold Letter
Attachment B – Project Capital Costs
Attachment C – NC CON Equipment Comparison chart

Re: NHMMC Replacement of Nuclear Medicine Camera
October 29, 2018
Page 2

NHMMC's acquisition of the replacement equipment does not require a certificate of need because none of the definitions of "new institutional health services" set forth in N.C.G.S. Section 131E-176(16) apply to the proposed project. As outlined above, the total cost for the project is \$796,561. The proposed capital cost includes equipment, as well as studies, surveys, designs, plans, working drawings, specifications, construction installation and other activities essential to making the equipment operational.

Based on the information provided, please confirm that NHMMC's replacement equipment exemption request does not constitute a new institutional health service and is exempt from certificate of need review.

If you need additional information, please do not hesitate to contact me at (704) 384 - 3462.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Griffin". The signature is written in black ink and is positioned above the typed name.

Lisa Griffin
Manager, Certificate of Need
Novant Health, Inc.

Enclosures

ATTACHMENT A –

- **Equipment Quote**
- **Price Hold Letter**



GE Healthcare

Date: 08-09-2018
Quote #: PR9-C111959
Version #: 12
Q-Exp-Date: 08-31-2018

Issued By:
GE Healthcare
FEIN: 14-0689340

Customer Address:
Novant Health Matthews Medical Center
1500 Matthews Township Pkwy
Matthews NC 28105-4656
Attention:
Chris Murphy

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified herein. "Agreement" is defined as this Quotation and the terms and conditions set forth in either (i) the Governing Agreement identified below or (ii) if no Governing Agreement is identified, the following documents:

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions. In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above for the Governing Agreement, if any, shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation.

No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding unless hereafter agreed to in writing by authorized representatives of both parties.

Governing Agreement: None
Customer Number: 1-23Q5DA
Terms of Delivery: FOB Destination
Billing Terms: 10% Down 70% Delivery 20% Installation
Payment Terms: UPON RECEIPT
Total Quote Net Selling Price: \$482,482.38
Sales And Use Tax Status: No Exemption Certificate on File

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

INDICATE FORM OF PAYMENT:
If "GE HEF Loan" or "GE HEF Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Equipment Finance (GE HEF) to fund this arrangement after shipment.
Cash/Third Party Loan/Check ___ GE HEF Loan
GE HEF Lease ___ Third Party Lease (please identify financing company) _____

By signing below, each party certifies that it (i) has received a complete copy of this Quotation, including the GE Healthcare terms, conditions and warranties, and (ii) has not made any handwritten or electronic modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

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

CUSTOMER
Authorized Customer Signature Date
Print Name Print Title
Purchase Order Number (if applicable)

GE HEALTHCARE
Herbert Klann 08-10-2018
Signature Date
Imaging Account Manager
Email: Herb.Klann@ge.com
Office: +1 724 504 8778
Mobile: 724-504-8778



GE Healthcare

Date: 08-09-2018
Quote #: PR9-C111959
Version #: 12
Q-Exp-Date: 08-31-2018

| | |
|--------------------------------------|---------------------|
| Total Quote Selling Price | \$482,482.38 |
| Trade-In and Other Credits | \$0.00 |
| Total Quote Net Selling Price | \$482,482.38 |

To Accept this Quotation
 Please sign and return this Quotation together with your Purchase Order To:
Herbert Klann
 Office: +1 724 504 8778
 Mobile: 724-504-8778
 Email: Herb.Klann@ge.com

Payment Instructions
 Please Remit Payment for invoices associated with this quotation to:
GE Healthcare
P.O. Box 96483
Chicago, IL 60693

To Accept This Quotation

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

"Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms. Signature page on quote filled out with signature and P.O. number.

*****QR*****

Verbiage on the purchase order must state one of the following: (i) Per the terms of Quotation # _____; (ii) Per the terms of GPO# _____; (iii) Per the terms of MPA # _____; or (iv) Per the terms of SAA # _____. Include the applicable quote/agreement number with the reference on the purchase order.

In addition, source of funds (choice of: Cash/Third Party Loan or GE HEF Lease or GE HEF Loan or Third Party Lease through _____), must be indicated, which may be done on the quote signature page (for signed quotes), on the purchase order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare)."



GE Healthcare

Date: 08-09-2018
Quote #: PR9-C111959
Version #: 12
Q-Exp-Date: 08-31-2018

| Item No. | Qty | Catalog No. | Description |
|----------|-----|-------------|---|
| | 1 | | Optima NMCT 640 Americas |
| 1 | 1 | H3100YC | O640 NM/CT System - 3/8" EXCEL |
| 2 | 1 | H2506TB | GE NM 600 Series LEHR Collimators (2) with Cart |
| 3 | 1 | H2506TC | GE NM 600 Series MEGP Collimators (2) with Cart |
| 4 | 1 | H2506TE | GE NM 600 Series HEGP Collimators (2) with Cart |
| 5 | 1 | H2506TF | GE NM 600 Series PINHOLE Collimator (1) W/CART |
| 6 | 1 | H2506TL | NM600 PINHOLE BILATERAL |
| 7 | 1 | H3100PE | 630 & B615 QC Point Source Holder |
| 8 | 1 | H3100PF | 630 & B615 QC Flood Source Holder Kit |
| 9 | 1 | H3602SL | QA COR Source Holder |
| 10 | 1 | H3100PL | QC Bar Phantom |
| 11 | 1 | H3100NP | STRAPS AND PAD KIT |
| 12 | 1 | H3100NW | Axial Head Holder |
| 13 | 1 | H3100PS | NM600 TOUCH RULER |
| 14 | 1 | H3100PG | PALLET EXTENDER |
| 15 | 1 | H3100TZ | NM600 OPTIONAL FLAT FLOOR |
| 16 | 1 | H3100YJ | O640 INTERCOM |
| 17 | 1 | B77292CA | CT Service Cabinet |
| 18 | 1 | H2508JW | Mobile Computer Cart w/ PC Holder |
| 19 | 1 | H2506TR | NM600 DETECTORS DISMOUNT |
| 20 | 1 | W0310NM | 8 Days Onsite Plus 10 Hours TVA Training for GE Camera System and Workstation |
| 21 | 1 | E4502JJ | 6 KVA UPS for Nuclear Medicine |
| 22 | 1 | E4502SU | Main Disconnect Panel for GE 640 NM-CT System |
| 23 | 1 | H3100YY | O640 FIXTURES 4 UPS 480V |



GE Healthcare

Date: 08-09-2018
Quote #: PR9-C111959
Version #: 12
Q-Exp-Date: 08-31-2018

| Item No. | Qty | Catalog No. | Description |
|----------|-----|-------------|--|
| 24 | 1 | E8500NA | Butterfly Armrest |
| 25 | 1 | E8500NB | Patient Arm Support System for Nuclear, PET/CT, MRI |
| 26 | 1 | E8500NC | Patient Leg Rest for Nuclear, PET/CT, MRI |
| 27 | 1 | E8007DC | Ivy 7600 Cardiac Trigger Monitor Kit - No Recorder, Americas Labeling. For GEHC Nuclear Med. |
| 28 | 1 | R12023AC | Standard Service License |

Quote Summary:

Total Quote Net Selling Price **\$482,482.38**

(Quoted prices do not reflect state and local taxes if applicable. Total Net Selling Price Includes Trade In allowance, if applicable.)



GE Healthcare Terms & Conditions

with Nuclear Imaging and DoseWatch Additional Terms & Conditions

1. Definitions. As identified in this Agreement, "Equipment" is hardware and embedded software that is licensed with the purchase of the hardware delivered to Customer in GE Healthcare's packaging and with its labeling; "Software" is software developed by GE Healthcare and/or delivered to Customer in GE Healthcare's packaging and with its labeling, and Documentation associated with the software (does not include SaaS), "SaaS," or software as a service, is non-exclusive and non-transferable access and use of a GE Healthcare web or mobile-based platform and/or software application and associated support; "Third Party Software" and "Third Party Equipment" are respectively software developed by a third party, and hardware and embedded software that is licensed with the purchase of the hardware, that is delivered to Customer in the third party's packaging and with its labeling (collectively, "Third Party Product"); "Product" is Equipment, Software and Third Party Product, and "Services" is Product support or professional services. "Healthcare Digital Products" are: (i) Software or SaaS identified in the Quotation as "Centricity"; (ii) Third Party Software licensed for use in connection with Centricity Software; (iii) hardware used to operate Centricity or Third Party Software; (iv) Services provided for implementation, installation or support and maintenance of Centricity or Third Party Software licensed for use in connection with Centricity Software, and/or (v) any Product or Service that is identified in a Healthcare Digital Quotation. "Specifications" are GE Healthcare's written specifications and manuals as of the date the Equipment shipped. "Documentation" is the online help functions, user instructions and manuals regarding the installation and operation of the Product or SaaS as made available by GE Healthcare to Customer.

2. Term and Termination. Services, SaaS and/or Software licenses will have individual term lengths identified in the Quotation. If there is a material breach of this Agreement that is not cured by the breaching party within 60 days from receipt of written notice, the non-breaching party can terminate the respective Agreement or Quotation. Other than as set forth in this Agreement, neither party can unilaterally terminate it. Any remaining undisputed, unpaid fees become immediately due and payable on expiration or termination.

3. Software License. Other than as identified in a Quotation, GE Healthcare grants Customer a non-exclusive, non-transferable, non-sublicensable, perpetual license to use the Software for Customer's internal business purposes only in the United States. Customer's independent contractors (except GE Healthcare competitors) may use the Software, but Customer is responsible for their compliance with this license, and additional license fees may apply. Customer cannot modify, reverse engineer, copy or create derivative works of the Software, except for making 1 backup copy, and cannot remove or modify labels or notices of proprietary rights of the Software or Documentation. If GE Healthcare provides Third Party Software, Customer will comply with third party license terms, and licensors are third-party beneficiaries of this Agreement.

4. Commercial Logistics.

4.1. Order Cancellation and Modifications.

4.1.1. Cancellation. If Customer cancels an order prior to shipment without GE Healthcare's written consent, GE Healthcare may charge: (i) a fee of up to 10% of the Product price; and (ii) for site evaluations performed prior to cancellation. GE Healthcare will retain, as a credit, payments received up to the amount of the cancellation charge. Customer must pay applicable progress payments (other than final payment) prior to final calibration, and GE Healthcare may delay calibration until those payments are received. If Customer does not schedule a delivery date within 6 months after order entry, GE Healthcare may cancel on written notice. This Section does not apply to Software or SaaS Quotations, Third Party Products and/or related professional or installation services, those orders are non-cancellable.

4.1.2. Used Equipment. Equipment identified as pre-owned, refurbished, remanufactured or demonstration Equipment is not new and may have received reconditioning to meet Specifications ("Used Equipment"). Sale of Used Equipment is subject to availability. If it is no longer available, (i) GE Healthcare will attempt to identify other Used Equipment in its inventory that meets Customer's needs, and (ii) if substitute Used Equipment is not acceptable, GE Healthcare will cancel the order and refund any deposit Customer paid for the Used Equipment.

4.2. Site Preparation. Customer is responsible for network and site preparation, including costs, in compliance with GE Healthcare's written requirements and applicable laws. GE Healthcare may refuse to deliver or install if the site has not been properly prepared or there are other impediments.

4.3. Transportation, Title and Risk of Loss. Unless otherwise identified in the Quotation, shipping terms are FOB Destination. Title and risk of loss to Equipment and Third Party Equipment passes to Customer on delivery to Customer's designated delivery location.

4.4. Delivery, Returns and Installation. Delivery dates are approximate. Products may be delivered in installments. GE Healthcare may invoice multiple installment deliveries on a consolidated basis, but this does not release Customer's obligation to pay for each installment delivery. Delivery occurs: (i) for Product, on electronic or physical delivery to Customer; and (ii) for Services, on performance.

Products cannot be returned for refund or credit if they match the Quotation.

Delivery and installations will be performed from 8am to 5pm local time, Monday-Friday, excluding GE Healthcare holidays, and outside those hours for an additional fee. Customer will: (i) install cable and assemble products not provided by GE Healthcare; (ii) enable connectivity and interoperability with products not provided by GE Healthcare; (iii) pay for construction and rigging costs; and (iv) obtain all licenses, permits and approvals for installation, use and disposal of Products. For Products requiring installation, if GE Healthcare delivers the Product but does not perform the installation, Customer will pay GE Healthcare the quoted selling price less: (a) the installation price, if separately identified in the Quotation; or (b) if no installation price is identified, the fair market value for the installation as determined by an independent third party. For upgrades and revisions to non-Healthcare Digital Products, Customer must return replaced components to GE Healthcare at no charge.

4.5. Information Technology Professional Services ("ITPS"). ITPS must be completed within 12 months of the later of the ITPS order date or Product delivery. If not done within this time period, other than because of GE Healthcare's failure to perform, ITPS performance obligations expire without refund. ITPS includes project management, HL7/HIS system integration, database conversion, network design and integration and separately cataloged software installations. This Section does not apply to Healthcare Digital Products.

4.6. Acceptance.

4.6.1. Equipment Acceptance. Beginning on completion of installation (not to exceed 30 days from shipment) or delivery (if installation is not required), Customer will have 5 days to determine if the Equipment operates substantially in accordance with Specifications ("Equipment Test Period"). If the Equipment fails to perform accordingly, Customer will provide to GE Healthcare: (i) written notice; (ii) access to the Equipment; and (iii) a reasonable time to bring the Equipment into compliance. After correction by GE Healthcare, Customer will have the remainder of the Equipment Test Period or 3 days, whichever is greater, to continue testing. Equipment is accepted on the earlier of expiration of the Equipment Test Period or the date the Equipment is first used for non-acceptance testing purposes.

4.6.2. Software Acceptance. Beginning on completion of Software implementation, Customer will have 30 days to determine if the Software operates substantially in accordance with the Documentation ("Software Test Period"). If the Software fails to perform accordingly, Customer will provide to GE Healthcare: (i) written notice; (ii) access to the Software; and (iii) a reasonable time to bring the Software into compliance. After correction by GE Healthcare, Customer will have the remainder of the Software Test Period or 5 days, whichever is greater, to continue testing. Software is accepted on the first to occur of: (a) expiration of the Software Test Period; (b) the date Software is first used to process actual data; or (c) the "Go-Live Date" as defined in the Quotation.

4.6.3. Third Party Product Acceptance. Third Party Products are accepted 5 days after delivery.

4.7. Third Party Products and Services. If GE Healthcare provides Third Party Products and/or Services, then (i) GE Healthcare is acquiring them on Customer's behalf as its agent and not as a supplier; (ii) GE Healthcare provides no warranties or indemnification, express or implied, and (iii) Customer is responsible for all claims resulting from or related to their acquisition or use.

4.8. Mobile Equipment. GE Healthcare will assemble Equipment it has approved for mobile use at the vehicle location identified by Customer. Customer will comply with the vehicle manufacturer's planning requirements and arrange for delivery of the vehicle.

4.9. Audit. GE Healthcare may audit Customer's use of Software and Healthcare Digital Products to verify Customer's compliance with this Agreement up to 12 months following termination or expiration of the applicable Quotation. Customer will provide reasonable assistance and unrestricted access to the information. Customer must pay underpaid or unpaid fees discovered during the audit, and GE Healthcare's reasonable audit costs, within 30 days of written notification of the amounts owed. If Customer does not pay, or the audit reveals that Customer is not in compliance, GE Healthcare may terminate Customer's Software license or use of the Healthcare Digital Product.

5. Security Interest and Payment.

5.1. Security Interest. Customer grants GE Healthcare a purchase money security interest in all Products in the Quotation until full payment is received, and Customer will perform all acts and execute all documents necessary to perfect GE Healthcare's security interest.

5.2. Failure to Pay. If, after Product delivery, Customer is more than 45 days post due on undisputed payments, GE Healthcare may, on 10 days' prior written notice, disable and/or remove the Products.

5.3. Late Payment. Customer must raise payment disputes before the payment due date. For any undisputed late payment, GE Healthcare may: (i) suspend performance under this Agreement until all past due amounts are paid; (ii) charge interest at a rate no more than the maximum rate permitted by applicable law; and (iii) use unapplied funds due to Customer to offset any of Customer's outstanding balance. If GE Healthcare suspends performance, any downtime will not be included in the calculation of any uptime commitment. If Customer fails to pay when due: (a) GE Healthcare may revoke its credit and designate Customer to be on credit hold; and (b) all subsequent shipments and Services must be paid in full on receipt.

5.4. Taxes. Prices do not include applicable taxes, which are Customer's responsibility.

5.5. Lease. If Customer leases a Product, it continues to be responsible for payment obligations under this Agreement.

6. Trade-In Equipment. Trade-in equipment identified in a Quotation will be subject to separate trade-in terms and conditions.

7. Nuclear Imaging Uptime Commitment. GE Healthcare will provide an uptime commitment during warranty for nuclear imaging Equipment (excluding peripherals) if Customer provides GE Healthcare with: (i) access to the nuclear imaging Equipment through a secure connection meeting Specifications and industry best practices; (ii) notice of changes that impact Customer's connection; and (iii) prompt and unencumbered access to the nuclear imaging Equipment. The "Uptime Commitment" for nuclear imaging Equipment is 95%. Other Products may be eligible for an uptime commitment if identified in the Quotation.

If GE Healthcare fails to meet the Uptime Commitment over a 26-week period, it will extend the warranty as follows:

| <u>% Less than Uptime Commitment</u> | <u>Warranty Extension</u> |
|--------------------------------------|---------------------------|
| 0.1 - 3.0 | 1 week |
| 3.1 - 8.0 | 2 weeks |
| 8.1 - 13.0 | 4 weeks |
| > 13.0 | 6 weeks |

Uptime is calculated as follows:

$$\left(\frac{\text{UptimeBase} - \text{Downtime}}{\text{UptimeBase}} \right)$$

"Uptime Base" = ("a" hours per day X "b" days per week X 26 weeks) - (Planned Maintenance ("PM") hours during prior 26 weeks), where "a" hours per day and "b" days per week are determined by the standard warranty for the nuclear imaging Equipment. "Downtime" is the number of hours during which the nuclear imaging Equipment is subject to a Critical Malfunction. Downtime starts when Customer notifies GE Healthcare that the nuclear imaging Equipment is inoperable and unavailable for use due to GE Healthcare's design, manufacturing, material or performance

failure ("Critical Malfunction"). Downtime ends when the nuclear imaging Equipment is available for clinical use. To be eligible for the Uptime Commitment, Customer must maintain a performance log that includes data required to calculate Downtime.

8. DoseWatch Device License. Each connection of a Device (defined below) to the DoseWatch Software requires Customer to purchase a unique Device license referencing a Device ID that allows concurrent use of the DoseWatch Software with that Device at a specified Customer facility on Customer's secured network. All other terms, duration and warranties applicable to the Software license apply to the Device license. "Device" is specific Customer equipment approved by GE Healthcare to be connected to DoseWatch Software under this Agreement. Additional Device connections may be added to this Agreement, subject to individual Device licenses, and related installation, implementation, configuration and optimization services at GE Healthcare's then-current rates.

9. Software as a Service Terms.

9.1. Scope. GE Healthcare will provide Customer with the SaaS in accordance with the terms of this Agreement and its Documentation. GE Healthcare will assist Customer with technical issues via phone, email or online support as provided generally to SaaS customers.

9.2. Term and Termination. The SaaS term is identified in the Quotation and renews automatically for the same duration as the initial term unless otherwise identified in the Quotation. Except as otherwise identified in this Agreement or a Quotation, price increases will be communicated with 90 days' prior written notice. SaaS Quotations are not cancellable, except that either party may terminate the SaaS after the initial SaaS term or any subsequent renewal period by providing at least 90 days' prior written notice to the other party. On termination or expiration of the SaaS: (i) Customer must immediately discontinue use of the SaaS and return any associated leased hardware to GE Healthcare; (ii) GE Healthcare will remove Customer's access; (iii) GE Healthcare may destroy information, images or data, including PHI, associated with a patient ("Patient Information") or otherwise; (iv) Customer must destroy its copies of Documentation; (v) Customer must immediately pay all fees due; and (vi) all rights and obligations of the parties terminate, except those that accrued prior to termination, expiration or as otherwise identified in this Agreement.

9.3. Payment. Payment terms are in the Quotation. Travel, living and incidental project-related expenses are Customer's responsibility and will be invoiced separately as incurred.

9.4. Access and Use. Customer must ensure: (i) use of the SaaS is consistent with this Agreement; (ii) the SaaS is used only for its internal business operations in the United States; (iii) the SaaS is not accessed by non-Customers, unless GE Healthcare consents and then Customer must ensure that those users comply with this Agreement and any terms of use prompted by the SaaS; and (iv) users maintain individually-assigned confidential user identifications and control mechanisms to access the SaaS. Customer will notify GE Healthcare immediately of unauthorized access to or use of a user name, password or other breach of security. GE Healthcare may disable any user name, password or other identifier if it believes Customer has breached this Agreement. If GE Healthcare provides connectivity software with the SaaS, Customer will be granted a license to it for the term of the SaaS in accordance with the Software License terms set forth in this Agreement. GE Healthcare may charge additional fees if Customer requires professional services or additional hardware resources.

9.5. Patient Information. Customer must: (i) obtain necessary consent from patients for use, access, disclosure and transfer of Patient Information; (ii) develop, implement and train users on privacy and security policies in compliance with applicable laws and regulations and ensure compliance with those policies; (iii) provide GE Healthcare with a copy of those policies and patient consents on request; (iv) not use, disclose, access or transfer Patient Information that has been opted out without express consent from the respective patient(s); and (v) comply with changes in laws and regulations regarding patient consents related to the use of clinical, administrative or financial information.

9.6. Content. GE Healthcare does not own, control, verify or endorse: (i) non-GE Healthcare content uploaded to the SaaS; or (ii) access to or use of the SaaS granted by Customer. Customer is responsible for content that it uploads, accesses or uses. Reliance on content uploaded to the SaaS is at Customer's own risk. The SaaS may contain tools that may only be used by qualified healthcare providers, and it is the Customer's and/or healthcare provider's responsibility to use its independent medical and professional judgment to make clinical or financial decisions. Uploaded or created content may be deleted upon reasonable notice.

9.7. Modifications. GE Healthcare may, with notice: (i) withdraw or amend all or part of the SaaS; and (ii) restrict access for maintenance or other reasons. Revisions are effective when made by GE Healthcare.

9.8. Prohibited Activities. Customer must not use the SaaS, and ensure the SaaS is not used, to: (i) transmit or upload promotional material or objectionable content; (ii) engage in conduct that adversely affects another person or entity or otherwise exposes them to liability; (iii) promote or assist in illegal activity; (iv) access, use or interfere with the proper working of the SaaS or any related server, computer or database unless authorized by GE Healthcare; (v) introduce viruses, trojan horses, worms, logic bombs or other harmful material; (vi) modify, reverse engineer, copy or create derivative works of the SaaS; (vii) remove or modify labels or notices of proprietary rights of the SaaS or Documentation; or (viii) use the SaaS outside of the scope defined in this Agreement or the Quotation.

9.9. Audit. GE Healthcare may audit Customer's use of the SaaS to verify Customer's compliance with this Agreement. Customer will provide reasonable assistance and unrestricted access to the information. Customer must pay underpaid or unpaid fees discovered during the audit, and GE Healthcare's reasonable audit costs, within 30 days of written notification of the amounts owed. If Customer does not pay, or the audit reveals that Customer is not in compliance, GE Healthcare may terminate Customer's access to or use of the SaaS.

9.10. Disclaimer of Warranties. GE HEALTHCARE DOES NOT WARRANT THAT THE SAAS WILL BE FREE OF VIRUSES OR OTHER DESTRUCTIVE CODE. GE HEALTHCARE WILL NOT BE LIABLE FOR ANY LOSS CAUSED BY AN ATTACK, VIRUS OR OTHER EVENT THAT AFFECTS CUSTOMER'S USE OF THE SAAS OR CONTENT OBTAINED THROUGH IT. OTHER THAN ANY UPTIME COMMITMENT, THE SAAS IS PROVIDED IN ACCORDANCE WITH ITS DOCUMENTATION ON AN "AS AVAILABLE" BASIS. UNLESS OTHERWISE PROHIBITED BY APPLICABLE LAW, GE HEALTHCARE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OR TO THE ACCURACY, RELIABILITY OR USEFULNESS OF STATEMENTS, CONTENT, OR PRODUCTS OR SERVICES MADE AVAILABLE OR OBTAINED THROUGH THE SAAS. GE HEALTHCARE MAKES NO WARRANTY THAT THE SAAS OR CONTENT WILL BE UNINTERRUPTED, TIMELY, SECURE, ERROR FREE, MEET CUSTOMER REQUIREMENTS, OR THAT DEFECTS WILL BE CORRECTED.

9.11. **Customer Indemnity.** In addition to other indemnification obligations in this Agreement, Customer will indemnify and hold GE Healthcare harmless against damages that GE Healthcare becomes legally obligated to pay related to: (i) content, format, inaccuracy or incompleteness of Patient Information uploaded by Customer or users; (ii) consent for use, access, disclosure and/or transfer of Patient Information; (iii) use of the SaaS by Customer or users in any manner not authorized in writing by GE Healthcare; (iv) Customer's intellectual property infringement or privacy violations; (v) investigations by law enforcement, technical disruption, or Customer's use or access of the SaaS; (vi) Customer's or users' breach of this Agreement with respect to the SaaS; and (vii) violations of federal or state wage and hour laws alleged by third parties or Customer employees.

10. General Terms.

10.1. **Confidentiality.** Each party will treat this Agreement and the other party's proprietary information as confidential, meaning it will not use or disclose the information to third parties unless permitted in this Agreement or required by law. Customers are not prohibited from discussing patient safety issues in appropriate venues.

10.2. **Governing Law.** The law of the state where the Product is installed, the Service is provided or the SaaS is accessed will govern this Agreement.

10.3. **Force Majeure.** Performance time for non-monetary obligations will be reasonably extended for delays beyond a party's control.

10.4. **Assignment; Use of Subcontractors.** Rights and obligations under this Agreement cannot be assigned without the other party's prior written consent, unless: (i) it is to an entity (except to a GE Healthcare competitor) that (a) is an affiliate or parent of the party or (b) acquires substantially all of the stock or assets of such party's applicable business, Product line, SaaS or Service thereof; and (ii) the assignee agrees in writing to be bound by this Agreement, including payment of outstanding fees. GE Healthcare may hire subcontractors to perform work under this Agreement but will remain responsible for its obligations.

10.5. **Waiver; Survival.** A waiver of a party's rights under this Agreement is only effective if it is in writing and signed by the party granting it. Terms in this Agreement related to intellectual property, compliance, data rights and terms that by their nature are intended to survive will survive the Agreement's end.

10.6. **Intellectual Property.** GE Healthcare owns all rights to the intellectual property in GE Healthcare's Products, Services, SaaS, Documentation and statements of work related to a Quotation ("SOW") or otherwise. Customer may provide GE Healthcare with feedback related to Products, Services, SaaS and related Documentation, and GE Healthcare may use it in an unrestricted manner.

11. Compliance.

11.1. **Generally.** Each party will comply with applicable laws and regulations. Customer is only purchasing or licensing Products or using SaaS for its own medical, billing and/or non-entertainment use in the United States. GE Healthcare will not deliver, install, service or train if it discovers Products or SaaS have been or are intended to be used contrary to this Agreement. This Agreement is subject to GE Healthcare's ongoing credit review and approval. Customer is aware of its legal obligations for cost reporting, including 42 C.F.R. § 1001.952(g) and (h), and will request from GE Healthcare any information beyond the invoice needed to fulfill Customer's cost reporting obligations. GE Healthcare will provide safety-related Equipment and Software updates required by applicable laws and regulations at no additional charge.

11.2. **Security.** GE Healthcare is not responsible for: (i) securing Customer's network; (ii) preventing unauthorized access to Customer's network or the Product; (iii) backup management; (iv) data integrity; (v) recovery of lost, corrupted or damaged data, images, software or equipment; or (vi) providing or validating antivirus or related IT safeguards unless sold to Customer by GE Healthcare. **NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR DAMAGES CAUSED BY UNAUTHORIZED ACCESS TO THE NETWORK, PRODUCT OR SAAS IN SPITE OF A PARTY'S COMPLIANT SECURITY MEASURES.**

11.3. **Environmental Health and Safety ("EHS").** GE Healthcare personnel may stop work without penalty due to safety concerns. Customer must: (i) comply with GE Healthcare's EHS requirements; (ii) provide a safe environment for GE Healthcare personnel; (iii) tell GE Healthcare about chemicals or hazardous materials that might come in contact with Products or GE Healthcare personnel; (iv) perform decommissioning or disposal at Customer facilities; (v) obtain and maintain necessary permits; (vi) thoroughly clean Products before Service; (vii) provide radioactive materials required for testing Products; and (viii) dispose of waste related to Products and installations.

11.4. **Parts and Tubes.** GE Healthcare: (i) recommends the use of parts it has validated for use with the Product; (ii) is not responsible for the quality of parts supplied by third parties to Customer; and (iii) cannot assure Product functionality or performance when non-validated parts are used. Certain Products are designed to recognize GE Healthcare-supplied tubes and report the presence of a non-GE Healthcare tube; GE Healthcare is not responsible for the use of, or effects from, non-GE Healthcare supplied tubes.

11.5. **Training.** GE Healthcare's training does not guarantee that: (i) Customer trainees are fully trained on Product or SaaS use, maintenance or operation; or (ii) training will satisfy any licensure or accreditation. Customer must ensure its trainees are fully qualified in the use and operation of the Product or SaaS. Unless otherwise identified in the training catalog, Customer will complete training within 12 months after: (a) if with a Product purchase, the date of Product delivery; (b) if with a Services or SaaS purchase, the respective start date for Services or SaaS; or (c) if with a training-only purchase, the date training is ordered. If not done within this time period, other than because of GE Healthcare's fault, training expires without refund.

11.6. **Medical Diagnosis and Treatment.** All clinical and medical treatment, diagnostic and/or billing decisions are Customer's responsibility.

11.7. **Connectivity.** If a Product has remote access capability, Customer will either: (i) provide GE Healthcare with, and maintain, a GE Healthcare-validated remote access connection to service the Product; or (ii) pay GE Healthcare's normal rate for onsite support. This remote access and collection of machine data (e.g., temperature, helium level) will continue after the end of this Agreement unless Customer requests in writing that GE Healthcare disable it.

11.8. Use of Data.

11.8.1. Protected Health Information. If GE Healthcare creates, receives, maintains, transmits or otherwise has access to Protected Health Information (as defined in 45 C.F.R. § 160.103) ("PHI"), GE Healthcare may use and disclose the PHI only as permitted by law and by the Business Associate Agreement. Before returning any Product to GE Healthcare, Customer must ensure that all PHI stored in it is deleted.

11.8.2. Data Rights. GE Healthcare may collect and use non-PHI data related to Products, Services and/or SaaS for training, demonstration, research, development and continuous improvement of its products, software and services. GE Healthcare will own all the property rights that could result from this collection. GE Healthcare will not use this data to identify Customer without its consent.

11.9. Customer Policies. GE Healthcare will use reasonable efforts to respect Customer-provided policies that apply to GE Healthcare and do not materially contradict GE Healthcare policies. Failure to respect Customer policies is not a material breach unless it is willful and adversely affects GE Healthcare's ability to perform its obligations.

11.10. Insurance. GE Healthcare will maintain coverage in accordance with its standard certificate of insurance.

11.11. Excluded Provider. To its knowledge, neither GE Healthcare nor its employees performing Services under this Agreement have been excluded from participation in a Federal Healthcare Program. If an employee performing Services under this Agreement is excluded, GE Healthcare will replace that employee within a reasonable time; if GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

12. Disputes, Liability and Indemnity.

12.1. Dispute Resolution. The parties will first attempt to resolve in good faith any disputes related to this Agreement. Violation of GE Healthcare's license, confidentiality or intellectual property rights will cause irreparable harm for which the award of money damages alone is inadequate. GE Healthcare may: (i) seek injunctive relief and any other available remedies; (ii) immediately terminate the license grant and require Customer to cease use of and return the Software and Third Party Software; and/or (iii) terminate Customer access to the SaaS or remote hosted Software. Other than these violations or collection matters, unresolved disputes will be submitted to mediation prior to initiation of other means of dispute resolution.

12.2. Limitation of Liability. GE HEALTHCARE'S LIABILITY FOR DIRECT DAMAGES TO CUSTOMER UNDER THIS AGREEMENT WILL NOT EXCEED: (I) FOR PRODUCTS, THE PRICE FOR THE PRODUCT THAT IS THE BASIS FOR THE CLAIM; OR (II) FOR SERVICE, SAAS OR SUBSCRIPTIONS, THE AMOUNT OF SERVICE, SAAS OR SUBSCRIPTION FEES FOR THE 12 MONTHS PRECEDING THE ACTION THAT IS THE BASIS FOR THE CLAIM. THIS LIMITATION WILL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER UNDER THIS AGREEMENT.

12.3. Exclusion of Damages. NEITHER PARTY WILL HAVE ANY OBLIGATION FOR CONSEQUENTIAL, PUNITIVE, INCIDENTAL, INDIRECT OR REPUTATIONAL DAMAGES, OR FOR PROFIT, DATA OR REVENUE LOSS, CAPITAL COSTS, REPLACEMENT COSTS OR INCREASED OPERATING COSTS.

12.4. IP Indemnification. GE Healthcare will indemnify and hold Customer harmless from third-party claims for infringement of United States intellectual property rights caused solely by Customer's use of the Equipment, Software or SaaS in accordance with the Specifications, Documentation and license. GE Healthcare will control the defense. Customer may retain counsel but at Customer's expense.

12.5. General Indemnification. GE Healthcare will indemnify and defend Customer against and pay for Customer losses arising from third party claims brought against Customer for bodily injury or damage to real or tangible personal property to the extent the damage was caused by GE Healthcare's: (i) design or manufacturing defect; (ii) negligent failure to warn, negligent installation or negligent Services; or (iii) material breach of this Agreement.

Customer will indemnify and defend GE Healthcare against and pay for GE Healthcare losses arising from third party claims brought against GE Healthcare for bodily injury or damage to real or tangible personal property to the extent the damage was caused by Customer's: (a) medical diagnosis or treatment decisions; (b) misuse or negligent use of the Product or SaaS; (c) modification of the Product or SaaS; or (d) material breach of this Agreement.

For all indemnities under this Agreement: (i) the indemnified party must give the other party written notice before claiming indemnification and may retain counsel at its own expense; and (ii) the indemnifying party is not responsible for any settlement without its written consent.

13. Notices. Notices will be in writing and considered delivered when received if sent by certified mail, postage prepaid, return receipt requested, by overnight mail, or by fax. Notice to Customer will be directed to the address on this Agreement, and notice to GE Healthcare to General Counsel, 9900 Innovation Dr., Wauwatosa, WI 53226.



GE Healthcare

PRICE HOLD LETTER

This Price Hold Letter ("PHL") dated August 9, 2018, is created for Novant Health Inc. with an address at 2085 Frontis Plaza Blvd., Winston Salem, NC 27103-5614 and its facilities listed in Exhibit A ("Customer") by General Electric Company, by and through its GE Healthcare division with an address at 9900 Innovation Drive, Wauwatosa, WI 53226 ("GE Healthcare").

WHEREAS, GE Healthcare has provided Customer with those certain Quotations outlined in the attached Exhibit A (each a "Quotation," and collectively the "Quotations") concerning GE Healthcare's desire to sell to Customer certain GE Healthcare products and/or services listed on the Quotations in accordance with the terms and conditions set forth on the Quotations; and

WHEREAS, GE Healthcare now agrees to amend and/or supplement the Quotations in accordance with the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the representations and mutual undertakings hereinafter set forth, GE Healthcare agrees to the foregoing and as follows:

1. GE Healthcare agrees to amend the Quotation(s) to extend the expiration dates and hold pricing on the products found in the Quotation(s) at the prices outlined in said Quotation(s) until December 31, 2018.

GE Healthcare

Signature: Christopher Plummer

Print Name: Christopher Plummer

Title: Account Executive

Date: 10-26-18



GE Healthcare

Exhibit A

| No. | Quotation No. | Date | Facility |
|-----|------------------|----------------|---|
| 1 | PR10-C111712 v11 | August 9, 2018 | Novant Health Presbyterian Medical Center |
| 2 | PR10-C112301 v16 | August 9, 2018 | Novant Health Presbyterian Medical Center |
| 3 | PR7-C111969 v15 | August 9, 2018 | Novant Health Presbyterian Medical Center |
| 4 | PR9-C111959 v12 | August 9, 2018 | Novant Health Matthews Medical Center |
| 5 | PR5-C107830 v16 | August 9, 2018 | Novant Health Huntersville Medical Center |

→ nuclear
med SPECT
camera

Please see attached

ATTACHMENT B –
• Project Capital Cost Form

PROPOSED CAPITAL COSTS

Project Name: **Novant Health Matthews Medical Center**

October 22, 2018

Proponent: **Replace Nuclear Medicine Camera**

A. Site Costs

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

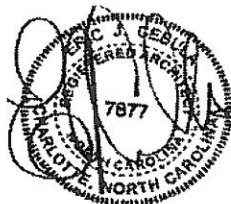
B. Construction Contract

| | | | | |
|------|--|----|----|-------------------|
| (8) | Cost of Materials | | \$ | - |
| | General Requirements | \$ | - | - |
| | Concrete/Masonry | \$ | - | - |
| | Woods/Doors & Windows/Finishes | \$ | - | - |
| | Thermal & Moisture Protection | \$ | - | - |
| | Equipment/Specialty Items | \$ | - | - |
| | Mechanical/Electrical | \$ | - | - |
| | Other | \$ | - | - |
| | Sub-Total Cost of Materials | | \$ | - |
| (9) | Cost of Labor GC Labor | | \$ | - |
| (10) | Other - Materials & Labor Construction Bid | | \$ | 249,781.00 |
| (11) | Sub-Total Construction Contract | | \$ | 249,781.00 |

C. Miscellaneous Project Costs

| | | | | |
|------|--|----|-----------|-------------------|
| (12) | Building Purchase | | \$ | - |
| (13) | Fixed Equipment Purchase/Lease | | \$ | 482,482.00 |
| | Other (contingency) | | \$ | - |
| (14) | Movable Equipment Purchase/Lease | | \$ | - |
| (15) | Furniture: Signage | | \$ | 3,920.00 |
| (16) | Nurse Call & Security Systems; Telecom Cabling | | \$ | 12,200.00 |
| (17) | Consult Fees | | \$ | - |
| | Architect and Engineering Fees | \$ | 23,200.00 | - |
| | Market Analysis | \$ | - | - |
| | Other - (Specify) | \$ | - | - |
| | Sub-Total Consultant Fees | | \$ | 23,200.00 |
| (18) | Financing Costs (e.g. Bond Loan, etc) | | \$ | - |
| (19) | Interest During Construction | | \$ | - |
| (20) | Other - Project Contingency | | \$ | 24,978.00 |
| | Other (SPECIFY) | | \$ | - |
| (21) | Sub-Total Miscellaneous | | \$ | 546,780.00 |
| (22) | Total Capital Cost of Project (Sum A-C above) | | \$ | 796,561.00 |

Architect - (Certifying construction Cost Only)



**ATTACHMENT C –
NC Equipment Comparison Form**

| NH Matthew Medical Center – Nuclear Medicine Camera Replacement | | EXISTING EQUIPMENT | REPLACEMENT EQUIPMENT |
|--|--|-------------------------------|-------------------------------|
| Type of Equipment (List Each Component) | | Nuclear Medicine SPECT Camera | Nuclear Medicine SPECT Camera |
| Manufacturer of Equipment | | ADAC Laboratories | GE Healthcare |
| Tesla Rating for MRIs | | n/a | n/a |
| Model Number | | Forte PowerPak SPECT | Optima NMCT 640 |
| Serial Number | | F0102042 | TBD |
| Provider's Method of Identifying Equipment | | Internal Numbering System | Internal Numbering System |
| 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 | | April 2001 | TBD |
| Does Provider Hold Title to Equipment of 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.) <Use Attached Form> | | \$524,235 | \$796561 |
| Total Cost of Equipment | | \$418,549 | \$482,482 |
| Fair Market Value of Equipment | | \$0 | \$482,482 |
| Net Purchase Price of Equipment | | --- | \$482,482 |
| Locations Where Operated | | MMC Nuc Med | MMC Nuc Med |
| Number Days In Use/To be Used in N.C. Per Year | | 365 | 365 |
| Percent of Change in Patient Charges (by Procedure) | | None | None |
| Percent of Change in Per Procedure Operating Expenses (by Procedure) | | None | None |
| Type of Procedures Currently Performed on Existing Equipment | | Nuclear Medicine Imaging | ---- |
| Type of Procedures New Equipment is Capable of Performing | | ----- | Nuclear Medicine Imaging |