

1
HEALTH FACILITIES COMMISSION
AUGUST 28, 2024
APPLICATION REVIEW

NAME OF PROJECT: Holston Medical Group at Meadowview Lake

PROJECT NUMBER: CN2405-011

ADDRESS: 2033 Meadowview Lane
Kingsport (Sullivan County), Tennessee 37660

LEGAL OWNER: Holston Medical Group, P.C.
2323 N John B. Dennis Hwy.
Kingsport (Sullivan County), Tennessee 37660

OPERATING ENTITY: N/A

CONTACT PERSON: Jerry Taylor, Attorney
(615) 716-2297

DATE FILED: May 20, 2024

PROJECT COST: \$5,461,502

PURPOSE FOR FILING: The addition of a 3.0 Tesla magnet strength MRI to an existing MRI service.

Staff Review

Note to Commission members: This staff review is an analysis of the statutory criteria of Need, Consumer Advantage Attributed to Competition, and Quality Standards, including data verification of the original application and, if applicable, supplemental responses submitted by the applicant. Any Health Facilities Commission (HFC) Staff comments will be presented as a "Note to Commission members" in bold italic.

PROJECT DESCRIPTION

- Holston Medical Group at Meadowview Lake is seeking approval for the addition of a 3.0 Tesla magnet strength MRI to its existing MRI service located at 2033 Meadowview Lane, Kingsport (Sullivan County), Tennessee 37660. The applicant is owned by Holston Medical Group, P.C.

Executive Summary

- If approved, the applicant projects the proposed project will open for service in July 2025.
- The applicant is a physician owned professional corporation which owns and operates two outpatient diagnostic centers (ODCs) with MRI services in the project service area: Sullivan and Hawkins County.
- The applicant currently operates a heavily utilized 1.5 Tesla MRI unit at its Kingsport (Sullivan County) based ODC - Holston Medical Group at Meadowview Lake.
- The applicant seeks to add a 3.0 Tesla MRI while continuing the operation of the existing unit.
- The applicant states that the higher magnet strength of the new unit gives it the capability of serving patients whose conditions require a higher level of precision in the quality of the MRI imaging without additional costs to patients.
- The other existing 3.0 Tesla MRIs are located at Bristol Regional Medical Center (Sullivan County), and Holston Valley Medical Center, (Sullivan County).
- Please see application Item 1E. on Page 6 for the applicant's executive summary overview that includes project description, ownership, service area, existing similar service providers, project cost, and staffing.

Consent Calendar: ☐ Yes ☒ No

- Executive Director's Consent Memo Attached: ☐ Yes ☒ Not applicable

Facility Information

- The MRI project will be located within a newly constructed outpatient diagnostic center. The total square footage of the ODC office space is 15,731 square feet. The new MRI unit will use 905 square feet. Another 307 square feet of office space will be shared between the existing MRI and the new MRI.
- The applicant has provided a copy of the lease for the ODC facility property where the MRI suite will be located. The lease is between the landlord, HMG Meadowview, LLC. and the tenant, Holston Medical Group, P.C. for a 15-year term. See Attachment 9A.
- The MRI unit being purchased by the applicant is a new 3.0 Tesla unit. The fixed MRI unit will operating Monday through Friday from 8:00 am - 5:00 pm.

Ownership

- The applicant is owned by Holston Medical Group, P.C., a Tennessee professional corporation. Its shareholders are 92 physicians who hold equal percentages of ownership.

Project Cost Chart

- The total project cost is \$5,461,502. Of this amount, the highest line-item costs of the project are Equipment Lease Costs (\$2,968,956), Equipment Service Agreement Costs (\$1,047,948), Facility Lease Costs (\$685,802), and Construction Costs (\$657,157).
- For additional information, please see Project Costs Chart on page 9 of the application.

NEED

The applicant provided the following supporting the need for the proposed project:

- There is a need to for a 3.0 Tesla MRI to handle specific case types including orders for prostate MRIs, small part orthopedic studies (hands and feet), and neurological scans.
- To provide the service area with a non-hospital-based 3.0 Tesla MRI option.
- To reduce scheduling time for patients who are currently waiting 6 weeks for a 3.0 Tesla MRI scan in the service area hospitals.
- To relieve capacity burdens on the applicant's existing 1.5 Tesla MRI unit which is operating well above optimum capacity (5,280 per unit – 183.3% of optimum utilization). There is approximately a 2.5 week wait time for scheduling procedures on this unit.
- The combined utilization of the ODCs in the service area, which are both applicant – owned, is 5,014 per MRI unit – which is 174% of optimum utilization.
- To provide service area residents with a lower cost imaging option that is available in a hospital-based setting.

(For applicant discussion, see Item 2.E., Page 7)

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

MRI Criteria

All applicable criteria and standards were met except for the following which were partially met:

- Partially met the standard of #1.a. **Utilization Standards for non-Specialty MRI Units.** “An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2,160 MRI procedures in the first year of service, building to a minimum of 2,520 procedures per year by the second year of service, and building to a minimum of 2,880 procedures per year by the third year of service and for every year thereafter.” *The applicant projects utilization of the proposed 3.0 Tesla MRI unit being added through this application will reach 2,176*

procedures per unit in Year 1 (2025), 2,637 procedures per unit in Year 2 (2026), and 2,769 procedures per unit in Year 3 (2027). These projections exceed the minimum number of procedures for Year 1 and Year 2, but do not reach the optimal utilization standard of 2,880 procedures for Year 3 (2027)- 96% of optimal utilization. The applicant projects that it will exceed the optimum utilization threshold of 2,880 procedures per unit in Year 4 (2028) of operation (2,907 procedures – 100.9% of optimal MRI utilization).

Regarding Criterion #9 which states “In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principal No. 2 in the State Health Plan, “Every citizen should have reasonable access to health care,” the HSDA may decide to give special consideration to an applicant:

- a. **Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;** Sullivan and Hawkins Counties are both designated as Medically Underserved Areas (MUAs).
- c. **Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program;** The applicant will contract with two of the three area TennCare MCOs.

Service Area Demographics

- The proposed primary service area will consist of Sullivan and Hawkins Counties (see Attachment 2N for a county level maps).
- The target population is the population age 18 and older for the service area. (See Attachment 3N-BR2 for more demographic details.)

County	2024 Population	2028 Population	% Change 2024-2028	2024 Population 18+	2028 Population 18+	% Change 2024-2028 18+	TennCare %
Sullivan County	160,062	160,624	0.4%	130,189	130,767	0.4%	21.5%
Hawkins County	56,945	56,797	-0.3%	46,599	46,730	0.3%	25.2%
Service Area Total	217,007	217,421	0.2%	176,788	177,497	0.4%	22.4%
Tennessee Total	7,125,908	7,331,859	2.9%	5,565,604	5,736,895	3.1%	21.5%

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

- The service area is projected to grow at a slower rate (0.2%) than the State of Tennessee as a whole (2.9%) from 2024-2028.
- The percentage of individuals enrolled in TennCare is higher in the service area overall (22.4%) than the State of Tennessee (21.5%). Hawkins County has a higher TennCare enrollment rate (25.2%) than the State of Tennessee.

Service Area- Historical Utilization (MRI)

Utilization for the (12) Fixed MRI units in the project service area is detailed in the table below:

State Health Plan MRI Service Area Fixed MRI Utilization CY2020 - CY2022

	All Providers
2020 Fixed MRI Utilization	
Units	12
Procedures	28,774
Procedures per Unit	2,398
2022 Fixed MRI Utilization	
Units	12
Procedures	35,803
Procedures per Unit	2,983
% Change in Procedures Per Unit, 2020-2022	24.4%

Source: CN2405-011, Attachment 5NR

The mobile MRI unit located at Hawkins County Memorial Hospital for two days per week (0.4 FTE) units is not included in the table as it is subject to different criteria and standards for the utilization of service area MRI units.

- Service area MRI utilization increased overall by 24.4% from 2020 to 2022 from 28,774 procedures to 35,803 procedures.
- The average number of procedures per MRI unit increased from 2,398 in 2020 to 2,983 in 2022.
- In 2022 there were 12.4 total MRI units in Sullivan and Hawkins Counties, operated by 10 providers. One mobile unit is reported as operating at Hawkins County Memorial Hospital for two days per week (0.4 FTE) units.
- The mobile unit reported at Hawkins Memorial Hospital reported (603 procedures) in 2020, (783 procedures) in 2021, and (920 procedures) in 2022.
- (8.4) MRI units are located in hospitals, or hospital-owned imaging centers; (2) MRI units are located in ODCs; and (2) MRI units are located in physician offices.

Applicant's Historical and Projected Utilization

The following tables indicates the applicant's historical and projected utilization by county of patient origin.

Historic Utilization by County of Patient Origin (2022)

Service Area Counties	Historical Utilization Most Recent Year (2022)	% of Total
Sullivan	3,168	60%
Greene	106	2%
Washington	422	8%
Hawkins	1,478	28%
Other Counties	106	2%
Total	5,280	100%

Source: CN2405-011, Application, Page 11

- Most patients are projected to be residents of Sullivan County (60%), followed by Hawkins County (28%) and Washington County (8%).
- The historical utilization of MRI services at Holston Medical Group at Meadowview Lake ODC for 2022 includes utilization of the single 1.5 Tesla Fixed MRI unit.

Projected Utilization by County of Patient Origin (Year 1 – 2025)

Service Area Counties	Projected Utilization Year 1 (2025)	% of Total
Sullivan	1,306	60%
Greene	44	2%
Washington	174	8%
Hawkins	609	28%
Other Counties	44	2%
Total	2,177	100%

Source: CN2405-011, Application, Page 11

- The projected utilization of the new 3.0 Tesla MRI unit in Year 1 (2025) of the project mirrors the historical MRI utilization percentages from the most recent year of reported utilization (2022).
- Historical utilization for the applicant's MRI unit in the two-county project service area is detailed in the table below:

Historic Utilization of Applicant's MRI Unit

Year	MRI Units	MRI Procedures	Procedures per Unit	% of Optimal Utilization (2,880 Procedures)
2021	1	6,042	2,880	209.7%
2022	1	5,280	2,880	183.3%
2023	1	5,225	2,880	181.4%
% Change from 2021-2023			-13.5%	

Source: CN2405-011 Application, Pages 13-14

- Utilization of the applicant's existing 1.5 Tesla MRI decreased by (13.5%) from 2021 - 2023.

Projected Utilization of Applicant's Proposed MRI Unit

Year	MRI Units	MRI Procedures	Procedures per Unit	% of Optimal Utilization (2,880 Procedures)
2025	1	2,176	2,880	75.5%
2026	1	2,637	2,880	91.5%
2027	1	2,769	2,880	96.1%
2028	1	2,907	2,880	100.9%
% Change from 2025-2028			+33.5%	

Source: CN2405-011 Application, Pages 13-14

- If the proposed MRI unit is approved, the new 3.0 Tesla MRI is projected to perform 2,907 MRI procedures in total by 2028 which represents (100.9%) of the optimal utilization standards for non-specialty MRI units.
- The applicant's utilization projections were developed based upon patient need for prostate MRIs, small part orthopedic studies, neurological brain scans and overflow from the existing 1.5 Tesla MRI unit.

Historical Service Area Fixed MRI Unit Utilization 2022 by Provider

Provider Type	MRI Provider	Number of Units	Procedures in 2022	Average Procedures per MRI	% of Optimal Utilization (2,880 Procedures per Unit)
PO	Appalachian Orthopaedic Associates, PC	1	639	639	22.2%
HOSP	Bristol Regional Medical Center	2	7,231	3,616	125.5%
HODC	Holston Valley Imaging Center, LLC	2	6,324	3,162	109.8%
HOSP	Holston Valley Medical Center	2	6,638	3,319	115.2%
HOSP	Indian Path Community Hospital	1	1,707	1,707	59.3%
ODC	Meadowview Outpatient Diagnostic Center	1	5,280	5,280	183.3%
ODC	Sapling Grove Outpatient Diagnostic Center	1	4,747	4,747	164.8%
HODC	Volunteer Parkway Imaging Center	1	1,942	1,942	67.4%
PO	Watauga Orthopaedics (Sullivan County)	1	1,295	1,295	45.0%
	TOTAL	12	35,803	2,984	103.4%

Source: CN2405-011, Attachment 5NR

Physician's office = PO; Hospital = HOSP; Hospital Outpatient Diagnostic Center = HODC; Outpatient Diagnostic Center = ODC.

- The MRI units operated by the applicant at Holston Medical Group at Meadowview Lake ODC and Sapling Grove Outpatient Diagnostic Center ODC are the most heavily utilized on a per unit basis in the service area (183.3%); and (164.8%) respectively.
- Five of the nine providers operating MRIs in Sullivan County reported exceeding the optimum utilization standard of 2,880 procedures per unit in 2022.
- The remaining four MRI providers reported procedure volume below the optimum utilization standard of 2,880 procedures per unit in 2022.
- Combined, service area MRI providers operated at (103.4%) of the optimum utilization standard in 2022.
- Holston Medical Group, P.C. owns the Sapling Grove ODC and the Meadowview ODC.
- One mobile unit is reported as operating at Hawkins County Memorial Hospital for two days per week (0.4 FTE) units. It is not included in the table above.

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

Charges

In Year One (2025) and Year Two (2026) of the proposed project, the average charges are as follows:

	Year 1 (2025)	Year 2 (2026)
Gross Charges	\$683.40	\$683.26
Deduction from Revenue	\$314.36	\$314.30
Average Net Charges	\$369.03	\$368.96

Source: CN2405-011, Application, Page 20

- The applicant projects that its Average Net Charges will decrease slightly from \$369.03 per procedure in 2025 to \$368.96 per procedure in Year 2 (2026).

Historical Service Area MRI Unit Utilization 2022 by Provider

County	Provider Type	MRI Provider	Number of Units	Procedures in 2022	Gross Charges	Charge per Procedure
Sullivan	PO	Appalachian Orthopaedic Associates, PC	1	639	\$904,902	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2	7,231	\$27,820,799	\$3,847.13
Sullivan	HODC	Holston Valley Imaging Center, LLC	2	6,324	\$23,743,768	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2	6,638	\$25,519,105	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	1	1,707	\$7,285,239	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	1	5,280	\$5,468,813	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	1	4,747	\$4,996,258	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	1	1,942	\$7,051,080	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	1	1,295	\$1,290,467	\$996.50
		TOTAL	12	35,803	\$104,080,431	\$2,907.03

Source: CN2405-011, Attachment 5NR

- The average gross charges per fixed MRI procedure reported in the project service area (\$2,907.03) in 2022, are higher than the applicant's historical charges (\$1,035.76).

Project Payor Mix

The proposed project payor mix for Year One is as follows:

	Percentage of Gross Operating Revenue					
	Medicare	Medicaid	Commercial	Self-Pay	Other	Charity Care
Year 1	47%	6%	43%	1.5%	2.5%	1%

Source: CN2405-011, Application, Page 21

- The applicant states that it will continue to contract with the following TennCare Managed Care Organizations: BlueCross BlueShield of TN (BlueCare), and United Healthcare Community Plan.

HOLSTON MEDICAL GROUP AT MEADOWVIEW LAKE

CN2405-011

AUGUST 28, 2024

PAGE | 8

- The applicant is not in-network for Amerigroup Community Care – East Tennessee.
- Please refer to Item 10C. in the Consumer Advantage section of the application for specific Payor Mix information.
- A full list of in-network payors is included in response to Item 2C., Pages 15 & 16.

Agreements

- The applicant states that it has a transfer agreement in place with Holston Valley Medical Center. See Attachment 1C.

Staffing

The applicant's Year One proposed staffing includes the following:

	Year One
Direct Patient Care Positions	3.0
Non-Patient Care Positions	6.0
Contractual Staff	1.25
Total	10.25

Source: CN2405-011, Supplemental #1, Question #8, Page 5

- Direct Care positions includes the following: MRI Technologist (3.0 FTEs).
- Non-Patient Care positions includes the following: Administrator (1.0 FTE); Financial/Billing (4.0 FTEs); and Medical Records (1.0 FTE).
- Contractual Staff positions includes the following: Radiology (1.25 FTE).
- Please refer to Supplemental #1, Question #8, Page 5 of the application for additional detail regarding project staffing.

QUALITY STANDARDS

The applicant commits to obtaining and/or maintaining the following:

Licensure	Certification	Accreditation
Health Facilities Commission	Medicare / TennCare	American College of Radiology (ACR)

Source: CN2405-011, Application, Page 23.

- The applicant is licensed through the Health Facilities Commission as an Outpatient Diagnostic Center.
- The ODC will maintain certification through Medicare and TennCare and will maintain accreditation for the MRI services through the American College of Radiology (ACR).

Application Comments

Application Comments may be filed by the Department of Health, Department of Mental Health, and Substance Abuse Services, and the Department of Disability and Aging. The following department(s) filed comments with the Commission and are attached:

- ☐ Department of Health
- ☐ Department of Mental Health and Substance Abuse Services
- ☐ Department of Disability and Aging
- ☒ **No comments were filed**

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other Letters of Intent, Pending Applications, Denied Applications, or Outstanding Certificates of Need on file for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no other Letters of Intent, Outstanding Certificates of Need, Pending or Denied applications on file for other entities proposing this type of service.

TPP (8/20/2024) revised

CRITERIA AND **STANDARDS**

ATTACHMENT 1N

STANDARDS AND CRITERIA FOR MAGNETIC RESONANCE IMAGING

1. Utilization Standards for non-Specialty MRI Units.

a. An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2160 MRI procedures in the first year of service, building to a minimum of 2520 procedures per year by the second year of service, and building to a minimum of 2880 procedures per year by the third year of service and for every year thereafter.

RESPONSE: The applicant projects 2,176 scans in Year 1, 2,637 scans in Year 2, and 2,769 scans in Year 3. Please see the table below for more detailed information.

Criteria #1.a. Utilization Standards for Non-Specialty Units (Stationary Non-Specialty)								
Facility	Facility Type	Projected First Three Years (Non-Specialty Stationary MRI)	Annual # of Procedures	# MRI Units	MRI Unit Type	Procedures per MRI	Utilization Threshold per MRI Unit	% of Threshold Met
Holston Medical Group at Meadowview a/k/a Meadowview Outpatient DiagnosticCenter	ODC	Year 1 (2025)	2,176	1	3.0 Tesla	2,176	2,160	101%
Holston Medical Group at Meadowview a/k/a Meadowview Outpatient DiagnosticCenter	ODC	Year 2 (2026)	2,637	1	3.0 Tesla	2,637	2,520	105%
Holston Medical Group at Meadowview, a/k/a Meadowview Outpatient DiagnosticCenter	ODC	Year 3 (2027)	2,769	1	3.0 Tesla	2,769	2,880	96%
Criteria #4. Need Standard for Non-Specialty MRI Units (Stationary)								
Facility	Facility Type	Year (Most Recent Reported)	Annual # of Procedures	# MRI Units	MRI Unit Type	Procedures per MRI	Utilization Threshold per MRI Unit	% of Threshold Met
Hawkins County Memorial Hospital	HOSP	2022	920	0.4	Mobile, 2 days	920	480 for each day of service	95.8
Appalachian Orthopaedic Associates, PC	PO	2022	639	1	Non-Specialty Stationary	639	2880	22.2%
Bristol Regional Medical Center	HOSP	2022	7231	2	Non-Specialty Stationary	3616	2880	125.5%
Holston Valley Imaging Center, LLC	HODC	2022	6324	2	Non-Specialty Stationary	3162	2880	109.8%
Holston Valley Medical Center	HOSP	2022	6638	2	Non-Specialty Stationary	3319	2880	115.2%
Indian Path Community Hospital	HOSP	2022	1707	1	Non-Specialty Stationary	1707	2880	59.3%
Meadowview Outpatient Diagnostic Center	ODC	2022	5280	1	Non-Specialty Stationary	5280	2880	183.3%
Sapling Grove Outpatient Diagnostic Center	ODC	2022	4747	1	Non-Specialty Stationary	4747	2880	164.8%
Volunteer Parkway Imaging Center	HODC	2022	1942	1	Non-Specialty Stationary	1942	2880	67.4%
Watauga Orthopaedics (Sullivan County)	PO	2022	1295	1	Non-Specialty Stationary	1295	2880	45.0%
TOTAL		2022	36,723	12.4		2962	2880	102.8%
ODC TOTAL		2022	10,027	2		5014	2,880	174.1%

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

Source: HFC Equipment Registry: <https://www.tn.gov/hsda/hsda-publications-and-reports/medical-equipment-registry/medical-equipment-statistics.html>

b. Providers proposing a new non-Specialty mobile MRI service should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.

RESPONSE: N/A

c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.

RESPONSE: The 3.0 Tesla MRI is not “new” technology – it was approved for clinical use by the FDA in 2000 -- but it is definitely an improvement over traditional 1.5 Tesla units. The 3.0T provides superior spatial resolution and SNR (Signal to Noise Ratio) that allows for earlier detection of the smallest lesions or maladies as compared to a 1.5T unit. The 3.0T also allows for more precise imaging with a smaller field of view as compared to a 1.5T unit. The areas of imaging which most frequently benefit from the advantages of the 3.0T are neuroimaging, prostate imaging, and small-part orthopedic imaging (hand, wrist, ankle, and foot).

d. Mobile MRI units shall not be subject to the need standard in paragraph 1 b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's Service Area are not adequate and/or that there are special circumstances that require these additional services.

RESPONSE: N/A

e. Hybrid MRI Units. The HSDA may evaluate a CON application for an MRI "hybrid " Unit (an MRI Unit that is combined/utilized with another medical equipment such as a megavoltage radiation therapy unit or a positron emission tomography unit) based on the primary purposes of the Unit.

RESPONSE: N/A

2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the Service Area's population. Applications that include non-Tennessee counties in their proposed Service Areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).

RESPONSE: A direct response to this is difficult because “accessible” is not defined or quantified. Taken literally, the location is accessible to 100% of the population. Assuming this criterion is aimed at assuring the location is not in a remote location in light of the primary population centers of the PSA, this location is consistent with that intent.

The location is in Kingsport which is located in the western segment of Sullivan County.

Hawkins County is contiguous to Sullivan County, to the west. The primary population centers of the two counties are Kingsport and Bristol in Sullivan County, and Rogersville, the county seat of Hawkins County. Kingsport is roughly equidistant between Bristol to the east (23 miles) and Rogersville to the west (28 miles). Being centrally located in the two-county PSA, the HMG ODC in Kingsport is easily accessible to at least 75% of the PSA population.

3. Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternative shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

RESPONSE: The applicant proposed to add this MRI unit to the licensed ODC with an existing MRI unit and service. No superior alternatives were identified.

4. Need Standard for non-Specialty MRI Units. A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

Stationary MRI Units: $1.20 \text{ procedures per hour} \times \text{twelve hours per day} \times 5 \text{ days per week} \times 50 \text{ weeks per year} = 3,600 \text{ procedures per year}$

Mobile MRI Units: $\text{Twelve (12) procedures per day} \times \text{days per week in operation} \times 50 \text{ weeks per year}$. For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

RESPONSE: Applying the default utilization threshold of 2880 scans per unit (with the 2-day per week mobile unit in Hawkins County counted as a .40 full time unit), in 2022 all MRIs in the PSA operated at an average of 2,962 scans per unit, which is 103% of the utilization threshold. Applying the default standard to all MRIs operated in ODCs in the PSA, the utilization in 2022 was 5,014 scans per unit, which is 174% of the utilization threshold. Please see the table below for more detailed data.

County	Provider Type	Provider	Year	Number of Units (all are Fixed except where noted)	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Hawkins	HOSP	Hawkins County Memorial Hospital	2022	1 Mobile 2 days	920	920	95.8%	\$3,440,904.00	\$3,740.11
Sullivan	PO	Appalachian Orthopaedic Associates, PC	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				12.4	36,723	2962	102.8%	\$107,521,335.00	\$2,927.90
ODC Total Avg.				2	10,027	5014	174.1%	\$10,465,071.00	\$1,043.69

Medical Equipment Registry - 4/22/2024

Since mobile MRIs are subject to a different utilization standard, the table below reflects the utilization of only the Sullivan County MRIs, and does not include the mobile unit in Hawkins County. The utilization rate of MRIs in Sullivan County was 100.3% of the optimum utilization standard.

MRI UTILIZATION IN SULLIVAN COUNTY 2022									
County	Provider Type	Provider	Year	Number of Units	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Sullivan	PO	Appalachian Orthopaedic Associates, PC	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				12	35,803	2984	103.6%	\$104,080,431.00	\$2,907.03
ODC Total Avg.				2	10,027	5014	174.1%	\$10,465,071.00	\$1,043.69

Medical Equipment Registry - 4/22/2024

5. Need Standards for Specialty MRI Units.

a. Dedicated fixed or mobile Breast MRI Unit. An applicant proposing to acquire a dedicated fixed or mobile breast MRI unit shall not receive a CON to use the MRI unit for non-dedicated purposes and shall demonstrate that annual utilization of the proposed MRI unit in the third year of operation is projected to be at least 1,600 MRI procedures (.80 times the total capacity of 1 procedure per hour times 40 hours per week times 50 weeks per year), and that:

RESPONSE: This item and sub-parts 1-4 are N/A. Although the 3.0T is an improvement in technology over the 1.5T unit, it is not considered a “specialty” unit. It will not be limited any dedicated purpose.

1. It has an existing and ongoing working relationship with a breast-imaging radiologist or radiology proactive group that has experience interpreting breast images provided by mammography, ultrasound, and MRI unit equipment, and that is trained to interpret images produced by an MRI unit configured exclusively for mammographic studies;

2. Its existing mammography equipment, breast ultrasound equipment, and the proposed dedicated breast MRI unit are in compliance with the federal Mammography Quality Standards Act;

3. It is part of or has a formal affiliation with an existing healthcare system that provides comprehensive cancer care, including radiation oncology, medical oncology, surgical oncology and an established breast cancer treatment program that is based in the proposed service area.

4. It has an existing relationship with an established collaborative team for the treatment of breast cancer that includes radiologists, pathologists, radiation oncologists, hematologist/oncologists, surgeons, obstetricians/gynecologists, and primary care providers.

b. Extremity MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Extremity MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Extremity MRI Unit and a CON granted for this use should so state on its face.

RESPONSE: N/A

c. Dedicated fixed or mobile Multi-position MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Multi-position MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Multi-position MRI Unit and a CON granted for this use should so state on its face.

RESPONSE: N/A

6. Separate Inventories for Specialty MRI Units and non-Specialty MRI Units. If data availability permits, Breast, Extremity, and Multi-position MRI Units shall not be counted in the inventory of non-Specialty fixed or mobile MRI Units, and an inventory

for each category of Specialty MRI Unit shall be counted and maintained separately. None of the Specialty MRI Units may be replaced with non-Specialty MRI fixed or mobile MRI Units and a Certificate of Need granted for any of these Specialty MRI Units shall have included on its face a statement to that effect. A non-Specialty fixed or mobile MRI Unit for which a CON is granted for Specialty MRI Unit purpose use-only shall be counted in the specific Specialty MRI Unit inventory and shall also have stated on the face of its Certificate of Need that it may not be used for non-Specialty MRI purposes.

RESPONSE: No response is necessary.

7. Patient Safety and Quality of Care. The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.

a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.

RESPONSE: The 3.0T MRI was approved for clinical use by the FDA in 2000.

b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

RESPONSE: The new 3.0T unit will be installed by representatives of the manufacturer, who will assure the installation and post-installation space conforms to the manufacturer's standards. The MRI will be operated in the licensed ODC, which is accredited by the American College of Radiology.

c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.

RESPONSE: This is addressed in the Policies and Procedures Manual for the HMG ODC, a copy of which is attached as Attachment 1N(1).

d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.

RESPONSE: All MRI tests are ordered by a physician who verifies the procedure is medically necessary. In addition, most 3rd party payors require pre-authorization for MRI scans, further assuring the tests are medically necessary.

e. An applicant proposing to acquire any MRI Unit or institute any MRI service, including Dedicated Breast and Extremity MRI Units, shall demonstrate that it meets or

is prepared to meet the staffing recommendations and requirements set forth by the American College of Radiology, including staff education and training programs.

RESPONSE: N/A

f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

RESPONSE: The new unit will be operated in the licensed ODC which is ACR accredited.

g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

RESPONSE: No transfer agreement is necessary, but the HMG ODC does have a transfer agreement with Holston Valley Medical Center, located in Kingsport. The Medical Director has full medical staff privileges at Holston Valley.

8. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

RESPONSE: The applicant will register the unit with the Equipment Registry and will submit the required data reports.

9. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No. 2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

a. Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;

RESPONSE: Both Sullivan and Hawkins Counties are designated as medically underserved populations by the HRSA. Please see the table below for details:

	Discipline ⓪	MUA/P ID ⓪	Service Area Name ⓪	Designation Type ⓪	Primary State Name ⓪	County ⓪	Index of Medical Underservice Score ⓪	Status ⓪	Rural Status ⓪	Designation Date ⓪	Update Date ⓪
+	Primary Care	1476091642	LI- Sullivan County	MUP Low Income	Tennessee	Sullivan County, TN	60.6	Designated	Non- Rural	07/06/2018	07/06/2018

	Discipline ⓪	MUA/P ID ⓪	Service Area Name ⓪	Designation Type ⓪	Primary State Name ⓪	County ⓪	Index of Medical Underservice Score ⓪	Status ⓪	Rural Status ⓪	Designation Date ⓪	Update Date ⓪
+	Primary Care	1472280637	Hawkins County	Medically Underserved Area	Tennessee	Hawkins County, TN	54.0	Designated	Partially Rural	11/01/1978	07/06/2018

b. Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program; or

RESPONSE: N/A

c. Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or

RESPONSE: The ODC is in network with the following TennCare MCOs:

BCBS BlueCare

BCBS BlueCare Plus

UnitedHealthcare Community Plan

d. Who is proposing to use the MRI unit for patients that typically require longer preparation and scanning times (e.g., pediatric, special needs, sedated, and contrast agent use patients). The applicant shall provide in its application information supporting the additional time required per scan and the impact on the need standard.

RESPONSE: The applicant accepts the default assumed times in the Criteria and Standards for the purposes of this application.

LETTER OF INTENT



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

LETTER OF INTENT

The Publication of Intent is to be published in The Kingsport Times News, a newspaper of general circulation in Sullivan County, Tennessee, on or before 05/15/2024 for one day.

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Holston Medical Group at Meadowview Lane, a/an Outpatient Diagnostic Center owned by Holston Medical Group, P.C. with an ownership type of Corporation (For Profit) and to be managed by itself intends to file an application for a Certificate of Need for the addition of a 3.0 Tesla magnet strength MRI to its existing MRI service. The address of the project will be 2033 Meadowview Lane, Kingsport, Sullivan County, Tennessee, 37660. The estimated project cost will be \$5,461,502.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

Jerry Taylor

05/10/2024

jtaylor@thompsonburton.com

Signature of Contact

Date

Contact's Email Address

The Letter of Intent must be received between the first and the fifteenth day of the month. If the last day for filing is a Saturday, Sunday, or State Holiday, filing must occur on the next business day. Applicants seeking simultaneous review must publish between the sixteenth day and the last day of the month of publication by the original applicant.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov.

HF 51 (Revised 6/1/2023)

RDA 1651



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

PUBLICATION OF INTENT

The following shall be published in the “Legal Notices” section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Holston Medical Group at Meadowview Lane, a/an Outpatient Diagnostic Center owned by Holston Medical Group, P.C. with an ownership type of Corporation (For Profit) and to be managed by itself intends to file an application for a Certificate of Need for the addition of a 3.0 Tesla magnet strength MRI to its existing MRI service. The address of the project will be 2033 Meadowview Lane, Kingsport, Sullivan County, Tennessee, 37660. The estimated project cost will be \$5,461,502.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 – Contact No. 615-716-2297.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1). (A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice of opposition may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov.

ORIGINAL **APPLICATION**



**State of Tennessee
Health Facilities Commission**

502 Deaderick Street, Andrew Jackson Building, 9th Floor, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

hsda.staff@tn.gov

CERTIFICATE OF NEED APPLICATION

1A. Name of Facility, Agency, or Institution

Holston Medical Group at Meadowview Lane

Name

2033 Meadowview Lane

Sullivan County

Street or Route

County

Kingsport

Tennessee

37660

City

State

Zip

www.holstonmedicalgroup.com

Website Address

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2A. Contact Person Available for Responses to Questions

Jerry Taylor

Attorney

Name

Title

Thompson Burton PLLC

jtaylor@thompsonburton.com

Company Name

Email Address

One Franklin Park, 6100 Tower Circle, Suite 200

Street or Route

Franklin

Tennessee

37067

City

State

Zip

Attorney

615-716-2297

Association with Owner

Phone Number

3A. Proof of Publication

Attach the full page of newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent. (Attachment 3A)

Date LOI was Submitted: 05/10/24

Date LOI was Published: 05/11/24

RESPONSE: A Publisher's Affidavit is attached as Attachment 3A.

4A. Purpose of Review *(Check appropriate box(es) – more than one response may apply)*

- ☐ Establish New Health Care Institution
- ☐ Relocation
- ☐ Change in Bed Complement
- ☐ Addition of a Specialty to an Ambulatory Surgical Treatment Center (ASTC)
- ☐ Initiation of MRI Service
- ☒ MRI Unit Increase
- ☐ Satellite Emergency Department
- ☐ Addition of Therapeutic Catheterization
- ☐ Positron Emission Tomography (PET) Service
- ☐ Initiation of Health Care Service as Defined in §TCA 68-11-1607(3)

Please answer all questions on letter size, white paper, clearly typed and spaced, single sided, in order and sequentially numbered. In answering, please type the question and the response. All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). Attach appropriate documentation as an Appendix at the end of the application and reference the applicable item Number on the attachment, i.e. Attachment 1A, 2A, etc. The last page of the application should be a completed signed and notarized affidavit.

5A. Type of Institution *(Check all appropriate boxes – more than one response may apply)*

- ☐ Hospital
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Multi-Specialty
- ☐ Ambulatory Surgical Treatment Center (ASTC) – Single Specialty
- ☐ Home Health
- ☐ Hospice
- ☐ Intellectual Disability Institutional Habilitation Facility (ICF/IID)
- ☐ Nursing Home
- ☒ Outpatient Diagnostic Center
- ☐ Rehabilitation Facility
- ☐ Residential Hospice
- ☐ Nonresidential Substitution Based Treatment Center of Opiate Addiction
- ☐ Other

Other -

Hospital -

6A. Name of Owner of the Facility, Agency, or Institution

Holston Medical Group, P.C.

Name

2323 N John B. Dennis Hwy.

423-857-2000

Street or Route**Phone Number**

Kingsport

Tennessee

37660

City**State****Zip****7A. Type of Ownership of Control (Check One)**

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ Limited Partnership
- ☒ Corporation (For Profit)
- ☐ Corporation (Not-for-Profit)
- ☐ Government (State of TN or Political Subdivision)
- ☐ Joint Venture
- ☐ Limited Liability Company
- ☐ Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's website at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. If the proposed owner of the facility is government owned must attach the relevant enabling legislation that established the facility. (Attachment 7A)

Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

RESPONSE: The owner is Holston Medical Group, P.C., a Tennessee professional corporation. Its shareholders are 92 physicians who hold equal percentages of ownership.

8A. Name of Management/Operating Entity (If Applicable)**Name****Street or Route****County****City****State****Zip****Website Address**

For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract. (Attachment 8A)

9A. Legal Interest in the Site

Check the appropriate box and submit the following documentation. (Attachment 9A)

The legal interest described below must be valid on the date of the Agency consideration of the Certificate of Need application.

- ☐ Ownership (Applicant or applicant's parent company/owner) – Attach a copy of the title/deed.
 - ☒ Lease (Applicant or applicant's parent company/owner) – Attach a fully executed lease that includes the terms of the lease and the actual lease expense.
 - ☐ Option to Purchase - Attach a fully executed Option that includes the anticipated purchase price.
 - ☐ Option to Lease - Attach a fully executed Option that includes the anticipated terms of the Option and anticipated lease expense.
 - ☐ Letter of Intent, or other document showing a commitment to lease the property - attach reference document
 - ☐ Other (Specify)
-

RESPONSE: The applicant leases the space from a non-affiliated entity. The ODC occupies approximately 15,000 square feet of space. Of this the new 3T MRI will exclusive use 905 square feet. Another 307 square feet of space will be shared space between the new MRI and the existing MRI. A copy of the lease is attached as Attachment 9A. Included in Attachment 9A is the deed vesting title in the landlord.

10A. Floor Plan

If the facility has multiple floors, submit one page per floor. If more than one page is needed, label each page. (Attachment 10A)

- Patient care rooms (Private or Semi-private)
- Ancillary areas
- Other (Specify)

RESPONSE: A copy of the Floor Plan is attached as Attachment 10A.

11A. Public Transportation Route

Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients. (Attachment 11A)

RESPONSE: Public transportation is provided by the Kingsport Area Transit System (KATS). The government sponsored transit service uses smaller bus/van type vehicles to provide public transportation services. Individual trips can be arranged in advance, or the transport vehicles may be boarded at one of several stops around Kingsport. A copy of the website description and the relevant KATS route are shown below. The site of the HMG ODC where the proposed 3T MRI will be located is closest to stop "B" shown on the Route 1 map, which is attached as Attachment 11A.

12A. Plot Plan

Unless relating to home care organization, briefly describe the following and attach the requested documentation on a letter size sheet of white paper, legibly labeling all requested information. It **must** include:

- Size of site (in acres);
- Location of structure on the site;
- Location of the proposed construction/renovation; and
- Names of streets, roads, or highways that cross or border the site.

(Attachment 12A)

RESPONSE: A plot plan is attached as Attachment 12A.

13A. **Notification Requirements**

- TCA §68-11-1607(c)(9)(B) states that “... If an application involves a healthcare facility in which a county or municipality is the lessor of the facility or real property on which it sits, then within ten (10) days of filing the application, the applicant shall notify the chief executive officer of the county or municipality of the filing, by certified mail, return receipt requested.” Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.
 - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
 - ☐ Notification in process, attached at a later date
 - ☐ Notification not in process, contact HFC Staff
 - ☒ Not Applicable
- TCA §68-11-1607(c)(9)(A) states that “... Within ten (10) days of the filing of an application for a nonresidential substitution based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of the municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution based treatment center for opiate addiction has been filed with the agency by the applicant.
 - ☐ Notification Attached (Provide signed USPS green-certified mail receipt card for each official notified.)
 - ☐ Notification in process, attached at a later date
 - ☐ Notification not in process, contact HFC Staff
 - ☐ Not Applicable

EXECUTIVE SUMMARY

1E. Overview

Please provide an overview not to exceed **ONE PAGE** (for 1E only) in total explaining each item point below.

- Description: Address the establishment of a health care institution, initiation of health services, and/or bed complement changes.

RESPONSE:

Holston Medical Group at Meadowview Lane (the “HMG ODC”) is a physician-owned ODC in Kingsport, Sullivan County. It currently operates a 1.5 Tesla MRI. In 2022 the MRI unit performed 5,280 scans, which is 183% of the need threshold. The applicant seeks to add a 3.0 Tesla MRI to operate at the HMG ODC. The current 1.5 Tesla MRI will continue to operate at the HMG ODC. The higher magnet strength of the 3T unit gives it the capability of serving patients whose conditions require a higher level of precision in the quality of the MRI imaging. The 3T MRI can also serve patients who would otherwise be scanned on the 1.5T unit, at no additional cost to the patients. This will accomplish the dual goal of taking some volume of scans off the 1.5T unit, which is operating far above capacity.

- Ownership structure

RESPONSE: The applicant and owner is Holston Medical Group, P.C., a Tennessee professional corporation. Its shareholders are 92 physicians who hold equal percentages of ownership.

- Service Area

RESPONSE: The primary service area (PSA) is Sullivan and Hawkins Counties. Those two counties accounted for approximately 88% of the MRI scans performed at the HMG ODC in 2022.

- Existing similar service providers

RESPONSE: In 2022 there were 12.4 FTE MRI units in Sullivan and Hawkins Counties, operated by 10 providers. Of these, 2 units were in ODCs, 2 units were in physician offices, and 8.4 units were in hospitals or hospital-owned outpatient imaging centers. In 2022 the 2 MRIs in ODCs performed 5,014 scans per unit, which is 174% of the optimal utilization standard of 2880 scans per unit. All MRIs operating in the PSA in 2022 performed an average of 2,962 scans per unit, which is 103% of the utilization threshold. There are two 3.0 Tesla MRIs in the service area, both of which are hospital -based units in Sullivan County. No ODC or physician office in the service area has a 3T MRI.

- Project Cost

RESPONSE: The total estimated project cost not including the application fee is \$5,449, 241. The largest cost is the MRI equipment which is \$4,016,904 including financing costs and the service agreement. The next largest cost is the cost of the lease of space over the remaining term of the existing lease, which is \$685,802. The cost of renovation and build-out is \$657,157.

- Staffing

RESPONSE: The MRI department, operating one 1.5T MRI unit, has 10.8 FTE direct patient care staff and 6.0 FTE non-patient care staff. After the addition of the 3YT MRI unit, the MRI department will have a total of 21.6 FTE direct patient care staff, and 6.0 FTE non-patient care staff. There is currently 1.0 FTE contractual staff, which is a radiologist, and this will increase to 1.5 FTEs after the addition of the 3T MRI unit.

2E. Rationale for Approval

A Certificate of Need can only be granted when a project is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effects attributed to competition or duplication would be positive for consumers

Provide a brief description not to exceed ONE PAGE (for 2E only) of how the project meets the criteria necessary for granting a CON using the data and information points provided in criteria sections that follow.

- Need

RESPONSE: The need for a 3T MRI to complement the existing 1.5T MRI is several-fold: 1. HMG currently has 10 Outpatient Urology Providers (5 Physicians and 5 Mid-Levels) covering two of the three Tri-Cities (Johnson City & Bristol TN). The HMG Urology Office orders an average of 120 Prostate MRI Exams per month. These need to be performed on a 3T MRI unit. 2. HMG currently has one Orthopedic Hand Surgeon and two Surgical Podiatrists. The 3T MRI is needed to perform small part Orthopedic Studies (hands and feet). 3. Neurological MRI scans and studies is the preferred imaging modality for Neurosurgery 4. Currently, 3T MRI scans can only be performed in a hospital setting. The two area hospitals have wait times of approximately 6 weeks for a 3T MRI scan. 5. There is no 3T MRI in the service area or in the entire Tri-Cities area that is not hospital owned. 6. The 1.5T MRI at the HMG ODC is operating far in excess of capacity. It operates 7 AM - 8 PM Monday-Friday and 9 AM – 2 PM Saturday and Sunday. There is about a 2.5 week wait time for a MRI scan on this unit. Some of this excess volume can be off-loaded to the 3T MRI to decrease wait times. 7. All traditional 1.5T MRIs in the PSA are highly utilized. The average utilization for all MRIs in the PSA in 2022 was 2962 scans per unit, which is 103% of the optimum utilization standard of 2880 scans per unit. The average utilization of the MRIs operating in ODCs was 5014 scans per unit, which is 174% of the optimum utilization standard.

- Quality Standards

RESPONSE: The HMG ODC, including the proposed 3T MRI, will meet or exceed and maintain compliance with the quality standards established by the following authorities: 1. Tennessee Health Facilities Commission, Board for Licensing Healthcare Facilities. 2. American College of Radiology. 3. Medicare and TennCare.

- Consumer Advantage

- Choice

RESPONSE: Patients who need a 3T MRI scan will have a choice of having the scan performed in an ODC instead of in a hospital.

- Improved access/availability to health care service(s)

RESPONSE: Patients needing a 3T MRI scan will have access to one at the HMG ODC. Patients who need a traditional 1.5T MRI scan will have improved access because of the increased MRI capacity, which will shorten wait times. Scans of cases which could be done on the 1.5T unit can alternatively be performed on the 3T unit at no additional cost to the patient.

- Affordability

RESPONSE: The charges for scans on the proposed 3T MRI will be substantially lower than the charges for the same scans at a hospital-owned imaging center. It will have no impact on charges for MRI scans currently being performed at the HMG ODC.

3E. Consent Calendar Justification

- ☐ Letter to Executive Director Requesting Consent Calendar (Attach Rationale that includes addressing the 3 criteria)

☒ Consent Calendar NOT Requested

If Consent Calendar is requested, please attach the rationale for an expedited review in terms of Need, Quality Standards, and Consumer Advantage as a written communication to the Agency's Executive Director at the time the application is filed.

4E. PROJECT COST CHART**A. Construction and equipment acquired by purchase:**

1. Architectural and Engineering Fees	\$39,378
2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$50,000
3. Acquisition of Site	
4. Preparation of Site	
5. Total Construction Costs	\$657,157
6. Contingency Fund	
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over \$50,000 as separate attachments)	
9. Other (Specify): _____	

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	\$685,802
2. Building only	
3. Land only	
4. Equipment (Specify): _____ 3T MRI	\$2,968,956
5. Other (Specify): _____ Service agreement for 5 years, including sales tax	\$1,047,948

C. Financing Costs and Fees:

1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify): _____	

D. Estimated Project Cost (A+B+C)	\$5,449,241
--------------------------------------	-------------

E. CON Filing Fee	\$12,261
-------------------	----------

F. Total Estimated Project Cost (D+E)	\$5,461,502
--	-------------

TOTAL

GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with TCA §68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, will provide health care that meets appropriate quality standards, and the effect attributed to completion or duplication would be positive for consumers.” In making determinations, the Agency uses as guidelines the goals, objectives, criteria, and standards adopted to guide the agency in issuing certificates of need. Until the agency adopts its own criteria and standards by rule, those in the state health plan apply.

Additional criteria for review are prescribed in Chapter 11 of the Agency Rules, Tennessee Rules and Regulations 01730-11.

The following questions are listed according to the three criteria: (1) Need, (2) the effects attributed to competition or duplication would be positive for consumers (Consumer Advantage), and (3) Quality Standards.

NEED

The responses to this section of the application will help determine whether the project will provide needed health care facilities or services in the area to be served.

- 1N.** Provide responses as an attachment to the applicable criteria and standards for the type of institution or service requested. A word version and pdf version for each reviewable type of institution or service are located at the following website. <https://www.tn.gov/hsda/hsda-criteria-and-standards.html> (Attachment 1N)

RESPONSE:

Responses to the Criteria and Standards for MRI services are in Attachment 1N. Addendum 1 is a table which shows projected utilization for the proposed new MRI, and 2022 utilization of all MRI providers in the PSA. Also attached is a Medical Equipment Attachment, and Addendum 1 to the Medical Equipment Attachment are the MRI quote and related documents.

- 2N.** Identify the proposed service area and provide justification for its reasonable ness. Submit a county level map for the Tennessee portion and counties boarding the state of the service area using the supplemental map, clearly marked, and shaded to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable. (Attachment 2N)

RESPONSE:

The proposed service area is Sullivan and Hawkins Counties. These two counties accounted for 88% of the Tennessee residents served in the HMG ODC in 2022. A map of the proposed service area is attached as Attachment 2N.

Complete the following utilization tables for each county in the service area, if applicable.

HISTORICAL UTILIZATION

Unit Type: ☒ Procedures ☐ Cases ☐ Patients ☐ Other _____		
Service Area Counties	Historical Utilization Most Recent Year (Year = 2022)	% of Total
Sullivan	3,168	60.00%
Greene	106	2.01%
Washington	422	7.99%
Hawkins	1,478	27.99%
Other not primary/secondary county	106	2.01%
Total	5,280	100%

PROJECTED UTILIZATION

Unit Type: ☒ Procedures ☐ Cases ☐ Patients ☐ Other _____		
Service Area Counties	Projected Utilization Recent Year 1 (Year = 2025)	% of Total
Sullivan	1,306	59.99%
Greene	44	2.02%
Washington	174	7.99%
Hawkins	609	27.97%
Other not primary/secondary county	44	2.02%
Total	2,177	100%

3N. A. Describe the demographics of the population to be served by the proposal.

RESPONSE:

Some key demographic characteristics of the service area population are reflected in the table in the response to the following question. The target population is the 18+ population. The applicant will serve primarily adult patients; on average, approximately 2% of its patients are age 17 and younger.

B. Provide the following data for each county in the service area:

- Using current and projected population data from the Department of Health. (www.tn.gov/health/health-program-areas/statistics/health-data/population.html);
- the most recent enrollee data from the Division of TennCare (<https://www.tn.gov/tenncare/information-statistics/enrollment-data.html>),
- and US Census Bureau demographic information (<https://www.census.gov/quickfacts/fact/table/US/PST045219>).

RESPONSE:

The completed table is attached as Attachment 3N. The target population is the 18+ population. The applicant will serve primarily adult patients, but on average approximately 2% of its patients are age 17 and younger.

- 4N. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly those who are uninsured or underinsured, the elderly, women, racial and ethnic minorities, TennCare or Medicaid recipients, and low income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

RESPONSE:

The demographic profile of the PSA reflected in the table in Attachment 3N shows the PSA is below the averages for the state as a whole in the following categories: Total population growth (0.2% vs. 2.9%), and median household income (\$54,002 vs. \$64,035). The PSA is higher than the state as a whole for percentage of TennCare enrollees of the total population. (22.4% vs. 21.5%). The PSA is also above the statewide average in the percentage of persons below poverty level (15% vs.13.3%).

- 5N. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days. Average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g. cases, procedures, visits, admissions, etc. This does not apply to projects that are solely relocating a service.

RESPONSE:

In 2022 there were 12.4 FTE MRI) units MRI units in Sullivan and Hawkins Counties, operated by 10 providers. Of these, 2 units were in ODCs, 2 units were in physician offices, and 8.4 units were in hospitals or hospital-owned outpatient imaging centers. The 2 MRIs in ODCs averaged 5,014 scans per unit, which is 174% of the need standard of 2,880 scans per unit. All MRIs operating in the PSA in 2022 performed an average of 2,962 scans per unit, which is 97.3% of the utilization threshold.

Two hospital providers in the PSA reported having a 3.0T MRI in 2022. Separate utilization data for those units is not available. No ODC or physician office in the service area reported having a 3.0T MRI.

At table showing MRI utilization for all providers in the PSA for the past three years (2020-2022) is attached as Attachment 5N.

- 6N. Provide applicable utilization and/or occupancy statistics for your institution services for each of the past three years and the project annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

RESPONSE:

Historical Utilization (1.5 T MRI only):

<u>Year</u>	<u>Scans</u>
2023:	5225

2022: 5280

2021: 6042

Projected Utilization (3T MRI):

<u>Year</u>	<u>Scans</u>
Year 1 (2025)	2176
Year 2 (2026)	2637
Year 3 (2027)	2769
Year 4 (2028)	2907

The projected utilization was derived by taking into account several categories of patients expected to receive scans on the 3T unit:

1. Prostate MRIs coming from HMG physicians which are currently sent to the hospital because they require a 3T MRI scan.
 2. Small-part orthopedic studies (hands and feet) coming from HMG physicians, which are currently performed on the 1.5T unit, but for which a 3T MRI scan is the preferred and more effective imaging modality.
 3. Neurological brain scans which are referred to HMG by Associated Neurology and Gray Neurology, for which a 3T MRI scan is the preferred and more effective imaging modality.
 4. Overflow from the over-utilized 1.5T unit, to reduced the backlog of cases, reduce the wait times, and reduce the need for night and weekend MRI services.
-

- 7N.** Complete the chart below by entering information for each applicable outstanding CON by applicant or share common ownership; and describe the current progress and status of each applicable outstanding CON and how the project relates to the applicant, and the percentage of ownership that is shared with the applicant's owners.

RESPONSE:

N/A

CONSUMER ADVANTAGE ATTRIBUTED TO COMPETITION

The responses to this section of the application helps determine whether the effects attributed to competition or duplication would be positive for consumers within the service area.

- 1C.** List all transfer agreements relevant to the proposed project.

RESPONSE: A copy of a Transfer Agreement with Holston Valley Medical Center is attached as Attachment 1C.

- 2C.** List all commercial private insurance plans contracted or plan to be contracted by the applicant.

- ☒ Aetna Health Insurance Company
- ☐ Ambetter of Tennessee Ambetter
- ☒ Blue Cross Blue Shield of Tennessee
- ☐ Blue Cross Blue Shield of Tennessee Network S
- ☐ Blue Cross Blue Shiled of Tennessee Network P
- ☐ BlueAdvantage
- ☐ Bright HealthCare
- ☒ Cigna PPO
- ☐ Cigna Local Plus
- ☐ Cigna HMO - Nashville Network
- ☐ Cigna HMO - Tennessee Select
- ☐ Cigna HMO - Nashville HMO
- ☐ Cigna HMO - Tennessee POS
- ☐ Cigna HMO - Tennessee Network
- ☐ Golden Rule Insurance Company
- ☐ HealthSpring Life and Health Insurance Company, Inc.
- ☒ Humana Health Plan, Inc.
- ☐ Humana Insurance Company
- ☐ John Hancock Life & Health Insurance Company
- ☐ Omaha Health Insurance Company
- ☐ Omaha Supplemental Insurance Company
- ☐ State Farm Health Insurance Company
- ☐ United Healthcare UHC
- ☐ UnitedHealthcare Community Plan East Tennessee
- ☐ UnitedHealthcare Community Plan Middle Tennessee

- ☐ UnitedHealthcare Community Plan West Tennessee
- ☒ WellCare Health Insurance of Tennessee, Inc.
- ☒ Others

RESPONSE: Anthem BCBS of Virginia Multiplan/PHCS First Health ChampVA Tricare Sentara

- 3C. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact upon consumer charges and consumer choice of services.

RESPONSE:

This would not cause any harmful competition. The existing MRIs in operation ODCs in the PSA average of 5014 scans per unit, which is 174% of the utilization threshold. The proposed 3.0T MRI will not be an unnecessary duplication of services because there is no 3.0T MRI in any ODC in the PSA. It would not be duplication of the 3T MRI services currently being provided in two area hospitals because of the lower charges and other advantages of the 3T unit being in a freestanding ODC as compared to a hospital setting.

- 4C. Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements, CMS, and/or accrediting agencies requirements, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

RESPONSE:

The addition of the 3T MRI will result in a need for 10.6 FTE additional patient-care staff positions. HMG's extensive and long-time presence as a healthcare provider in the PSA enables it to find and retain the needed nursing and other ancillary staff needed. The ODC is accredited by the ACR and licensed by the State of Tennessee. It will always meet or exceed any staffing requirements or benchmarks of those authorities.

- 5C. Document the category of license/certification that is applicable to the project and why. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

RESPONSE:

The proposed MRI unit will be operating in an existing licensed ODC which is accredited by the American College of Radiology. The HMG ODC will continue to maintain compliance with all applicable regulations and standards of both the Tennessee Health Facilities Commission BLHCF and the ACR.

HISTORICAL DATA CHART

- ☒ Total Facility
☐ Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency.

	Year 1	Year 2	Year 3
	<u>2021</u>	<u>2022</u>	<u>2023</u>
A. Utilization Data			
Specify Unit of Measure <u>Procedures</u>	<u>6042</u>	<u>5280</u>	<u>5225</u>
B. Revenue from Services to Patients			
1. Inpatient Services	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
2. Outpatient Services	<u>\$3,767,378.00</u>	<u>\$3,360,235.00</u>	<u>\$3,342,791.00</u>
3. Emergency Services	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
4. Other Operating Revenue (Specify) _____	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Gross Operating Revenue	<u>\$3,767,378.00</u>	<u>\$3,360,235.00</u>	<u>\$3,342,791.00</u>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	<u>\$1,619,972.00</u>	<u>\$1,444,901.00</u>	<u>\$1,437,400.00</u>
2. Provision for Charity Care	<u>\$37,674.00</u>	<u>\$33,602.00</u>	<u>\$33,428.00</u>
3. Provisions for Bad Debt	<u>\$75,348.00</u>	<u>\$67,205.00</u>	<u>\$66,856.00</u>
Total Deductions	<u>\$1,732,994.00</u>	<u>\$1,545,708.00</u>	<u>\$1,537,684.00</u>
NET OPERATING REVENUE	<u>\$2,034,384.00</u>	<u>\$1,814,527.00</u>	<u>\$1,805,107.00</u>

PROJECTED DATA CHART

- ☒ Project Only
☐ Total Facility

Give information for the two (2) years following the completion of this proposal.

	Year 1	Year 2
	<u>2025</u>	<u>2026</u>
A. Utilization Data		
Specify Unit of Measure <u>Procedures</u>	<u>2176</u>	<u>2637</u>
B. Revenue from Services to Patients		
1. Inpatient Services	<u>\$0.00</u>	<u>\$0.00</u>
2. Outpatient Services	<u>\$1,487,070.00</u>	<u>\$1,801,745.00</u>
3. Emergency Services	<u>\$0.00</u>	<u>\$0.00</u>
4. Other Operating Revenue (Specify) _____	<u>\$0.00</u>	<u>\$0.00</u>
Gross Operating Revenue	<u>\$1,487,070.00</u>	<u>\$1,801,745.00</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	<u>\$639,440.00</u>	<u>\$774,750.00</u>
2. Provision for Charity Care	<u>\$14,871.00</u>	<u>\$18,017.00</u>
3. Provisions for Bad Debt	<u>\$29,741.00</u>	<u>\$36,035.00</u>
Total Deductions	<u>\$684,052.00</u>	<u>\$828,802.00</u>

NET OPERATING REVENUE

\$803,018.00

\$972,943.00

PROJECTED DATA CHART

- ☒ Total Facility
☐ Project Only

Give information for the *two (2)* years following the completion of this proposal.

	Year 1	Year 2
	2025	2026
A. Utilization Data		
Specify Unit of Measure Procedures	7230	8027
B. Revenue from Services to Patients		
1. Inpatient Services	\$0.00	\$0.00
2. Outpatient Services	\$4,940,637.00	\$5,484,912.00
3. Emergency Services	\$0.00	\$0.00
4. Other Operating Revenue (Specify)	\$0.00	\$0.00
Gross Operating Revenue	\$4,940,637.00	\$5,484,912.00
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$2,124,474.00	\$2,358,512.00
2. Provision for Charity Care	\$49,406.00	\$54,849.00
3. Provisions for Bad Debt	\$98,813.00	\$109,698.00
Total Deductions	\$2,272,693.00	\$2,523,059.00
NET OPERATING REVENUE	\$2,667,944.00	\$2,961,853.00

- 7C. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Historical and Projected Data Charts of the proposed project.

Project Only Chart

	Previous Year to Most Recent Year	Most Recent Year	Year One	Year Two	% Change (Current Year to Year 2)
Gross Charge (<i>Gross Operating Revenue/Utilization Data</i>)	\$0.00	\$0.00	\$683.40	\$683.26	0.00
Deduction from Revenue (<i>Total Deductions/Utilization Data</i>)	\$0.00	\$0.00	\$314.36	\$314.30	0.00
Average Net Charge (<i>Net Operating Revenue/Utilization Data</i>)	\$0.00	\$0.00	\$369.03	\$368.96	0.00

- 8C. Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

RESPONSE:

The charges for the 3T MRI will be the same as for the current 1.5T MRI as to all scans which can be performed on either unit. The chargemaster for all charges, which also includes the Medicare allowable, is shown on Attachment 8C. This project will have no impact on current patient charges.

- 9C. Compare the proposed project charges to those of similar facilities/services in the service area/adjoining services areas, or to proposed charges of recently approved Certificates of Need.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

RESPONSE:

The average gross charges of all providers in the PSA in 2022 are shown on Attachment 9C. The most important fact revealed the comparison of charges is that the average MRI charge of the 2 ODCs in the PSA (both of which are owned by HMG) are less than one-third of the average charge of the hospital-based MRIs. A summary of the charge comparison is shown below. More details are shown in Attachment 9C.

Average charge of all types of MRI providers in the PSA:	\$2,927.90
Average charge of all hospital-based MRIs:	\$3,830.91
Average charge of all ODC-based MRIs in the PSA:	\$1,043.69

- 10C.** Report the estimated gross operating revenue dollar amount and percentage of project gross operating revenue anticipated by payor classification for the first and second year of the project by completing the table below.

If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**Applicant's Projected Payor Mix
Project Only Chart**

Payor Source	Year-2025		Year-2026	
	Gross Operating Revenue	% of Total	Gross Operating Revenue	% of Total
Medicare/Medicare Managed Care	\$698,923.00	47.00	\$846,820.00	47.00
TennCare/Medicaid	\$89,224.00	6.00	\$108,105.00	6.00
Commercial/Other Managed Care	\$639,440.00	43.00	\$774,750.00	43.00
Self-Pay	\$22,306.00	1.50	\$27,026.00	1.50
Other(Specify)	\$37,177.00	2.50	\$45,044.00	2.50
Total	\$1,487,070.00	100%	\$1,801,745.00	100%
Charity Care	\$14,871.00		\$18,017.00	

**Needs to match Gross Operating Revenue Year One and Year Two on Projected Data Chart*

Discuss the project's participation in state and federal revenue programs, including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project.

RESPONSE: The HMG ODC participates in Medicare and TennCare and is in-network with two of the three TennCare MCOs operating in the region. The applicant has allocated an estimated 1% of gross revenues for charity care. The projected payor mix is shown above.

QUALITY STANDARDS

- 1Q.** Per PC 1043, Acts of 2016, any receiving a CON after July 1, 2016, must report annually using forms prescribed by the Agency concerning appropriate quality measures. Please attest that the applicant will submit an annual Quality Measure report when due.

☒ Yes

☐ No

- 2Q.** The proposal shall provide health care that meets appropriate quality standards. Please address each of the following questions.

- Does the applicant commit to maintaining the staffing comparable to the staffing chart presented in its CON application?

☒ Yes

☐ No

- Does the applicant commit to obtaining and maintaining all applicable state licenses in good standing?

☒ Yes

☐ No

- Does the applicant commit to obtaining and maintaining TennCare and Medicare certification(s), if participation in such programs are indicated in the application?

☒ Yes

☐ No

3Q. Please complete the chart below on accreditation, certification, and licensure plans. Note: if the applicant does not plan to participate in these type of assessments, explain why since quality healthcare must be demonstrated.

Credential	Agency	Status (Active or Will Apply)	Provider Number or Certification Type
Licensure	☒ Health Facilities Commission/Licensure Division ☐ Intellectual & Developmental Disabilities ☐ Mental Health & Substance Abuse Services	Active	ODC License#021
Certification	☒ Medicare ☒ TennCare/Medicaid FDA Certified ☒ Other <u>Mammography Facility</u>	Active Active Active	3908279 3908271 211391
Accreditation(s)	ACR – American College of Radiology	Active	MRAP #05678-03

4Q. If checked “TennCare/Medicaid” box, please list all Managed Care Organization’s currently or will be contracted.

- ☐ AMERIGROUP COMMUNITY CARE- East Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - Middle Tennessee
- ☐ AMERIGROUP COMMUNITY CARE - West Tennessee
- ☒ BLUECARE - East Tennessee
- ☐ BLUECARE - Middle Tennessee
- ☐ BLUECARE - West Tennessee
- ☒ UnitedHealthcare Community Plan - East Tennessee
- ☐ UnitedHealthcare Community Plan - Middle Tennessee
- ☐ UnitedHealthcare Community Plan - West Tennessee
- ☐ TENNCARE SELECT HIGH - All
- ☐ TENNCARE SELECT LOW - All
- ☐ PACE
- ☐ KBB under DIDD waiver
- ☐ Others

5Q. Do you attest that you will submit a Quality Measure Report annually to verify the license, certification, and/or accreditation status of the applicant, if approved?

- ☒ Yes
- ☐ No

6Q. For an existing healthcare institution applying for a CON:

- Has it maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action should be discussed to include any of the following: suspension of admissions, civil monetary penalties, notice of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions and what measures the applicant has or will put into place to avoid similar findings in the future.

- ☒ Yes
- ☐ No
- ☐

☐ N/A

- Has the entity been decertified within the prior three years? If yes, please explain in detail. (This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility.)

- ☐ Yes
☒ No
☐ N/A

7Q. Respond to all of the following and for such occurrences, identify, explain, and provide documentation if occurred in last five (5) years.

Has any of the following:

- Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);
- Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or.

Been subject to any of the following:

- Final Order or Judgement in a state licensure action;
☐ Yes
☒ No
- Criminal fines in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Civil monetary penalties in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Administrative monetary penalties in cases involving a Federal or State health care offense;
☐ Yes
☒ No
- Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services;
☐ Yes
☒ No
- Suspension or termination of participation in Medicare or TennCare/Medicaid programs; and/or
☐ Yes
☒ No
- Is presently subject of/to an investigation, or party in any regulatory or criminal action of which you are aware.
☐ Yes
☒ No

8Q. Provide the project staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions.

☐ Existing FTE not applicable (Enter year)

Position Classification	Existing FTEs(enter year)	Projected FTEs Year 1
A. Direct Patient Care Positions		
X-Ray technologist	1.00	2.00
Float Technologist	0.80	1.60
MRI Technologist	1.50	3.00
Total Direct Patient Care Positions	3.3	6.6

B. Non-Patient Care Positions		
Medical Records	1.00	1.00
Financial & Billing	4.00	4.00
Administrator	1.00	1.00
Total Non-Patient Care Positions	6	6
Total Employees (A+B)	9.3	12.6

C. Contractual Staff		
Contractual Staff Position	1.00	1.25
Total Staff (A+B+C)	10.3	13.85

DEVELOPMENT SCHEDULE

TCA §68-11-1609(c) provides that activity authorized by a Certificate of Need is valid for a period not to exceed three (3) years (for hospital and nursing home projects) or two (2) years (for all other projects) from the date of its issuance and after such time authorization expires; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificate of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need authorization which has been extended shall expire at the end of the extended time period. The decision whether to grant an extension is within the sole discretion of the Commission, and is not subject to review, reconsideration, or appeal.

- Complete the Project Completion Forecast Chart below. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
- If the CON is granted and the project cannot be completed within the standard completion time period (3 years for hospital and nursing home projects and 2 years for all others), please document why an extended period should be approved and document the “good cause” for such an extension.

PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HFC action on the date listed in Item 1 below, indicate the number of days from the HFC decision date to each phase of the completion forecast.

Phase	Days Required	Anticipated Date (Month/Year)
1. Initial HFC Decision Date		07/24/24
2. Building Construction Commenced	180	01/19/25
3. Construction 100% Complete (Approval for Occupancy)	360	07/18/25
4. Issuance of License	360	07/18/25
5. Issuance of Service	360	07/18/25
6. Final Project Report Form Submitted (Form HR0055)	450	10/16/25

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

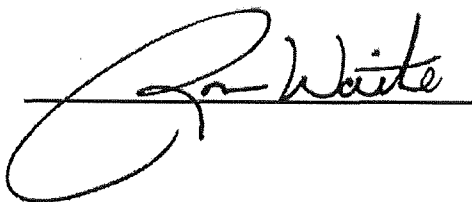
Affidavit of Publication**TIMES NEWS**

701 Lynn Garden Drive • Kingsport
County of Sullivan, State of Tennessee

I, Ron Waite, being duly sworn upon oath, deposes and state that I am the publisher of the Times News, a daily newspaper published in the City of Kingsport, County of Sullivan, in the State of Tennessee. This Legal Notice contains a true and correct copy of what was published in the regular edition of said newspaper, in consecutive issues on the following dates:

Publication Dates: 05/11/2024, , ,

Ad#: 2597

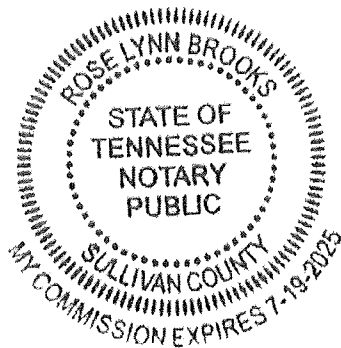


Ron Waite

Signed and sworn to before me
on 05/11/2024



Rose Lynn Brooks - Notary Public
My commission expires: July 19, 2025



**NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE
OF NEED**

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Holston Medical Group at Meadowview Lane, a/an Outpatient Diagnostic Center owned by Holston Medical Group, P.C. with an ownership type of Corporation (For Profit) and to be managed by itself intends to file an application for a Certificate of Need for the addition of a 3.0 Tesla magnet strength MRI to its existing MRI service. The address of the project will be 2033 Meadowview Lane, Kingsport, Sullivan County, Tennessee, 37660. The estimated project cost will be \$5,461,502.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 - Contact No. 615-716-2297.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1).(A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov

PUB 1T: 5/11/24


**SIXRIVERS
MEDIA**

Times News • Johnson City Press • The Tomahawk • Erwin Record • Herald & Tribune
Main Office: 701 Lynn Garden Drive Kingsport, TN 37660 • 423-392-1311

Classified Receipt

HOLSTON MEDICAL GROUP, P.C.
2323 N. JOHN B. DENNIS HWY
KINGSPORT, TN 37660

Acct#:1234542
Ad#:2597
Phone#:423-857-
Date:05/09/2024

Salesperson: MWILDER

Classification: Legal Notices

Ad Size: 2.0 x 35.00

Advertisement Information:

Description	Start	Stop	Ins.	Cost/Day	Total
Kingsport Times News	05/11/2024	05/11/2024	1	133.00	133.00
Bold Words	-	-	-	-	3.00

Payment Information:

Date:	Order#	Type
05/09/2024	2597	Transient-CreditCard

Total Amount: 136.00

Total Payments: 136.00

Amount Due: 0.00

Thank you for your business.

Ad Copy

**NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE
OF NEED**

This is to provide official notice to the Health Facilities Commission and all interested parties, in accordance with T.C.A. §68-11-1601 et seq., and the Rules of the Health Facilities Commission, that Holston Medical Group at Meadowview Lane, a/an Outpatient Diagnostic Center owned by Holston Medical Group, P.C. with an ownership type of Corporation (For Profit) and to be managed by itself intends to file an application for a Certificate of Need for the addition of a 3.0 Tesla magnet strength MRI to its existing MRI service. The address of the project will be 2033 Meadowview Lane, Kingsport, Sullivan County, Tennessee, 37660. The estimated project cost will be \$5,461,502.

The anticipated date of filing the application is 06/01/2024

The contact person for this project is Attorney Jerry Taylor who may be reached at Thompson Burton PLLC - One Franklin Park, 6100 Tower Circle, Suite 200, Franklin, Tennessee, 37067 - Contact No. 615-716-2297.

The published Letter of Intent must contain the following statement pursuant to T.C.A. §68-11-1607 (c)(1).(A) Any healthcare institution wishing to oppose a Certificate of Need application must file a written notice with the Health Facilities Commission no later than fifteen (15) days before the regularly scheduled Health Facilities Commission meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application may file a written objection with the Health Facilities Commission at or prior to the consideration of the application by the Commission, or may appear in person to express opposition. Written notice may be sent to: Health Facilities Commission, Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243 or email at hsda.staff@tn.gov

PUB 1T: 5/11/24



Tre Hargett
Secretary of State

Division of Business Services
Department of State
State of Tennessee
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

RANDALL E SERMONS
RANDY SERMONS
2323 N JOHN B DENNIS HWY
KINGSPORT, TN 37660

July 19, 2023

Request Type: Certificate of Existence/Authorization
Request #: 0538947

Issuance Date: 07/19/2023
Copies Requested: 1

Document Receipt

Receipt #: 008256990 Filing Fee: \$20.00
Payment-Credit Card - State Payment Center - CC #: 3854864686 \$20.00

Regarding: HOLSTON MEDICAL GROUP, P.C.
Filing Type: For-profit Corporation - Domestic
Formation/Qualification Date: 01/09/1989
Status: Active
Duration Term: Perpetual
Business County: SULLIVAN COUNTY

Control #: 211098
Date Formed: 01/09/1989
Formation Locale: TENNESSEE
Inactive Date:

CERTIFICATE OF EXISTENCE

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

HOLSTON MEDICAL GROUP, P.C.

- * is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- * has paid all fees, interest, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- * has filed the most recent annual report required with this office;
- * has appointed a registered agent and registered office in this State;
- * has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett
Secretary of State

Processed By: Cert Web User

Verification #: 061804928

92 NOV 20 AM 10:00

BRYANT HILLISAPS
SECRETARY OF STATEARTICLES OF AMENDMENT TO THE CHARTER
OF
INDIAN VALLEY MEDICAL GROUP, P. C.

Pursuant to the provisions of Section 48-20-101 of the Tennessee Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Charter:

1. Paragraph 1 of the Charter of Incorporation shall be deleted in its entirety and the following inserted in lieu thereof:

NAME. The name of the Corporation is Holston Medical Group, P. C.

2. Paragraph 2(b) of the Charter of Incorporation shall be deleted in its entirety and the following inserted in lieu thereof:

(b) The maximum number of shares of stock with par value of Ten Dollars (\$10) per share that this Corporation is authorized to have outstanding at any time shall be 100,000 shares.

3. Paragraph 5 of the Charter of Incorporation shall be deleted in its entirety and the following inserted in lieu thereof:

PRINCIPAL OFFICE. The complete address of the Corporation's principal office is: 2112 Brookside Drive, Suite 200, Kingsport, Sullivan County, Tennessee 37660.

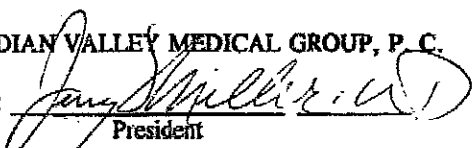
4. These Amendments were duly adopted at a meeting of the Shareholders of the Corporation held on November 12, 1992.

5. This Amendment will not necessitate nor does it provide for any exchange, reclassification or cancellation of issued shares of the Corporation's stock.

6. The effective date of this Amendment shall be January 1, 1993.

DATED this 12th day of November, 1992.

INDIAN VALLEY MEDICAL GROUP, P. C.

By: 

President

STATE OF TENNESSEE
CHARTER OF INCORPORATION
FOR

INDIAN VALLEY MEDICAL GROUP, PC

The undersigned, having capacity to contract and acting as the Incorporator of a Corporation under the Tennessee Professional Corporation Act and the Tennessee Business Corporation Act, adopts the following Charter for such Corporation.

1. NAME. The name of the Corporation is Indian Valley Medical Group, PC.

2. CAPITALIZATION. The Corporation is authorized to issue from time to time and for such consideration as may be fixed by the Board of Directors, the following capital stock:

(a) The only class of stock authorized to be issued by this Corporation shall be shares with a par value of Ten Dollars (\$10) per share and all stock shall be common voting capital stock.

(b) The maximum number of shares of stock with par value of Ten Dollars (\$10) per share that this Corporation is authorized to have outstanding at any time shall be Ten Thousand (10,000) shares.

(c) The holders of the common voting capital stock shall have unlimited voting rights and shall be entitled to receive the net assets of the Corporation upon dissolution.

3. ADDRESS OF INITIAL REGISTERED OFFICE.

(a) The complete address of the Corporation's initial registered office in Tennessee is 1029 East Sullivan Street, Kingsport, Tennessee 37660.

(b) The name of the initial registered agent to be located at the address listed is Jerry L. Miller.

4. INCORPORATOR'S ADDRESS. The name and complete address of each incorporator is: Gorman Waddell, 238 Broad Street, Kingsport, TN 37660.

5. PRINCIPAL OFFICE. The complete address of the Corporation's principal office is: 1029 East Sullivan Street, Kingsport, TN 37660.

6. FOR PROFIT. This Corporation is a corporation for profit.

7. BUSINESS PURPOSES. The general nature of business to be transacted by the Corporation is as follows:

(a) To engage in the practice of medicine and surgery and all specialized aspects thereof as may be authorized by the Board of Directors and to do all acts necessary or desirable, incidental to or connected therewith. The Corporation elects to be governed by the provisions of the Tennessee Professional Corporation Act (Tenn. Code Ann. §48-3-401 et seq.), subject to such regulations as are imposed by professional organizations and licensing boards having jurisdiction.

(b) To own real and personal property as necessary or appropriate to the rendering of such professional services or otherwise.

(c) In addition, the Corporation shall have all the powers and privileges granted to corporations generally under the "Tennessee Business Corporation Act" and under the "Tennessee Professional Corporation Act", except only to the extent that such powers and privileges may be restricted by the provisions of the applicable laws of the State.

(d) No person shall render professional services under the guise of employment by this Corporation unless duly licensed to practice medicine pursuant to the laws of the State of Tennessee.

(e) Any relationship between the officers, employees and agents of the Corporation as physicians and their patients shall be direct, personal and confidential.

8. SHAREHOLDERS.

(a) A person must be licensed by the State of Tennessee to practice medicine before he shall be entitled to acquire or own any of the capital stock of this Corporation.

(b) The holders of shares of stock in this Corporation shall be treated in all respects as shareholders of a regular corporation, subject only to the provisions of this Charter, the By-Laws of this Corporation and any agreements among the present shareholders and any future shareholders.

(c) The capital stock of this Corporation shall be transferable to qualified non-shareholders of the Corporation, that is licensed physicians, only after first being offered at its fair value to other shareholders, if any, of the Corporation and not accepted. The present shareholders and any future shareholders of this Corporation may enter into agreements restricting the alienation of the stock or providing for the redemption or purchase of the stock, and any such agreements shall be deemed to be made pursuant to this Charter as fully as if stated herein.

9. VOTING TRUST. No shareholder of this Corporation shall enter into a voting trust agreement of any other type of agreement vesting in another person the authority to exercise the voting power of any of his shares.

10. DIRECTORS.

(a) The business of the Corporation shall be managed by a Board of Directors consisting of one individual unless a larger number shall be specified in or fixed in accordance with the By-Laws of the Corporation. The Board of Directors shall have the power to fix or change the number of Directors.

(b) No Director who is not duly licensed to practice medicine in the State of Tennessee shall participate in any decision constituting the practice of medicine.

(c) Unless the By-Laws of the Corporation provide for a lesser period of time, the term of a Director shall expire three years from the date of his election. If a Director shall not be elected on the day designated for that purpose, the incumbent Director whose term expires shall continue to hold his office and perform his duties as Director until his successor is elected and qualified.

(d. At all elections of Directors, every shareholder entitled to vote at such election shall be entitled to as many votes as shall equal the number of shares held by him multiplied by the number of Directors to be elected, and each shareholder may cast all of his votes for a single Director or may distribute them among the number to be voted at any two or more of them as he may determine.

11. OFFICERS. The Corporation shall have a president, a secretary and such other officers as may be designated from time to time by the Board of Directors and/or as provided in the By-Laws of the Corporation. All officers shall be chosen in such manner, shall hold their office for such terms and have such powers and duties as may be prescribed by the By-Laws or by the Directors. In the event of the failure on the part of Directors to elect officers on the day designated for that purpose, the incumbent officers whose terms expire shall hold over and continue to perform their duties as officers until their successors are elected and qualified. No officer who is not duly licensed to practice medicine in the State of Tennessee shall participate in any decision constituting the practice of medicine.

12. SHAREHOLDER LIABILITY. The shareholders of the Corporation shall not be personally liable for the debts of or claims against the Corporation.

13. DIRECTORS' LIABILITIES. No Director shall have any personal liability to the Corporation or its shareholders for monetary damage for breach of fiduciary duty as a Director. Provided, this provision shall not eliminate or limit the liability of a Director:

(a) For any breach of the Director's duty of loyalty to the Corporation or its shareholders,

(b) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,

(c) For any unlawful distributions pursuant to Tenn.

Code Ann. §48-18-304.

14. INDEMNIFICATION. The Corporation shall indemnify an individual made a party to a proceeding because he is or was a director against liability incurred in the proceeding if:

(a) He conducted himself in good faith; and

(b) He reasonably believed:

(i) In the case of conduct in his official capacity with the Corporation that his conduct was in its best interest; and

(ii) In all other cases, that his conduct was at least not opposed to its best interest; and

(c) In the case of any criminal proceeding, he had no reasonable cause to believe his conduct was unlawful. The determination of an individual's right to indemnification shall be made in the manner provided in Tenn. Code Ann. §48-18-506.

I, the undersigned, apply to the State of Tennessee for a Charter of Incorporation for the purposes and with the powers, restrictions and provisions set out in this instrument.

WITNESS my signature this 6th day of January, 1980.

Gorman Waddell
Gorman Waddell, Incorporator

Attachment 8A – Management Agreement

The Management Agreement is N/A to this application.

THIS LEASE AGREEMENT is made and entered into effective this 7th day of October, 2003, by and between HMG MEADOWVIEW, L.L.C., a Tennessee limited liability company, hereinafter referred to as "Landlord" and HOLSTON MEDICAL GROUP, P.C., a Tennessee professional corporation, hereinafter referred to as "Tenant".

W I T N E S S E T H

1. GRANT OF LEASE. For and in consideration of the payment by Tenant of the rent hereinafter set out, the performance by the Tenant of the covenants and agreements herein contained and subject to all the provisions hereinafter set forth, Landlord does hereby let and demise to Tenant and Tenant does take and hire from Landlord that certain office building to be constructed by Landlord on a tract of land located in the City of Kingsport, 13th Civil District of Sullivan County, Tennessee, and being Lot 3, Division of Eastman Credit Union Property, as shown on Plat of record in the Register's Office for Sullivan County at Blountville, Tennessee, in Plat Book 51, at page 433; and being the property conveyed to Landlord by deed dated September 17, 2003, and of record in the Register's Office in Book 2012C, at page 360 (the "Property"). The office building shall be constructed on the Property in the manner as shown on the plans designated as Exhibit "A", which Exhibit is attached to this Lease and specifically incorporated herein by reference (the "Premises").

2. BASIC LEASE PROVISIONS. (a) Net rentable area of Premises is 64,200 square feet of which 17,000 square feet is designated as "Business Office Suites", 34,700 square feet is designated as "Clinical Practice Suites" and ^{Curr 15,731} ~~12,500~~ square feet is designated as the "Outpatient Diagnostic Imaging Center".

(b) Lease Term: Fifteen (15) years with one option to renew for an additional five (5) years.

(c) Initial Basic Annual Rent:

(i) \$17 per square foot for Clinical Practice Suites and Business Office Suites based on Tenant's rentable area plus annual direct expenses and Additional Rent, as hereinafter defined, budgeted to be \$5.00 per square foot during the first five (5) years of the Term. Tenant will be provided an accounting of direct expenses annually and be responsible for any costs over the \$5.00 per square foot budget on a pro-rata basis.

(ii) \$22 per square foot for the Outpatient Diagnostic Imaging Center based on Tenant's rentable area plus annual direct expenses and Additional Rent, as hereinafter defined, budgeted to be \$5.00 per square foot during the first five (5) years of the Term. Tenant will be provided an accounting of direct expenses annually and be responsible for any costs over the \$5.00 per square foot budget on a pro-rata basis.

(d) Target Commencement Date: January 1, 2004. *check*

S. M. Kilgore, Secretary
Landlord

Jerry Miller
Tenant

(To be initialed by both parties when commencement date is inserted above.)

3. TERM. (a) The Term of this Lease shall be for a period of fifteen (15) years and shall commence on the earlier of the date which (i) Tenant takes possession or commences use of the Premises or (ii) the Premises shall be tendered to Tenant ready for occupancy. Provided, in the event that the construction of Tenant Improvements for the Premises has not been completed in sufficient time to permit occupancy of the Premises by Tenant on or before the Target Commencement Date and in the event the Tenant Improvements were not completed by that date for any reason caused by

Tenant, then the Term shall commence on the Target Commencement Date notwithstanding that the Premises are not available at that time for occupancy. The date of commencement shall be confirmed by the parties inserting the appropriate date in Paragraph 2(d) and initialing that provision.

(b) Tenant shall have the right and option to renew this Lease for one additional Term of five (5) years ("Renewal Term"), which shall commence the day after the expiration of the Term. Tenant shall provide Landlord with written notice of Tenant's intention to exercise the option to renew at least ninety (90) days prior to the expiration of the Term. All of the terms and provisions governing Tenant's use and occupancy of the Property during the Renewal Term shall be the same as during the Term, subject to rental adjustments to be effective on the commencement date of the Renewal Term.

(c) Beginning as of the first day of the sixth year of the Term and as of the same day of each successive five (5) year period during the Term and as of the first day of the Renewal Term, if applicable (the "Computation Date"), the Initial Basic Annual Rent and the Additional Rent per square foot for the Clinical Practice Suites, Business Office Suites and the Outpatient Diagnostic Imaging Center shall be increased by the increase in the cost of living as reflected by changes in the "All Urban Consumers" figure of the Consumer Price Index (1982-1984 = 100) of the Bureau of Labor Statistics of the United States Department of Labor. Adjustments shall be made by multiplying the Initial Basic Annual Rent and the Additional Rent by a fraction, the numerator of which is the point at which the "All Urban Consumers" figure of the Index stands on each Computation Date and the denominator of which is the point at which the "All Urban Consumers" figure of the Index stood on the first day of the Term. An amount equal to the product obtained shall be the Basic Annual Rent and the Additional Rent for the Clinical Practice Suites, Business Office

Suites and the Outpatient Diagnostic Imaging Center for the applicable five (5) year period. If the Consumer Price Index is discontinued during the Term or the Renewal Term, a mutually agreeable alternate index shall be selected and substituted.

4. POSSESSION. Tenant agrees that if Landlord is unable to deliver possession of the Premises to Tenant on the Target Commencement Date, this Lease shall not be void or voidable nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom. In this event, Tenant shall begin paying rent on the date the Term of the Lease commences, as described in Paragraph 3. If the Tenant Improvements are completed prior to the date scheduled, Landlord shall deliver possession of the Premises to Tenant upon completion and the Term shall then commence.

5. USE. (a) Tenant shall use and occupy the Premises for purposes relating to the provision of medical and surgical services, medical diagnostic services and general medical and business offices. Tenant shall not use or permit the Premises, or any part thereof, to be used for any other purpose without the prior written consent of Landlord.

(b) Tenant shall not commit or permit any waste in or on the Premises or any nuisance or other act or condition which may disturb the quiet enjoyment of adjoining landowners or other tenants. Tenant shall not use or allow the Premises to be used for any improper, immoral or unlawful purpose.

(c) Tenant shall permit no hazardous or dangerous materials or product to be located upon or generated, stored, transported to or from, disposed of or used on or within the Premises, except for hazardous materials and products used in the practice of medicine and/or laboratory facilities if these hazardous materials and products are stored and disposed of in accordance with applicable law. Tenant is responsible for Hazardous Waste removal.

6. RENT. Tenant shall pay to Landlord rent for the Premises as follows:

(a) **Basic Annual Rent.** Tenant shall pay to Landlord during the first five (5) years of the Term the Initial Basic Annual Rent in the amount shown in Paragraph 2(c) in equal monthly installments payable on or before the first day of each month, in advance, without any prior demand and without any deductions or setoff. Rent for any partial month shall be prorated at the rate of 1/30 of the monthly rent for each day. During each subsequent five (5) years of the Term and during the Renewal Term, Basic Annual Rent shall increase in the manner as provided in Paragraph 3(c).

(b) **Additional Rent.** Tenant shall pay to Landlord during the first five (5) years of the Term Additional Rent in the amount as shown in Paragraph 2(c) in equal monthly installments payable on or before the first day of each month, in advance, without prior demand and without any deduction or setoff. Additional Rent for any partial month shall be prorated at the rate of 1/30 of the Additional Rent for each day. Additional Rent shall be payment of the Operating Expenses necessary for Landlord to provide the operation and maintenance of the Premises and Property which Landlord is required to maintain pursuant to this Lease and in a manner deemed reasonable and appropriate by Landlord and for the best interest of Tenant and the Premises. During each subsequent five (5) years of the Term and during the Renewal Term, Additional Rent shall increase in the manner as provided in Paragraph 3(c). Operating Expenses shall include the following:

(i) any supplies and materials that may be used in the operation and maintenance of the Premises;

(ii) cost of replacement of equipment and all maintenance and service agreements on equipment located in or used in connection with the Premises (except equipment that is the sole responsibility of Tenant) including, without limitation, the alarm service;

(iii) cost of fire and extended risk and general liability insurance for the Premises, including fire insurance and/or other endorsements from time to time, deemed appropriate by Landlord insuring the Premises;

(iv) Rent Loss insurance in an amount equal to the Basic Annual Rent and Additional Rent based on 100% of the net rentable area of the Premises for a period of at least 12 months commencing with the date of loss, plus real estate taxes, special assessments, utility charges and all insurance premium charges;

(v) cost of maintenance and repairs of the parking lot and exterior grounds located within the Property, replacement and repair of glass, glazing and entry doors and all costs of repairs in and to the common areas of the Premises;

(vi) janitorial services, including trash pickup, vacuuming, floor cleaning and general floor cleanup of the interior of the Premises and all premises therein;

(vii) maintenance and repair of all component parts of the plumbing, lighting, electrical, heating and air conditioning systems serving the Premises;

(viii) utility charges including electricity, water, sewer, natural gas and rubbish pickup for the Premises;

(ix) all taxes and assessments and governmental charges made by federal, state, county or municipal taxing authorities and whether they be taxing authorities presently taxing the Premises and the Property or by other subsequently created or otherwise, including license,

permit and inspection fees and any other taxes and assessments attributable to the Property or the Premises or its operation and any tax or other levy, however denominated on, or measured by, the rental collected by the Landlord with respect to the Premises or on the Landlord's business of leasing space in the Premises; and

(x) security services for the Premises.

Landlord shall have the same remedies for a default in the payment of any Additional Rent as for a default in the payment of Basic Annual Rent.

7. TENANT IMPROVEMENTS; PREMISES CHANGES. (a) Landlord shall construct the improvements to the Premises and perform the work and make the installations substantially as set forth in Exhibit "B" attached hereto and specifically incorporated herein by reference (the work and installations are herein called "Tenant Improvements").

(b) Landlord shall pay an amount not to exceed \$25.00 per square foot (or a total of \$1,292,500.00) for Tenant Improvements to the Business Office Suites, and an amount not to exceed \$45.00 per square foot (or a total of \$562,500.00) for Tenant Improvements to the Clinical Practice Suites, and an amount not to exceed \$77.00 per square foot (or a total of \$962,500.00) for Tenant Improvements to the Outpatient Diagnostic Imaging Center, all for the construction and installation of the Tenant Improvements according to the plans and in the manner as shown on Exhibit "B". Landlord shall provide Tenant with written evidence of costs and expenses incurred by Landlord in the construction and installation of Tenant Improvements. Any additional charges incurred in the construction and installation of the Tenant Improvements to the Premises or for any additional improvements requested by Tenant shall be at Tenant's sole cost and expense. Landlord shall notify Tenant in advance of the approximate date on which Tenant Improvements will be

substantially completed and will notify Tenant when Tenant Improvements are completed and the Premises are ready for occupancy by Tenant, which latter notice shall constitute delivery of possession of the Premises to Tenant. It is agreed that by occupying the Premises, Tenant formally accepts same and acknowledges that the Premises are in the condition called for hereunder.

(c) Landlord reserves the right, at any time and from time to time, to make alterations, additions, repairs or improvements to or in or to decrease the size or area of all or any part of the common areas of the Premises, fixtures and equipment therein and walkways outside the Premises including, without limitation, the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life, safety, security and other mechanical, electrical and communications systems of the Premises (herein called the "Premises Systems"), and the common area and to change the arrangement and/or location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets and other public parts of the Premises. Provided, these alterations or additions shall not materially diminish the quality or quantity of services being provided to the Premises or adversely affect the functional utilization of the Premises.

8. INSURANCE. (a) As a material part of the consideration to be rendered to Landlord under the Lease, Tenant does assume all risks of damage to all its personal property located in and upon the Premises unless damage is caused by the act, neglect, fault or omission of Landlord, its agents or employees.

(b) Tenant shall maintain in full force and effect, at its costs and expense, all times during the Term of this Lease, an insurance policy or policies with a reputable and responsible insurance carrier approved by Landlord insuring Tenant and Landlord, and Landlord's lender, if requested, against liability for injury to persons and damage to property occurring in or adjacent to

the Premises in an amount not less than \$500,000 for any one injury or any one casualty and \$100,000 for property damages.

(c) Tenant shall maintain in full force and effect, at Tenant's cost and expense, during the Term, all employees' compensation insurance required to be carried by Tenant under the Tennessee Workers' Compensation Act or other applicable laws now existing or as hereafter modified, supplemented or amended.

(d) Tenant shall cause to be issued to Landlord proper certificates of insurance and a copy of policies evidencing Tenant's compliance with the covenants of Tenant contained in this paragraph. The policies shall name Landlord and Landlord's lender as an additional insured and shall contain provisions against cancellation, material change or non-renewal without Landlord and any mortgagee being given at least thirty (30) days prior written notice thereof. Each insurance policy shall provide that all rights of subrogation are waived against Landlord and Landlord's lender, provided consents to the waiver of subrogation can be obtained from the insurance company or companies.

(e) In no event shall the limits of the insurance policies be considered as limiting the liability of Tenant.

9. REPAIRS AND MAINTENANCE. (a) By occupying the Premises, Tenant accepts the Premises as being in the condition in which Landlord is obligated to deliver the Premises under the terms of this Lease. Except as otherwise provided in this Lease, Tenant agrees that it shall at its own expense keep every part of the Premises, the fixtures and appurtenances in good order and repair and in compliance with all laws and ordinances enacted by public authorities, will not commit or allow any waste or misuse of the Premises and will keep outer areas adjoining the Premises free from

any obstructions placed there by Tenant, its employees, agents and invitees. At the expiration of the Term, Tenant shall deliver the Premises, together with all appurtenances which are properly a part of the Premises, to Landlord in good order and condition, reasonable wear and tear excepted. Without limiting the foregoing, Tenant shall be responsible for maintenance and repair to all painting, decorating, floorcoverings, wallcoverings and ceilings located within the Premises.

(b) Landlord, or its representatives, shall have the right at all reasonable times and upon reasonable notice to Tenant during a Term of this Lease to enter the Premises for the purpose of examining or inspecting the same and to assure itself that Tenant is repairing and maintaining the Premises as provided in this Lease. Landlord shall use all reasonable effort not to disturb Tenant's use and occupancy. In the event Tenant is not performing its covenants of maintenance and repair, Landlord shall have the right, but not the obligation, to perform necessary maintenance and repairs and the cost and expenses thereof shall be added to the next succeeding installment of Basic Annual Rent and if not so paid, shall be treated as a default in the payment of Basic Annual Rent.

(c) Landlord shall repair and maintain the structural portions and the Premises Systems of the Premises, unless the necessity for maintenance and repairs is in any way caused by the act, neglect, fault or omission of Tenant, its agents, employees or invitees. In this event, Tenant shall pay the Landlord the reasonable cost of these maintenance and repairs. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance unless Landlord receives written notice of the need for the repairs or maintenance from Tenant and fails to make the repairs or perform maintenance for a reasonable period of time following notice. Basic Annual Rent and Additional Rent shall not abate nor shall Landlord be liable as a result of any injury to or interference with Tenant's business arising from the making of any repairs or the performance of any maintenance

in or to any portion of the Premises unless Landlord's repairs or its failure to make repairs makes the Premises untenable and the repairs are not necessitated by negligence of Tenant or its agents, employees or invitees.

10. UTILITIES AND SERVICES. (a) Landlord shall furnish to the Premises electricity, heat and air conditioning required in Landlord's judgment for the comfortable use and occupancy of the Premises, elevator service, water for lavatory and drinking purposes and sufficient janitorial service for general office use, as reasonably determined by Landlord. Landlord shall not be liable for, and Tenant shall not be entitled to, any reduction of Basic Annual Rent or Additional Rent by reason or on account of (i) the installation, use of or interruption of use of any equipment in connection with the furnishing of any of the foregoing services; (ii) the failure to furnish or delay in furnishing any of the foregoing services or to make any repairs or improvement to the Premises when failure is caused by accident, breakage, repairs, strikes, lockouts or other labor disturbances, or labor disputes of any character or by any other causes, similar or dissimilar, beyond the reasonable control of Landlord. Landlord shall use all reasonable efforts to cure any interruptions in the services or to make any repairs it is required to provide or make hereunder within a reasonable period of time after cessation of the cause for the failure or delay.

(b) In the event Tenant has unusual needs with regard to the services to be provided by Landlord including, without limitation, any unusual utility usage or installation, Tenant shall immediately notify Landlord in writing of these needs. Landlord, at its option, may (i) cause same to be separately metered at Tenant's expense, including the expense of installation of the meters or (ii) equitably estimate the cost thereof to be charged directly to Tenant and in addition to Additional Rent. If Tenant fails to give Landlord written notice of Tenant's unusual electrical needs,

Landlord shall have the right to back-charge Tenant for an equitable amount to compensate Landlord for any extra electrical usage.

(c) If any utility or service is separately metered and billed to the Premises, Tenant shall promptly pay during the Term to the utility company or entity furnishing the same all costs and charges incurred for the use and consumption on the Premises of these utilities and services.

11. PARKING. Tenant shall be entitled to use for its employees, patients and invitees those parking facilities which may be constructed and maintained, from time to time, for that purpose by Landlord upon the Property. Tenant agrees to comply with and to cause its employees, agents and invitees to comply with reasonable rules and regulations with respect thereto as Landlord may establish from time to time. Landlord shall provide Tenant with written notice of these rules and regulations. Landlord reserves the right to alter and/or modify the layout and design of the parking and driveway areas from time to time constructed within or proposed to be constructed within the Property. Provided, at all times, Landlord shall provide or cause to be provided sufficient parking spaces for the Premises to satisfy the parking requirements of the City of Kingsport then applicable to the Premises, subject only to condemnation and/or other governmental restrictions.

12. ALTERATIONS. (a) Tenant shall not make any alterations to the Premises without the prior written consent of Landlord, provided consent shall not be unreasonably withheld. Any alterations made shall remain on and be surrendered with the Premises on expiration or termination of the Lease, except Landlord can elect within thirty (30) days before expiration of a Term, or within ten (10) days after termination of a Term, to require Tenant to remove any alterations that Tenant has made to the Premises. If Landlord elects, Tenant shall restore the Premises at its cost to the

condition which existed at the beginning of the Term, accepted changes and normal wear and tear excepted.

(b) Any alterations made by Tenant shall be performed in a good workmanlike manner in quality and class at least equal to that existing at the time the improvements are made and shall not weaken or impair the structural strength or lessen the value of the Premises or change the purpose for which the Premises may be used. In addition, Tenant covenants it will obtain approval from all governmental agencies or departments having authority and/or jurisdiction thereof and or any public utility having an interest therein, and all improvements shall be done in accordance with the requirements of local regulations. Tenant shall not allow any liens for materials furnished and/or labor performed to attach to the Premises as a result thereof. After ten (10) days prior written notice, Landlord shall have the right, but not the obligation, to cure any default under this paragraph, if Tenant does not cure the default within the notice period. The costs and expenses of curing the default shall be added to the next installment of Basic Annual Rent and if not so paid, shall be treated as a default in the payment of Basic Annual Rent.

13. DAMAGE AND DESTRUCTION. (a) In the event of a partial destruction of the Premises during the Term from any cause other than negligence of the Tenant, Landlord shall have the right to repair the same, at is option, provided the repairs can be made in Landlord's sole discretion within one hundred eighty (180) calendar days after approval from the applicable governmental authorities. Landlord shall elect to either repair or not to repair the Premises by written notice to Tenant within twenty (20) days from the date of the destruction. Any partial destruction of the Premises wherein Landlord elects to repair the same shall neither annul nor void the Lease except the Tenant shall be entitled to a proportionate reduction of Basic Annual Rent and

Additional Rent while the repairs are being made based on the extent to which the making of repairs shall interfere with the business carried on by Tenant in the Premises, subject to arbitration if the parties cannot agree on the extent of interference. In the event the repairs cannot be made by Landlord within this one hundred eighty (180) calendar day period, or the repairs cannot be made under the laws and regulations of the applicable governmental authorities, this Lease may be terminated at the option of either party. Should the Premises be destroyed to the extent of 50% or more of the replacement costs thereof, this shall be deemed total destruction of the Premises and this Lease shall be terminated. Provided, if the particular total destruction is a result of negligence of the Tenant, its agents or employees, Landlord shall have the right to repair the same, at its option. Any factual dispute between Landlord and Tenant relative to the provisions of this paragraph shall be subject to arbitration.

(b) Except for Landlord's wilful acts, no damages, compensation or claims shall be payable by Landlord for inconvenience, loss of business or annoyance arising from any repair or restoration of any portion of the Premises or other portion of the Premises. Landlord shall use its best efforts to affect any repair or restoration that Landlord is required to perform by this Lease promptly and in a manner which shall not unreasonably interfere with Tenant's use and occupancy.

(c) Landlord shall not be required to carry insurance of any kind on Tenant's property and shall not be obligated to repair any damage thereto or replace the same.

(d) Notwithstanding anything contained herein to the contrary, Landlord's obligation to repair the Premises is subject to the prior right of Landlord's lender to receive insurance proceeds as a result of a fire or other casualty. Any obligation of the Landlord shall be limited to the extent insurance proceeds are received by Landlord for these repairs.

14. INABILITY TO PERFORM. If Landlord is unable to perform, or is delayed in performing, any construction, installations, decorations, repairs, alterations, additions or improvements under this Lease, or is unable to fulfill or delayed in fulfilling any of its other obligations under this Lease by reason of acts of God, accidents, breakage, repairs, strikes, lockouts, other labor disputes, inability to obtain utilities or materials or by any other reason beyond Landlord's reasonable control, then no inability or delay by Landlord shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Basic Annual Rent or Additional Rent or relieve Tenant from any of its obligations under this Lease or impose any liability upon Landlord or its agents by reason of inconvenience, annoyance, interruption, injury or loss to or interference with Tenant's business or use and occupancy or quiet enjoyment of the Premises or any loss or damage occasioned thereby.

15. CONDEMNATION. In the event twenty percent (20%) or more of the Premises is taken by condemnation or by right of eminent domain, this Lease shall terminate and expire on the date possession is taken by the condemnor, and the Basic Annual Rent and Additional Rent shall be apportioned and paid in full to that date. In the event of a partial taking of less than twenty percent (20%) of the Premises, this Lease shall continue unless the continuation shall not be economically feasible. If the Lease continues, Landlord shall repair and restore at its own expense, as speedily as circumstances permit the Premises as a complete unit of substantially the same proportionate usefulness, design and construction as existing immediately before the taking. If the parties cannot otherwise agree, the determination of economic feasibility shall be determined by arbitration. During the period required for repair and restoration, the Basic Annual Rent and Additional Rent shall be abated proportionately based on the extent to which the making of repairs shall interfere with the

business carried on by Tenant in the Premises, subject to arbitration if the parties cannot agree on the extent of interference. Landlord's obligation to repair and restore the Premises is subject to the prior right of Landlord's lender to receive the proceeds from any condemnation. Any obligation of Landlord shall be limited to the extent condemnation proceeds are received by Landlord for these repairs.

16. ASSIGNING AND SUBLETTING. (a) Tenant shall not assign or encumber this Lease, nor shall this Lease be assigned or transferred by operation of law without prior consent in writing of Landlord and Landlord's lender. Provided, upon approval from Landlord's lender, Tenant may assign its rights and obligations under this Lease at any time to any entity that controls, is controlled by or is under common control with Tenant or to any affiliated entity in which Tenant is a joint venturer, partner or member, so long as Tenant continues to be contractually liable for all its obligations under this Lease and the entity satisfies the use requirement in Paragraph 5(a).

(b) Tenant may sublease any portion of the Premises to any individual or entity satisfying the use requirements in Paragraph 5(a) upon prior written notice to Landlord, but without the requirement of Landlord's prior consent.

(c) Each sub-tenant shall assume all obligations of Tenant under this Lease to the extent of the portion of the Premises leased to the sub-tenant and shall be and remain liable jointly and separately with Tenant for the payment of Basic Annual Rent and Additional Rent and for the performance of all the provisions of this Lease to that extent. No sub-lease shall be binding on Landlord unless Tenant shall deliver to Landlord and Landlord's lender a counterpart of the sub-lease (which is approved in writing by Landlord's lender) and an instrument in recordable form which contains a covenant of assumption by the sub-tenant satisfactory in form and substance to Landlord's

lender, consistent with the requirements of this paragraph, but the failure or refusal of the sub-tenant to execute an instrument of assumption shall not release or discharge the sub-tenant from its liability as set forth in this paragraph.

17. ASSIGNMENT BY LANDLORD. (a) Landlord may assign its interest in the Premises. In the event that Landlord shall elect to assign, transfer, convey or hypothecate its rights hereunder at any time during the Term, Tenant covenants and agrees to give its acknowledgments of the conveyance in writing upon request and to execute any written instruments as shall be necessary or convenient in connection therewith.

(b) Tenant agrees that upon assignment of Landlord's interest, Landlord shall be relieved of further responsibilities under this Lease upon Landlord's assignee assuming all obligations of Landlord, and Tenant shall attorn to the assignee.

18. SUBORDINATION AND ATTORNMENT. (a) Tenant hereby subordinates all of its right, title and interest in and under this Lease to the lien of any deed of trust and the lien resulting from any other method of financing or refinancing and to all replacements, renewals, modifications or extensions thereof that may now or hereafter affect the Premises or Property or against any improvements hereafter placed on the Property. On demand, Tenant shall execute, acknowledge and deliver to Landlord all instruments that may be necessary or proper to subordinate this Lease and all rights therein to the lien of any deed of trust and any replacements, renewals, modifications or extensions.

(b) In the event of any deed of trust foreclosure proceeding against the Landlord's interest, Tenant agrees that it will attorn to the mortgagee upon notice by the mortgagee and will thereafter make all payments including, without limitation, Basic Annual Rent and Additional Rent,

directly to the mortgagee or other person as designated by the mortgagee. Provided, Tenant's obligation to subordinate its rights under this Lease and to attorn to the mortgagee shall be contingent upon the mortgagee's execution of a non-disturbance agreement agreeing that Tenant's rights and benefits under this Lease shall not be interrupted as long as Tenant performs all of its covenants and obligations under this Lease.

(c) Tenant agrees to give any lender of Landlord and/or the mortgagee, by certified mail, a copy of any notice of default served upon Landlord. Provided, that prior to the notice, Tenant has been notified in writing (by way of notice of assignment of rents and leases or otherwise) of the addresses of the lender and/or mortgagee. Tenant further agrees that if Landlord shall have failed to cure a Default as required by the terms of the Lease, then the lender and/or mortgagee shall have the same right to cure any Default within the time period afforded Landlord after receipt of notice or, if the Default cannot be cured within that time period, then any additional time as may be necessary if, within this period of time, the lender and/or mortgagee has commenced and is diligently pursuing the remedies necessary to cure the Default (including, without limitation, commencement of foreclosure proceedings if necessary to effect a cure). In this event, the Lease shall not be terminated while the remedies are being so diligently pursued.

(d) Tenant expressly agrees that any lender of Landlord and/or mortgagee shall not be held subject to any liability or obligation to Tenant under this Lease or otherwise, unless and until the lender and/or mortgagee obtains title to the Property as a result of foreclosure or otherwise. In this event, Landlord's lender or the mortgagee shall be subject to only those liabilities or obligations arising subsequent to the date the lender or mortgagee obtains title to the Property.

19. TENANT DEFAULT. (a) The following shall constitute an Event of Default by Tenant: (i) Failure to pay Basic Annual Rent and Additional Rent to Landlord when the same is due and payable under the terms of this Lease, and the default shall continue for a period of ten (10) days after written notice thereof has been given to Tenant by Landlord; (ii) Failure to perform any other duties or obligations imposed upon it by this Lease and the Default shall continue for a period of twenty (20) days after written notice thereof has been given to Tenant by Landlord in the manner as provided in Paragraph 28, or if the performance cannot reasonably be completed within twenty (20) days, Tenant shall not in good faith have commenced performance within the twenty (20) day period and shall not diligently proceed to completion of performance; (iii) Being adjudged bankrupt or making a general assignment for the benefit of its creditors, or if a receiver of any property of Tenant in or upon the Premises shall be appointed in any action to or a proceeding by or against Tenant, and the appointment shall not be vacated or annulled within sixty (60) days; (iv) Abandonment or surrender of the Premises or Tenant's leasehold estate.

(b) In the event of any Default hereunder and upon giving the written notice as stated in Paragraph 19(a), Landlord shall have the right to cancel and terminate this Lease as well as all of the right, title and interest of the Tenant hereunder, without the necessity of providing Tenant with any additional notice of cancellation and termination. Landlord may re-enter the Premises after expiration of the notice period and remove the property and personnel of Tenant, and store the property in a public warehouse or at a place selected by the Landlord at the expense of the Tenant. On termination, Landlord may recover from Tenant all damages proximately resulting from the breach, including the cost of recovering the Premises. Upon re-entry, Landlord shall make every reasonable effort to relet the Premises or any part thereof at the best rent and on the best terms as

Landlord can obtain through advertisement of the availability of the Premises for lease, at the expense of Tenant, and the Landlord may make alterations and repairs to the Premises, if necessary to obtain a reletting, all for the purpose of reducing its losses and minimizing the liabilities of the Tenant hereunder. Tenant shall be liable for all expenses of the reletting, including all necessary expenses of alterations and repairs, and for the difference between the rent received by Landlord under a new lease and the Basic Annual Rent and Additional Rent that is due for the same period under this Lease.

20. LANDLORD DEFAULT. Subject to Paragraph 14, if Landlord fails to perform any duties or obligations imposed on it by this Lease and the Default shall continue for a period of twenty (20) days after written notice thereof has been given to Landlord by Tenant in the manner as provided in Paragraph 28, or if performance cannot reasonably be completed within twenty (20) days, Landlord shall not in good faith have commenced performance within the twenty (20) day period and shall not diligently proceed to completion of performance, Tenant shall have the right to cancel and terminate this Lease without the necessity of providing Landlord with any additional notice of cancellation and termination. In the event of termination, Tenant shall not have any further obligation or liability to Landlord for the payment of Basic Annual Rent or Additional Rent accruing after the date of termination.

21. LATE CHARGES. Tenant acknowledges that late payment by Tenant to Landlord of Basic Annual Rent or Additional Rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of these costs being extremely difficult and impractical to fix. These costs include, without limitation, processing and account charges and late charges that may be imposed on Landlord by the terms of any encumbrances covering the Premises. Therefore, if any installment of

Basic Annual Rent or Additional Rent due from Tenant is not received by Landlord by the tenth day after it is due, Tenant shall pay to Landlord an additional sum of five percent (5%) of the overdue installment as a late charge. Acceptance of any late charge shall not constitute a waiver of Tenant's Default with respect to the overdue amount or prevent Landlord from exercising any of the other rights and remedies available to Landlord.

22. INDEMNITY. Each party agrees to defend and indemnify the other party against and save the other party harmless from all loss, costs, liability, damage and expense including, without limitation, reasonable attorney's fees and costs incurred in connection with or arising from: (a) Any Default by either party of its obligations under any of the terms, covenants or conditions of this Lease; (b) the use and occupancy or manner or use of occupancy of the Premises by Tenant or any person or entity claiming through or under Tenant; (c) the condition of the Premises or any occurrence on the Premises caused by the acts or omissions of a party; or (d) any acts, omissions or negligence of a party or of the contractors, agents, servants, employees, visitors or licensees of a party in, on or about the Premises. A party's obligations under this Paragraph shall survive the termination of the Lease.

23. ESTOPPEL CERTIFICATES. At any time and from time to time, within ten (10) days after written request from Landlord, Tenant shall execute, acknowledge and deliver to Landlord or to any party designated by Landlord a certificate from Tenant ("Estoppel Certificate") stating: (a) that Tenant has accepted the Premises, (b) the Commencement Date and expiration of this Lease, (c) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that same is in full force and effect as modified and stating the modifications), (d) whether or not there are then existing any defenses against the enforcement of any of the obligations of Tenant under this

Lease (and, if so, specifying same), (e) whether or not there are then existing any defaults by Landlord in the performance of its obligations under this Lease (and, if so specifying same), (f) the dates, if any, to which rent and other charges under this Lease have been paid, and (g) any other information that may reasonably be required by any of these persons. Tenant's failure to execute an Estoppel Certificate within ten (10) days after written demand by Landlord shall constitute an Event of Default by Tenant hereunder. Any Estoppel Certificate may be relied upon by Landlord and by any prospective purchaser or mortgagee considering the purchase of or a loan on all or any part of the Property. Tenant shall indemnify and hold Landlord harmless from and against all costs, damages, expenses, liabilities and fees arising from or in any way related to or connected with Tenant's failure to deliver any Estoppel Certificate within the time specified.

24. SURRENDER OF PREMISES. (a) On expiration of the Term, Tenant shall surrender to Landlord the Premises and all of Tenant's improvements and alterations (excluding laboratory equipment and other moveable personal property of Tenant) in good condition, except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant. Heating, air conditioning and lighting shall be in good working order. Tenant shall remove all of its personal property and shall perform all restoration made necessary by the removal of any alternations or Tenant's personal property upon expiration of the Term.

(b) Landlord can elect to retain or dispose of, in any manner, any of Tenant's personal property that Tenant does not remove from the Premises on expiration or termination of the Lease as allowed or required by this Lease by giving at least ten (10) days' notice to Tenant. Title to any of Tenant's personal property that Landlord elects to retain or dispose of on expiration of the Term shall vest in Landlord. Tenant waives all claims against Landlord for any damages to Tenant resulting

from Landlord's retention or disposition of any of Tenant's personal property. Tenant shall be liable to Landlord for Landlord's cost of storing, removing and disposing of any of Tenant's personal property.

(c) If Tenant fails to surrender the Premises to Landlord on expiration of the Term, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

25. HOLDING OVER. If Tenant remains in possession of the Premises after expiration of a Term, with Landlord's acquiescence and without any express agreement between the parties, Tenant shall be a tenant at will at the rate of Basic Annual Rent and Additional Rent in effect at the end of the Term, and there shall be no renewal or extension of this Lease by operation of law.

26. RULES AND REGULATIONS. Tenant shall faithfully observe and comply with the rules and regulations attached to this Lease as Exhibit "C", which Exhibit is specifically incorporated herein by reference, and all modifications thereof and additions thereto from time to time put into effect by Landlord after prior written notice to Tenant (the "Rules and Regulations"). In the event of any conflict between the terms, covenants, agreements and conditions of this Lease and the terms, covenants, agreements and conditions of the Rules and Regulations, this Lease shall control.

27. WAIVER. The failure of either Landlord or Tenant to insist on a strict performance of any of the terms and conditions hereof shall be deemed a waiver of the rights or remedies Landlord or Tenant may have regarding that specific instance only and not be deemed a waiver of any subsequent breach or default in any terms and conditions.

28. NOTICES. All rental payments and notices required to be given to Landlord under this Lease shall be sent to Landlord, c/o Samuel D. Breeding, M.D., HMG Meadowview, L.L.C., 2323 North John B. Dennis Highway, Kingsport, Tennessee 37662. All notices required to be given to Tenant shall be sent to Tenant, c/o Jerry L. Miller, M.D., Holston Medical Group, P.C., 2323 North John B. Dennis Highway, Kingsport, TN 37660. Either Landlord or Tenant may change its address by notice given to the other in accordance with the provisions of this paragraph. The time of delivery shall be three days after the date the notice is delivered, postage prepaid, to a United States postal receptacle or immediately as of the date of hand delivery. If Tenant is notified of the identity and address of Landlord's mortgagee, Tenant shall give to the mortgagee notice of any default by Landlord under the terms of this Lease in writing sent by registered or certified mail and the mortgagee shall be given a reasonable opportunity to cure a default prior to Tenant exercising any remedy available to it.

29. COURT COSTS AND ATTORNEY FEES. Tenant agrees to pay all costs of collection, including court costs and reasonable attorney fees, if all or any part of the Basic Annual Rent or Additional Rent reserved herein is collected after maturity through the employment or with the aid of any attorney. In the event it becomes necessary for either party to employ an attorney to successfully compel the other party to comply with or perform any of the covenants, obligations or conditions imposed on the party by this Lease, the party failing to perform the covenants, obligations or conditions shall pay all reasonable attorney fees incurred by the other party and all costs of litigation necessary to compel performance. If Landlord and Tenant are named as defendants in any litigation filed in connection with or in any way arising out of either or both parties failure to perform any of their respective covenants and obligations under the Lease, Landlord's ownership of the

Property or Tenants use and occupancy of the Premises, the indemnification provisions of Paragraph 22 shall be applicable.

30. ARBITRATION. In the event any factual dispute shall arise between the parties concerning any matter for which arbitration is specifically provided for in this Agreement, the same shall be resolved by arbitration conducted in accordance with the provisions of the Commercial Arbitration Rules then in effect of the American Arbitration Association. The parties shall bear the cost of the arbitration equally.

31. ENVIRONMENTAL PROTECTION. Tenant covenants and agrees as follows:

(a) As used in this Lease:

(i) "Hazardous Waste" means all waste materials, including petroleum by-products, natural or synthetic gas products and/or any hazardous substance, material, waste, pollutant or contaminant that is subject to regulation under or as defined in the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. §6901 et seq., the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §2601, et seq., the Clean Water Act of 1977, as amended, 33 U.S.C. §1251 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., the National Environmental Policy Act, 42 U.S.C. §4321 et seq., the Tennessee Hazardous Waste Management Act, as amended, Tenn. Code Ann. §68-46-101, et seq., the Tennessee Hazardous Substances Act, as amended, Tenn. Code Ann. §68-27-101, et seq., the Tennessee Petroleum Underground Storage Tank Act, as amended, Tenn. Code Ann. §68-53-101, et seq. and any other state, federal or local law and all rules, regulations or policies relating thereto or

promulgated thereunder which are now in force or which are hereafter enacted relating to Hazardous Waste.

(ii) "Toxic Substances" means and includes any materials present on the Premises which have been shown or which may be shown to have significant adverse effects on human health or which are subject to regulation under the Toxic Substances Control Act referenced above, all applicable state laws and any other applicable federal, state or local laws and all rules, regulations, or policies related thereto or promulgated thereunder now in force or hereafter enacted relating to Toxic Substances. Toxic Substances include, without limitation, asbestos, polychlorinated biphenyls (PCBs), petroleum products and lead-based paints.

(iii) All laws relating to Hazardous Waste and Toxic Substances are collectively referred to herein as "Environmental Laws".

(b) Except as provided in Paragraph 5(c), neither Tenant nor its employees, agents, licensees, invitees or permitted sublessees of Tenant nor any permitted sublessees' employees, agents, licensees or invitees shall be involved in any activity at or near the Premises which could involve or lead to:

(i) The use, manufacture, storage or disposal of Hazardous Waste or Toxic Substances;

(ii) The violation of any Environmental Laws; or

(iii) The imposition of liability on Landlord or any subsequent owner of the Premises or the creation of a lien on the Premises under any Environmental Laws.

(c) Tenant shall strictly comply in all respects with the requirements of all Environmental Laws and shall promptly notify Landlord in the event of the discovery of Hazardous

Waste or Toxic Substances on or at the Premises except those described in Paragraph 5(c). Tenant shall further promptly forward to Landlord copies of all orders, notices, permits, applications or other communications and reports in connection with any discharge, spillage, use or the discovery of Hazardous Waste, Toxic Substances or any other matters relating to any Environmental Laws as they may affect the Premises, directly or indirectly.

(d) Tenant agrees that if Tenant at any time has reasonable cause to believe there is Hazardous Waste or Toxic Substances upon the Premises except those described in Paragraph 5(c), Tenant shall notify Landlord within twenty-four (24) hours after Tenant becomes aware of the facts or circumstances giving rise to this belief. Upon receiving a written notification, Landlord may obtain, at Tenant's expense, an Environmental Site Assessment or Environmental Audit Report from a firm acceptable to Landlord to assess with a reasonable degree of certainty:

- (i) The presence of any Hazardous Waste or Toxic Substances;
- (ii) Whether the presence exceeds the minimum acceptable levels of contamination as established by the Tennessee Department of Environment and Conservation; and
- (iii) The potential cost that will be incurred to abate, clean up and remove the contamination.

(e) Tenant agrees that in the event of the presence of Hazardous Waste or Toxic Substances on or at the Premises or if Tenant shall fail to comply with any of the requirements of any Environmental Laws, Landlord may, at its option, but without the obligation to do so, give any notices or cause any work to be performed within the Premises or on the Property or take any other action as Landlord shall deem necessary or advisable in order to abate, remove and clean up the Hazardous Waste or Toxic Substances or otherwise cure Tenant's non-compliance.

(f) Tenant agrees to indemnify and hold harmless Landlord, its successors and assigns, from and against all damages, claims, losses, liabilities and expenses including, without limitation, reasonable legal, accounting, consulting, engineering, expert witness fees and other expenses, which may be imposed upon or incurred by Landlord, its successors and assigns or asserted against Landlord, its successors or assigns, by any other party or parties, including a private individual or entity or any governmental entity or entities, arising out of or in connection with any Hazardous Waste or Toxic Substances existing on the Premises or Property or off the Property as a result of the operation and use of the Premises at any time during the Term or which may have been placed at, on or under the Property or Premises by Tenant or its employees, agents, licensees or invitees or any permitted sublessee of Tenant or a permitted sublessee's employees, agents, licensees or invitees during the Term, further including, without limitation, any action or inaction taken by Tenant or any permitted subtenant of Tenant with respect to the violation by Tenant or any permitted subtenant of Tenant of any Environmental Laws. All of the representations, warranties, and covenants of this Paragraph 31 including the indemnity and hold harmless obligations set forth herein, shall survive the expiration of the Term of this Lease.

32. MISCELLANEOUS. (a) This Lease contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties.

(b) The terms, covenants and conditions of this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective personal representatives, successors and permitted assigns.

(c) This Lease shall be governed by and construed in accordance with the laws of the State of Tennessee.

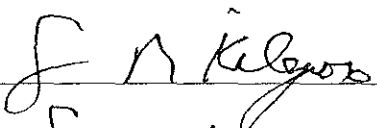
(d) Any provision of this Lease which shall prove to be invalid, void, illegal or unenforceable shall not impair or invalidate any other provisions of this Lease and all other provisions of this Lease shall remain in full force and effect.

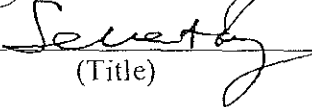
(e) Time is of the essence of this Lease and each of its provisions in which performance is a factor.

33. EXHIBITS. Exhibit "A" - Location of Premises and Building/Premises Plans
Exhibit "B"- Tenant Improvements
Exhibit "C"- Building/Premises Rules and Regulations (Attached)

IN WITNESS WHEREOF, this Lease has been duly executed in multiple originals by the parties as of the date first above written.

LANDLORD: HMG MEADOWVIEW, L.L.C.





(Title)

TENANT: HOLSTON MEDICAL GROUP, P.C.

By: _____

Jerry S. Miller
President
 (Title)

STATE OF TENNESSEE :
 : ss.
 COUNTY OF SULLIVAN :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, Craig M. Kilgore, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the Secretary of HMG Meadowview, L.L.C., the within-named bargainor, a Limited Liability Company, and that he as such Secretary, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Limited Liability Company by himself as Secretary.

WITNESS my hand and official seal this 21st day of October, 2003.

Lee H. Chase
 Notary Public

My commission expires:

01/31/2007

STATE OF TENNESSEE :
 : ss.
 COUNTY OF SULLIVAN :

Personally appeared before me, the undersigned, a Notary Public in and for the aforesaid state and county, Jerry L. Miller, with whom I am personally acquainted and who, upon oath, acknowledged himself to be the President of Holston Medical Group, P.C., the within-named bargainor, a corporation, and that he as such President, being authorized to do so, executed the foregoing instrument for the purposes contained therein by signing the name of the corporation by himself as President.

WITNESS my hand and official seal at office this 21st day of October, 2003.

Lee L. Chase
 Notary Public

My Commission Expires:

01/31/2007

2HMGMeadowviewLease/jm

EXHIBIT "A"

LOCATION OF PREMISES AND BUILDING PLANS

EXHIBIT "B"

TENANT IMPROVEMENTS

Landlord will construct the interior improvements according to Tenant's design and plans to be submitted at a later date subject only to the per square footage exposure limitation set out in Section 7(a). Landlord agrees that all existing material currently stored on site may be used, without charge, by Tenant for Tenant Improvements.

EXHIBIT "C"

HMG MEADOWVIEW MEDICAL OFFICE BUILDING

RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be displayed or affixed on or to any part of the outside or inside of the Premises without the prior written consent of Landlord and Landlord shall have the right to remove any sign, placard, picture, advertisement, name or notice which it has not approved without notice to and at the expense of Tenant. All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved of by Landlord. Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises. Provided, Landlord may furnish and install a Premises standard window covering at all exterior windows. Tenant shall not cause or otherwise sun screen any window without prior written consent of Landlord.

2. Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without the written consent of the Landlord.

3. The toilet rooms, urinals, washbowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

4. Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.

5. No furniture, freight or equipment of any kind shall be brought into the Premises without the prior notice to Landlord and all moving of the same into or out of the Premises shall be done at the time and the manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Premises and also the times and manner of moving the same in and out of the Premises. Safes or other heavy objects, if considered necessary by Landlord, shall stand on support of the thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any safe or property from any cause and all damage done to the Premises by moving or maintaining any safe or other property shall be repaired at the expense of Tenant.

6. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or allow the Premises to be occupied or used in a manner offensive or objectionable to the Landlord by reason of noise, odors, and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises.

7. No cooking shall be done or permitted by any Tenant on the Premises, nor shall the Premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper or immoral purposes.

8. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

9. Landlord will direct electricians as to where and how telephone and telegraph wires are to be installed. No boring or cutting for wires will be allowed without the consent of the

Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

10. Landlord reserves the right to exclude or expel from the Premises any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of the Premises.

11. Landlord shall have the right, without notice and without liability to Tenant, to change the name and street address of the Premises.

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE ("Amendment") is made and entered into effective this 1st day of May, 2007, by and between HMG MEADOWVIEW, L.L.C., a Tennessee limited liability company hereinafter referred to as "Landlord" and HOLSTON MEDICAL GROUP, P.C., a professional corporation, hereinafter referred to as "Tenant".

WITNESSETH:

RECITALS

(a) Landlord and Tenant entered into a Lease Agreement (the "Lease") effective October 7, 2003, pursuant to which Landlord leased to Tenant and Tenant hired from Landlord a portion of that certain office building (the "Building") containing 64,200 square feet.

(b) Section 32(a) of the Lease provides that it cannot be changed or terminated except by a written instrument subsequently executed by the parties.

(c) Landlord and Tenant desire to amend certain terms and provisions of the Lease pursuant to the terms and conditions of this Amendment.

(d) In consideration of the premises and other good and valuable consideration, the receipt and legal sufficiency of which is hereby expressly acknowledged, the parties, intending to be legally bound, enter into this Amendment.

1. BASIC LEASE PROVISIONS. Sections 2(a) and 2(c) of the Lease are deleted in their entirety and the following is added in lieu thereof:

(a) Net rentable area of the Premises is 42,312 square feet and is designated as Unit No. 100 (15,731 square feet); Unit 200 (23,096 square feet); and Unit No. 310 (3,485 square feet) (collectively, the "Premises").

(c) Initial Basic Annual Rent:

(i) \$22.00 per square foot for Unit No. 100, plus annual direct expenses and plus 24.5% of Additional Rent; \$17.00 per square foot for Unit No. 200, plus annual direct expenses and plus 36% of Additional Rent; and \$17.00 per square foot for Unit No. 310, plus annual direct expenses and plus 5.4% of Additional Rent;

(ii) Additional Rent, as hereinafter defined, is budgeted to be \$5.00 per square foot during each of the first five years of the Term. Tenant will be provided an accounting of direct expenses annually and will be responsible for any costs over the \$5.00 per square foot budgeted for Additional Rent on a pro rata basis.

2. ADDITIONAL RENT. There shall be added to Section 6(b) a new subparagraph designated as Subparagraph (xi).

(xi) A management fee (the "Management Fee") without proration among other tenants in an amount equal to 5% of the Net Rental Income that Landlord receives from all tenants occupying space in the Building. Net Rental Income shall be defined and determined in the manner as specified in that certain Property Management and Leasing Agreement dated January 1, 2005, between Landlord and HMG Medical Management, L.L.C., which Landlord has assigned to Ziegler - Tennessee 14, LLC, as of the date hereof. The Management Fee shall not be included in the calculation of the \$5.00 per square foot Additional Rent budget, and shall be in addition thereto.



3. WAIVER OF SUBROGATION. The following shall be added as Section 8(f) of the Lease:

(f) Landlord and Tenant release each other from any liability for loss or damage by fire or other casualty coverable by a standard form of property insurance policy, whether or not the loss or damage resulted from the negligence of the other, its agent or employees. Each party will obtain policies of insurance providing that this release will not adversely affect the rights of the insureds under the policies. The releases in this Section will be effective whether or not the loss was actually covered by insurance.

4. INDEMNITY. Section 22 of the Lease is deleted in its entirety and the following is inserted in lieu thereof:

22. INDEMNITY. (a) Subject to Section 8(f) of the Lease, Tenant hereby indemnifies Landlord and agrees to save it harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney fees) in connection with: (i) loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the Premises, except those caused by Landlord's actions; or (ii) a breach or default by Tenant in the performance of any term of this Lease on Tenant's part to be performed. In the event Landlord shall be made a party to any litigation arising out of any such occurrence, Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorney fees incurred or paid by Landlord in connection with such litigation. Tenant's obligations under this Section shall survive the termination of this Lease.

(b) Subject to Section 8(f) of this Lease, Landlord hereby indemnifies Tenant and agrees to save it harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney fees) in connection with: (i) loss of life, personal injury and/or damage to property that occurs at the Premises and that is caused by Landlord's actions; or (ii) any breach or default by Landlord in the performance of any term of this Lease on Landlord's part to perform. In the event Tenant shall be made a party to any litigation arising out of any such occurrence, then Landlord shall protect and hold Tenant harmless and shall pay all costs, expenses and reasonable attorney fees incurred or paid by Tenant in connection with such litigation. Landlord's obligations under this Section shall survive the termination of this Lease.

5. RIGHT OF FIRST OPPORTUNITY.

(a) In the event, during the Term of the Lease, any portion of the Net Rentable Area located within the Building which is not then leased to Tenant becomes vacant and is available for lease, then Tenant shall have a right of first opportunity to lease this additional space. Landlord shall provide Tenant written notice of any space that will become vacant (the "Vacant Space") in the Building (the "Space Notice") and the opportunity to lease such additional space on the terms and conditions which are then in effect under the Lease, as amended by this Amendment. Tenant shall have thirty (30) days from the date of its receipt of the Space Notice (the "Acceptance Period") from Landlord to exercise the ROFO in writing and lease all of the additional space on the same terms and conditions as are then in effect under the Lease, as amended by this Amendment. Notwithstanding anything to the contrary set forth in this Amendment or the Lease, Landlord and Tenant hereby agree that Base Rent

for the Vacant Space shall be equal to the Base Rent charged Tenant for Unit 100 at the time the lease for the Vacant Space is executed.

(b) Notwithstanding anything to the contrary set forth in this Amendment or the Lease, the ROFO shall be subject to the following:

(i) If Tenant defaults under the Lease beyond any applicable cure period, the ROFO shall automatically terminate.

(ii). The ROFO shall automatically terminate upon (1) the expiration or termination of the Lease, (2) Tenant abandoning any portion of the Premises for a period of fourteen (14) consecutive days, or (3) Tenant failing to exercise the ROFO and enter into a lease for all of the Vacant Space within the Acceptance Period.

(iii). Tenant may exercise the ROFO, and the ROFO will be valid and enforceable, only so long as the Lease is in full force and effect and Tenant is occupying all of the Premises, regardless of whether Landlord has provided Tenant with the Space Notice.

(iv). If, subsequent to Tenant receiving a copy of the Space Notice from Landlord or Tenant exercising the ROFO, but prior to executing a lease for the Vacant Space, either: the Lease expires or terminates; Tenant is in default under the Lease beyond any applicable cure period; or Tenant abandons any portion of the Premises for a period of fourteen (14) days, then Landlord may terminate the ROFO along with any obligation to lease the Vacant Space to Tenant.

(v) Tenant shall not record this Amendment, the Lease, or a Memorandum of either (including, but not limited to, the ROFO or any other term or provision set forth in either). Any such recording by Tenant shall be a default hereunder and shall terminate the ROFO.

(vi) Landlord, in Landlord's sole discretion, may unilaterally waive in writing any termination of the ROFO or the prohibition against recording set forth in Section 5(b)(v) of this Amendment.

6. ADDITIONAL DEFINED TERMS. All capitalized terms used but not defined in this Amendment shall have the same meaning, if any, set forth in the Lease.

7. REMAINING TERMS OF LEASE. Except to the extent altered, amended or deleted by this Amendment, all terms and conditions of the Lease are reaffirmed and shall continue to remain in full force and effect.

8. CONFLICTS. In the event that any of the terms and conditions of this Amendment conflict with any of the terms and conditions of the remaining portions of the Lease, then the terms and conditions of this Amendment shall supercede and control.

9. MISCELLANEOUS. (a) The Lease, as altered, modified or amended by this Amendment, contains the entire agreement between the parties and cannot be changed or terminated except by a written instrument subsequently executed by the parties.

(b) The terms, covenants and conditions of this Amendment shall bind and inure to the benefit of Landlord and Tenant and their respective successors and permitted assigns.

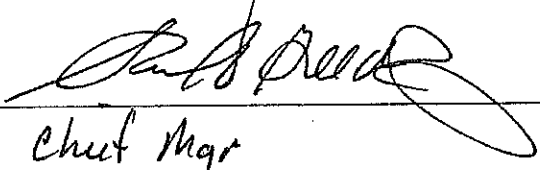
(c) This Amendment shall be governed by and construed in accordance with the laws of the State of Tennessee.

(d) Any provisions of this Amendment which shall prove to be invalid, void, illegal or unenforceable shall not impair or invalidate any other provisions of the Lease or this Amendment and all other provisions of the Lease and this Amendment shall remain in full force and effect.

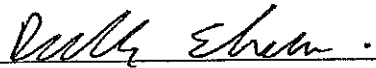
(e) Time is of the essence of this Amendment and each of its provisions in which performance is a factor.

IN WITNESS WHEREOF, this Amendment has been executed in multiple originals by the parties as of the date first above written.

LANDLORD: HMG MEADOWVIEW, L.L.C.

By: 
Its: Chief Mgr

TENANT: HOLSTON MEDICAL GROUP, P.C.

By: 

Its: Vice President

EXHIBIT "E"

TENANT ESTOPPEL CERTIFICATE

Please refer to the documents described in Exhibit "A" hereto, (the "Lease Documents") including the "Lease" therein described. The undersigned (the "Tenant"), hereby certifies that it is the lessee under the Lease. Tenant hereby further acknowledges that it has been advised that the Lease may be assigned to a purchaser of, and/or collaterally assigned in connection with a proposed financing secured by the property on which the demised premises under the Lease are located, and certifies both to the landlord under the lease (the "Landlord") and to any and all prospective purchasers (the "Purchasers") and mortgagees of the Property, including any trustee on behalf of any holders of notes or other similar instruments, and any holders from time to time of such notes or other instruments, and their respective successors and assigns (collectively the "Mortgagees") that as of the date hereof:

1. The information set forth in Exhibit "A" hereto is true and correct.
2. Tenant is in occupancy of the demised premises, and the Lease is in full force and effect and, except by such writings as are identified on Exhibit "A" hereto, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the space rented under the Lease, whether oral or written.
3. All conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.
4. Tenant is not in default under the Lease Documents; Tenant has not received any notice of default under the Lease Documents; and to Tenant's knowledge, there are no events which have occurred that with the giving of notice or the passage of time or both, would result in a default by Tenant under the Lease Documents.
5. Tenant has not paid any rents or sums due under the Lease more than thirty (30) days in advance of the date due under the Lease; and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any rent or sums due and payable under the Lease except as set forth in Exhibit "A" hereto.
6. To Tenant's knowledge, there are no uncured defaults on the part of the Landlord under the Lease Documents; Tenant has not sent any notice of default under the Lease Documents to the Landlord; and there are no events which have occurred that, with the giving of notice or the passage of time or both, would result in a default by Landlord thereunder; and at the present time Tenant has no claim against Landlord under the Lease Documents.
7. Except as expressly set forth in Part G of Exhibit "A", there are no provisions for, and Tenant has no rights with respect to, renewal or extension of the initial term of the Lease; terminating the term, leasing or occupying additional space or purchasing the premises.

8. If Tenant has the right to obtain leasehold financing, then Tenant represents that it has no right to obtain fee subordination or otherwise to encumber the estate of the Landlord in the demised premises.

9. Tenant is in compliance with the environmental covenants set forth in the Lease Documents.

10. Tenant is in compliance with all insurance requirements set forth in the Lease Documents. Tenant covenants and agrees that after receipt of notice of the sale of the Property it will promptly cause a new Certificate of Insurance to be issued naming the new landlord and its managing agent as additional insureds.

11. No action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency laws.

12. Tenant covenants and agrees to promptly notify Landlord in writing if any certification by Tenant contained herein shall be or become untrue in any material respect.

13. The undersigned has the authority to execute and deliver this Certificate on behalf of the Tenant and acknowledges that all Purchasers will rely on this estoppel certificate in purchasing the property and all Mortgagees will rely upon this estoppel certificate in extending credit to Landlord or Landlord's successors in interest.

14. This Tenant Estoppel Certificate shall be binding upon the successors, assigns and representatives of the undersigned and any party claiming through or under the undersigned and shall inure to the benefit of all Purchasers and Mortgagees.

IN WITNESS WHEREOF, Tenant has duly executed this Certificate this 9 day of April, 2007.

Holston Medical Group, P.C.
 (Name of Tenant)
 By: [Signature]
 Name: Craig M. Kilgore
 Title: President

EXHIBIT "A" TO TENANT ESTOPPEL CERTIFICATE

Lease Documents, Lease Terms and Current Status

- A. Date of Lease: **October 7, 2003**
- B. Parties: **HMG MEadowview, LLC.**
Holston Medical Group, PC.
1. Landlord: **HMG Meadowview, LLC.**
 2. Tenant d/b/a: **Holston Medical Group, PC.**
- C. Premises known as: **2033 Meadowview Lane**
Suite 100
Kingsport, TN 37660 *HMG OK*
- D. Modifications, Assignments, Supplements or Amendments to Lease:
- E. Commencement Date:
January 1, 2005
- F. Expiration of Current Term:
15 years with one option to renew for an additional (5) years
- G. Rights to renew, to extend, to terminate, to rent or occupy additional space or to purchase any portion of the property:
One option to renew for an additional (5) years
1. Rights to Renew:
 2. Rights to Terminate:

3. Rights for Additional Space: .
 4. Rights to Purchase Any Portion of the Property:
- H. Security Deposit Paid to Landlord: \$
- I. Current Fixed Minimum Rent (Annualized): \$ 346,082.00
- J. Current Additional Rent (and if applicable, Percentage Rent) (Annualized): \$ 78,655.00
1ST FIVE YEARS
- K. Current Total Rent: \$424,737.00
- L. Square Feet Demised: 15,731 sq. ft.

EXHIBIT "E"

TENANT ESTOPPEL CERTIFICATE

Please refer to the documents described in Exhibit "A" hereto, (the "Lease Documents") including the "Lease" therein described. The undersigned (the "Tenant"), hereby certifies that it is the lessee under the Lease. Tenant hereby further acknowledges that it has been advised that the Lease may be assigned to a purchaser of, and/or collaterally assigned in connection with a proposed financing secured by the property on which the demised premises under the Lease are located, and certifies both to the landlord under the lease (the "Landlord") and to any and all prospective purchasers (the "Purchasers") and mortgagees of the Property, including any trustee on behalf of any holders of notes or other similar instruments, and any holders from time to time of such notes or other instruments, and their respective successors and assigns (collectively the "Mortgagees") that as of the date hereof:

1. The information set forth in Exhibit "A" hereto is true and correct.
2. Tenant is in occupancy of the demised premises, and the Lease is in full force and effect and, except by such writings as are identified on Exhibit "A" hereto, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the space rented under the Lease, whether oral or written.
3. All conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.
4. Tenant is not in default under the Lease Documents; Tenant has not received any notice of default under the Lease Documents; and to Tenant's knowledge, there are no events which have occurred that with the giving of notice or the passage of time or both, would result in a default by Tenant under the Lease Documents.
5. Tenant has not paid any rents or sums due under the Lease more than thirty (30) days in advance of the date due under the Lease; and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any rent or sums due and payable under the Lease except as set forth in Exhibit "A" hereto.
6. To Tenant's knowledge, there are no uncured defaults on the part of the Landlord under the Lease Documents; Tenant has not sent any notice of default under the Lease Documents to the Landlord; and there are no events which have occurred that, with the giving of notice or the passage of time or both, would result in a default by Landlord thereunder; and at the present time Tenant has no claim against Landlord under the Lease Documents.
7. Except as expressly set forth in Part G of Exhibit "A", there are no provisions for, and Tenant has no rights with respect to, renewal or extension of the initial term of the Lease; terminating the term, leasing or occupying additional space or purchasing the premises.

8. If Tenant has the right to obtain leasehold financing, then Tenant represents that it has no right to obtain fee subordination or otherwise to encumber the estate of the Landlord in the demised premises.

9. Tenant is in compliance with the environmental covenants set forth in the Lease Documents.

10. Tenant is in compliance with all insurance requirements set forth in the Lease Documents. Tenant covenants and agrees that after receipt of notice of the sale of the Property it will promptly cause a new Certificate of Insurance to be issued naming the new landlord and its managing agent as additional insureds.

11. No action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency laws.

12. Tenant covenants and agrees to promptly notify Landlord in writing if any certification by Tenant contained herein shall be or become untrue in any material respect.

13. The undersigned has the authority to execute and deliver this Certificate on behalf of the Tenant and acknowledges that all Purchasers will rely on this estoppel certificate in purchasing the property and all Mortgagees will rely upon this estoppel certificate in extending credit to Landlord or Landlord's successors in interest.

14. This Tenant Estoppel Certificate shall be binding upon the successors, assigns and representatives of the undersigned and any party claiming through or under the undersigned and shall inure to the benefit of all Purchasers and Mortgagees.

IN WITNESS WHEREOF, Tenant has duly executed this Certificate this 9 day of April, 2007.

Halsen Medical Group, P.C.
(Name of Tenant)
By: J. B. Kilgore
Name: Craig M. Kilgore
Title: Branch Director

EXHIBIT "A" TO TENANT ESTOPPEL CERTIFICATE

Lease Documents, Lease Terms and Current Status

- A. Date of Lease: October 7, 2003
- B. Parties: HMG Meadowview, LLC.
Holston Medical Group, PC.
1. Landlord: HMG Meadowview, LLC.
 2. Tenant d/b/a: Holston Medical Group, PC.
- C. Premises known as:
2033 Meadowview Lane
Suite 200
Kingsport, TN 37660 (FP, IM, Peds)
- D. Modifications, Assignments, Supplements or Amendments to Lease:
- E. Commencement Date:
January 1, 2005
- F. Expiration of Current Term:
15 years
- G. Rights to renew, to extend, to terminate, to rent or occupy additional space or to purchase any portion of the property:
Right and option to renew this Lease for one additional term
(5) years.
1. Rights to Renew:
one term (5) additional years
 2. Rights to Terminate:

- 3. Rights for Additional Space:
- 4. Rights to Purchase Any Portion of the Property:
- H. Security Deposit Paid to Landlord: \$
- I. Current Fixed Minimum Rent (Annualized): \$ 392,632.00
- J. Current Additional Rent (and if applicable, Percentage Rent) (Annualized): \$ 115,480.00
1ST FIVE YEARS
- K. Current Total Rent: \$ 508,112.00
- L. Square Feet Demised: 23,096 sq. ft. per Exhibit "C"

EXHIBIT "E"

TENANT ESTOPPEL CERTIFICATE

Please refer to the documents described in Exhibit "A" hereto, (the "Lease Documents") including the "Lease" therein described. The undersigned (the "Tenant"), hereby certifies that it is the lessee under the Lease. Tenant hereby further acknowledges that it has been advised that the Lease may be assigned to a purchaser of, and/or collaterally assigned in connection with a proposed financing secured by the property on which the demised premises under the Lease are located, and certifies both to the landlord under the lease (the "Landlord") and to any and all prospective purchasers (the "Purchasers") and mortgagees of the Property, including any trustee on behalf of any holders of notes or other similar instruments, and any holders from time to time of such notes or other instruments, and their respective successors and assigns (collectively the "Mortgagees") that as of the date hereof:

1. The information set forth in Exhibit "A" hereto is true and correct.
2. Tenant is in occupancy of the demised premises, and the Lease is in full force and effect and, except by such writings as are identified on Exhibit "A" hereto, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the space rented under the Lease, whether oral or written.
3. All conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.
4. Tenant is not in default under the Lease Documents; Tenant has not received any notice of default under the Lease Documents; and to Tenant's knowledge, there are no events which have occurred that with the giving of notice or the passage of time or both, would result in a default by Tenant under the Lease Documents.
5. Tenant has not paid any rents or sums due under the Lease more than thirty (30) days in advance of the date due under the Lease; and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any rent or sums due and payable under the Lease except as set forth in Exhibit "A" hereto.
6. To Tenant's knowledge, there are no uncured defaults on the part of the Landlord under the Lease Documents; Tenant has not sent any notice of default under the Lease Documents to the Landlord; and there are no events which have occurred that, with the giving of notice or the passage of time or both, would result in a default by Landlord thereunder; and at the present time Tenant has no claim against Landlord under the Lease Documents.
7. Except as expressly set forth in Part G of Exhibit "A", there are no provisions for, and Tenant has no rights with respect to, renewal or extension of the initial term of the Lease; terminating the term, leasing or occupying additional space or purchasing the premises.

8. If Tenant has the right to obtain leasehold financing, then Tenant represents that it has no right to obtain fee subordination or otherwise to encumber the estate of the Landlord in the demised premises.

9. Tenant is in compliance with the environmental covenants set forth in the Lease Documents.

10. Tenant is in compliance with all insurance requirements set forth in the Lease Documents. Tenant covenants and agrees that after receipt of notice of the sale of the Property it will promptly cause a new Certificate of Insurance to be issued naming the new landlord and its managing agent as additional insureds.

11. No action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency laws.

12. Tenant covenants and agrees to promptly notify Landlord in writing if any certification by Tenant contained herein shall be or become untrue in any material respect.

13. The undersigned has the authority to execute and deliver this Certificate on behalf of the Tenant and acknowledges that all Purchasers will rely on this estoppel certificate in purchasing the property and all Mortgagees will rely upon this estoppel certificate in extending credit to Landlord or Landlord's successors in interest.

14. This Tenant Estoppel Certificate shall be binding upon the successors, assigns and representatives of the undersigned and any party claiming through or under the undersigned and shall inure to the benefit of all Purchasers and Mortgagees.

IN WITNESS WHEREOF, Tenant has duly executed this Certificate this 9 day of April, 2007.

Holston Melan Gray, P.C.
(Name of Tenant)
By: [Signature]
Name: Craig M. Kilgore
Title: Branch Director

EXHIBIT "A" TO TENANT ESTOPPEL CERTIFICATE

Lease Documents, Lease Terms and Current Status

- A. Date of Lease: October 7, 2003
- B. Parties: HMG Meadowview, LLC.
Holston Medical Group, PC.
1. Landlord: HMG Meadowview, LLC.
 2. Tenant d/b/a: Holston Medical Group, PC.
- C. Premises known as:
2033 Meadowview Lane (3rd Floor HMG offices
Suite ~~200~~ 310 & Conference Room)
Kingsport, TN 37660
- D. Modifications, Assignments, Supplements or Amendments to Lease:
- E. Commencement Date:
January 1, 2005
- F. Expiration of Current Term:
15 years
- G. Rights to renew, to extend, to terminate, to rent or occupy additional space or to purchase any portion of the property:
Right and option to renew this Lease for one additional term (5) years
1. Rights to Renew:
one term (5) additional years
 2. Rights to Terminate:

3. Rights for Additional Space: .
4. Rights to Purchase Any Portion of the Property:
- H. Security Deposit Paid to Landlord: \$
- I. Current Fixed Minimum Rent (Annualized): \$ 59,245.00
- J. Current Additional Rent (and if applicable, Percentage Rent) (Annualized): \$ 17,425.00
1ST FIVE YEARS
- K. Current Total Rent: \$ 76,670.00
- L. Square Feet Demised:
3,485 sq. ft. per Exhibit "C"

EXHIBIT "E"

TENANT ESTOPPEL CERTIFICATE

Please refer to the documents described in Exhibit "A" hereto, (the "Lease Documents") including the "Lease" therein described. The undersigned (the "Tenant"), hereby certifies that it is the lessee under the Lease. Tenant hereby further acknowledges that it has been advised that the Lease may be assigned to a purchaser of, and/or collaterally assigned in connection with a proposed financing secured by the property on which the demised premises under the Lease are located, and certifies both to the landlord under the lease (the "Landlord") and to any and all prospective purchasers (the "Purchasers") and mortgagees of the Property, including any trustee on behalf of any holders of notes or other similar instruments, and any holders from time to time of such notes or other instruments, and their respective successors and assigns (collectively the "Mortgagees") that as of the date hereof:

1. The information set forth in Exhibit "A" hereto is true and correct.
2. Tenant is in occupancy of the demised premises, and the Lease is in full force and effect and, except by such writings as are identified on Exhibit "A" hereto, has not been modified, assigned, supplemented or amended since its original execution, nor are there any other agreements between Landlord and Tenant concerning the space rented under the Lease, whether oral or written.
3. All conditions and agreements under the Lease to be satisfied or performed by Landlord have been satisfied and performed.
4. Tenant is not in default under the Lease Documents; Tenant has not received any notice of default under the Lease Documents; and to Tenant's knowledge, there are no events which have occurred that with the giving of notice or the passage of time or both, would result in a default by Tenant under the Lease Documents.
5. Tenant has not paid any rents or sums due under the Lease more than thirty (30) days in advance of the date due under the Lease; and Tenant has no rights of setoff, counterclaim, concession or other rights of diminution of any rent or sums due and payable under the Lease except as set forth in Exhibit "A" hereto.
6. To Tenant's knowledge, there are no uncured defaults on the part of the Landlord under the Lease Documents; Tenant has not sent any notice of default under the Lease Documents to the Landlord; and there are no events which have occurred that, with the giving of notice or the passage of time or both, would result in a default by Landlord thereunder; and at the present time Tenant has no claim against Landlord under the Lease Documents.
7. Except as expressly set forth in Part G of Exhibit "A", there are no provisions for, and Tenant has no rights with respect to, renewal or extension of the initial term of the Lease; terminating the term, leasing or occupying additional space or purchasing the premises.

8. If Tenant has the right to obtain leasehold financing, then Tenant represents that it has no right to obtain fee subordination or otherwise to encumber the estate of the Landlord in the demised premises.

9. Tenant is in compliance with the environmental covenants set forth in the Lease Documents.

10. Tenant is in compliance with all insurance requirements set forth in the Lease Documents. Tenant covenants and agrees that after receipt of notice of the sale of the Property it will promptly cause a new Certificate of Insurance to be issued naming the new landlord and its managing agent as additional insureds.

11. No action, voluntary or involuntary, is pending against Tenant under federal or state bankruptcy or insolvency laws.

12. Tenant covenants and agrees to promptly notify Landlord in writing if any certification by Tenant contained herein shall be or become untrue in any material respect.

13. The undersigned has the authority to execute and deliver this Certificate on behalf of the Tenant and acknowledges that all Purchasers will rely on this estoppel certificate in purchasing the property and all Mortgagees will rely upon this estoppel certificate in extending credit to Landlord or Landlord's successors in interest.

14. This Tenant Estoppel Certificate shall be binding upon the successors, assigns and representatives of the undersigned and any party claiming through or under the undersigned and shall inure to the benefit of all Purchasers and Mortgagees.

IN WITNESS WHEREOF, Tenant has duly executed this Certificate this 9 day of April, 2007.

Holston Medical Group, P.C.
 (Name of Tenant)
 By: [Signature]
 Name: Gray R. Kilgore
 Title: President

EXHIBIT "A" TO TENANT ESTOPPEL CERTIFICATE

Lease Documents, Lease Terms and Current Status

A. Date of Lease: **March 14, 2007**

B. Parties: **HMG Meadowview, LLC.**
Holston Medical Group, PC

1. Landlord: **HMG Meadowview, LLC.**

2. Tenant d/b/a: **Holston Medical Group, PC.**

C. Premises known as:

2033 Meadowview Lane
Suite 110

Kingsport, TN 37660

(Former Medical Cancer Space)

D. Modifications, Assignments, Supplements or Amendments to Lease:

E. Commencement Date:

April 1, 2007

F. Expiration of Current Term:

13 years

G. Rights to renew, to extend, to terminate, to rent or occupy additional space or to purchase any portion of the property:

Two options to renew for additional (5) years each

1. Rights to Renew:

2. Rights to Terminate:

3. Rights for Additional Space: .
4. Rights to Purchase Any Portion of the Property:
- H. Security Deposit Paid to Landlord: \$
- I. Current Fixed Minimum Rent (Annualized): \$
during months 1-36 Basic Annual Rent will be \$107,536.00
- J. Current Additional Rent (and if applicable, Percentage Rent) (Annualized): \$
Additional rent to be \$5.00 per square foot and
included as a part of Basic Annual rent.
- K. Current Total Rent: \$ 107,536.00
- L. Square Feet Demised: 4,888 sq. ft.

May 8, 2007

Holston Medical Group, P.C.
2323 North John B. Dennis Highway
Kingsport, TN 37660

ATTN: Lease Administration

Gentlemen:

This letter is to provide you notice that effective May 10, 2007, HMG Meadowview, L.L.C., sold the medical office building located 2033 Meadowview Lane, Kingsport, Tennessee to Ziegler - Tennessee 14, LLC. Holston Medical Group, P.C. occupies the premises known as Unit Nos. 100, 110, 200 and 310 in this building pursuant to Lease dated January 1, 2005..

The contact information for the new owner of the building is:

Ziegler - Tennessee 14, LLC
c/o John Sweet
250 East Wisconsin Avenue, Suite 2000
Milwaukee, WI 53202
Phone: 414/978-6467
Fax: 414/978-6560

For your information, Ziegler - Tennessee 14, LLC, is managed by BC Ziegler and Company, an investment banking organization that has been raising capital and providing financial advice to the healthcare industry nationwide since 1904.

Very truly yours,

HMG MEADOWVIEW, L.L.C.

By: 
Samuel D. Breeding
On Behalf of and as Chief Manager

**THIS INSTRUMENT PREPARED BY:
Wilson Worley Moore Gamble & Stout, P.C.
2021 Meadowview Lane, 2nd Floor
P.O. Box 88
Kingsport, Tennessee 37662**

ASSIGNMENT OF LEASES

THIS ASSIGNMENT OF LEASES ("Assignment") is made and entered into effective this 10th day of May, 2007, by and between HMG MEADOWVIEW, L.L.C., a Tennessee Limited Liability Company, (the "Assignor") and ZIEGLER - TENNESSEE 14, LLC, a Wisconsin Limited Liability Company (the "Assignee").

RECITALS:

(a) Assignor and Ziegler Health Care Real Estate Fund II, LLC ("Ziegler") entered into an Agreement of Sale and Purchase (the "Agreement") with an effective date of March 21, 2007, regarding the purchase and sale of certain assets of Assignor (the "Property") located at 2033 Meadowview Lane, Kingsport, Tennessee.

(b) Pursuant to that Assignment and Assumption of Agreement of Sale and Purchase between Ziegler and Assignee dated May 9, 2007, Ziegler set over and assigned to Assignee all of Ziegler's obligations, right, title and interest in, under and to the Agreement and Assignee accepted the assignment and agreed to comply with all of the terms, covenants and conditions binding upon Ziegler pursuant to the Agreement.

(c) Section 6(k)(iii) of the Agreement requires Assignor to assign to Assignee all of Assignor's right, title and interest in and to the Leases, the Guarantees and the Security Deposits held by Assignor pursuant to the Leases, together with an original executed copy of the each of the Leases and Guarantees.

NOW THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby expressly acknowledged, Assignor and Assignee, intending to be legally bound, enter into this Assignment.

1. ASSIGNMENT: Assignor hereby transfers, assigns and sets over to Assignee and its successors and assigns all of Assignor's right, title and interest in and to all Leases, Guarantees and Security Deposits held by Assignor pursuant to the Leases relating to the operation or occupancy of the Property, which Leases are generally described as follows:

(a) Lease between Assignor and Holston Medical Group, P.C., a Tennessee professional corporation, dated October 7, 2003, as amended by Amendment to Lease between Assignor and Holston Medical Group, P.C., dated May __, 2007, for Units 100, 200, and 310 (the "Holston Lease"). A copy of the Holston Lease is attached to this Assignment as Exhibit "A" and is specifically incorporated herein by reference.

(b) Lease between Assignor and Holston Medical Group, P.C., a Tennessee professional corporation, dated March 14, for Unit 110 (the "110 Lease"). A copy of the 110 Lease is attached to this Assignment as Exhibit "B" and is specifically incorporated herein by reference.

(c) Lease between Assignor and John Deere Health Care, Inc, an Illinois corporation (the "John Deere Lease"), dated March 19, 2004, which Lease has been assigned to United Health Care Services, Inc. (the "UHC Assignment") pursuant to Assignment and Assumption Agreement between John Deere Health Care, Inc., and United Health Care Services, Inc., dated April 30, 2006, as amended by Amendment to Lease dated May __, 2007 between Assignor and United HelathCare (the "UHC Amendment"). A copy of the John Deere Lease, the UHC Assignment, and the UHC Amendment are attached to this Assignment as Exhibit "C" and is specifically incorporated herein by reference (collectively, the "UHC Lease").

There are no Guarantees nor Security Deposits given to Assignor with regard to the Holston Lease, the 110 Lease, or the UHC Lease (collectively the "Leases").

2. INDEMNIFICATION. (a) Assignor hereby indemnifies Assignee and agrees to save it harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney fees) for claims asserted against Assignee under the Leases, as amended, for events occurring prior to the closing of the purchase and sale of the Property including, without limitation, any claims arising by reason of any underpayment or overpayment of operating expenses for the Property prior to Closing.

(b) Assignee hereby indemnifies Assignor and agrees to save it harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney fees) for claims asserted against Assignor under the Leases, as amended, for events occurring after the closing of the purchase and sale of the Property including, without limitation, any claims arising by reason of any underpayment or overpayment of operating expenses for the Property after closing.

3. REPRESENTATIONS AND WARRANTIES. Assignor warrants that:

(a) No other assignment to any other person of any of its rights under the Leases, as amended, is in effect.

(b) Assignor has done no act or omitted to do any act which might prevent Assignee, or limit Assignee, in acting under or obtaining the full benefit of the Leases, as amended.

(c) No default on the part of Assignor exists under the terms of any of the Leases, as amended.

(d) Assignor is not prohibited under any agreement with any other person or any judgment or decree from the execution and delivery of this Assignment of Leases.

4. MISCELLANEOUS.

(a) This Assignment contains the entire agreement of the Parties with respect to the transactions herein set forth and may not be amended, modified, released or discharged, in whole or in part, except by an instrument in writing signed by the Parties.

(b) This Assignment shall be binding upon the Parties and their respective successors, heirs, assigns, administrators and executors.

(c) This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee.

(d) Notwithstanding anything to the contrary set forth in this Assignment, including, without limitation, the indemnification provisions, Assignor and Assignee hereby agree that within thirty (30) days from December 31, 2007, Assignor and Assignee shall reconcile all Operating Expenses related to the Leases, whereupon, Assignor and Assignee shall make any adjustments and payments, to which both parties agree. Assignor and Assignee hereby agree to use good faith and commercially reasonable efforts in executing this obligation.

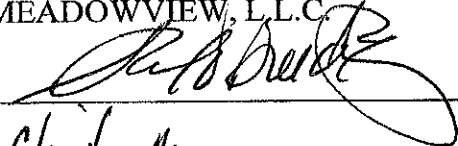
(e) This Assignment may be executed in multiple counterparts.

IN WITNESS WHEREOF, this Assignment has been duly executed by Assignor
and Assignee as of the date first above written.

HMG MEADOWVIEW, L.L.C.

By: _____

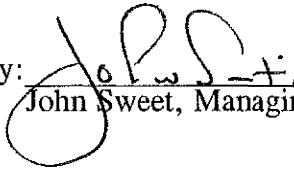
Its: _____


Chief Mgr

ZIEGLER - TENNESSEE 14, LLC

By: Ziegler Healthcare Real Estate Fund II, LLC
its Sole Member

By: BC Ziegler and Company
its Manager

By: _____
John Sweet, Managing Director

2HMG-ZieglerLeaseAssignment/jm

EXHIBIT A
HOLSTON LEASE

EXHIBIT B

110 LEASE

EXHIBIT C

UHC LEASE

**THIS INSTRUMENT PREPARED BY:
Wilson Worley Moore Gamble & Stout, P.C.
2021 Meadowview Lane, 2nd Floor
P.O. Box 88
Kingsport, Tennessee 37662**

ASSIGNMENT

ALL CONTRACT RIGHTS, LICENSES AND PERMITS, RECORDS
AND PLANS, GUARANTEES AND WARRANTIES

THIS ASSIGNMENT ("Assignment") is made and entered into effective this 10th day of May, 2007, by and between HMG MEADOWVIEW, L.L.C., a Tennessee Limited Liability Company, (the "Assignor") and ZIEGLER - TENNESSEE 14, LLC, a Wisconsin Limited Liability Company (the "Assignee").

RECITALS:

(a) Assignor and Ziegler Health Care Real Estate Fund II, LLC ("Ziegler") entered into an Agreement of Sale and Purchase (the "Agreement") with an effective date of March 21, 2007, regarding the purchase and sale of certain assets of Assignor (the "Property") located at 2033 Meadowview Lane, Kingsport, Tennessee.

(b) Pursuant to that Assignment and Assumption of Agreement of Sale and Purchase between Ziegler and Assignee dated May 9th, 2007, Ziegler set over and assigned to Assignee all of Ziegler's obligations, right, title and interest in, under and to the Agreement and Assignee accepted the assignment and agreed to comply with all of the terms, covenants and conditions binding upon Ziegler pursuant to the Agreement.

(c) Section 6(k)(v) of the Agreement requires Assignor to assign to Assignee all of Assignor's right, title and interest in and to the Contract Rights, Licenses and Permits, Records and Plans, Guarantees and Warranties and any other permits, licenses, plans, authorizations and approvals relating to ownership, operation or occupancy of the Property ("Contract Documents").

NOW THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby expressly acknowledged, Assignor and Assignee, intending to be legally bound, enter into this Assignment.

1. ASSIGNMENT: Assignor hereby transfers, assigns and sets over to Assignee and its successors and assigns all of Assignor's right, title and interest in and to all Contract Rights, Licenses and Permits, Records and Plans, Guarantees and Warranties and all other permits, licenses, plans, authorizations and approvals relating to ownership, operation or occupancy of the Property including, without limitation, the following:

(a) Contract Rights:

- (i) United Elevator Services 4.25.2005
- (ii) Waste Management 4.5.2005
- (iii) Sonitrol 12.22.2004
- (vi) Comfort USA (HVAC) 7.18.2005

(b) Records and Plans:

- (i) Architectural and Engineering Plans provided on a CD disc to Assignor described as follows:

Meadowview - 03-009
 Women's and Outpatient Diagnostic Center 04-011
 Pediatrics and Family Practice - 04-019
 McLeod Cancer and Blood Center - 04-035
 Geo-technical Report prepared by S&ME dated 8/14/2003
 Phase I Reliance Letter prepared by S&ME dated 9/30/2003

(c) Licenses and Permits:

- (i) Certificate of Occupancy from Department of Building Inspection, Kingsport, Tennessee, dated 4/19/2005;
- (ii) Grading Permit from City of Kingsport, Tennessee, dated 9/30/2003;

(d) Management Agreement:

- (i) Property Management and Leasing Agreement dated January 1, 2005, by and between Assignor and HMG Medical Management, L.L.C.

Any changed additions or extensions to and any revisions or modifications of any of the foregoing.

2. REPRESENTATIONS AND WARRANTIES. Assignor warrants that:

(a) No other assignment to any other person of any of its rights under the Contract Documents is in effect.

(b) Assignor has done no act or omitted to do any act which might prevent Assignee from, or limit Assignee in, acting under or obtaining the full benefit of the Contract Documents.

(c) No default exists under the terms of any of the Contract Documents, to the knowledge of Assignor.

(d) Assignor is not prohibited under any agreement with any other person or any judgment or decree from the execution and delivery of this Assignment of the Contract Documents.

(e) The rights assigned hereunder include all of Assignor's right and title: (i) to modify the Contract Documents; (ii) to terminate the Contract Documents; and (iii) to waive or release the performance or observance of any obligation or condition of the Contract Documents.

3. INDEMNITY. (a) Assignor hereby indemnifies Assignee and agrees to save it harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney fees) for claims asserted against Assignee under the Contract Rights, Licenses and Permits, Records and Plans, Guarantees, Warranties and the Management Agreement in connection with events occurring prior to the closing of the purchase and sale of the Property including, without limitation, a breach or default by Assignor in the performance of any term of the Contract Documents on Assignor's part to be performed. In the event Assignee shall be made a party to any litigation arising out of any

such occurrence, Assignor shall protect and hold Assignee harmless and shall pay all costs, expenses and reasonable attorney fees incurred or paid by Assignee in connection with such litigation.

(b) Assignee hereby indemnifies Assignor and agrees to save it harmless from and against any and all claims, actions, damages, liability and expense (including, without limitation, reasonable attorney fees) for claims asserted against Assignor under the Contract Rights, Licenses and Permits, Records and Plans, Guarantees, Warranties and the Management Agreement in connection with events occurring after to the closing of the purchase and sale of the Property including, without limitation, a breach or default by Assignee in the performance of any term of the Contract Documents on Assignee's part to be performed. In the event Assignor shall be made a party to any litigation arising out of any such occurrence, Assignee shall protect and hold Assignor harmless and shall pay all costs, expenses and reasonable attorney fees incurred or paid by Assignor in connection with such litigation.

4. MISCELLANEOUS. (a) This Assignment contains the entire agreement of the Parties with respect to the transactions herein set forth and may not be amended, modified, released or discharged, in whole or in part, except by an instrument in writing signed by the Parties.

(b) This Assignment shall be binding upon the Parties and their respective successors, heirs, assigns, administrators and executors.

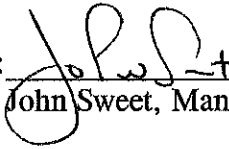
(c) This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Assignment has been duly executed by Assignor and Assignee and consented thereto by the Contractor as of the date first above written.

ZIEGLER - TENNESSEE 14, LLC

By: Ziegler Healthcare Real Estate Fund II, LLC
its Sole Member

By: B.C. Ziegler and Company
its Manager

By:  _____
John Sweet, Managing Director

2HMG-ZieglerAssignment/jm

released or discharged, in whole or in part, except by an instrument in writing signed by the Parties.

(b) This Assignment shall be binding upon the Parties and their respective successors, heirs, assigns, administrators and executors.

(c) This Assignment shall be governed by and construed and enforced in accordance with the laws of the State of Tennessee.

IN WITNESS WHEREOF, this Assignment has been duly executed by Assignor and Assignee and consented thereto by the Contractor as of the date first above written.

HMG MEADOWVIEW, L.L.C.

By: _____

Its: _____

ZIEGLER - TENNESSEE 14, LLC

By: _____

Its: _____

2HMG-ZieglerAssignment/jm

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "Amendment") is entered into by ZIEGLER-TENNESSEE 14, LLC ("Landlord") and HOLSTON MEDICAL GROUP, P.C. ("Tenant").

RECITALS

A. Landlord's predecessor-in-interest ("Landlord's Predecessor") and Tenant entered into that certain Lease Agreement dated October 7, 2003, (the "Lease") with a commencement date of January 1, 2005, for the Tenant Space.

B. On May 1, 2007, Landlord's Predecessor and Tenant amended the Lease (the "First Amendment").

C. On May 10, 2007, Landlord acquired the Property and the Building from Landlord's Predecessor and Landlord's Predecessor assigned to Landlord all of its right, title and interest in and to the Lease, as amended.

D. Pursuant to the terms and conditions of this Amendment, Landlord and Tenant desire to amend the Lease.

AGREEMENTS

In consideration of the Recitals, the mutual agreements that follow and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Square Footage. Section 1 of the First Amendment is hereby deleted in its entirety and replaced with the following:

1. BASIC LEASE PROVISIONS. Sections 2(a) and 2(c) of the Lease are deleted in their entirety and replaced with the following:

(a) Landlord shall lease to Tenant: (i) Unit No. 100, which is hereby deemed to have 15,794 square feet; and (ii) Unit 200, which is hereby deemed to have 21,350 square feet. For purposes of this Lease, Tenant's pro rata share for Unit 100 shall be 24.60% and Tenant's pro rata share for Unit 200 shall be 33.25%.

(c) Initial Basic Annual Rent:

(i) For Unit No. 100, the Initial Basic Annual Rent is \$22.00 per square foot plus Budgeted Additional Rent (defined below). For Unit No. 200, the Initial Basic Annual Rent is \$17.00 per square foot plus Budgeted Additional Rent. The foregoing

amounts are subject to adjustment in accordance with Section 3(c) of the Lease.

(ii) Additional Rent, as hereinafter defined, is budgeted to be \$5.00 per square foot ("Budgeted Additional Rent") during each of the first five years of the Term. Tenant will be provided an accounting of Additional Rent annually and will be responsible for any costs over the Budgeted Additional Rent. The Budgeted Additional Rent is subject to adjustment in accordance with Section 3(c) of the Lease.

2. Meaning of Premises. In the Lease, prior to the First Amendment, the defined term Premises meant the entire 64,200 square foot building. Pursuant to the First Amendment, the defined term "Building" was created and was defined to mean the entire 64,200 square foot building. In addition, pursuant to the First Amendment, the term "Premises" was amended to mean only those units Landlord leased to Tenant. Despite the change in the meaning of the term "Premises" and the creation of the defined term "Building," the term "Premises" in the Lease, as amended, was not replaced with the term "Building" in several sections of the Lease in which it should have been. Therefore, the parties hereby agree that, depending on the context in which the term "Premises" is used, it shall mean and refer to either the 64,200 square foot Building, or, in the alternative, Unit 100 and Unit 200 individually or collectively. For example purposes, in Section 6(b)(i) of the Lease, the term "Premises" shall mean the entire 64,200 square foot Building, and in Section 5(a) the term "Premises" shall mean Unit No. 100 and Unit No. 200.

3. Miscellaneous. All capitalized terms used but not defined in this Amendment shall have the meaning, if any, set forth in the Lease. Except to the extent modified by this Amendment, all terms and conditions of the Lease are reaffirmed and, if necessary, reinstated in full force and effect. In the event that any of the terms and conditions of this Amendment conflict with any of the terms and conditions of the Lease, then the terms and conditions of this Amendment shall supercede and control. This Amendment may be executed in one or more counterparts, all of which counterparts taken together shall constitute one and same agreement. This Amendment may be executed and/or delivered by facsimile or electronic mail as a PDF and such signatures and/or copies of this Amendment shall be deemed to be originals.

[Signatures on the following page(s). Remainder of the page left blank]

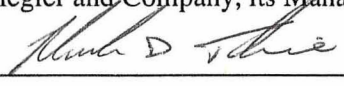
Effective as of the 23rd day of August, 2010.

LANDLORD:

ZIEGLER-TENNESSEE 14, LLC a Wisconsin
limited liability company

By: Ziegler Healthcare Real Estate Fund II,
LLC, a Delaware limited liability company

By: B.C Ziegler and Company, its Manager

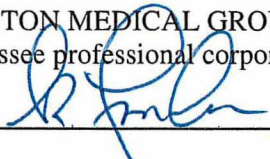
By: 

Name: Mark Thine

Title: SVP

TENANT:

HOLSTON MEDICAL GROUP, P.C. a
Tennessee professional corporation HCT

By: 

Name: Scott R. Fowler, J.D., M.D.

Title: President and CEO

RIGHT OF FIRST REFUSAL

THIS RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement") is granted and conveyed by ZIEGLER-TENNESSEE 14, LLC a Wisconsin limited liability company ("ZT") to HOLSTON MEDICAL GROUP, P.C., a Tennessee professional corporation ("HMG") as hereinafter described.

RECITALS

WHEREAS, ZT is the owner of certain real property commonly know as 2033 Meadowview Lane, Kingsport, Tennessee, as more particularly described in Exhibit A attached hereto and incorporated herein ("Property");

WHEREAS, HMG is a tenant pursuant to those certain leases (collectively, the "Leases") by and between HMG Meadowview, LLC and HMG for Units 100 and 200 and Unit 110 in the medical office building located on the Property (collectively, the "Units"); and

WHEREAS, ZT desires to grant unto HMG the right of first refusal to purchase the ZT Property as set forth below.

NOW, THEREFORE, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

I. Right of First Refusal

A. ZT hereby grants unto HMG a right of first refusal to purchase (the "ROFR") the Property subject and pursuant to the terms and conditions set forth in this Agreement.

B. Subject to all of Section II of this Agreement, in the event ZT receives a bona fide third party offer to purchase the Property ("Offer"), ZT shall deliver the Offer to HMG in accordance with Section IV. E. of this Agreement within seven (7) business days after ZT's receipt of the Offer, and HMG shall have thirty (30) days after receipt of the Offer from ZT (the "Acceptance Period") to accept in writing (the "Acceptance Notice") all of the terms of the Offer, which Acceptance Notice shall also be delivered in accordance with Section IV. E. of this Agreement. If HMG properly accepts all of the terms of the Offer, the parties shall proceed with their respective obligations as Buyer and Seller under the Offer; provided, however, that the closing on the sale of the Property from ZT to HMG (the "Closing") shall occur not later than ninety (90) days from ZT's receipt of the Acceptance Notice (the "Closing Date") and HMG remains a tenant at the Property pursuant to the Leases up to the Closing date, notwithstanding anything to the contrary set forth in the Offer. Either party may request at any

time that each party acknowledge in a separate writing their intent to be bound by the terms of the Offer.

C. In the event that HMG does not provide ZT with the Acceptance Notice within the Acceptance Period, then the ROFR shall automatically terminate. HMG shall be obligated to do all things reasonably necessary to terminate the ROFR of record, which obligation shall survive the termination of the ROFR, the Agreement, or both. HMG hereby waives any right to claim accident, mistake, or inadvertence for not providing ZT with the Acceptance Notice within the Acceptance Period.

II. Termination of ROFR; Conditions on the Validity and Enforceability of ROFR; Conditions on ZT's Obligation to Close

A. If HMG defaults under any of the Leases beyond any applicable cure period, or defaults under this Agreement, then in each case the ROFR shall automatically terminate, and HMG shall do all things reasonably necessary to terminate the ROFR of record, which obligation shall survive the termination of the ROFR, the Agreement, or both.

B. The ROFR shall automatically terminate upon (1) the expiration or termination of either of the Leases, (2) HMG abandoning any of the Units for a period of fourteen (14) consecutive days or (3) HMG's failing to provide the Acceptance Notice to ZT within the Acceptance Period. In either event, HMG shall do all things reasonably necessary to terminate the ROFR of record, which obligation shall survive the termination of the ROFR, the Agreement, or both.

C. HMG may exercise the ROFR, and the ROFR will be valid and enforceable, only so long as the Leases are in full force and effect and HMG is occupying the Units, regardless of whether HMG has provided ZT the Acceptance Notice within the Acceptance Period.

D. If, subsequent to HMG receiving a copy of the Offer from ZT or HMG providing ZT with the Acceptance Notice, but prior to the Closing, either of the Leases expire or terminate, HMG is in default under either of the Leases beyond any applicable cure period, HMG is in default of this Agreement, or HMG abandons any of the Units for a period of fourteen (14) days, then ZT may terminate the ROFR along with any obligation to convey the Property to HMG set forth in this Agreement, the Offer, or otherwise. In the event of such termination, HMG shall do all things reasonably necessary to terminate the ROFR of record, which obligation shall survive the termination of the ROFR, the Agreement, or both.

III. Subordination

A. This Agreement and the ROFR shall be subject and subordinate to any mortgage(s), deed(s) of trust and/or deed(s) to secure debt, or similar instruments (collectively, "Mortgage") now or at any time hereafter constituting an encumbrance, lien, or charge upon the Property, or the improvements situated thereon. HMG shall at any time hereafter on demand execute any instruments, releases or other documents that may be required by any such mortgagee for the purpose of subjecting and subordinating this Agreement and the ROFR to the lien of any such Mortgage, or for any other matters requested by ZT's mortgagee.

B. This Agreement and the ROFR shall not apply to or affect in any way a foreclosure, deed in lieu of foreclosure or similar conveyance of the Property or any interest therein to any of ZT's mortgagees, and any conveyances thereafter. Upon a foreclosure, deed in lieu of foreclosure or similar conveyance of the Property to any of ZT's mortgagees the ROFR shall automatically terminate, and HMG shall do all things reasonably necessary to terminate the ROFR of record, which obligation shall survive the termination of the ROFR, the Agreement, or both.

IV. Miscellaneous

A. This Agreement may be executed in multiple counterparts, all of which taken together shall constitute one and the same Agreement.

B. This is an integrated, complete agreement, and it represents the full, final, and complete expressions of the parties hereto.

C. No agreement or amendment hereto shall be effective to add to, change, modify, waive, or discharge this Agreement in whole or in part, unless such agreement is in writing and signed by all of the parties bound hereby.

D. If any provisions or portions of this Agreement or the application thereof to any person shall to any extent, be adjudged invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement or the application of such provision, or portion thereof, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

E. All notices, requests and other communications under this Agreement shall be in writing and shall be delivered: (i) in person; or (ii) by registered or certified mail, return receipt requested; or (iii) by recognized overnight delivery service providing positive tracking of items (for example, Federal Express); or (iv) by facsimile transmission or electronic mail (so long as one of methods (i), (ii) or (iii) are simultaneously utilized) addressed as follows or at such other address of which Seller or Buyer shall have given notice as herein provided:

Holston Medical Group, P.C.
2323 N. John B. Dennis
Kingsport TN 37660
 Attention: President
 Fax: 423-857-2080

with a copy to:

Wilson, Worley, Moore, Gamble & Stout
2021 Meadowview Lane, 2nd Floor
Kingsport TN 37660
 Attention: Gerron Waddell
 Fax: 423-723-0429

If intended for ZT:

Ziegler-Tennessee 14, LLC
 250 East Wisconsin Avenue, Suite 2000
 Milwaukee, Wisconsin 53202
 Attention: John Sweet
 Fax: 414-978-6560

with a copy to:

Davis & Kuelthau, s.c.
 111 East Kilbourn Avenue, Suite 1400
 Milwaukee, Wisconsin 53202
 Attention: Bradley D. Page, Esq.
 Fax: 414-278-3624

All such notices, requests and other communications shall be deemed to have been sufficiently given for all purposes hereof only upon receipt by the party to whom such notice is sent. Notices by the parties may be given on their behalf by their respective attorneys.

IN WITNESS WHEREOF, the parties have executed this Agreement.

HOLSTON MEDICAL GROUP, P.C. a
 Tennessee professional corporation

By: Dallas Skone 5/9/07
 Date
 Name: Dallas Skone

ZIEGLER-TENNESSEE 14, LLC a Wisconsin
 limited liability company

By: Ziegler Healthcare Real Estate Fund II,
 LLC, a Delaware limited liability company

Title: (Print) Vice President
(Print)

By: B.C Ziegler and Company, its Manager

By: _____ Date

Name: John Sweet
Title: Managing Director

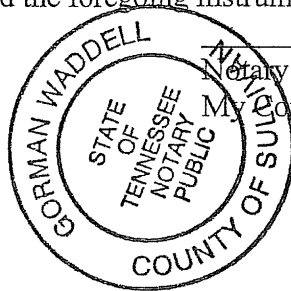
STATE OF WISCONSIN)
)SS
COUNTY OF MILWAUKEE)

Personally came before me this _____ day of _____, 2007, the above named John Sweet who executed the foregoing instrument and acknowledges the same solely in his capacity as a Managing Director of the Manager of the Sole Member of Ziegler-Tennessee 14, LLC.

Notary Public, State of _____
My Commission: _____

STATE OF Tennessee)
)SS
COUNTY OF Sullivan)

Personally came before me this 9th day of May, 2007, the above named Vici President, who executed the foregoing instrument and acknowledges the same.



Gorman Waddell
Notary Public, State of Tennessee
My Commission: 1/3/11

IN WITNESS WHEREOF, the parties have executed this Agreement.

HOLSTON MEDICAL GROUP, P.C. a
Tennessee professional corporation

ZIEGLER-TENNESSEE 14, LLC a Wisconsin
limited liability company

By: _____
Date

By: Ziegler Healthcare Real Estate Fund II,
LLC, a Delaware limited liability company

Name: _____
(Print)

By: B.C Ziegler and Company, its Manager

Title: _____
(Print)

By: John Sweet 5/10/07
Date

Name: John Sweet

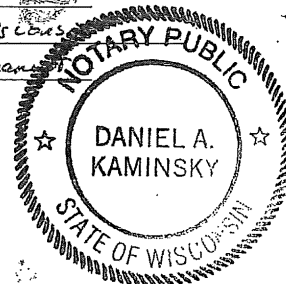
Title: Managing Director

STATE OF WISCONSIN)
)SS
COUNTY OF MILWAUKEE)

Personally came before me this 10th day of May, 2007, the above named John Sweet who executed the foregoing instrument and acknowledges the same solely in his capacity as a Managing Director of the Manager of the Sole Member of Ziegler-Tennessee 14, LLC.

Dan A. Kaminsky
Notary Public, State of Wisconsin

My Commission: is permanent



STATE OF _____)
)SS
COUNTY OF _____)

Personally came before me this _____ day of _____, 2007, the above named _____, who executed the foregoing instrument and acknowledges the same.

Notary Public, State of _____
My Commission: _____

Exhibit A
Property Legal Description

EXHIBIT "A"

Land in Sullivan County, Tennessee, being lot 3, DIVISION OF EASTMAN CREDIT UNION PROPERTY, as shown on plat of record in Plat Book 51, Page 433, in the Register's Office, Sullivan County, Tennessee, to which plat reference is hereby made for a more particular description of said property, and more particularly described as follows:

All that tract or parcel of land lying and being in the 13th Civil District of Sullivan County, Tennessee, and being more particularly described as follows:

Commencing from a right-of-way monument found at the northeast corner of a mitered intersection of the northwestern right-of-way of Meadowview Pkwy. (90' R/W) and the northeastern right-of-way of Interstate 181 (Variable R/W); thence with said right-of-way of Interstate 181 N 83°11'09" W a distance of 24.49' to a r/w mon.; thence N 41°01'52" W a distance of 99.96' to a r/w mon.; thence N 41°39'01" W a distance of 218.14' to a r/w mon.; thence N 46°33'59" W a distance of 132.97' to a r/w mon.; thence N 17°57'05" W a distance of 114.76' to a r/w mon.; thence N 41°14'04" W a distance of 119.32' to a point, said point being The True Point of Beginning; thence continuing with said right-of-way N 41°14'04" W a distance of 504.01' to a r/w mon.; thence N 24°27'32" W a distance of 450.69' to a 1/2" rebar w/cap; thence leaving said right-of-way S 73°03'10" E a distance of 649.24' to a 1/2" rebar w/cap; thence S 49°28'44" E a distance of 387.76' to a point; thence S 48°45'25" W a distance of 368.95' to a 1/2" rebar w/cap; thence S 48°45'25" W a distance of 159.03' to a point, said point being The True Point of Beginning.

Said Parcel having an area of 330084.2 square feet/7.58 acres.

Being the same property conveyed to HMG Meadowview, L.L.C., a Tennessee Limited Liability Company by Deed from Eastman Credit Union, recorded on the 17th day of September, 2003 in Book 2012C, Page 360, in the Register's Office of Sullivan County, Tennessee.

**MASTER LEASE AMENDMENT TO
MEADOWVIEW PROFESSIONAL BUILDING LEASE**

THIS MASTER LEASE AMENDMENT TO MEADOWVIEW PROFESSIONAL BUILDING LEASE (“**Amendment**”) is dated this 21st day June, 2018, by and between **ZIEGLER-TENNESSEE 14, LLC**, a Wisconsin limited liability company, as successor in interest to HMG Meadowview, LLC (“**Landlord**”), and **HOLSTON MEDICAL GROUP, P.C.**, a Tennessee professional corporation (“**Tenant**”).

WITNESSETH

WHEREAS, Landlord and Tenant are parties to that certain medical office building lease, dated October 7, 2003, as amended by that certain First Amendment to Lease, dated May 1, 2007 and as further amended by that certain Second Amendment to Lease Agreement, dated August 23, 2010 (“collectively, the “**Suites 100/200 Lease**”), whereby Tenant leases approximately 37,144 rentable square feet known as Suites 100 and 200 in the building commonly known as the Meadowview Professional Building, located at 2033 Meadowview Lane, Kingsport, Tennessee (the “**Property**”), and as more particularly described in the Lease;

WHEREAS, Landlord and Tenant are also parties to that certain medical office building lease, dated March 14, 2007, as amended by that certain First Amendment to Lease Agreement, dated August 23, 2010 (collectively, the “**Suite 110 Lease**,” and collectively with the Suites 100/200 Lease, the “**Leases**”), whereby Tenant leases approximately 5,076 rentable square feet known as Suite 110 at the Property, as more particularly described in the Lease;

WHEREAS, Landlord and Tenant acknowledge and agree that from and after the date hereof (as hereinafter defined), (a) the Suites 100/200 Lease and Suite 110 Lease shall be combined into the Suites 100/200 Lease such that the Suites 100/200 Lease shall be the only lease agreement in effect between Landlord and Tenant for the Property; (b) the terms and conditions of the Suites 100/200 Lease shall supersede in their entirety the terms and conditions in all other leases between Landlord and Tenant relating to any portion of the Property; and (c) this Amendment is intended to amend those provisions in the Suites 100/200 Lease as expressly provided herein;

WHEREAS, Landlord and Tenant desire to amend the Suites 100/200 Lease, as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows:

1. Recitals; Capitalized Terms. The above recitals are hereby incorporated into this Amendment. Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Suites 100/200 Lease.

2. Premises. Commencing on the Effective Date (as defined below), the “Premises” shall consist of the following: Suite 100, Suite 110 and Suite 200. The total rentable square footage of the Premises shall be equal to forty-two thousand two hundred twenty (42,220) square feet.

3. Term. The Lease Term shall be extended for an additional one-hundred ninety-six (196) months, commencing on September 1, 2018 (the “**Effective Date**”) and terminating on December 31, 2034.

4. Lease Renewals.

(a) The Lease Term shall automatically renew for successive five (5) year periods (collectively, the “**Extended Terms**” and each, an “**Extended Term**”), unless Tenant provides written notice to Landlord at least twelve (12) months prior to the expiration of then current Lease Term, of Tenant's election to terminate the Lease. Except as otherwise provided, the Extended Terms shall be on the same terms and conditions as set forth in the Lease. All references to the “**Term**” of the Lease or “**Lease Term**” shall, unless the context shall clearly indicate a different meaning, be deemed to constitute a reference to the original Lease Term and the Extended Terms, as the same may be exercised hereunder.

(b) Basic Annual Rent for each lease year of the Extended Terms shall be adjusted to equal the amount of the Basic Annual Rent payable during the immediately preceding Lease Year, as increased by two and 50/100ths percent (2.50%). Section 3(c) of the Suites 100/200 Lease is hereby deleted in its entirety.

(c) All other references to “options to renew” or “renewal options” in the Leases are hereby deleted in their entirety.

5. Tenant's Pro Rata Share: Commencing on the Effective Date, “Tenant's Pro Rata Share” of Operating Expenses shall be sixty-five and seventy-six one-hundredths percent (65.76%).

6. Basic Annual Rent. Commencing on the Effective Date, Basic Annual Rent for the Lease Term shall be paid to Landlord pursuant to the Basic Annual Rent Schedule set forth on the attached Exhibit A.

7. Additional Rent. Section 6(b) is deleted in its entirety and replaced with the following:

6(b) Tenant shall pay to Landlord for each calendar year, or any portion thereof, during the Term of this Lease, as the same may be extended or renewed from time to time, as Additional Rent, its Proportionate Share of Operating Expenses (as such terms are hereinafter defined). As used in this Lease, the term “**Operating Expenses**” shall mean all operating expenses of any kind or nature with respect to the ownership, operation, management, maintenance and repair of the Building, Land and the Property.

If the Building is not fully leased and occupied during all or any portion of any calendar year, Landlord may, using sound accounting and property management principles, adjust all Operating Expenses that are variable (which shall include, without limitation, costs and expenses of utilities and janitorial services and management fees) and, therefore, increase as leasing and occupancy of the Building increases (the “**Variable Components**”), to equal what would have been paid or incurred by Landlord had the Building been fully leased and occupied during such calendar year and the amount so determined shall be deemed to have been Operating Expenses for such year (an “**Equitable Adjustment**”). The Equitable Adjustment will not, in any event, result in Landlord receiving from Tenant and other Building tenants in connection with the Variable Components more than one hundred percent (100%) of the cost of the Variable Components. Landlord may incorporate the Equitable Adjustment in its estimates of Operating Expenses.

During December of each year or as soon thereafter as practicable, Landlord shall give Tenant written notice of its estimate of Tenant's Proportionate Share of Operating Expenses for the ensuing calendar year. On or before the first (1st) day of each month thereafter during such calendar year, in addition to Base Rent due hereunder at such time, Tenant shall pay a monthly installment equal to one-twelfth (1/12th) of Tenant's Proportionate Share of Operating Expenses as estimated in such notice, if any, for such calendar year. If Landlord fails to deliver such statement prior to January 1 of the applicable year, Tenant shall pay one-twelfth (1/12th) of Tenant's Proportionate Share of Operating Expenses for the prior year, if any, until such written notice is received. Upon receipt of Landlord's written notice, to the extent the new estimate is greater than the estimates paid to date for such calendar year, a lump sum payment shall be made in the next monthly payment to adjust for such differential and thereafter Tenant shall pay one-twelfth (1/12th) of Tenant's Proportionate Share of Operating Expenses as set forth in the new estimate. If at any time it appears to Landlord that Tenant's Proportionate Share of Operating Expenses payable under this paragraph for the then current calendar year will vary from its estimate by more than five percent (5%), Landlord may, by written notice to Tenant, revise its estimate of Tenant's Proportionate Share of Operating Expenses for such year, and subsequent payments by Tenant for such year shall be based upon such revised estimate.

Within ninety (90) days after the end of each calendar year during the Term, or as soon thereafter as practicable, Landlord shall furnish to Tenant a written statement ("**Landlord's Statement**") of actual Operating Expenses and Tenant's Proportionate Share of Operating Expenses for the previous calendar year. A lump sum payment (which payment shall be considered a payment of Rent for all purposes) will be made by Tenant, within thirty (30) days of the delivery of Landlord's Statement, equal to the excess, if any, of the actual amount of Tenant's Proportionate Share of Operating Expenses over all amounts paid by Tenant hereunder with respect to Tenant's Proportionate Share of Operating Expenses for the preceding calendar year. If the amount of Tenant's Proportionate Share of the Operating Expenses is less than the estimated amounts paid by Tenant hereunder with respect to Tenant's Proportionate Share of Operating Expenses for such calendar year, Landlord shall apply the difference (the "**Excess Overage**") to the next accruing installment of Rent due hereunder or, if necessary, subsequently accruing installments of Rent until the entire Excess Overage amount is credited; provided that if the Term of this Lease has expired at the time Landlord's Statement is delivered, Landlord shall refund the amount of any Excess Overage within thirty (30) days of the issuance of Landlord's Statement. Tenant or its representatives shall have the right to examine Landlord's books and records of Operating Expenses during normal business hours and at a location solely designated by Landlord within twenty (20) days following the furnishing of the Landlord's Statement to Tenant. Unless Tenant takes written exception to any item within thirty (30) days following the furnishing of the Landlord's Statement to Tenant (which item shall be paid in any event), the Landlord's Statement shall be considered as final and accepted by Tenant.

In the event Tenant's Proportionate Share of Operating Expenses for the final calendar year of the Term is not finally calculated until after the expiration of the Term, then Tenant's obligation to pay the same and Landlord's obligation to refund any Excess Overage shall survive the expiration or termination of this Lease. Accordingly, Landlord shall have the right to continue to hold Tenant's security deposit, if any, following expiration of the Term until Tenant's Proportionate Share of Operating Expenses has been paid in full, unless an alternative security (letter of credit or otherwise) is furnished to the satisfaction of

Landlord. Tenant's Proportionate Share of Operating Expenses for the calendar years in which the Term commences and ends, if any, shall be prorated on the basis of the number of days of the Term within each such calendar year.

If Landlord selects the accrual accounting method rather than the cash accounting method for operating expense purposes, Operating Expenses shall be deemed to have been paid when such expenses have accrued.

As used herein, Tenant's "**Proportionate Share**" shall mean a fraction, the numerator of which is the gross rentable area of the Premises and the denominator of which is the gross rentable area contained in the Building, in each case as is determined by Landlord. Notwithstanding the foregoing, in the event of special circumstances where a component of Operating Expenses is not being used by or should not be allocated to all tenants in the Building (i.e., a tenant in the Building other than Tenant is tax exempt and renders that tenant's premises exempt from real estate taxes or another tenant in the Building has electricity separately metered to its premises), the Landlord may recalculate the Tenant's Proportionate Share with respect to such special circumstances in Landlord's reasonable discretion (e.g., in the case of a portion of the Building which is exempt from real estate taxes, Tenant's Proportionate Share of real estate taxes for the Building would be a fraction, the numerator of which shall be the gross rentable area of the Premises and the denominator of which shall be the gross rentable area in the Building less the gross rentable area in the Building exempt from real estate taxes, in each case as determined by Landlord). Landlord shall have the right to re-determine the rentable areas of the Building and the Premises from time to time pursuant to this Section **Error! Reference source not found.**⁴, whether it be as a result of the conversion of the Building to a condominium, a re-measurement of the spaces by Landlord or other Building modifications.

As used herein, the term "**Additional Rent**" shall mean all sums payable by Tenant under this Lease other than Base Rent.

8. Automated Clearing House Authorization. Commencing on the Effective Date, all Basic Annual Rent required to be paid by Tenant shall be paid pursuant to that certain Authorization Agreement for Direct Deposits attached hereto as Exhibit B, which Tenant shall complete as part of this Amendment.

9. Right Of First Refusal. If, during the Term, Landlord elects to lease that certain space within the Building commonly known as Suite 300 (the "**Additional Space**") to a third party tenant unrelated to the current tenant of the Additional Space, and provided that this Lease is in full force and effect, Tenant shall have, and Landlord does hereby grant to Tenant a right of first refusal to lease the Additional Space (the "**Right of First Refusal**"). Tenant's Right of First Refusal shall be on the same terms and at the same price as any executed letter of intent ("**LOI**") executed by a third party tenant unrelated to the current tenant of the Additional Space and Landlord. Upon receipt of a fully executed LOI, Landlord shall promptly provide Tenant with written notice of the details of such LOI (the "**LOI Notice**"). Tenant shall have ten (10) days from receipt of the LOI Notice to elect, in writing, to exercise the Right of First Refusal, provided that at the time of exercising such Right of First Refusal, Tenant is not then in default beyond any applicable cure period. Any failure of Tenant to elect to exercise the Right of First Refusal (without any modification of the terms of the LOI Notice) in writing within such ten (10) day period shall constitute an election to not exercise the Right of First Refusal. If Tenant elects to exercise the Right of First Refusal, within ten (10) days following Tenant's election, Landlord and Tenant shall enter into an amendment to this Lease or, in the alternative upon mutual agreement by the parties, a separate lease for the Additional Space, incorporating the terms and conditions of the LOI Notice. If Tenant elects (or is deemed to have elected) to not exercise the Right of First Refusal or if Tenant refuses to timely enter into

the lease or lease amendment referenced in the preceding sentence, Landlord may lease the Additional Space to the original third party tenant set forth in the LOI upon the same terms and conditions as were stated in the LOI Notice and, upon execution of the lease with said third party tenant, the Right of First Refusal granted herein shall automatically terminate and be of no further force or effect including, without limitation, to any further leasing of the Additional Space by Landlord. Upon delivery of the Premises to Tenant, Tenant shall execute and deliver to Landlord the Commencement Date Agreement, which shall set forth the square feet of rentable area of the Additional Space. All other references to a "right of first refusal" or a "right of first opportunity" set forth in the Suites 100/200 Lease are hereby deleted in their entirety.

10. Tenant Improvement Allowance. Landlord shall provide Tenant with a tenant improvement allowance not to exceed One Million and 00/100ths Dollars (\$1,000,000.00) (the "**Improvement Allowance**") to be used for Tenant's leasehold improvements of the Premises (the "**Leasehold Work**") and Tenant shall perform the Leasehold Work, as more particularly set forth on Exhibit C attached to this Amendment and incorporated by reference herein. Any improvements to the Premises in excess of Improvement Allowance, and any other improvements to the Premises, shall be made by Tenant at the sole cost and expense of Tenant, subject to all other provisions of the Suites 100/200 Lease. The Improvement Allowance shall be used by Tenant by December 31, 2021 or shall be deemed forfeited.

11. Notices. The Suites 100/200 Lease is hereby amended to reflect the following addresses for Landlord for payment of all amounts due Landlord and all notices:

For payment purposes only:

ZIEGLER-TENNESSEE 14, LLC
c/o Physicians Realty L.P.
P.O. Box 78417
Milwaukee, Wisconsin 53202-8417

For notice purposes only:

ZIEGLER-TENNESSEE 14, LLC
c/o Physicians Realty L.P.
309 North Water Street, Suite 500
Milwaukee, Wisconsin 53202
Attn: Legal Department

12. Complete Agreement. The Suites 100/200 Lease, as modified by this Amendment, constitutes the entire agreement between Landlord and Tenant, and supersedes all previous understandings, letters of intent and agreements between the parties, if any; and no oral or implied representation or understandings shall vary its terms.

13. Successors and Assigns. All covenants and agreements hereunder shall be binding upon and inure to the benefit of and be enforceable by or against each of the parties hereto and their respective successors and assigns.

14. Severability. In the event any one or more of the provisions contained in this Amendment should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby.

15. Headings. Section headings used herein are for convenience of reference only and are

not to affect the construction of, or to be taken into consideration in interpreting this Amendment.

16. Conflicts. In the event of any conflict or inconsistency between the terms and provisions of this Amendment and those of the Suites 100/200 Lease, the terms and provisions of this Amendment shall govern and control to the extent of such conflict or inconsistency.

17. Full Force and Effect. Except as expressly modified herein, the other terms and conditions set forth in the Suites 100/200 Lease shall continue in full force and effect.

18. Counterparts. This Amendment may be executed in multiple original counterparts, all of which taken together shall constitute one and the same instrument.

19. Facsimile Signature. This Amendment may be executed by facsimile or electronic mail and a facsimile or electronic mail signature shall have the same legal effect as an original signature.

20. Authority. Each signatory hereto has all requisite power and authority to enter into this Amendment and to carry out its obligations hereunder.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

LANDLORD:

ZIEGLER-TENNESSEE 14, LLC

By: Physicians Realty L.P., its Manager

By: ~~Physicians Realty Trust, its General Partner~~

By: Mark D. Theine
AA065220E3E2451...
Mark D. Theine
SVP – Asset and Investment Management

TENANT:

HOLSTON MEDICAL GROUP, P.C.

OK

By: Scott R. Fowler
Name: Scott R. Fowler, J.D., M.D.
Title: President & CEO

EXHIBIT A**Basic Annual Rent Schedule**

Lease Start	Expiration	PSF	Rent	Rent
9/1/2018	8/31/2019	\$18.00	\$759,960.00	\$63,330.00
9/1/2019	8/31/2020	\$18.45	\$778,959.00	\$64,913.25
9/1/2020	8/31/2021	\$18.91	\$798,432.98	\$66,536.08
9/1/2021	8/31/2022	\$19.38	\$818,393.80	\$68,199.48
9/1/2022	8/31/2023	\$19.87	\$838,853.64	\$69,904.47
9/1/2023	8/31/2024	\$20.37	\$859,824.99	\$71,652.08
9/1/2024	8/31/2025	\$20.87	\$881,320.61	\$73,443.38
9/1/2025	8/31/2026	\$21.40	\$903,353.63	\$75,279.47
9/1/2026	8/31/2027	\$21.93	\$925,937.47	\$77,161.46
9/1/2027	8/31/2028	\$22.48	\$949,085.90	\$79,090.49
9/1/2028	8/31/2029	\$23.04	\$972,813.05	\$81,067.75
9/1/2029	8/31/2030	\$23.62	\$997,133.38	\$83,094.45
9/1/2030	8/31/2031	\$24.21	\$1,022,061.71	\$85,171.81
9/1/2031	8/31/2032	\$24.81	\$1,047,613.25	\$87,301.10
9/1/2032	8/31/2033	\$25.43	\$1,073,803.58	\$89,483.63
9/1/2033	8/31/2034	\$26.07	\$1,100,648.67	\$91,720.72
9/1/2034	12/31/2034	\$26.72	\$1,128,164.89*	\$94,013.74

*Annualized

EXHIBIT B

Authorization Agreement for Direct Deposits

(see attached)



PHYSICIANS REALTY TRUST

*Taking care of healthcare needs, one piece at a time***Tenant ID#** _____**Unit#** _____**Authorization Agreement for Direct Payments (ACH Credits or Debits)**

We, Holston Medical Group hereby authorize Physicians Realty LP, hereinafter called COMPANY, to initiate debit and credit entries to the account indicated below at the depository financial institution named below, hereinafter called DEPOSITORY. I acknowledge that the origination of ACH transactions to this account must comply with the provisions of U.S. law.

Depository**Institution:** Commercial Bank**City:** Kingsport**State:** TN **Zip:** 37660**Tenant Name:** Holston Medical Group**Routing****Number:** 064282983**Account****Number:** 16000796**Draw Date:** 10th Calendar Day of Each Month

Monthly Lease Payment: Monthly rental amount and, if applicable, CAM charges (as such amounts are adjusted during the term of the Lease)

This authorization is to remain in full force and effect until COMPANY has received written notification from me of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

Signature: **Name:** Shawna Armstrong**Date:** 6/14/18



PHONE (423) 245-2816
FAX (423) 245-3570

August 27, 2010

Holston Medical Group, P.C.
Insurance Department
P.O. Box 1499
Kingsport, TN 37662

To whom it may concern:

Holston Medical Group, P.C. has the following account with Commercial Bank:

Depository Account #16000796 ABA #064202983

If you have any questions, please contact me at 423-245-2816.

Thanks,

A handwritten signature in cursive script, reading "Jennifer McKinney".

Jennifer McKinney
Portfolio Specialist Commercial Lending

EXHIBIT C**WORKLETTER AGREEMENT**

THIS WORKLETTER AGREEMENT (this "**Agreement**") is made and entered into as of the ____ day of _____, 2018, by and between **ZIEGLER-TENNESSEE 14, LLC**, a Wisconsin limited liability company ("**Landlord**"), and **HOLSTON MEDICAL GROUP, P.C.**, a Tennessee professional corporation ("**Tenant**") under the following circumstances:

- A. Landlord and Tenant are entering into that certain Master Lease Amendment of even date herewith (the "**Amendment**") relating to space (the "**Premises**") in the building commonly known as the Meadowview Professional Building, located at 2033 Meadowview Lane, Kingsport, Tennessee. Capitalized terms not defined herein shall be given the meaning ascribed to them in the Amendment or the underlying Lease; and
- B. Landlord and Tenant desire to enter into this Workletter Agreement (this "**Agreement**") for the purpose of setting forth their agreements relating to the design and construction of the tenant improvements within the Premises; and
- C. Tenant will be responsible for supervising the preparation of all space plans and Construction Drawings (as hereinafter defined) and obtaining Landlord's approval when required; and
- D. Tenant will be responsible for contracting for the construction of the Leasehold Work (as defined herein) and supervising the construction and obtaining Landlord's approval where required; and
- E. Landlord shall disburse funds to the Tenant for the design and construction of the Work to the extent of the Improvement Allowance, as further defined herein.

NOW, THEREFORE, for and in consideration of the agreement to lease the Premises and the mutual covenants contained herein and in the Suites 100/200 Lease (as defined in the Amendment), Landlord and Tenant hereby agree as follows:

This Agreement shall set forth the terms and conditions relating to the design and construction of the Leasehold Work. All references in this Agreement to Sections of "the Amendment" shall mean the relevant portions of the Amendment to which this Agreement is attached as **Exhibit C** and all references in this Agreement to a Section of "this Agreement" shall mean the relevant portions of this Agreement.

SECTION I**DELIVERY OF THE PREMISES**

Tenant is currently occupying the Premises, has knowledge of the condition thereof and, therefore, accepts the Premises in its presently existing, "as-is" condition.

SECTION 2**TENANT IMPROVEMENTS****2.1 Tenant Improvement Allowance.**

Tenant shall be entitled to the Improvement Allowance for the costs relating to the design and construction of Tenant's improvements which are permanently affixed to the Premises (the "**Tenant Improvements**"). In no event shall Landlord be obligated to make disbursements pursuant to this Agreement in a total amount which exceeds the Improvement Allowance. Tenant shall not be entitled to any credit, abatement or payment from Landlord in the event that the amount of the Improvement Allowance specified above exceeds the Cost of the Work (as hereinafter defined). For purposes of this Agreement, the term "Cost of the Work" shall mean and include any and all costs and expenses of the Leasehold Work, including, without limitation, the cost of space planning, the working drawings, the mechanical, electrical, plumbing and structural engineering costs with respect to the Leasehold Work, any construction supervision and/or construction management fees incurred by Landlord in

connection with the Leasehold Work, all fees for permits, licenses and approvals, any costs triggered by the performance of the Leasehold Work which are required by any applicable governmental codes, rules, regulations or ordinances and the cost of all labor (including overtime) and materials constituting the Leasehold Work.

2.2 Disbursement of the Improvement Allowance.

2.2.1 Improvement Allowance Items. Except as otherwise set forth in this Agreement, the Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**Tenant Improvement Allowance Items**"):

- 2.2.1.1 Payment of the fees of the "Architect" and the "Engineers" (as defined below) and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in this Agreement;
- 2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;
- 2.2.1.3 The cost of construction of the Tenant Improvements, including, without limitation, testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors' fees and general conditions;
- 2.2.1.4 The costs to effect any changes to the Construction Drawings or Tenant Improvements required by any applicable building codes ("**Code**");
- 2.2.1.5 The cost of the Landlord's "Coordination Fee," as that term is defined herein below.
- 2.2.1.6 Sales and use taxes; and
- 2.2.1.7 All other costs to be expended by Tenant or Landlord in connection with construction of the Tenant Improvements.

2.2.2 Disbursement of Improvement Allowance. During the construction of the Tenant Improvements, Landlord shall make disbursements of the Improvement Allowance for Tenant Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows:

- 2.2.2.1 Monthly Disbursements. On or before the 10th day of each calendar month, during the construction of the Tenant Improvements, Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as that term is defined in Section 4.1 of this Agreement, approved by Tenant, in a form reasonably acceptable to Landlord, showing the schedule, by trade, of percentage of completion of the Tenant Improvements in the Premises, detailing the portion of the Leasehold Work completed and the portion not completed; (ii) invoices from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Agreement, for labor rendered and materials delivered to the Premises; (iii) executed mechanic's lien releases from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord of all applicable mechanics lien laws; and (iv) all other information reasonably requested by Landlord. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the Leasehold Work furnished and/or the materials supplied as set forth in Tenant's payment request. Within thirty (30) days thereafter, Landlord shall deliver a check to Tenant made jointly payable to Contractor and Tenant in payment of the lesser of: (A) the amounts so requested by Tenant, as set forth in this Section 2.2.2.1 above, less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "**Final Retention**"), and (B) the balance of any remaining

available portion of the Improvement Allowance (not including the Final Retention), provided that Landlord does not dispute any request for payment based on non-compliance of any Leasehold Work with the "Approved Construction Drawings," as that term is defined in Section 3.4 below, or due to any substandard work, or for any other reason. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the Leasehold Work furnished or materials supplied as set forth in Tenant's payment request.

2.2.2.2 Subject to the provisions of this Agreement, a check for the Improvement Allowance payable jointly to Contractor and Tenant shall be delivered by Landlord to Tenant following the completion of construction of the Premises and receipt of a certificate of occupancy by Tenant, provided that: (i) Tenant delivers to Landlord properly executed unconditional mechanics lien releases in compliance with all applicable mechanics lien laws, (ii) Landlord has determined that no substandard work exists, (iii) Architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the Tenant Improvements in the Premises has been substantially completed, and (iv) Tenant delivers to Landlord one complete set of "as-built" Construction Drawings, updated CAD disks reflecting the Tenant Improvements described herein, all final signed-off permit cards, certificate of occupancy if applicable, and all manufactures warranties and contractor guarantees.

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Improvement Allowance to the extent costs are incurred by Tenant for Improvement Allowance Items. All Improvement Allowance Items for which the Improvement Allowance has been made available shall be deemed Landlord's property. All of the Improvement Allowance shall be used within the initial twenty-four (24) months of the Term or deemed forfeited.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings.

Tenant shall retain an architect/space planner reasonably acceptable to Landlord (the "**Architect**") to prepare the Construction Drawings. Tenant shall retain engineering consultants reasonably acceptable to Landlord (the "**Engineers**") to prepare all plans and engineering Construction Drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work for the Premises, which work is not part of the Premises upon delivery to Tenant. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "Construction Drawings." All Construction Drawings shall comply with the drawing format and specifications determined by Landlord, and shall be subject to Landlord's reasonable approval. Landlord's review of the Construction Drawings as set forth in this Section 3 shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same, for quality, design, code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant's waiver and indemnity set forth in the Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan.

Tenant shall supply Landlord with four (4) copies signed by Tenant of its final space plan for the Premises before any architectural Construction Drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Space Plan if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require.

3.3 Final Construction Drawings.

After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the "Final Construction Drawings" (as that term is defined below) in the manner as set forth below. Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing Construction Drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "**Final Construction Drawings**"). Tenant shall supply Landlord with four (4) copies signed by Tenant of such Final Construction Drawings. Landlord shall advise Tenant within ten (10) business days after Landlord's receipt of the Final Construction Drawings for the Premises if the same are unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Construction Drawings in accordance with such review and any disapproval of Landlord in connection therewith.

3.4 Approved Construction Drawings.

The Final Construction Drawings shall be approved by Landlord (the "**Approved Construction Drawings**") prior to the commencement of construction of the Premises by Tenant. After approval by Landlord of the Final Construction Drawings, Tenant may submit the same to the applicable municipality for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility, provided, however, that Landlord shall cooperate with Tenant at no cost to Landlord in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Construction Drawings may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

SECTION 4

CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

- 4.1.1 The Contractor. A general contractor shall be retained by Tenant to construct the Tenant Improvements. Such general contractor ("**Contractor**") shall be reasonably acceptable to Landlord. Landlord agrees that affiliates of Tenant shall be considered acceptable to Landlord for purposes of retaining the Contractor.
- 4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. If Landlord does not approve any of Tenant's proposed subcontractors, laborers, materialmen or suppliers, Tenant shall submit other proposed subcontractors, laborers, materialmen or suppliers for Landlord's written approval.

4.2 Construction of Tenant Improvements by Tenant's Agents.

4.2.1 Construction Contract and Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "**Contract**"), Tenant shall submit the Contract to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. Prior to the commencement of the construction of the Tenant Improvements, and after Tenant has accepted all bids for the Tenant Improvements, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Tenant Improvements, which costs form a basis for the amount of the Contract (the "**Final Costs**"). Prior to the commencement of construction of the Tenant Improvements, Tenant shall supply Landlord with funds (the "**Over-Allowance Amount**") equal to the difference between the amount of the Final Costs and the amount of the Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the commencement of construction of the Tenant Improvements). The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the then remaining portion of the Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Improvement Allowance. In the event that, after the Final Costs have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Tenant Improvements shall change, any additional costs necessary to such design and construction in excess of the Final Costs shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in this Agreement, above, for Landlord's approval, prior to Tenant paying such costs.

4.2.2 Tenant's Agents.

4.2.2.1 Landlord's General Conditions for Tenant's Agents and Tenant Improvement Work. Tenant and Tenant's Agent's construction of the Tenant Improvements shall comply with the following: (i) the Tenant Improvements shall be constructed in strict accordance with the Approved Construction Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant shall abide by all rules made by Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other Tenants, and any other matter in connection with this Agreement, including, without limitation, the construction of the Tenant Improvements. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to the product of (i) five percent (5%) multiplied by (ii) the sum of the Improvement Allowance, the Over-Allowance Amount, as such amount may be increased hereunder, and any other amounts expended by Tenant in connection with the design and construction of the Tenant Improvements, which Coordination Fee shall be for services relating to the coordination of the construction of the Tenant Improvements.

4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Tenant Improvements and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in the Lease, shall also apply with

respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Tenant Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Tenant Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Tenant Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Tenant Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to effect such right of direct enforcement.

4.2.2.4 Insurance Requirements.

4.2.2.4.1 General Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Lease.

4.2.2.4.2 Special Coverages. Tenant shall carry "Builder's All Risk" insurance in an amount approved by Landlord covering the construction of the Tenant Improvements, and such other insurance as Landlord may require, it being understood and agreed that the Tenant Improvements shall be insured by Tenant pursuant to the Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by Landlord, and in form and with companies as are required to be carried by Tenant as set forth in the Lease.

4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to Landlord before the commencement of construction of the Tenant Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days' prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Tenant Improvements are damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of

the foregoing insurance coverage in force until the Tenant Improvements are fully completed and accepted by Landlord. All policies carried under this Section 4.2.2.4 shall insure Landlord and Landlord's agents and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects Landlord and that any other insurance maintained by Landlord is excess and noncontributing with the insurance required hereunder. Such insurance otherwise meet all applicable requirements for insurance set forth in the Lease. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Agreement. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Tenant Improvements and naming Landlord as a co-obligee.

- 4.2.3 Governmental Compliance. The Tenant Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.
- 4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Tenant Improvements at all times, provided however, that Landlord's failure to inspect the Tenant Improvements shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Tenant Improvements constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Tenant Improvements, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of the Tenant Improvements shall be rectified by Tenant at no expense to Landlord, provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Tenant Improvements and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Tenant Improvements until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.
- 4.2.5 Meetings. Commencing upon the execution of this Lease, Tenant shall hold weekly meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Tenant Improvements, which meetings shall be held at a location designated by Landlord, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of "As Built" Plans

Within ten (10) days after completion of construction of the Tenant Improvements, Tenant shall cause a Notice of Completion to be recorded in the appropriate office of the Recorder of the County of record if required, and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (a) to update the Approved Construction Drawings as necessary to reflect all changes made to the Approved Construction Drawings during the course of construction, (b) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of this Lease, and (c) to deliver to Landlord two (2) sets of copies of such as-built drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises, and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Representative.

Tenant has designated _____ at Tenant as its sole representative with respect to the matters set forth in this Agreement, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Agreement.

5.2 Landlord's Representative.

Landlord has designated _____, as its sole representative with respect to the matters set forth in this Agreement, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Agreement.

5.3 Time of the Essence in This Work Letter Agreement.

Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until Landlord approves the document.

5.4 Tenant's Lease Default.

Notwithstanding any provision to the contrary contained in this Lease, if an event of default as described in the Lease or this Agreement has occurred at any time on or before the substantial completion of the Premises (as such substantial completion is determined by Tenant's Architect), then (i) in addition to all other rights and remedies granted to Landlord pursuant to this Lease, Landlord shall have the right to withhold payment of all or any portion of the Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Agreement shall be forgiven until such time as such default is cured pursuant to the terms of this Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such inaction by Landlord).

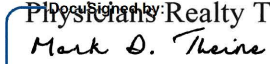
[Remainder of page intentionally left blank. Signatures on following page.]

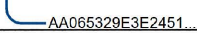
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LANDLORD:

ZIEGLER-TENNESSEE 14, LLC

By: Physicians Realty L.P., its Manager

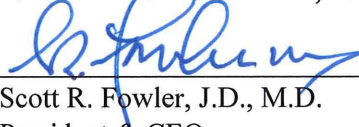
By:  Physicians Realty Trust, its General Partner

By:  _____
Mark D. Theine
SVP – Asset and Investment Management

TENANT:

HOLSTON MEDICAL GROUP, P.C.

blm

By:  _____
Name: Scott R. Fowler, J.D., M.D.
Title: President & CEO

**FIRST AMENDMENT TO
MASTER LEASE AMENDMENT TO
MEADOWVIEW PROFESSIONAL BUILDING LEASE**

THIS FIRST AMENDMENT TO MASTER LEASE AMENDMENT TO MEADOWVIEW PROFESSIONAL BUILDING LEASE (this "**Amendment**") made and entered into this 4 day of May, 2021 by and between ZIEGLER-TENNESSEE 14, LLC, a Wisconsin limited liability company ("**Landlord**"), and HOLSTON MEDICAL GROUP, P.C., a Tennessee professional corporation ("**Tenant**").

W I T N E S S E T H

WHEREAS, Landlord and Tenant are parties to that certain Master Lease Amendment to Meadowview Professional Building Lease dated June 21, 2018 (the "**Master Lease Amendment**"), in which the "**Suite 110 Lease**" was incorporated into the "**Suites 100/200 Lease**," and as amended by the Master Lease Amendment, constitutes the "**Lease**," whereby Tenant leases from Landlord approximately 42,220 square feet known as Suites 100, 110 and 200 (the "**Original Premises**") in the building commonly known as the Meadowview Professional Building, located at 2033 Meadowview Lane, Kingsport, Tennessee, as more particularly described in the Lease; and

WHEREAS, Landlord and Tenant desire to expand the Original Premises to incorporate Suite 300 of the Building consisting of a total of 21,980 square feet of rentable area (the "**Expansion Premises**"); and

WHEREAS, Landlord and Tenant desire to further amend the Lease, as set forth in this Amendment.

A G R E E M E N T

NOW, THEREFORE, Landlord and Tenant, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows:

1. Recitals; Capitalized Terms. The above recitals are hereby incorporated into this Amendment. Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Lease.
2. Premises. Commencing on May 15, 2021 (the "**Effective Date**"): (a) the Original Premises shall be expanded to include the Expansion Premises, (b) the Premises shall consist of 64,200 rentable square feet, (c) any reference in the Lease to the Premises shall include the Original Premises and Expansion Premises, and (d) the term "Premises" will also include the "Building" and "Property" as defined in the Lease. Landlord shall deliver the Expansion Premises to Tenant in its AS-IS condition.
3. Term. Paragraph 3 of the Master Lease Amendment is hereby deleted in its entirety and replaced with the following: The Lease Term is hereby extended for approximately two hundred twenty four (224) months, commencing on the Effective Date and terminating on December 31, 2039.
4. Basic Annual Rent. Basic Annual Rent for the Original Premises will continue to be paid by Tenant to Landlord pursuant to the Basic Annual Rent Schedule set forth in the Master Lease Amendment, with 2.5% annual escalations continuing through the Term in accordance with this schedule.

Basic Annual Rent for the Expansion Premises shall be paid by Tenant to Landlord pursuant to the Expansion Premises Basic Annual Rent Schedule attached hereto as Exhibit A. Landlord acknowledges and agrees that Basic Annual Rent, for the Expansion Premises only, shall be abated through May 14, 2022 and thereafter assessed at fifty percent (50%) of the rental rate through November 30, 2022.

5. Absolute Net Lease; Management. As of the Effective Date, this Lease is and shall be an absolutely net bond type lease, and Landlord is not nor shall it be required to provide any services or do any act or thing with respect to the Premises except as expressly provided otherwise. As of the Effective Date, Tenant will take over management of the Building and Landlord shall no longer have any duties or responsibilities in this regard.

6. Tenant's Proportionate Share; Operating Expenses. Commencing on the Effective Date, Tenant's "Proportionate Share" of Operating Expenses shall be one hundred percent (100%). Notwithstanding the foregoing, it is intended that to the greatest extent possible, Tenant shall contract directly for Operating Expenses and shall pay its service-providers and laborers directly. Without limiting the definition of Operating Expenses in Section 6(b) of the Lease, Operating Expenses shall be deemed to include Landlord's costs of insurance, including, but not limited to, fire and extended coverage and public liability insurance and any rental insurance and all risk insurance, but Tenant will have no interest in such insurance or the proceeds of such insurance, and any deductible paid by Landlord.

7. Tenant Improvement Allowance. Paragraph 10 and Exhibit C of the Master Lease Amendment are hereby deleted in the entirety and replaced with the following: Landlord shall provide Tenant with a tenant improvement allowance not to exceed Two Million and 00/100ths Dollars (\$2,000,000.00) (the "**Improvement Allowance**") to be used for Tenant's leasehold improvements of the Premises (the "**Leasehold Work**") and Tenant shall perform the Leasehold Work, as more particularly set forth on Exhibit B attached to this Amendment and incorporated by reference. Any improvements to the Premises in excess of the Improvement Allowance, and any other improvements to the Premises, shall be made by Tenant at the sole cost and expense of Tenant, subject to all other provisions of the Lease.

8. Repairs and Maintenance. Section 9(c) of the Lease is hereby deleted in its entirety. Landlord shall make or cause to be made such repairs and replacements to the Building roof and parking lot as shall be reasonably necessary for Tenant's use and operation of the Premises. In the event that any such repair or replacement is required due to the negligence or intentional acts of Tenant, or its agents, employees, or invitees, Tenant shall reimburse Landlord, on demand, for Landlord's costs and expenses incurred in making such repairs and replacements. Except as to Landlord's obligations expressly provided above, Tenant shall maintain, and make all repairs, alterations and replacements necessary to operate and maintain the entire Premises (including the structural portions and Premises Systems) in good condition and repair and in compliance with all applicable laws, ordinances, rules and regulations, including current policies, procedures, and protocols established by the CDC and other applicable regulatory agencies for preventing, controlling, minimizing, and/or responding to microbial contamination and infectious diseases, and any recorded covenants, conditions or restrictions relating to the Premises, and shall surrender the Premises when required by this Lease in good condition, reasonable use and wear excepted. If Tenant fails to perform such maintenance, repair, alteration, or replacement responsibilities within thirty (30) days after receipt of written notice from Landlord, Landlord may, but shall not be obligated to, perform any of Tenant's maintenance, repair, alteration or replacement responsibilities and Tenant shall reimburse Landlord in an amount equal to one hundred percent (100%) of all costs so incurred by Landlord within twenty (20) days after receipt of Landlord's invoice therefor. All such amounts shall constitute Additional Rent and the obligation to so reimburse Landlord shall survive the termination or expiration of this Lease, including without limitation, termination, or rejection of this Lease in bankruptcy.

9. Utilities and Services. Section 10 of the Lease is hereby deleted in its entirety. Tenant shall be responsible for the cost of all utilities for the Premises, including, without limitation, electricity, gas, water and sewer, telephone and all other communication services, all energy sources for the Premises, such as propane, butane, natural gas, steam, electricity, solar energy and fuel oil, and any other utilities used in the maintenance, operation, use occupancy and administration of the Building. Tenant shall cause all such utility services to the Premises to be metered in its own name and shall pay or cause to be paid all charges and deposits for such utilities. Tenant shall use utilities only within the capacity of the circuits in the Premises. Landlord shall not be liable for damages resulting from utility interruptions caused by casualty, accident, labor dispute or any other cause, nor shall any interruptions be deemed an actual or constructive or partial eviction or result in any abatement of Rent.

10. Taxes and Assessments. Tenant shall pay directly to the appropriate governmental entities on or before the due date thereof, all taxes, levies, fees, assessments and other governmental charges of every kind and nature (including, without limitation, real property, ad valorem, personal property, gross income, franchise, withholding, profits, rent, single business, value added, excise, occupancy, use, impact fees, sales and gross receipts taxes) (collectively, “**Impositions**”) levied upon the Premises or personal property located at or used in connection with operating the Premises whether the same shall become due and payable before, or after, and during any tax assessment year or period which is within or partially within, the Term, including all Impositions which may be partially within the Term, including all Impositions which may be assessed, levied or imposed in replacement of, or in addition to, all or any part of same, whether or not measured, calculated by or based upon the Premises or any estate or interest in the Premises or the revenue or income generated by the Premises, regardless of the time at which, or period for which, such Impositions are assessed or charged or the time that such Impositions become a lien against the Premises, including all costs associated with the appeal of any Impositions. Upon receipt of written request by Landlord or Landlord’s Mortgagee, Tenant shall provide proof of payment of Impositions. Notwithstanding the foregoing, any Impositions for the calendar year during which the Term ends shall be adjusted pro rata on the basis of the number of days of the Term hereof falling within said calendar year.

11. Signs. Tenant shall be permitted, at Tenant’s sole cost and expense, to install signage within the Premises or on the Building at the Property (“**Signage**”) in the design, size, and location acceptable to Tenant, subject to all local rules, ordinances, and approvals. Landlord and Tenant shall work in good faith to coordinate any and all applicable governmental and other third party approvals and permits required for the Signage. Tenant shall maintain the Signage at Tenant’s sole cost and expense. Tenant’s permission to install and maintain Signage as provided hereunder may not be assigned to any third party without Landlord’s express written consent. Upon expiration or earlier termination of this Lease, Tenant shall, at its sole cost and expense, remove the Signage and restore the Premises and Building to the condition that existed prior to installation of the Signage, ordinary wear and tear excepted.

12. Financial Information. Within ninety (90) days after the end of each calendar year, Tenant shall deliver to Landlord a copy of Tenant’s most recent financial statements for the calendar year just completed (including operating statement, balance sheet, tax return and other statements as may be prepared by Tenant) (hereinafter referred to as “**Financial Documents**”), which Financial Documents shall be prepared by Tenant or Tenant’s accountant in accordance with Tenant’s internal accounting principles and sound management practices consistently applied. If Tenant has audited Financial Documents, it will deliver them to Landlord upon request.

13. Assignment and Subletting. Section 16(a) of the Lease is updated to include the following after the first sentence: Any change in control of Tenant or transfer by sale, encumbrance or otherwise of a majority of Tenant’s stock (if Tenant is a corporation) whether through one transaction or a series of

transactions or a majority of the partnership interest in Tenant (if Tenant is a partnership) whether through one transaction or a series of transactions or a majority of the membership interest in Tenant (if Tenant is a limited liability company) whether through one transaction or a series of transactions shall be deemed an "assignment." Additionally, any transfer whether through one transaction or a series of transactions of twenty-five percent (25%) or more of Tenant's assets or revenue generating services as disclosed in Tenant's Financial Documents on the Effective Date or immediately prior to the transaction or series of transactions, whichever discloses greater assets or revenue generating services (as applicable), shall be considered an "assignment" within the meaning of this Lease and subject to the requirements of this Section 16. Notwithstanding the foregoing, Landlord and Tenant acknowledge and agree that throughout the Lease Term, physician owners may periodically withdraw from or join Tenant's practice and these periodic rotations of physicians shall not constitute an "assignment" of the Lease. The foregoing clarification of an "assignment" as provided under the Lease, is not intended to provide Landlord consent rights in those instances where the Lease explicitly provides such rights do not exist. As used in Section 16 of the Lease, the term "control" shall mean ownership of at least fifty percent (50%) of the equity interests in, and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of, the controlled entity.

14. Complete Agreement. The Lease, as modified by this Amendment, constitutes the entire agreement between Landlord and Tenant, and supersedes all previous understandings, letters of intent and agreements between the parties, if any; and no oral or implied representation or understandings shall vary its terms.

15. Successors and Assigns. All covenants and agreements hereunder shall be binding upon and inure to the benefit of and be enforceable by or against each of the parties hereto and their respective successors and assigns.

16. Severability. In the event any one or more of the provisions contained in this Amendment should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall not in any way be affected or impaired thereby.

17. Headings. Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting this Amendment.

18. Conflicts. In the event of any conflict or inconsistency between the terms and provisions of this Amendment and those of the Lease, the terms and provisions of this Amendment shall govern and control to the extent of such conflict or inconsistency.

19. Full Force and Effect. Except as expressly modified herein, the other terms and conditions set forth in the Lease shall continue in full force and effect. All references in the Lease or in this Amendment shall mean the Lease, as amended.

20. Counterparts. This Amendment may be executed in multiple original counterparts, all of which taken together shall constitute one and the same instrument.

21. Facsimile Signature. This Amendment may be executed by facsimile or electronic mail and a facsimile or electronic mail signature shall have the same legal effect as an original signature.

22. Authority. Each signatory hereto has all requisite power and authority to enter into this Amendment and to carry out its obligations hereunder.

[Signatures Appear on Following Page]

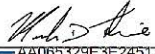
IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

LANDLORD:

ZIEGLER-TENNESSEE 14, LLC

By: Physicians Realty L.P., its Manager

By: Physicians Realty Trust, its General Partner

DocuSigned by:
By: 
AA065329E3E2451...
Mark D. Theine
EVP – Asset and Investment Management

TENANT:

HOLSTON MEDICAL GROUP, P.C.

6/17
By: 
Name: Scott R. Fowler, J.D., M.D.
Title: President & CEO

EXHIBIT A**Expansion Premises Basic Annual Rent Schedule**

Lease Start	Expiration	Rent PSF	Annualized Rent	Monthly Rent	Annual Increase
5/15/2021	5/14/2022	\$0.00	\$0.00	\$0.00	
5/15/2022	5/31/2022	\$17.00		*\$8,537.93	
6/1/2022	11/30/2022	\$17.00	\$93,415.02	**\$15,569.17	2.50%
12/1/2022	11/30/2023	\$17.43	\$383,001.50	\$31,916.79	2.50%
12/1/2023	11/30/2024	\$17.86	\$392,576.54	\$32,714.71	2.50%
12/1/2024	11/30/2025	\$18.31	\$402,390.95	\$33,532.58	2.50%
12/1/2025	11/30/2026	\$18.76	\$412,450.72	\$34,370.89	2.50%
12/1/2026	11/30/2027	\$19.23	\$422,761.99	\$35,230.17	2.50%
12/1/2027	11/30/2028	\$19.71	\$433,331.04	\$36,110.92	2.50%
12/1/2028	11/30/2029	\$20.21	\$444,164.32	\$37,013.69	2.50%
12/1/2029	11/30/2030	\$20.71	\$455,268.43	\$37,939.04	2.50%
12/1/2030	11/30/2031	\$21.23	\$466,650.14	\$38,887.51	2.50%
12/1/2031	11/30/2032	\$21.76	\$478,316.39	\$39,859.70	2.50%
12/1/2032	11/30/2033	\$22.31	\$490,274.30	\$40,856.19	2.50%
12/1/2033	11/30/2034	\$22.86	\$502,531.16	\$41,877.60	2.50%
12/1/2034	11/30/2035	\$23.43	\$515,094.44	\$42,924.54	2.50%
12/1/2035	11/30/2036	\$24.02	\$527,971.80	\$43,997.65	2.50%
12/1/2036	11/30/2037	\$24.62	\$541,171.09	\$45,097.59	2.50%
12/1/2037	11/30/2038	\$25.24	\$554,700.37	\$46,225.03	2.50%
12/1/2038	11/30/2039	\$25.87	\$568,567.88	\$47,380.66	2.50%
12/1/2039	12/31/2039	\$26.51	\$48,565.17	\$48,565.17	2.50%

**Reflects Expansion Premises Rent for the partial month of May 2022 at 50% rental rate*

***Reflects Expansion Premises Rent through November 30, 2022 at 50% rental rate*

EXHIBIT B

THIS WORK LETTER AGREEMENT (this "**Agreement**") is made and entered into as of the ____ day of _____, 2021, by and between ZIEGLER-TENNESSEE 14, LLC, a Wisconsin limited liability company ("**Landlord**"), and HOLSTON MEDICAL GROUP, P.C., a Tennessee professional corporation ("**Tenant**") under the following circumstances:

- A. Landlord and Tenant are entering into that certain First Amendment to Master Lease Amendment of even date herewith ("**Amendment**") relating to space (the "**Premises**") in the building commonly known as Meadowview Professional Building, located at 2033 Meadowview Lane, Kingsport, Tennessee; and
- B. Landlord and Tenant desire to enter into this Agreement for the purpose of setting forth their agreements relating to Tenant's design and construction of the Leasehold Work within such space; and
- C. Tenant will be responsible for supervising the preparation of all space plans and Construction Drawings (as hereinafter defined) in accordance with the terms set forth herein; and
- D. Tenant will be responsible for contracting for the performance of the Leasehold Work and supervising the construction in accordance with the terms set forth herein; and
- E. Landlord shall disburse funds to the Tenant for the design and construction of the Leasehold Work in accordance with the terms set forth herein to the extent of the Improvement Allowance.

NOW, THEREFORE, for and in consideration of the agreement to lease the Premises and the mutual covenants contained herein and in the Lease, Landlord and Tenant hereby agree as follows:

This Agreement shall set forth the terms and conditions relating to the design and construction of the Leasehold Work. All references in this Agreement to Articles or Sections of "the Lease" shall mean the relevant portions of the Lease to which this Agreement is attached as **Exhibit B** and all references in this Agreement to Sections of "this Agreement" shall mean the relevant portions of this Agreement. Capitalized terms not defined herein shall have the meanings ascribed to them in the Lease.

SECTION I**DELIVERY OF THE PREMISES AND BASE BUILDING**

Tenant is currently occupying the Premises, has knowledge of the condition thereof and, therefore accepts the Premises in its presently existing "as-is" condition.

SECTION 2**TENANT IMPROVEMENTS****2.1 Improvement Allowance.**

Tenant shall only be entitled to the Improvement Allowance for the costs relating to Improvement Allowance Items (as defined below). In no event shall Landlord be obligated to make disbursements pursuant to this Agreement in a total amount which exceeds the Improvement Allowance. Tenant shall not be entitled to any credit, abatement or payment from Landlord in the event that the amount of the Improvement Allowance exceeds the Cost of the Work (as hereinafter defined). For purposes of this Agreement, the term "**Cost of the Work**" shall mean and include any and all costs and expenses related to

the Leasehold Work, including, without limitation, the cost of space planning; the working drawings; the mechanical, electrical, plumbing and structural engineering costs; any construction supervision and/or construction management fees; all fees for permits, licenses and approvals; any costs triggered by the performance of the Leasehold Work which are required by any applicable governmental codes, rules, regulations or ordinances and the cost of all labor (including overtime) and materials.

2.2 Disbursement of the Improvement Allowance.

2.2.1 Improvement Allowance Items. Except as otherwise set forth in this Agreement, the Improvement Allowance shall be disbursed by Landlord only for the following items and costs (collectively the "**Improvement Allowance Items**");

- 2.2.1.1 Payment of the fees of the "Architect" and the "Engineers," as those terms are hereinafter defined and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is hereinafter defined;
- 2.2.1.2 Payment of plan check, permit and license fees relating to construction of the Leasehold Work;
- 2.2.1.3 The cost of construction of the Leasehold Work, including, without limitation, testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors' fees and general conditions;
- 2.2.1.4 The cost of any changes in the base building when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is performed on an unoccupied basis);
- 2.2.1.5 The costs to effect any changes to the Construction Drawings or Leasehold Work required by any applicable building codes ("**Code**");
- 2.2.1.6 The cost of the Landlord's "Coordination Fee," as hereinafter defined;
- 2.2.1.7 Sales and use taxes and Title 24 fees if applicable; and
- 2.2.1.8 All other costs to be expended by Tenant or Landlord in connection with the construction of the Leasehold Work.

2.2.2 Disbursement of Improvement Allowance. During the performance of the Leasehold Work, Landlord shall make monthly disbursements of the Improvement Allowance for Improvement Allowance Items for the benefit of Tenant and shall authorize the release of monies for the benefit of Tenant as follows.

- 2.2.2.1 Monthly Disbursements. On or before the 10th day of each calendar month during the performance of the Leasehold Work, Tenant shall deliver to Landlord: (i) a request for payment of the "Contractor," as such term is hereinafter defined, approved by Tenant, in a form reasonably acceptable to Landlord, showing the schedule by trade of percentage of completion of the Leasehold Work, detailing the portion of the work completed and the portion not completed; (ii) invoices from all of "Tenant's Agents," as such term is hereinafter defined, for labor rendered and materials delivered to the Premises; (iii) executed mechanics' lien releases from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by Landlord of all applicable mechanics lien laws; and (iv) all other information reasonably requested by Landlord. Tenant's request for

payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Thereafter, Landlord shall deliver a check to Tenant in payment of the lesser of: (A) the amounts so requested by Tenant, less a ten percent (10%) retention (the aggregate amount of such retentions to be known as the "**Final Retention**"), and (B) the balance of any remaining available portion of the Improvement Allowance (not including the Final Retention), provided that Landlord does not dispute any request for payment based on non-compliance of any work with the "Approved Construction Drawings," as such term is hereinafter defined, or due to any substandard work, or for any other reason. Landlord's payment of such amounts shall not be deemed Landlord's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

2.2.2.2 Final Retention. Subject to the provisions of this Agreement, a check for the Final Retention shall be delivered by Landlord to Tenant following the completion of construction of the Premises, provided that: (i) Tenant delivers to Landlord properly executed mechanics' lien releases in compliance with all applicable mechanics' lien laws; (ii) Landlord has determined that no substandard work exists which adversely affects the Building or any other tenant's use of such other tenant's leased premises in the Building; (iii) Architect delivers to Landlord a certificate, in a form reasonably acceptable to Landlord, certifying that the construction of the Leasehold Work has been substantially completed; and (iv) Tenant delivers to Landlord one complete set of "as-built" Construction Drawings, updated CAD disks reflecting the Leasehold Work described herein, all final signed-off permit cards, the certificate of occupancy, if applicable, and all manufactures' warranties and contractor guarantees.

2.2.2.3 Other Terms. Landlord shall only be obligated to make disbursements from the Improvement Allowance to the extent costs are incurred by Tenant for Improvement Allowance Items. All Improvement Allowance Items for which the Improvement Allowance has been made available shall be deemed Landlord's property.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings.

Tenant shall retain the architect/space planner designated by Landlord (the "**Architect**") to prepare the Construction Drawings. Tenant shall retain the engineering consultants designated by Landlord (the "**Engineers**") to prepare all plans and engineering Construction Drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the "**Construction Drawings**." All Construction Drawings shall comply with the drawing format and specifications determined by Landlord, and shall be subject to Landlord's approval. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the base building plans, and Tenant and Architect shall be solely responsible for the same, and Landlord shall have no responsibility in connection therewith. Landlord's review of the Construction Drawings shall be for its sole purpose and shall not imply Landlord's review of the same, or obligate Landlord to review the same,

for quality, design, code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by Landlord or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord's space planner, architect, engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant's waiver and indemnity set forth in the Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan.

Tenant shall supply Landlord with a copy of its proposed final space plan for the Premises before any architectural Construction Drawings or engineering drawings have been commenced. The final space plan (the "**Final Space Plan**") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. Landlord may request clarification or more specific drawings for special use items not included in the Final Space Plan. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Space Plan for the Premises if the same is unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised to correct any deficiencies or other matters Landlord may reasonably require. Upon Landlord's approval of the Final Space Plan, Tenant shall supply Landlord with four (4) copies signed by Tenant of the Final Space Plan.

3.3 Final Construction Drawings.

After the Final Space Plan has been approved by Landlord, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements for the Premises, to enable the Engineers and the Architect to complete the "Final Construction Drawings" (as such term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by Landlord and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing Construction Drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "**Final Construction Drawings**") and shall submit the same to Landlord for Landlord's approval. Tenant shall supply Landlord with Tenant's proposed Final Construction Drawings. Landlord shall advise Tenant within five (5) business days after Landlord's receipt of the Final Construction Drawings for the Premises if the same are unsatisfactory or incomplete in any respect. If Tenant is so advised, Tenant shall immediately revise the Final Construction Drawings in accordance with such review and any disapproval of Landlord in connection therewith. Upon Landlord's approval of the Final Construction Documents, Tenant shall supply Landlord with four (4) copies signed by Tenant of the Final Construction Drawings (the "**Approved Construction Drawings**").

3.4 Approved Construction Drawings.

Tenant may submit the Approved Construction Drawings to the applicable city for all applicable building permits. Tenant hereby agrees that neither Landlord nor Landlord's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Premises and that obtaining the same shall be Tenant's responsibility, provided, however, that Landlord shall cooperate with Tenant, at no cost to Landlord, in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Construction Drawings may be made without the prior written consent of Landlord, which consent may not be unreasonably withheld.

SECTION 4

CONSTRUCTION OF THE TENANT IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

- 4.1.1 The Contractor. A general contractor shall be retained by Tenant to construct the Leasehold Work. Such general contractor ("**Contractor**") shall be selected by Tenant from a list of general contractors supplied by Landlord, and Tenant shall deliver to Landlord notice of its selection of the Contractor upon such selection.
- 4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by Landlord, which approval shall not be unreasonably withheld or delayed. If Landlord does not approve any of Tenant's proposed subcontractors, laborers, materialmen or suppliers, Tenant shall submit other proposed subcontractors, laborers, materialmen or suppliers for Landlord's written approval.

4.2 Construction of Leasehold Work by Tenant's Agents.

- 4.2.1 Construction Contract and Cost Budget. Prior to Tenant's execution of the construction contract and general conditions with Contractor (the "**Contract**"), Tenant shall submit the Contract to Landlord for its approval, which approval shall not be unreasonably withheld or delayed. Prior to the commencement of the construction of the Leasehold Work, and after Tenant has accepted all bids for the Leasehold Work, Tenant shall provide Landlord with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred in connection with the design and construction of the Leasehold Work, which costs form a basis for the amount of the Contract (the "**Final Costs**"). Prior to the commencement of construction of the Leasehold Work, Tenant shall supply Landlord with payment in an amount (the "**Over-Allowance Amount**") equal to the difference between the amount of the Final Costs and the amount of the Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord). The Over-Allowance Amount shall be disbursed by Landlord prior to the disbursement of any of the then remaining portion of the Improvement Allowance, and such disbursement shall be pursuant to the same procedure as the Improvement Allowance. In the event that, after the Final Costs have been delivered by Tenant to Landlord, the costs relating to the design and construction of the Leasehold Work shall change, any additional costs necessary to such design and construction in excess of the Final Costs, shall be paid by Tenant to Landlord immediately as an addition to the Over-Allowance Amount or at Landlord's option, Tenant shall make payments for such additional costs out of its own funds, but Tenant shall continue to provide Landlord with the documents described in Sections 2.2.2.1 (i), (ii), (iii) and (iv) of this Agreement, above, for Landlord's approval, prior to Tenant paying such costs.

4.2.2 Tenant's Agents.

- 4.2.2.1 Landlord's General Conditions for Tenant's Agents and Leasehold Work. Tenant and Tenant's Agent's construction of the Leasehold Work shall comply with the following: (i) the Leasehold Work shall be constructed in strict accordance with the Approved Construction Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Tenant's Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's

Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant and Tenant's Agents shall abide by all rules made by Landlord or Landlord's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Agreement. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to Landlord in an amount equal to the product of: (i) one percent (1%) multiplied by (ii) the sum of the Improvement Allowance, the Over-Allowance Amount, as such amount may be increased hereunder, and any other amounts expended by Tenant in connection with the design and construction of the Leasehold Work, which Coordination Fee shall be for services relating to the coordination of the construction of the Leasehold Work.

4.2.2.2 Indemnity. Tenant's indemnity of Landlord as set forth in the Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Leasehold Work and/or Tenant's disapproval of all or any portion of any request for payment. Such indemnity by Tenant, as set forth in the Lease, shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to Landlord's performance of any ministerial acts reasonably necessary: (i) to permit Tenant to complete the Leasehold Work; and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Premises.

4.2.2.3 Requirements of Tenant's Agents. Each of Tenant's Agents shall guarantee to Tenant and for the benefit of Landlord that the portion of the Leasehold Work for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall also be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of: (i) completion of the work performed by such Tenant Agent and (ii) the Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Leasehold Work, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Leasehold Work shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both Landlord and Tenant as their respective interests may appear, and can be directly enforced by either. Tenant covenants to give to Landlord any assignment or other assurances which may be necessary to affect such right of direct enforcement.

4.2.2.4 Insurance Requirements.

4.2.2.4.1 Coverages. All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, builder's risk insurance and such other insurance as Landlord may reasonably require as more fully set forth in the Lease, it being understood and agreed that the Leasehold Work shall be insured by Tenant pursuant to the Lease immediately upon completion thereof.

4.2.2.4.3 General Terms. Certificates for all insurance carried pursuant to this Section shall be delivered to Landlord before the commencement of construction of the Leasehold Work and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give Landlord thirty (30) days' prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Leasehold Work is damaged by any cause during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Leasehold Work is fully completed and accepted by Landlord, except for any products and completed operation Coverage insurance required by Landlord, which is to be maintained for ten (10) years following completion of the work and acceptance by Landlord and Tenant. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of Landlord by Tenant under Section 4.2.2.2 of this Agreement. Landlord may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of the Leasehold Work and naming Landlord as a co-obligee.

4.2.3 Governmental Compliance. The Leasehold Work shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 Inspection by Landlord. Landlord shall have the right to inspect the Leasehold Work at all times, provided however, that Landlord's failure to inspect the

Leasehold Work shall in no event constitute a waiver of any of Landlord's rights hereunder nor shall Landlord's inspection of the Leasehold Work constitute Landlord's approval of the same. Should Landlord disapprove any portion of the Leasehold Work, Landlord shall notify Tenant in writing of such disapproval and shall specify the items disapproved. Any defects or deviations in, and/or disapproval by Landlord of the Leasehold Work shall be rectified by Tenant at no expense to Landlord; provided however, that in the event Landlord determines that a defect or deviation exists or disapproves of any matter in connection with any portion of the Leasehold Work and such defect, deviation or matter might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, Landlord may, take such action as Landlord deems necessary, at Tenant's expense and without incurring any liability on Landlord's part, to correct any such defect, deviation and/or matter, including, without limitation, causing the cessation of performance of the construction of the Leasehold Work until such time as the defect, deviation and/or matter is corrected to Landlord's satisfaction.

- 4.2.5 Meetings. Commencing upon the execution of the Lease and engagement of the Architect, Tenant shall hold weekly meetings at a reasonable time, with the Architect and, when applicable, the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Leasehold Work, which meetings shall be held at a location designated by Landlord, and Landlord and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon Landlord's request, certain of Tenant's Agents shall attend such meetings. In addition, minutes shall be taken at all such meetings, a copy of which minutes shall be promptly delivered to Landlord. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of "As Built" Plans

Within ten (10) days after completion of construction of the Leasehold Work, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County of record in accordance with any applicable statute and shall furnish a copy thereof to Landlord upon such recordation. If Tenant fails to do so, Landlord may execute and file the same on behalf of Tenant as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction: (i) Tenant shall cause the Architect and Contractor (a) to update the Approved Construction Drawings as necessary to reflect all changes made to the Approved Construction Drawings during the course of construction, (b) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Lease, and (c) to deliver to Landlord two (2) sets of copies of such as-built drawings within ninety (90) days following issuance of a certificate of occupancy for the Premises; and (ii) Tenant shall deliver to Landlord a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Premises. The Leasehold Work shall be deemed to be substantially complete when: (i) the Leasehold Work (except for punch list items) has been completed in general conformity with the Approved Construction Drawings; and (ii) all conditions precedent to issuance of a non-residential use permit by the appropriate authorities of the municipality and/or State in which the Building is located, with the exception of post-occupancy inspections by any governmental agencies having jurisdiction over the Premises, have been satisfied.

SECTION 5 **MISCELLANEOUS**

5.1 Tenant's Representative.

Tenant has designated _____ as its sole representative with respect to the matters set forth in this Agreement, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Agreement.

5.2 Landlord's Representative.

Landlord has designated _____ as its sole representative with respect to the matters set forth in this Agreement, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Agreement.

5.3 Time of the Essence.

Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by Landlord, the procedure for preparation of the document and approval thereof shall be repeated until Landlord approves the document.

5.4 Tenant's Lease Default.

Notwithstanding any provision to the contrary contained in the Lease, if an event of default as described in the Lease or this Agreement has occurred at any time on or before substantial completion of the Leasehold Work, then: (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, Landlord shall have the right to withhold payment of all or any portion of the remaining Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in substantial completion of the Premises caused by such work stoppage), and (ii) all other obligations of Landlord under the terms of this Agreement shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in the substantial completion of the Premises caused by such inaction by Landlord).

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LANDLORD:

ZIEGLER-TENNESSEE 14, LLC

By: Physicians Realty L.P., its Manager

By: Physicians Realty Trust, its General Partner

By: _____
Mark D. Theine, EVP – Asset and Investment
Management

TENANT:

HOLSTON MEDICAL GROUP, P.C.

By: _____
Name: _____
Title: _____

THIS INSTRUMENT PREPARED BY:
Wilson Worley Moore Gamble & Stout, P.C.
2021 Meadowview Lane, 2nd Floor
P.O. Box 88
Kingsport, Tennessee 37662

BOOK 2538C PAGE 0031

THIS DEED, made and entered into this 10th day of May, 2007, by and between HMG MEADOWVIEW, L.L.C., a Tennessee limited liability company, hereinafter referred to as the Party of the First Part, and ZIEGLER - TENNESSEE 14, LLC, hereinafter referred to as the Party of the Second Part.

W I T N E S S E T H

That for and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid and other good and valuable consideration, the receipt of all of which is hereby acknowledged, the Party of the First Part has bargained and sold and by these presents does hereby grant, transfer and convey unto the Party of the Second Part, its successors and assigns, a certain lot or parcel of land and all improvements located thereon and all appurtenances thereto (the "Property") lying and being in the 13th Civil District of Sullivan County, Tennessee, and:

BEING Lot 3, Division of Eastman Credit Union Property, as shown on plat of record in Plat Book 51, at page 433, in the Register's Office for Sullivan County at Blountville, Tennessee to which plat reference is hereby made for more particular description of the Property, and more particularly described as follows:

Commencing from a right-of-way monument found at the northeast corner of a mitered intersection of the northwestern right-of-way of Meadowview Pkwy. (90' R/W) and the northeastern right-of-way of Interstate 181 (Variable R/W); thence with said right-of-way of Interstate 181 N 83°11'09" W a distance of 24.49' to a r/w mon.; thence N 41°01'52" W a distance of 99.96' to a r/w mon.; thence N 41°39'01" W a distance of 218.14' to a r/w mon.; thence N 46°33'59" W a distance of 132.97' to a r/w mon.; thence N 17°57'05" W a distance of 114.76' to a r/w mon.; thence N 41°14'04" W a distance of 119.32' to a point, said point being The True Point of Beginning; thence continuing with said right-of-way N 41°14'04" W a distance of 504.01' to a r/w mon.; thence N 24°27'32" W a distance of 450.69' to a ½" rebar w/cap; thence leaving said right-of-way S 73°03'10" E a distance of 649.24' to a ½" rebar w/cap; thence S 49°28'44" E a distance of 387.76' to a point; thence S 48°45'25" W a distance of 368.95' to a ½" rebar w/cap; thence S 48°45'25" W a distance of 159.03' to a point, said point being The True Point of Beginning.

The Property has an area of 330084.2 square feet/7.58 acres.

Being the same property conveyed to HMG Meadowview, L.L.C., a Tennessee Limited Liability Company by Deed from Eastman Credit Union recorded on the 17th day of September, 2003 in Book 2012C, at page 360, in the Register's Office for Sullivan County, Tennessee.

TO HAVE AND TO HOLD unto the Party of the Second Part, its successors and assigns, in fee simple forever.

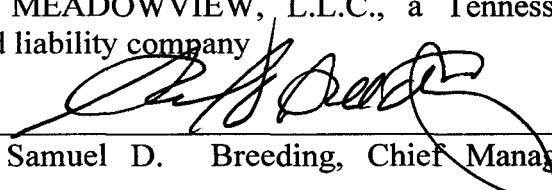
BOOK 2538C PAGE 0032

The Party of the First Part covenants with the Party of the Second Part, its successors and assigns, that it is lawfully seized and possessed of the Property; that it has a good and lawful right to convey the same; that the Property is free, clear and unencumbered except for only those matters set forth in the attached Exhibit A (the "Permitted Encumbrances"); and that it will forever warrant and defend the title to the Property against the good and lawful claims of all persons whomsoever.

This conveyance is made expressly subject only to the Permitted Encumbrances.

WITNESS the signature of the Party of the First Part by its duly authorized officer as of the date first above written.

HMG MEADOWVIEW, L.L.C., a Tennessee limited liability company

By: 
Samuel D. Breeding, Chief Manager

STATE OF TENNESSEE :
:S.S.
COUNTY OF SULLIVAN :

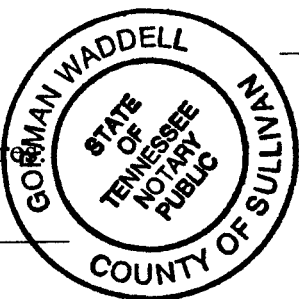
Before me, the undersigned notary public of the state and county aforementioned, personally appeared Samuel D. Breeding, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence and who, upon his oath, acknowledged himself to be Chief Manager of HMG Meadowview, L.L.C., the within-named bargainor, a limited liability company, and that he as Chief Manager, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the limited liability company by himself as Chief Manager.

WITNESS my hand and official seal at office this 9th day of May, 2007.


Notary Public

My Commission Expires

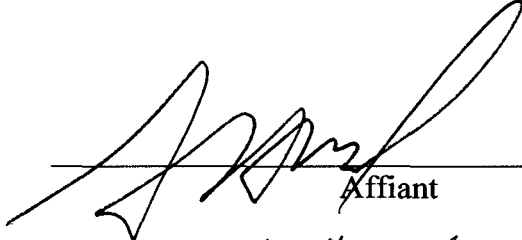
1/3/11



STATE OF TENNESSEE :
: SS.
COUNTY OF SULLIVAN :

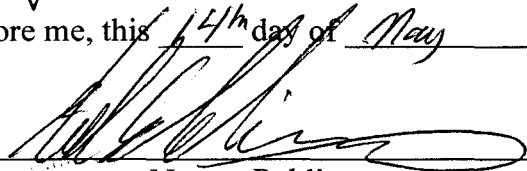
BOOK 2538C PAGE 0033

I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$ 15,350,000⁰⁰ which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.



Affiant

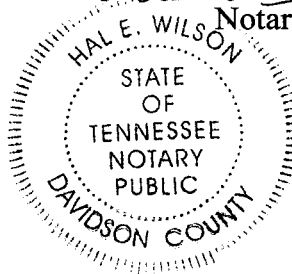
SWORN TO AND SUBSCRIBED before me, this 14th day of May 2007.



Notary Public

My commission expires:

8-28-07



Name and Address of Property Owner:

ZIEGLER - TENNESSEE 14, LLC, 250 East Wisconsin Avenue, Suite 2000, Milwaukee, Wisconsin 53202 - Attention: John Sweet

Name and Address of the Person or Entity Responsible for the Payment of the Real Property Tax:

Same as property owner

Property Assessor's Map No. 075, Parcel No. 001.00

EXHIBIT A

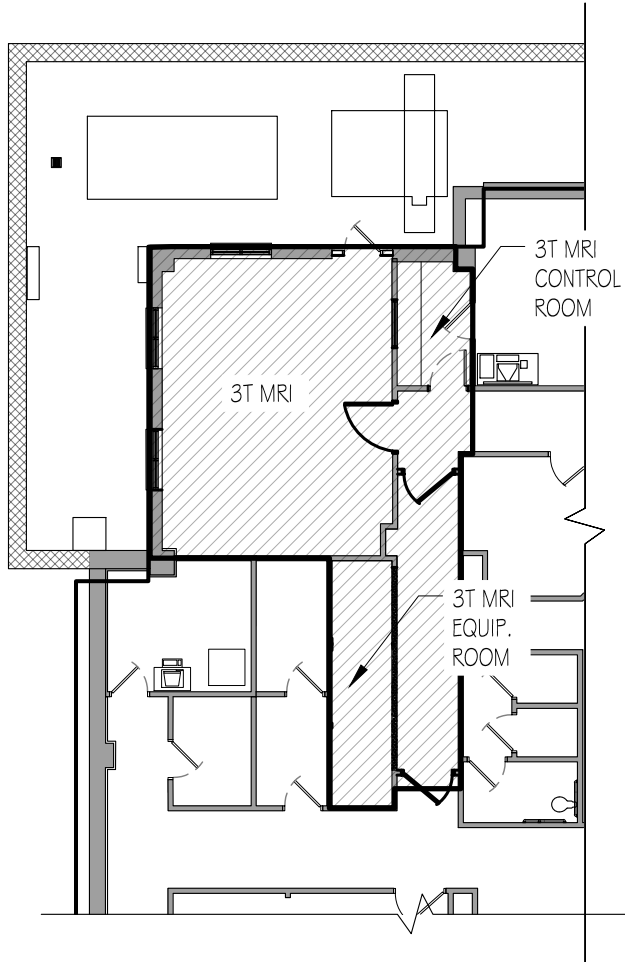
BOOK 2538C PAGE 0034

PERMITTED ENCUMBRANCES

1. Taxes for the year 2007 not yet due and payable and thereafter.
2. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of DIVISION OF EASTMAN CREDIT UNION PROPERTY, as recorded in Plat Book 51, Page(s) 433, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c)
3. Covenants, Conditions and Restrictions as set forth in the Deeds recorded in Book 2012C, Page 360 and Book 271A, Page 457, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate USC 3604(c).
4. Easement for Utilities recorded in Book 105A, Page 8 and Book 105A, Page 9.

**MARY LOU DUNCAN
REGISTER OF DEEDS
SULLIVAN COUNTY, TENNESSEE
15 May 2007 TIME 04:10 p
BOOK 2538C PAGE 0031
TAX 56,795.00 C 1.00 CF 2.00
FEE 20.00 TOTAL 56,818.00
RECEIPT NO. 2007-050837**

190



905 sf
Square footage dedicated
exclusively to the 3T MRI

905 sf
Square footage taken from
currently configured ODC

905 sf
Square footage dedicated
exclusively to the 3T MRI

905 sf
Square footage taken from
currently configured ODC

15,794 sf total usable on floor
- 905 sf for 3T MRI

14,889 sf usable remaining of
current ODC

3,997 sf total shared square
footage



245 BIRCH STREET
BLOUNTVILLE, TN 37617

3T MRI at HMG Meadowview

04.17.2024

|
sheet no.

Public Transit



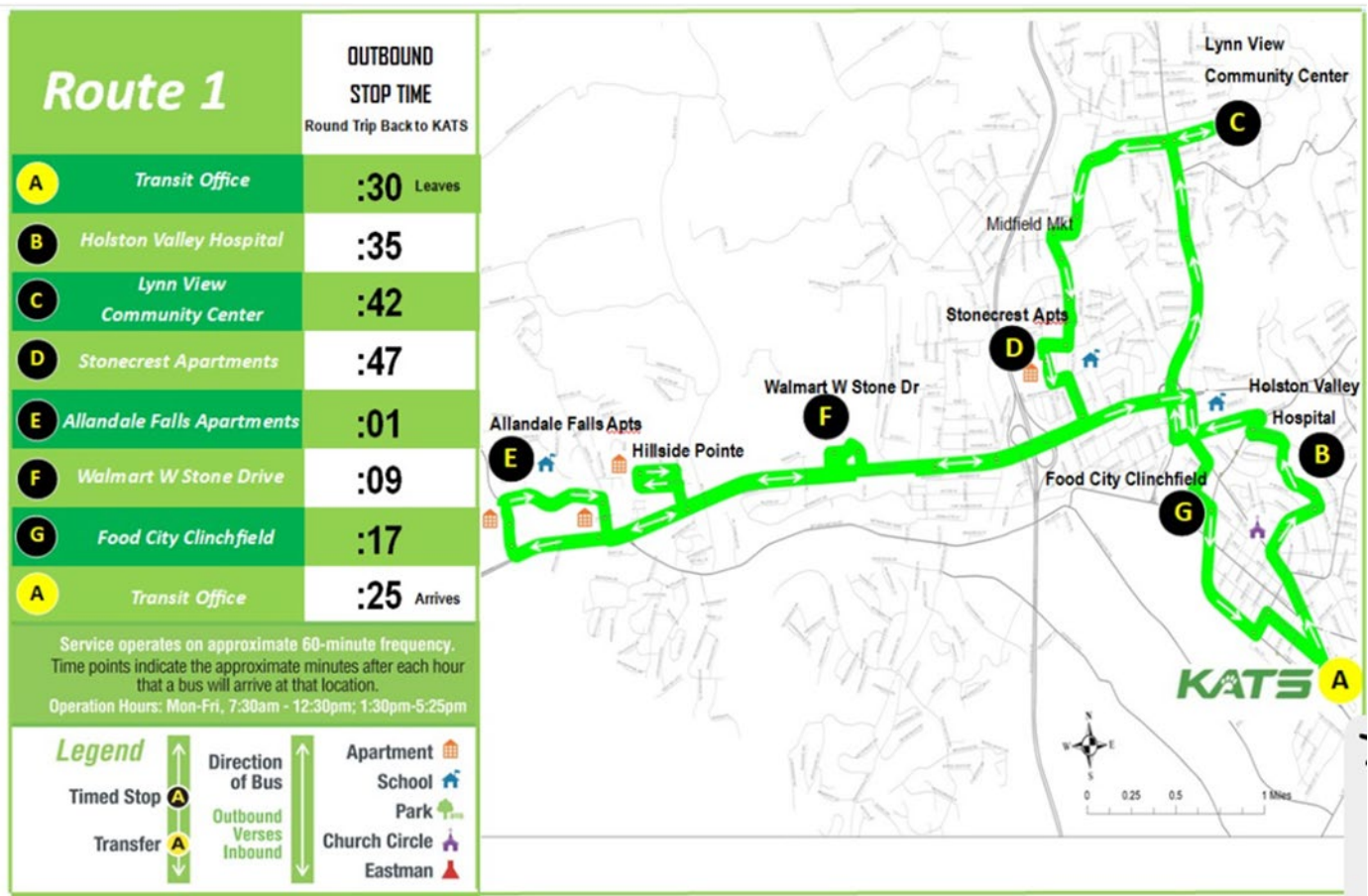
The Kingsport Area Transit Service has a wide variety of vehicles to help you get where you want to go. All of the KATS vehicles are clean, safe and well-maintained for your comfort and safety. Our experienced drivers are always courteous and want to make sure that you arrive to your destination safe and on time.

Our vehicles are equipped with air-conditioning, wheelchair lifts for ADA Paratransit patrons, emergency exits and high back seats to provide a more pleasant ride. Additionally, all vehicles are designated as non-smoking.

The new KATS Transit Center has been designed with our passengers in mind. Completely enclosed from the weather, riders can relax in the transit lobby while waiting to transfer to another bus.

For schedule and route information, call KATS at 423-224-2613. Information services are open Monday – Friday from 8:00 a.m. to 5:00 p.m.

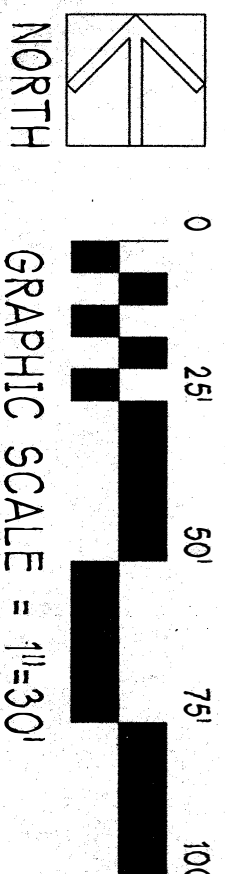
[Click here to visit the KATS website.](#)



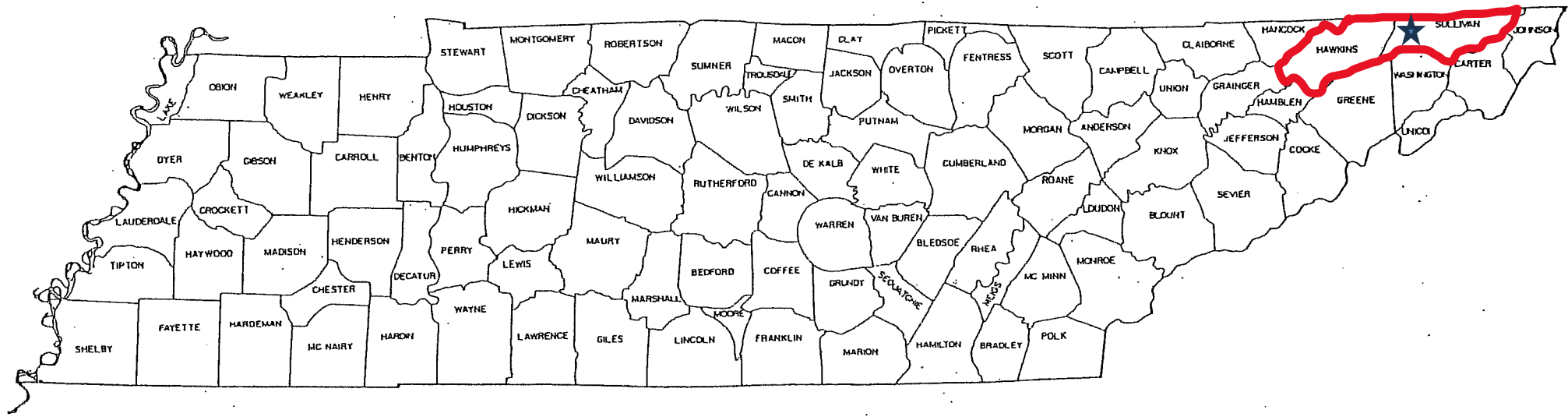
SITE PLAN CODE DATA	
1. PROJECT NAME	A PROPOSED NEW 4400 S.F. MEDICAL OFFICE BUILDING
2. PROJECT LOCATION	HOLSTEN MEDICAL GROUP LOT 3, WASHINGTON PARKWAY KILBOURN, TENNESSEE
3. PROPERTY AREA	7,619 ACRES
4. PROPERTY ZONING	DC BUSINESS CONFERENCE DISTRICT
5. SETBACK	50' FRONT YARD 10' SIDE YARD 12' REAR YARD SETBACK
6. MAX LOT COVERAGE	> 55% ALLOWED
7. BUILDING HEIGHT	50' FROM FIRST FLOOR LEVEL TO TOP OF MAINWALL
8. PARKING REQUIRED	1 SPACE PER 200 S.F. PER OFFICE AREA + 301 SPACES
9. PARKING PROVIDED	334 SPACES + 12 UNDEVELOPED AREAS = 346 SPACES
10. PARKING RATIO	1 PARKING SPACE PER 65 S.F.
11. GROUND COVERAGE COMPARISONS	
BUILDING AREA PER FLOOR	21,400 S.F.
ASPHALT PAVEMENT	16,518 S.F.
CONCRETE SIDEWALKS	7,619 S.F.
INTERIOR LANDSCAPED AREAS	15,422 S.F.
LANDSCAPED AREAS / UNDEVELOPED AREAS	17,226 S.F.
TOTAL SITE AREA	33,980 S.F.
12. LANDSCAPING REQUIREMENTS	
PLANTING RATES @ 1 TREE PER 60' FRONTAGE	13 TREES
INTERIOR TREES @ 1 TREE PER 5 PARKING SPACES	69 TREES
	82 TREES REQUIRED



ARCHITECTURAL SITE PLAN



**PRIMARY SERVICE AREA FOR
HMG MEADOWVIEW ODC**



Demographic Variable/ Geographic Area	Department of Health/Health Statistics							Bureau of the Census				TennCare	
	Total Population-Current Year (2024)	Total Population-Projected Year (2028)	Total Population-% Change	*Target Population (18+) - Current Year	*Target Population (18+) - Project Year	*Target Population-% Change	Target Population Projected Year as % of Total	Median Age	Median Household Income	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees	TennCare Enrollees as % of Total
Sullivan County	160,062	160,624	0.4%	130,189	130,767	0.4%	81.4%	N/A	\$54,357	24,489	15.3%	34,360	21.5%
Hawkins County	56,945	56,797	-0.3%	46,599	46,730	0.3%	82.3%	N/A	\$53,647	8,314	14.6%	14,344	25.2%
PSA Total	217,007	217,421	0.2%	176,788	177,497	0.4%	81.6%	N/A	\$54,002	32,443	15.0%	48,704	22.4%
State of TN Total	7,125,908	7,331,859	2.9%	5,565,604	5,736,895	3.1%	78.2%	N/A	\$64,035	947,746	13.3%	1,530,706	21.5%

* The target population in this table is 18+. Although few pediatric patients are expected to be served the applicant needs the flexibility to serve such patients if necessary.

MRI UTILIZATION IN THE PSA 2020-2022									
County	Provider Type	Provider	Year	Number of Units (all are Fixed except where noted)	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Hawkins	HOSP	Hawkins County Memorial Hospital	2020	1 Mobile 2 days	603	603	62.8%	\$2,189,866.00	\$3,631.62
Hawkins	HOSP	Hawkins County Memorial Hospital	2021	1 Mobile 2 days	783	783	81.6%	\$2,861,980.00	\$3,655.15
Hawkins	HOSP	Hawkins County Memorial Hospital	2022	1 Mobile 2 days	920	920	95.8%	\$3,440,904.00	\$3,740.11
Sullivan	PO	Appalachian Orthopaedic Associates, P	2020	1	939	939	32.6%	\$0.00	\$0.00
Sullivan	PO	Appalachian Orthopaedic Associates, P	2021	1	900	900	31.3%	\$1,254,443.00	\$1,393.83
Sullivan	PO	Appalachian Orthopaedic Associates, P	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2020	2	6257	3129	108.6%	\$23,498,534.00	\$3,755.56
Sullivan	HOSP	Bristol Regional Medical Center	2021	2	6554	3277	113.8%	\$24,754,827.00	\$3,777.06
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2020	3	6203	2068	71.8%	\$23,265,459.00	\$3,750.68
Sullivan	HODC	Holston Valley Imaging Center, LLC	2021	3	7717	2572	89.3%	\$28,439,225.00	\$3,685.27
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2020	1	3834	3834	133.1%	\$14,189,357.00	\$3,700.93
Sullivan	HOSP	Holston Valley Medical Center	2021	1	4118	4118	143.0%	\$15,160,055.00	\$3,681.41
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2020	1	1048	1048	36.4%	\$4,586,391.00	\$4,376.33
Sullivan	HOSP	Indian Path Community Hospital	2021	1	1259	1259	43.7%	\$5,602,300.00	\$4,449.80
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Ce	2020	1	4803	4803	166.8%	\$4,902,210.85	\$1,020.66
Sullivan	ODC	Meadowview Outpatient Diagnostic Ce	2021	1	6042	6042	209.8%	\$6,035,632.00	\$998.95
Sullivan	ODC	Meadowview Outpatient Diagnostic Ce	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Ce	2020	1	3263	3263	113.3%	\$3,406,874.16	\$1,044.09
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Ce	2021	1	4646	4646	161.3%	\$17,875,655.00	\$3,847.54
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Ce	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2020	1	1382	1382	48.0%	\$4,862,173.00	\$3,518.21
Sullivan	HODC	Volunteer Parkway Imaging Center	2021	1	1971	1971	68.4%	\$6,976,882.00	\$3,539.77
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan Count	2020	1	1045	1045	36.3%	\$1,051,647.00	\$1,006.36
Sullivan	PO	Watauga Orthopaedics (Sullivan Count	2021	1	874	874	30.3%	\$869,572.00	\$994.93
Sullivan	PO	Watauga Orthopaedics (Sullivan Count	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				37.2	100,964	2,714	94.2%	\$299,303,479.01	\$2,964.46
ODC Total/Avg.				6	28,781	4,797	166.6%	\$42,685,443.01	\$1,483.11

Medical Equipment Registry - 4/22/2024

MRI UTILIZATION IN THE PSA 2022									
County	Provider Type	Provider	Year	Number of Units (all are Fixed except where noted)	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Hawkins	HOSP	Hawkins County Memorial Hospital	2022	1 Mobile 2 days	920	920	95.8%	\$3,440,904.00	\$3,740.11
Sullivan	PO	Appalachian Orthopaedic Associates, P	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Ce	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Ce	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan Count	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				12.4	36,723	2962	102.8%	\$107,521,335.00	\$2,927.90
ODC Total Avg.				2	10,027	5014	174.1%	\$10,465,071.00	\$1,043.69

Medical Equipment Registry - 4/22/2024

MRI UTILIZATION IN SULLIVAN COUNTY 2022									
County	Provider Type	Provider	Year	Number of Units	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Sullivan	PO	Appalachian Orthopaedic Associates, PC	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				12	35,803	2984	103.6%	\$104,080,431.00	\$2,907.03
ODC Total Avg.				2	10,027	5014	174.1%	\$10,465,071.00	\$1,043.69

Medical Equipment Registry - 4/22/2024

Historical Utilization (1.5 T MRI only):

<u>Year</u>	<u>Scans</u>
2023:	5225
2022:	5280
2021:	6042

Projected Utilization (3T MRI):

<u>Year</u>	<u>Scans</u>
Year 1 (2025)	2176
Year 2 (2026)	2637
Year 3 (2027)	2769
Year 4 (2028)	2907

WELLMONT HOLSTON VALLEY MEDICAL CENTER

PATIENT TRANSFER AGREEMENT

This Patient Transfer Agreement made and entered into on this 5 day of Nov, 2005 by and between Meadowview Outpatient Diagnostic Center (Facility) and Wellmont Holston Valley Medical Center ("Hospital") of Kingsport, Tennessee.

WHEREAS, Facility and Hospital, respectively, have certain available acute, specialty, long-term, and/or other types of medical care, which the other party may not have or may not have available at a certain time; and,

WHEREAS, each party may, from time to time, require such medical care or services which it cannot provide at said time, but which can be provided by the other party; and,

WHEREAS, Hospital and Facility have determined that it would be in the best interest of patient care and would promote the optimum use of facilities to enter into a transfer agreement for the transfer of patients as applicable, requiring certain care which the transferring party cannot provide;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. The parties agree to comply with any and all state and federal laws and regulations pertaining to the transfer of patients as applicable, from one institution to another, including, but not limited to, The Emergency Medical Treatment and Active Labor Act ("EMT ALA").

2. The receiving institution shall accept from the other institution the admission of an individual who meets all criteria consistent with the receiving institution's policies on admission and on the conditions and terms described herein.

3. The need for the transfer of an individual from the transferring institution shall be, determined by the patient's primary physician, who shall obtain consent from a licensed physician who is a member of the Medical Staff of the receiving institution, or the appropriate official of any long-term care facility, if applicable, to accept such patient. When such a determination has been made, the transferring institution shall immediately notify the receiving institution of the impending transfer. The receiving institution agrees to admit the patient as promptly as possible providing bed space is available to accommodate the patient, and the receiving institution can provide such care within its capabilities. Prior to moving the individual, the transferring institution must receive confirmation from the receiving institution that it can accept the patient, based on its capabilities, an it has adequate space and qualified personnel to accommodate such transfer.

4. The transferring institution shall have the responsibility for obtaining the patient's consent to transfer to the receiving institution, prior to the transfer, if patient is competent. If patient is not competent, the consent shall be obtained from the appropriate family member or authorized legal representative.

5. The transferring institution shall have the responsibility for arranging transportation of the patient to the receiving institution, including selection of the mode of transportation and provide the appropriate practitioner(s) to accompany the patient and shall transfer with the patient all relevant patient data, necessary to continue treatment without interruption, including, but not limited to, a copy of all applicable medical records available at the time of transfer; all informed written consents or certifications required by statute, rule or regulation; any administrative and pertinent identifying information; and the name and address of any on-call physician who has refused or failed to appear within a reasonable time to provide necessary stabilizing treatment to the patient, if applicable. The receiving institution's responsibility for the patient's care shall begin when the patient is formally admitted to that institution as a patient of that institution.

6. The transferring institution agrees to receive the patient back from the receiving institution, if requested by the receiving institution, when the patient no longer requires the specialized care and facilities of the receiving institution, and any requirements of patient consent and physician certification has been satisfied.

7. All fees incurred with respect to services performed by either FACILITY or Hospital for individuals received from the other institution pursuant to this Transfer Agreement shall be billed and collected directly from the patient any third party insurer or other payment source by the institution rendering such services. The transportation costs for transferring the individual shall be solely the responsibility of the patient or the institution initiating such transfer.

8. Each party shall be responsible for its own actions and omissions with respect to patient care. Nothing in this Agreement shall be construed as creating a relationship of employer/employee or principle/agent, nor any other relationship other than that of independent parties contracting with one another at arm's length.

9. Each party shall indemnify the other party against, and shall hold the other party harmless from, any and all claims, actions, suits, proceedings, costs, losses, expenses, damages, and liabilities, including reasonable attorney's fees, resulting from, arising out of, or connected with the indemnifying party's failure to comply with the provisions of this Transfer Agreement, as well as for liability arising solely through the negligence of the indemnifying party, its agents and employees.

10. It is expressly understood and agreed by both parties that the availability of beds, specialized care and facilities, and other factors may place limitations on transfers and that this Transfer Agreement is subject to that availability, so that it does not guarantee acceptance of transfers at all times. It is the purpose of this Agreement to facilitate insofar as possible, in accordance with the applicable statutes and regulations, the orderly transfer of patients between the parties' facilities.

11. This Transfer Agreement may be modified by mutual written consent of the parties. The term of this agreement shall be one (1) year from the day and date hereinabove written. Thereafter, it shall be automatically extended for successive one-year terms. Either party may cancel this Transfer Agreement at any time upon ninety (90) days prior written notice to the other party.

12. This Transfer Agreement shall be automatically terminated if either party's license to operate is revoked, suspended or is placed on probation by any state or federal agency, or if either party fails to maintain accreditation by an approved accrediting organization. It is the intention of the parties to this Agreement to implement all statutes and regulations governing the transfer of patients, including the provisions of 42 U.S.C. 1399dd, and nothing herein shall be construed to the contrary.

If any provision of this Transfer Agreement shall be in conflict with any statute or regulation, such provision shall be considered revoked and unenforceable, but the invalidity of such provision shall not affect the remaining provisions.

13. This Agreement shall not be considered exclusive in any manner, and either institution is free to contract with any other party for the same or similar services described herein, or for a same or similar relationship as described herein.

IN WITNESS WHEREOF the parties hereto have executed this agreement affixing the signatures of their duly authorized persons, on this day and date first above written.

WELLMONT HOLSTON VALLEY MEDICAL CENTER

By: Burt Whitaker

Name: Berton Whitaker

Title: President

MEADOWVIEW OUTPATIENT DIAGNOSTIC CENTER

By: Samantha Sizemore

Name: Samantha Sizemore

Title: Director of Imaging

CPT Code	Description of Service	*HMG- Global Charge	Medicare Allowable
70543	MRI ORBIT FACE NECK W/VO CONTRAST	\$1,577.00	\$402.57
70551	MRI BRAIN WO CONTRAST	\$857.00	\$230.77
70552	MRI BRAIN W CONTRAST	\$958.00	\$319.47
70553	MRI BRAIN W/VO CONTRAST	\$1,528.00	\$377.42
72141	MRI C-SPINE W/O CONTRAST	\$827.00	\$224.95
72142	MRI C SPINE WITH CONTRAST	\$597.00	\$325.36
72146	MRI T-SPINE WO CONTRAST	\$827.00	\$225.30
72148	MRI L-SPINE WO CONTRAST	\$823.00	\$225.30
72149	MRI L-SPINE W CONTRAST	\$590.00	\$321.45
72156	MRI C-SPINE W/VO CONTRAST	\$1,572.00	\$379.91
72157	MRI SPINAL CANAL W/VO CONTRST	\$1,575.00	\$380.97
72158	MRI L-SPINE W/VO CONTRAST	\$1,570.00	\$379.20
72195	MRI PELVIS WO CONTRAST	\$857.00	\$274.68
72197	MRI PELVIS W/VO CONTRAST	\$1,450.00	\$405.10
73218	MRI UPPER EXTREMITY NON JOINT WO CONTR	\$833.00	\$362.79
73220	MRI UPPER EXTREMITY W/VO CONTRAST	\$1,144.00	\$494.09
73221	MRI UPPER EXTREMITY JOINT WO CONTRAST	\$1,085.00	\$236.86
73222	MRI UPPER EXTREMITY JOINT W CONTRAST	\$868.00	\$376.11
73718	MRI LOWER EXTEM NOT JOINT WO CONTRAST	\$833.00	\$266.09
73720	MRI LOWER EXTEM W/VO CONTRAST	\$1,381.00	\$403.99
73721	MRI LOWER EXTREM JOINT WO CONTRAST	\$870.00	\$236.86
73722	MRI LOWER EXTREMITY JOINT W CONTRAST	\$880.00	\$377.89
73723	MRI JOINT LOWER EXTREM W/VO CONTRAST	\$1,200.00	\$466.07
74181	MRI ABDOMEN WO CONTRAST	\$763.00	\$248.43
74183	MRI ABDOMEN W/VO CONTRAST	\$1,624.00	\$405.45
74185	MRI ANGIO ABDOMEN W/VO CONTRAST	\$932.00	\$400.08

MRI UTILIZATION IN THE PSA 2022							
County	Provider Type	Provider	Year	Number of Units (all are Fixed except where noted)	Procedures	Gross Charges	Charge per Procedure
Hawkins	HOSP	Hawkins County Memorial Hospital	2022	1 Mobile 2 days	920	\$3,440,904.00	\$3,740.11
Sullivan	PO	Appalachian Orthopaedic Associates, PC	2022	1	639	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	2022	1	5280	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	2022	1	4747	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	2022	1	1295	\$1,290,467.00	\$996.50
Total/Avg.				12.4	36,723	\$107,521,335.00	\$2,927.90
Hospital & HODC Avg.				8.4	24,762	\$94,860,895.00	\$3,830.91
PO Avg.				2	1,934	\$2,195,369.00	\$1,135.14
ODC Total Avg.				2	10,027	\$10,465,071.00	\$1,043.69

Attachment 3Q- Licensure, Etc.

This is N/A to this application.

Attachment - MRI, PET, and/or Linear Accelerator²⁰⁴

1a. For Magnetic Resonance Imaging (MRI) in a county with a population less than 175,000, describe the initiation of MRI services or addition of MRI scanners as part of the project, or

Please see the response on the following page.

1b. For Magnetic Resonance Imaging (MRI) in a county with a population greater than 175,000, describe the initiation of MRI services or addition of MRI scanners as part of the project if more than 5 patients per year under the age of 15 will be treated, and/or

2. Describe the acquisition of any Positron Emission Tomography (PET) scanner that is adding a PET scanner in counties with population less than 175,000 and/or

3. Describe the acquisition of any Linear Accelerator if initiating the service by responding to the following:

A. Complete the chart below for acquired equipment.

☐ Linear Accelerator	Mev _____	Types:	☐ SRS ☐ IMRT ☐ IGRT ☐ Other _____
	Total Cost*: _____	☐ By Purchase	Expected Useful Life (yrs) _____
☐ New ☐ Refurbished		☐ By Lease	Expected Useful Life (yrs) _____
		☐ If not new, how old? (yrs) _____	
☒ MRI	Tesla: <u>3.0</u>	Magnet: ☐ Breast ☐ Extremity ☐ Open ☐ Short Bore ☒ Other <u>Traditional</u>	
	Total Cost*: <u>\$4,117,383</u>	☒ By Purchase	Expected Useful Life (yrs) <u>5 yrs.</u>
☒ New ☐ Refurbished		☐ By Lease	Expected Useful Life (yrs) _____
		☐ If not new, how old? (yrs) _____	
☐ PET	☐ PET only ☐ PET/CT ☐ PET/MRI	☐ By Purchase	Expected Useful Life (yrs) _____
	Total Cost*: _____	☐ By Lease	Expected Useful Life (yrs) _____
☐ New ☐ Refurbished		☐ If not new, how old? (yrs) _____	

* As defined by Agency Rule 0720-9-.01(4)(b)

B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

Response: The MRI lease proposal documentation is attached following the response to Item 1a.

C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

Response: The price of the MRI itself is \$2,282,784. The lease includes financing charges, so the lease cost is higher and is reflected on the Project Cost Chart.

D. Schedule of Operations:

Location	Days of Operation	Hours of Operation
HMG Meadowview ODC	Monday-Friday	8:00 AM - 5:00 PM

Response to Question 1(a) of the Medical Equipment attachment:

The need for a 3T MRI to complement the existing 1.5T MRI is several-fold:

1. HMG currently has 10 Outpatient Urology Providers (5 Physicians and 5 Mid-Levels) covering two of the three Tri-Cities (Johnson City & Bristol TN). The HMG Urology Office orders an average of 120 Prostate MRI Exams per month. These need to be performed on a 3T MRI unit.
2. HMG currently has one Orthopedic Hand Surgeon and two Surgical Podiatrists. The 3T MRI is needed to perform small part Orthopedic Studies (hands and feet).
3. Neurological MRI scans and studies is the preferred imaging modality for Neurosurgery
4. Currently, 3T MRI scans can only be performed in a hospital setting. The two area hospitals have wait times of approximately 6 weeks for a 3T MRI scan.
5. There is no 3T MRI in the service area or in the entire Tri-Cities area that is not hospital owned.
6. The 1.5T MRI at the HMG ODC is operating far in excess of capacity. It operates 7 AM - 8 PM Monday-Friday and 9 AM – 2 PM Saturday and Sunday. There is about a 2.5 week wait time for a MRI scan on this unit. Some of this excess volume can be off-loaded to eth 3T MRI to decrease wait times.
7. All traditional 1.5T MRIs in the PSA are highly utilized. The average utilization for all MRIs in the PSA in 2022 was 2962 scans per unit, which is 103% of the optimum utilization standard of 2880 scans per unit. The average utilization of the MRIs operating in ODCs was 5014 scans per unit, which is 174% of the optimum utilization standard.

PHILIPS

Sold to:

Meadowview Outpatient Center
2033 Meadowview Ln Ste 100
Kingsport, TN 37660-7569

Presented By

Justin Sims
Philips Healthcare a division of Philips North
America LLC
414 Union Street
Nashville, Tennessee 37219
Email: justin.sims@philips.com

Quote #: Q-00253675

Customer #: 94022359

Quote Date: 12/12/23

Valid Until: 03/14/24

JSims MeadowView 3T

\$ 2,282,784.¹⁰

Dear Valued Customer,

I am pleased to submit the attached proposal for your consideration. Philips Healthcare is transitioning to a new quoting system and you will notice that this quote looks different than the ones you are used to receiving from us.

I would like to point out a specific area of change to you. Promotions are applied to the line item price of individual items, instead of to the total net price as you are used to. As a result the line item prices appear lower than you might expect based on previous quotations. Please note that the list price of the system has not changed and promotion values are subject to availability.

I trust this meets your expectation, however should you have any queries or require further information or clarification, please do not hesitate to contact me using the details shown at the bottom of this letter.

Please note that all necessary initial applications training is included in the offer price. Further application training can be purchased separately by contacting our Customer Care Center.

Orders relating to this proposal should be sent to the address or fax number at the top of this document.

Thank you,

Justin Sims

This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. Except as otherwise required by state or federal law after strict compliance with any applicable notification and procedural requirements therein, 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).

Philips Healthcare a division of Philips North America LLC
414 Union Street
Nashville, Tennessee 37219



PHILIPS

Table of Content

1. Financial Overview.....	3
2. Quote Summary.....	4
3. Quote Overview.....	7
4. Quote Details.....	9
5. Local Sales Terms and Conditions.....	54
6. Signature Page.....	55
7. Philips Standard Terms and Conditions.....	56
8. Warranty.....	69



PHILIPS

1. Financial Overview

Line	Article No.	Description	Qty	List Price	Net Price
1	782136	Ingenia Elition X	1	\$ 5,071,393.48	\$ 1,952,398.30
2	100311	MR Third Party Accessories	1	\$ 160,355.00	\$ 127,431.80
3	SP007	Rigging Magnet In	1	\$ 20,000.00	\$ 20,000.00
4	SP101	Precise Image	1	\$ 30,000.00	\$ 30,000.00
5	100347	CS Clinical Education MR	1	\$ 51,800.00	\$ 51,800.00
6	782142	Upgrades dStream to R11	1	\$ 42,400.00	\$ 26,288.00
7	782142	Upgrades dStream to R11	1	\$ 42,400.00	\$ 26,288.00
8	782142	Upgrades dStream to R11	1	\$ 42,400.00	\$ 26,288.00
9	100347	CS Clinical Education MR	1	\$ 22,290.00	\$ 22,290.00

Discount Amount:

\$ -3,200,254.38

Contract Discount
Additional Discount
Total Net Price

Total Price
\$ -2,008,388.73
\$ -1,191,865.65
\$ 2,282,784.10



PHILIPS

2. Quote Summary

Line	Article No.	Description	Qty	Unit List Price	Contract Disc	Additional Discount	Net Price
1	782136	Ingenia Elition X					
1.1	989806105800	SyMRI NEURO V11 Subscription	3	\$ 63,969.00	38.00%	23.81%	\$ 73,280.04
1.2	NNAN466	Elition 3T X R11	1	\$ 3,245,000.00	38.00%	23.81%	\$ 1,239,109.23
1.3	NNAN482	Philips MRI Education Pkg	1	\$ 0.00	0.00%	0.00%	\$ 0.00
1.4	NNAN339	Elition Std Dimplex Chiller	1	\$ 76,500.00	38.00%	23.81%	\$ 29,211.67
1.5	NNAF403	Education Package for New Philips Users	1	\$ 37,630.00	38.00%	23.81%	\$ 14,369.09
1.6	NNAN255	Education Package for Transitioning from 1.5 to 3.0T	1	\$ 23,720.00	38.00%	23.81%	\$ 9,057.53
1.7	NNAN127	3T 16CH MSK Coil Pkg	1	\$ 225,000.00	38.00%	23.81%	\$ 85,916.67
1.8	NNAF891	Enhanced Warranty Terms	1	\$ 0.00	0.00%	0.00%	\$ 0.00
1.9	NMRB229	T/R Interface 3.0T	1	\$ 10,790.00	38.00%	23.81%	\$ 4,120.18
1.10	NMRF521	dS DiffusionSuite Pro	1	\$ 79,068.07	38.00%	23.81%	\$ 30,192.29
1.11	NMRF525	dS SpineSuite Pro	1	\$ 34,590.00	38.00%	23.81%	\$ 13,208.26
1.12	NMRF523	dS NeuroSuite Pro	1	\$ 127,250.00	38.00%	23.81%	\$ 48,590.65
1.13	NMRF528	dS BreastSuite Pro	1	\$ 51,888.41	38.00%	23.81%	\$ 19,813.68
1.14	NMRF087	4D-TRANCE	1	\$ 32,910.00	38.00%	23.81%	\$ 12,566.74
1.15	NMRF088	3D NerveVIEW	1	\$ 32,910.00	38.00%	23.81%	\$ 12,566.74
1.16	NMRF130	SyntAc	1	\$ 0.00	0.00%	0.00%	\$ 0.00
1.17	NMRF334	4D FreeBreathing	1	\$ 82,270.00	38.00%	23.81%	\$ 31,414.95
1.18	NMRF105	mDIXON Body Fat Quant Spec	1	\$ 63,460.00	38.00%	23.81%	\$ 24,232.32
1.19	NMRF482	SmartSpeed Recon HW	1	\$ 4,650.00	38.00%	23.81%	\$ 1,775.61
1.20	781126	SmartSpeed AI					
1.21	NNAN480	MR SmartSpeed Training Package	1	\$ 75,370.00	38.00%	23.81%	\$ 28,780.17
1.22	NMRF445	SmartSpeed Essential	1	\$ 95,160.00	38.00%	23.81%	\$ 36,337.02
1.23	NMRF451	SmartSpeed Premium	1	\$ 285,480.00	38.00%	23.81%	\$ 109,011.07
1.24	781334	ICAP AV					
1.25	NMRF531	AV-Essential	1	\$ 23,590.00	38.00%	0.00%	\$ 14,625.80
1.26	NMRF459	AV-Diffusion Pro	1	\$ 11,240.00	38.00%	0.00%	\$ 6,968.80
1.27	NMRF532	AV-Neuro Plus	1	\$ 15,920.00	38.00%	0.00%	\$ 9,870.40
1.28	NMRF533	AV-Neuro Pro	1	\$ 15,920.00	38.00%	0.00%	\$ 9,870.40
1.29	NMRF357	dS Breast 7ch Enh Acc Intv Kit	1	\$ 7,050.00	38.00%	23.81%	\$ 2,692.06



PHILIPS

1.30	NMRB249	dS Knee 16ch 3.0T	1	\$ 91,670.00	38.00%	23.81%	\$ 35,004.35
1.31	NMRB250	dS Breast 7ch 3.0T	1	\$ 61,110.00	38.00%	23.81%	\$ 23,334.97
1.32	NMRB254	dS T/R Head 3.0T	1	\$ 30,560.00	38.00%	23.81%	\$ 11,669.39
1.33	NMRA113	PATIENT OBSERVATION MONITOR	1	\$ 2,350.00	38.00%	23.81%	\$ 897.35
1.34	NMRF215	Multi Camera Color	1	\$ 15,280.00	38.00%	23.81%	\$ 5,834.70
1.35	NMRB194	FlexCaddy	1	\$ 9,400.00	38.00%	23.81%	\$ 3,589.41
1.36	FMR0340	FlexTilt	1	\$ 4,700.00	38.00%	23.81%	\$ 1,794.70
1.37	FMR0301	RF Coils Cabinet	1	\$ 7,050.00	38.00%	23.81%	\$ 2,692.06
							<u>\$ 1,952,398.30</u>
2	100311	MR Thlr Party Accessories					
2.1	989806101076	MEDRAD MRXperion, MR Injection System	1	\$ 73,715.00	0.00%	0.00%	\$ 73,715.00
2.2	989801271139	Staco 125kva kva MR UPS (w/out Chiller)	1	\$ 85,900.00	38.00%	0.00%	\$ 53,258.00
2.3	989801271128	MR Stereo.	1	\$ 740.00	38.00%	0.00%	\$ 458.80
							<u>\$ 127,431.80</u>
3	SP007	Rigging Magnet In	1	\$ 20,000.00	0.00%	0.00%	\$ 20,000.00
4	SP101	Precise Image	1	\$ 30,000.00	0.00%	0.00%	\$ 30,000.00
5	100347	CS Clinical Education MR					
5.1	989801256065	MR Additional Training 28 Hours OnSite	6	\$ 7,430.00	0.00%	0.00%	\$ 44,580.00
5.2	989801256092	MR Breast Imaging 24 Hours OnSite	1	\$ 7,220.00	0.00%	0.00%	\$ 7,220.00
							<u>\$ 51,800.00</u>
6	782142	Upgrades dStream to R11					
6.1	NMRF443	Upgrade MR Workspace for R5	1	\$ 39,570.00	38.00%	0.00%	\$ 24,533.40
6.2	781334	ICAP AV					
6.3	NMRF458	AV-Essential upgrade	1	\$ 2,830.00	38.00%	0.00%	\$ 1,754.60
							<u>\$ 26,288.00</u>
7	782142	Upgrades dStream to R11					
7.1	NMRF443	Upgrade MR Workspace for R5	1	\$ 39,570.00	38.00%	0.00%	\$ 24,533.40
7.2	781334	ICAP AV					



PHILIPS

7.3	NMRF458	AV-Essential upgrade	1	\$ 2,830.00	38.00%	0.00%	<u>\$ 1,754.60</u> \$ 26,288.00
8	782142	Upgrades dStream to R11					
8.1	NMRF443	Upgrade MR Workspace for R5	1	\$ 39,570.00	38.00%	0.00%	\$ 24,533.40
8.2	781334	ICAP AV					
8.3	NMRF458	AV-Essential upgrade	1	\$ 2,830.00	38.00%	0.00%	<u>\$ 1,754.60</u> \$ 26,288.00
9	100347	CS Clinical Education MR					
9.1	989801256065	MR Additional Training 28 Hours OnSite	3	\$ 7,430.00	0.00%	0.00%	\$ 22,290.00 \$ 22,290.00
							Total Price
Contract Discount							\$ -2,008,388.73
Additional Discount							\$ -1,191,865.65
Total Net Price							\$ 2,282,784.10



PHILIPS

3. Quote Overview

Line	Description	Qty	Included	Optional
1	Ingenia Elition X			
1.1	SyMRI NEURO V11 Subscription	3	●	
1.2	Elition 3T X R11	1	●	
1.3	Philips MRI Education Pkg	1	●	
1.4	Elition Std Dimplex Chiller	1	●	
1.5	Education Package for New Philips Users	1	●	
1.6	Education Package for Transitioning from 1.5 to 3.0T	1	●	
1.7	3T 16CH MSK Coil Pkg	1	●	
1.8	Enhanced Warranty Terms	1	●	
1.9	T/R Interface 3.0T	1	●	
1.10	dS DiffusionSuite Pro	1	●	
1.11	dS SpineSuite Pro	1	●	
1.12	dS NeuroSuite Pro	1	●	
1.13	dS BreastSuite Pro	1	●	
1.14	4D-TRANCE	1	●	
1.15	3D NerveVIEW	1	●	
1.16	SyntAc	1	●	
1.17	4D FreeBreathing	1	●	
1.18	mDIXON Body Fat Quant Spec	1	●	
1.19	SmartSpeed Recon HW	1	●	
1.20	SmartSpeed AI			
1.21	MR SmartSpeed Training Package	1	●	
1.22	SmartSpeed Essential	1	●	
1.23	SmartSpeed Premium	1	●	
1.24	ICAP AV			
1.25	AV-Essential	1	●	
1.26	AV-Diffusion Pro	1	●	
1.27	AV-Neuro Plus	1	●	
1.28	AV-Neuro Pro	1	●	
1.29	dS Breast 7ch Enh Acc Intv Kit	1	●	
1.30	dS Knee 16ch 3.0T	1	●	
1.31	dS Breast 7ch 3.0T	1	●	
1.32	dS T/R Head 3.0T	1	●	
1.33	PATIENT OBSERVATION MONITOR	1	●	
1.34	Multi Camera Color	1	●	
1.35	FlexCaddy	1	●	
1.36	FlexTilt	1	●	



PHILIPS

1.37	RF Coils Cabinet	1	●
2	MR Third Party Accessories		
2.1	MEDRAD MRXperion, MR Injection System	1	●
2.2	Staco 125kva kva MR UPS (w/out Chiller)	1	●
2.3	MR Stereo.	1	●
3	Rigging Magnet In	1	●
4	Precise Image	1	●
5	CS Clinical Education MR		
5.1	MR Additional Training 28 Hours OnSite	6	●
5.2	MR Breast Imaging 24 Hours OnSite	1	●
6	Upgrades dStream to R11		
6.1	Upgrade MR Workspace for R5	1	●
6.2	ICAP AV		
6.3	AV-Essential upgrade	1	●
7	Upgrades dStream to R11		
7.1	Upgrade MR Workspace for R5	1	●
7.2	ICAP AV		
7.3	AV-Essential upgrade	1	●
8	Upgrades dStream to R11		
8.1	Upgrade MR Workspace for R5	1	●
8.2	ICAP AV		
8.3	AV-Essential upgrade	1	●
9	CS Clinical Education MR		
9.1	MR Additional Training 28 Hours OnSite	3	●



PHILIPS

4. Quote Details

Line	Description	Qty
1	Ingenia Elition X Article No. 782136	
1.1	SyMRI NEURO V11 Subscription Article No. 989806105800 Details 10-year perpetual license for SyMRI NEURO, the CE and FDA approved next level of quantitative MRI software. SyMRI NEURO provides multiple contrast images, tissue segmentations and volumetric data in a single scan. SyMRI NEURO is compatible with Philips SmartSpeed, together forming our Smart Quant bundle. The powerful combination of Philips SmartSpeed deep-learning acceleration and SyMRI quantitative imaging will allow our customers to get more diagnostic information within a very short time to enhance decision-making. The joint offering will enable users of Philips scanners to do a complete MRI scan of the brain in less than three minutes while getting access to the full range of contrast weighted Images, including T1W, T2W, FLAIR, quantitative R1, R2 and PD maps and automatic tissue segmentation (Myelin, GM, WM, CSF) and automatic calculation of Brain Parenchyma Fraction, that are unique for SyMRI NEURO. SyMRI NEURO will boost clinical confidence with its: - Objective decision support for brain examinations - Fully automatic brain volume estimations, including myelin volumes - Single acquisition of multiple images to support fast screening, reducing the risk of rescans - Robust results between scanners and field-strengths to support a standardized protocol Pre-requisite 2D SyntAc sequence required for quantitative image acquisition, auto-included in software R11. Advised to use in combination with SmartSpeed to support fast and AI-based quantitative MR.	3
1.2	Elition 3T X R11 Article No. NNAN466 ELITIION 3T X R11 Ingenia Elition X with dStream architecture is Philips new wide bore 3.0T MRI. The Ingenia Elition provides flexible and intelligent tools for faster exams and more consistent scanning, as well as excellent clinical performance for a variety of applications—all while increasing patient comfort. Designed for today and tomorrow, the Ingenia Elition X is the system that will serve your imaging needs well into the future. The system software supports a generation of clinical options for head, neck, spine, MSK and body imaging. In addition, it brings important improvements to the scanner GUI for better control and usability throughout the MR exam, including: • Smart conflict management for improved workflow	1



PHILIPS

- Selective archiving for better control of archiving & export
- Combined accession numbers for improved scan efficiency during procedure based billing
- Patient database image bulk storage capacity to 512GB
- Patient specific safety protocols with SAR/PNS management

At the heart of the Ingenia Elition X is the dStream architecture. dStream comprises:

- DirectDigital RF receive technology, which samples the MR signal directly in the RF coil on the patient.
- FlexStream workflow, which increases system versatility and throughput

Philips Ingenia Elition X significantly improves MR image clarity, speed and expandability.

- **Clarity:** By digitizing the signal directly on the patient, dStream captures image data where the signal is at its purest.
- **Speed:** Patient and coil handling have never been easier: flexible exam setup to meet each patient's unique situation, simplified coil changeover and optimal quality for any exam.
- **Expandability:** The number of channels is determined by the coil, rather than limited by the system. This makes the MRI system forward-compatible to easily access emerging applications like body and cardiac and enhancements for established applications like neuro and musculoskeletal imaging.

dStream architecture

Unique digital broadband MR architecture capturing the purest MR signal combined with enhanced workflow and ease of use to provide increased SNR and greater efficiency in your daily operations. In addition the number of channels is no longer determined by the MR system.

- Up to 40% greater signal-to-noise ratio (DirectDigital)
- As much as 30% improvement in throughput (FlexStream)
- Easy expandability of clinical capabilities without the need for major system upgrades (EasyExpand)

Xtend design

System design optimized not only to provide a 70cm wide bore design, but also to provide optimum quality and performance for imaging even the largest patients. Industry-leading magnet, gradient and system body coil designs provide the largest field-of-view for a 70cm system. Xtend offers the best combination of magnet homogeneity and gradient performance over a 55 cm FOV.

- Image eyes-to-thighs in as few as 2 stations
- Excellent large FOV and off-center imaging, ideal even for large patients
- Increased image accuracy for large FOV and multi-station exams

Magnet system

- Xtend ultra-large up to 55 cm field-of-view combined with a 70cm bore design, enabling uncompromised coverage and imaging of large patients.



PHILIPS

- Actively shielded, lightweight design (<4940 kg) and compact fringe field (3.1 x 5.0) footprint facilitate easy siting
- Ultra compact patient-friendly magnet design - only 1.62m in length
- Best-in-class magnet homogeneity (1.8 ppm / 50 x 50 x 45 cm V-RMS) for excellent image quality, off-center imaging and fat suppression.
- Superconducting screening coils to reduce magnetic field susceptibility caused by moving external ferrous objects.
- HeliumSave zero boil-off technology for zero helium consumption (0 l/hr) under regular scanning conditions.
- Side turret design for easy installations even with low ceiling and difficult access

Gradient system

Vega HP Gradients

High-performance gradients specifically designed for a wide bore magnet. Vega HP provides a high linearity and maximum peak and slew rate over the entire imaging field of view.

- Peak amplitude up to 45 mT/m (78 mT/m effective), peak slew rate up to 220 mT/m/ms (381 mT/m/ms effective). All specifications are on axis (x, y and z).
- Superb linearity (< 2.4% over 50 cm FOV) to improve geometric and diffusion accuracy, and to maximize resolution, even at the edges of the field-of-view.
- High order shimming capabilities: first (x, y, z) and second order (x²-y², z², xy, xz, yz) for improved patient-specific shimming.
- State-of-the-art water-cooled gradient coil and solid-state amplifier for high fidelity and 100% duty cycle.
- Non-resonant gradient design allows flexible generation of any type of gradient waveform.
- The integrated force-balanced design of the gradient coil and magnet reduces vibrations and ensures acoustic noise is minimized.
- Extremely low eddy currents for short echo times
- AutoSoftTone further reduces gradient acoustic noise by up to 14 dB (an 80 % reduction in patient-perceived acoustic noise).

RF receive: DirectDigital and EasyExpand

DirectDigital: Unique Philips technology that samples the MR signal directly in the RF coil on the patient. The fiber-optic transmission of digital broadband data from the coil to the image reconstructor removes potential noise influences typical with analog pathways.

- Capturing the purest MR signal with up to 40% greater signal-to-noise, enabling higher speed/resolution
- Increased dynamic range (max 187 dB)

DirectDigital technology additionally includes:

- Sub-millisecond TRs and ultra-short TEs
- Real-time imaging control for clinical motion correction:
- navigator-corrections required for free-breathing cardiac techniques
- high-resolution diffusion with profile updates within 1 ms.
- Real-time control of RF transmission, gradient switching, data acquisition and triggering.



PHILIPS

EasyExpand: Inherent design of the dStream architecture, where channels are determined by the coils rather than the system. The MR system becomes channel independent, which means a removal of the number of channels as a system specification. This enables plug-and-play expansion of clinical capabilities.

dS-SENSE

Next generation parallel imaging for the dStream (dS) architecture, which simplifies and speeds up scan setup and enables higher parallel imaging factors for more speed or resolution.

- Includes quick, fully integrated reference scans which are planned automatically.

RF Transmit: MultiTransmit 4D

Unique RF transmit design using multiple RF sources. MultiTransmit parallel RF transmission enhances signal and image contrast uniformity, speed and consistency at 3.0T for all applications.

- Patient-adaptive RF matches the RF field to the anatomy of each and every patient.
- Up to 40% more speed compared to single transmit RF systems.
- MultiTransmit 4D enables the RF field to be optimized even during real-time cardiac applications.
- Parallel RF transmission and reception (2 x 2 channels) using two independent RF sources, amplifiers and receivers enabling patient-adaptive RF shimming: Adjustment of individual RF sources to provide uniform, consistent RF distribution and lower local RF deposition in each individual patient.
- The independent RF amplifiers feed into the individual ports of the MultiTransmit dS T/R System Body coil
- Patient-adaptive RF shimming adapts the RF (power, amplitude, phase, waveform) to each patient and each anatomy to maximize RF uniformity, contrast and consistency
- 2 x 18kW high-performance solid-state RF power amplifiers allow short, complex RF pulses, even on large patients.
- Digital control loops for each individual (TX) transmit channel digitize the transmit signals close to the System Body coil. These feedback loops ensure outstanding image quality by delivering optimal amplitude, phase and waveform of the RF pulses.
- RF-SMART technology enables SAR to be effectively managed through balanced system design, and maximizes scanner performance in combination with the application of Philips-unique imaging capabilities such as SENSE, SPAIR, Flip Angle Sweep and RF amplitude control.

Standard RF receive coils

dS T/R System Body coil 3.0T

The integrated dS T/R System Body coil is a transmit/receive system coil which is typically used for RF excitation, but can also be used for imaging various (large) body parts.

- MultiTransmit solid-state phased-array Transmit/Receive system body coil for improved SAR control and a high signal-to-noise ratio
- DirectDigital sampling in the coil where the MR signal is at its purest.
- Channels: 2x2 (Transmit x Receive)
- Excellent homogeneity
- 70 cm bore design



PHILIPS

dS coil solutions

dStream (dS) coil solutions provide a full range of clinical solutions with two types of coils:

- Integrated coils combine to provide solutions for multiple applications
- Dedicated coils optimize imaging for a single application

dS coil solutions have been optimized for 3 important characteristics:

- Intrinsic signal-to-noise ratio (DirectDigital)
- Imaging coverage
- Parallel Imaging performance

dStream Interface

Allows the connection and digitization of the signal from traditional RF coils* at the table. The digital signal from the interface is transferred via an optical connection to the reconstructor.

- Connector interface designed for easy connection and automatic release of coil
- Connects traditional coils up to 16 channels

*Note: Achieva coils are not compatible with dStream interface

Workflow / throughput: FlexStream

FlexStream is hinged upon the unique FlexCoverage Posterior coil that provides neck-to-toe coverage without the need for any manual coil removal or patient repositioning. The FlexCoverage Posterior coil simply combines with other unique dS coils to enable imaging with fewer coils and reduce concerns for coil positioning and patient setup. The optional FlexTrak patient transport system enables easy patient preparation and more efficient use of the MR scanner. FlexTrak solutions can instantly convert your MR system from general purpose use to dedicated advanced clinical use, such as breast imaging, intervention or therapy applications, while ensuring high throughput.

- As much as 30% improvement in throughput
- Easy coil handling through lightweight patient conforming coil design
- Large coverage coils for easier positioning
- Flexible combinations of coils
- Efficient coil usage –more applications with fewer coils
- Unique design allows up to 70% of routine applications without additional coil connections.
- FlexConnect easy to use, single-handed coil connections.

FlexCoverage Posterior coil

Posterior coil, used routinely in 60% of all applications, is an integrated coil below the thin table top providing neck-to-toe coverage. This coil does not need to be carried, positioned, connected nor exchanged, thereby enhancing workflow. It is always there when you need it.

- Head-to-toe coverage up to 200 cm* in combination with the base coil

* WholeBody Specialist required

FlexConnect coil connection / connectors:



PHILIPS

Single-handed coil connection for fast and easy plugging and unplugging of coils, and for auto-eject with FlexTrak undocking in emergency cases.

The small FlexConnect connectors use advanced fiber-optic connections for carrying digital broadband MR signals.

- Enhanced reliability by eliminating delicate RF pin connections.

FlexTrak table top

Ultra-thin table top that maximizes bore space. Includes coil connections directly on the table top for fast and easy setup.

- Ultra-thin design ensures minimal distance between patient and FlexCoverage Posterior coil for optimal SNR
- Ultra-strong design supports patients up to 250 kg (550 lbs)
- Wide table for enhanced patient space and comfort
- Easily removed for patient transport using the optional FlexTrak patient transport system

Workflow / throughput: SmartAssist

Next generation, easy-to-use SmartExam and ExamCards software that helps the user reduce the number of manual tasks.

- Simplifies workflow by making ExamCards more efficient
- Can reduce repetitive tasks by half
- Increases efficiency, reproducibility and consistency

ExamCards

A grouping of individual sequences and operations that define a clinical protocol. An ExamCard can include both the imaging sequences and any of the SmartAssist functionalities. ExamCards makes even the most complex exams simple.

- A set of Philips defined ExamCards is standard
- User-defined ExamCards can be created and stored
- Can be exported to memory stick or portable device
- Can be locked with a password to prevent unintended changes
- Can be shared among any of your scanners
- Supports user-editable tips and processing/viewing/networking steps
- Supports single mouse-click scanner operation

SmartStart

One button action that automatically moves the table to isocenter and starts the ExamCard while the operator walks back to the console reducing the setup time.

SmartSelect coil and element selection

Automatically detects and selects the right coil and coil elements to maximize the SNR matching the area to be scanned.

- Simplifies patient positioning and coil placement
- No need for manual coil or element selection
- Optimal SNR



PHILIPS

- Facilitates higher throughput

SmartExam planning (optional)

Assists the operator in planning the MR exam. SmartExam uses sophisticated algorithms to recognize the anatomy. Then, using previously run exams as input, SmartExam automatically positions slices on the target anatomy, and uses ExamCards to conduct the study, reducing operator input to as little as a single mouse click.

- Targeted for 100% reproducibility and consistency in outcome

SmartExam optional packages include:

- SmartExam Brain
- SmartExam Spine
- SmartExam Shoulder
- SmartExam Knee
- SmartExam Breast

SmartLink geometry linking

SmartLink (geolink) is a tool for simplifying the planning, viewing and processing of multi-sequence multi-station exams, treating multi-station exams as one volume.

- Allows a single table sweep for multi-sequence (e.g. T1, T2, STIR) multi-station exams. All sequences are run at each station before the table is moved to the next station minimizing the number of table movements for increased patient comfort.
- Provides the flexibility to perform one sequence at all stations before starting the next sequence.
- Labels and sorts images regardless of the order in which they are acquired for subsequent viewing and processing as a single volume.
- BolusTrak (fluoroscopic scans) can be interleaved at any point during a multi-station exam.

SmartLine processing

Smart, automated and intelligent processing of image data. SmartLine processing steps can be run simultaneously and in parallel with image acquisition. Defined in the ExamCard, the same processing settings are used every time for consistent results.

- Progress of each processing step is clearly displayed to the user alongside the scanning progress.

The following packages are included:

- **SmartLineVolumeView** Real-time MIP, MPR and 3D surface rendering (standard or user defined volumes of interest enable elimination of unwanted signals regions)
- **SmartLineImageAlgebra** (including addition, subtraction, relative subtraction, cumulation, ratios, MTC, ASL calculation)
- **SmartLinePicturePlus** for user-defined image filtering (smoothing and/or edge enhancement)
- **SmartLineT1 / T2 / rho** map calculation



PHILIPS

- **SmartLineDelayed Reconstruction** enables various retrospective image reconstructions from raw data (e.g. reconstruction of various flow directions from a 3D phase-contrast MRA dataset)

Scantools dependent options:

- **SmartLineDiffusion** registration
- **SmartLineDiffusion** (ADC, eADC, etc.)
- **SmartLineViewBold** real-time fMRI analysis

Post Processing

The MR console provides different post processing capabilities for further image analysis

- Integration of ICAP post-processing packages
- Introduction of new post-processing packages (Permeability, Cartilage Assessment)
- Introduction of new feature: Split Series to split series across multiple dimensions- example: dynamics)

Viewing, filming and export

The MR viewing environment supports fast and flexible viewing, processing and film generation

- Automatically displaying the scanned series in the viewer
- Window width/level, zoom, pan, rotate, mirror
- Image annotation (text, arrows and lines)
- Simultaneous visualization of up to six independent series for comparison.
- Ability to change the number of layouts for comparison.
- Cine movie display in various formats.
- Drag & drop functionality to enable the creation of films containing random image selections.
- Support printing of multiple series in the same printing task.
- Single mouse click film generation of image series using a range of predefined formats
- Images and movies can be exported to Windows PC formats as visible on screen

Patient environment and patient handling

The Ingenia Elition X was designed with the patient in mind, no matter the age, size or physical condition. The Ingenia Elition X's patient environment and patient handling features enhance patient comfort and facilitate exams.

Important features:

- Ultra-comfortable table mattresses
- Lightweight, patient-conforming coils
- 70 cm bore design and extra large FOV imaging space
- Digital coil management workflow
- DirectDigital RF technology digitizes the signal in the RF coil on the patient
- SmartAssist efficiency enhancing software
- MultiTransmit RF transmit

Benefits include:



PHILIPS

- More comfortable exams
- Decreased need for coil positioning
- Fewer retakes
- Faster exams

Patient Comfort

- A set of ultra-comfortable table mattresses designed to keep patients at ease and stable
- 70 cm bore design for enhanced patient comfort, patient fit and reduced anxiety
- Choice of feet-first or head-first imaging for most applications
- FlexCoverage Posterior coil: Never worry about the position of the patient to this coil. No cables, no connections. This invisible, patient-friendly coil is always there when you need it.
- Lightweight, conforming coils for enhanced patient comfort and operator handling
- Ambient Ring circular light to enhance the visual openness of the system.
- Adjustable fresh air supply in 6 increments
- In-bore microphone and ceiling-mounted loudspeakers support two-way patient-operator communication and music.
- Hand-held technologist call button. Patient headset with built-in two-way communication reduces acoustic noise by up to 25 dB.
- Look-out mirror with adjustable angulation

Patient support

- Patient support enables patients weighing up to 250 kg (550 lbs) to be comfortably positioned and lifted.
- Wide table top for improved patient comfort and accommodation of larger patients
- Patient table height can be quickly lowered, providing access for compromised or non-ambulatory patients.
- Detachable tabletop can be combined with one or more FlexTrak patient transport systems for efficient patient management and rapid egress. Supported by manual mode table release.
- Up to 200 cm* scan range
- Horizontal travel of 275 cm (9 ft 1 in.) with +/- 0.7 mm (0.03 inch) accuracy**
- Horizontal table speeds of up to 325 mm/s to enable fast, easy patient positioning and rapid multi-station examinations
- Ergonomically designed control units on both sides of the bore to increase operating flexibility.

* WholeBody Specialist required

** Magnet siting requirements needs to be confirmed to ensure full usage of horizontal table movement

Physiology measurement and gating

Wireless physiological hardware to provide synchronization for sequence triggering and gating.

Wireless physiological signals can be observed on the operator's console monitor or on the optional Interventional Monitor.

- Wireless Physiology consisting of wireless Basic Triggering Unit (wBTU) and respiratory module hardware
- Physiological synchronization for sequence triggering and gating through
- Wireless VCG



PHILIPS

- Wireless Respiratory
- Wireless PPU (requires optional PPU Sensors)

Patient accessories

Comprehensive set of patient accessories, including

- Table mattress set
- Head/leg support
- Knee support
- Positioning wedges
- Small foam wedges
- Set of sandbags
- Set of patient fixation straps

Computer specifications (may be supplied on one or two computers)

Host

- Host memory 32 GByte
- System disk 1 TB SSD, Solid State Disk technology
- Main image database disk 1 TB SSD, Solid State Disk technology (approximately 1,200,000 images of 256 x 256 image resolution)
- Monitor 27-inch LCD wide-screen format monitor enabling large overview, and screen resolution: 3840 x 2160 (4K)
- MicroSoft Windows * OS 64 bits
- External image storage via USB port, DICOM STD-CTMR and E-MR format
- Network connection RJ45 10/100/1000 Mbps

Recon

- Fast reconstruction of demanding imaging techniques (interactive real-time, dS-SENSE, high resolution and high coil receiver count).
- Processor 3.7 GHz Ten Core Processor
- Reconstruction speed up to 185.000 recons/sec (256 FFT, 100% FOV)
- Reconstruction memory 96 GByte

Connectivity / interoperability

The Philips MR system fits seamlessly into local TCP/IP based network environments. Communication is performed using DICOM protocols. The system can be configured for safe storage of MR and SC images and other patient data into departmental information systems and PACS. The Philips MR system supports the transfer of Standard MR Image, Enhanced MR Image, Enhanced MR Spectroscopy, RAW Data, SC Image and private objects. The system can be configured (per node) to support any of the above objects. If a receiving node does not support the Enhanced MR Image it will fall back to the Standard MR Image for the image transfer.

- DICOM Workflow Management:
- DICOM Modality Worklist
- DICOM Modality Performed Procedure Steps



PHILIPS

- DICOM Storage Commitment
- DICOM Send/Receive:
- DICOM Enhanced MR:
- Export / Import of DICOM Enhanced MR Images
- Export / Import of DICOM MR Spectroscopy
- Export / Import of DICOM Raw
- DICOM MR:
- Export / Import of DICOM MR Images
- Export / Import of Philips Private MR Series Data
- Export / Import of Philips Private MR Spectrum Data
- Export / Import of Philips Private MR ExamCards Data
- DICOM SC:
- Export / Import of SC (color) Image Data
- DICOM Grayscale Softcopy Presentation State:
- Export / Import of Grayscale Softcopy Presentation State
- DICOM Query / Retrieve of Philips MR data, all the exported image types
- DICOM Print
- Grayscale Softcopy Presentation State with preset window settings as on the console
- Basic Grayscale Print
- IHE Integration Profiles
- Scheduled Workflow
- Patient Information Reconciliation
- Consistent Presentation of Images
- Basic Security
- Consistent Time

Full information on compliance with DICOM standards and available functionality is contained in Philips' DICOM Conformance Statement.

Installation: EasySite and PowerSave

EasySite

System design for rapid installation times, compact siting footprint and low ceiling heights.

- Installation times as short as 7 days, based on prepared site conditions.
- Industry's lightest wide-bore magnet enables siting on upper floors.
- Siting (exam/technical/control room) as little as 30 m²
- Low ceiling height
- Low transport height for easy facility access
- System / building vibration transfer is minimized by special vibration pads that require no facility adaptations.

PowerSave

Unique, efficient design combined with smart power management of the high power sub-systems (gradient amplifiers, RF amplifiers, etc.) enable reduction in power consumption by up to 50% without affecting overall performance.

dS ScanSuite Essential



dS ScanSuite Essential provides the following generic workflow features for all clinical anatomies:

- ExamCards, for automated scanning and processing of patient studies. Examcards can be edited during scanning. The Split Exam option provides you the ability to separate imaging series acquired during a single scan session into multiple scan instances. This allows for correct association of imaging series to ordered/scheduled examinations to facilitate proper reporting, data handling and billing activities.
- Innovations supporting patient experience and workflow like AutoVoice, ComforTone and ScanWise.
- dS SENSE parallel imaging methods for fast scan times, high resolution or to reduce susceptibility artifacts.
- CLEAR for signal uniformity correction based on coil-sensitivity and on patient loading.
- PicturePlus to improve appearance of images through edge enhancement and smoothing. Provides full control over all enhancement parameters, which can be applied automatically post-acquisition or as a post-processing option.

Patient Experience and Workflow Essential

- With AutoVoice the patient is coached through the MR examination with voice audio information to the patient on length of scan, breath hold and table movement. Multiple languages can be selected. Includes a recording option for specific commands or languages.
- ComforTone is a scan technique that brings noise reduction. ComforTone ExamCards will be available for routine exams (Brain, Spine, MSK) including the reference scans.
- ScanWise Implant is a user Interface with guidance that simplifies scanning patient with MR Conditional implants. It allows you to enter the implant's MR Conditional values only once and as specified by the implant manufacturer. It will automatically adjust all scan and pre-scan parameters to meet the implant conditional values entered by the operator. ScanWise Implant makes your MR scanner adhere to the entered implant conditions throughout the whole examination.

In addition, dS ScanSuite Essential contains fast, high resolution imaging methods for the assessment of morphology of all anatomical areas including brain and spine, MSK, body and breast, cardiac, and various blood vessels with or without contrast agents. Specific features per clinical area are listed below.

Neuro Essential

- Sequences include SE, FFE and EPI based methods, with fat suppression methods including STIR, SPIR, ProSet and SPAIR.
- FLAIR for CSF suppression.
- Snapshot imaging, intended for uncooperative patients, eliminates the effects of patient and physiological motion through the combination of rapid TSE sequences and SENSE. Individual Snapshot images can be acquired in any orientation in approximately 250ms to 300ms. Asymmetric TSE makes Snapshot compatible with T1-, T2- and diffusion-weighted imaging.
- Single, Dual and Triple IR sequences for evaluation of gray and white matter differentiation.
- 2D TSE with Flip Angle Sweep technology for SAR and Magnetization Transfer reduction, improving gray/white matter contrast in both T2 and FLAIR acquisitions.
- 3D based anatomical sequences including:

PHILIPS

- 3D BrainVIEW delivers high resolution isotropic 3D TSE acquisitions in short scan times by employing a flip angle sweep for sharp imaging and a low SAR refocusing scheme for time efficient scanning. Enables reformats in various planes.
- 3D T1-TFE sequences for volumetric acquisition and reconstruction of the original dataset in any orientation.
- 3D TFE for isotropic coverage of the entire head in short scantimes using SENSE. A single data set can be reformatted into alternate planes both pre- and post-contrast, eliminating the need for additional scans.
- 3D Non-selective enables fast and robust large volume 3D FFE imaging in brain. Thanks to shorter TR and TE, 3D Non-selective delivers a 9% faster protocol and improved grey-white matter contrast in Brain 3D TFE compared to Philips 3D Selective 3D FFE imaging.
- DRIVE for T2-weighted 2D and 3D TSE acquisitions enabling short TRs while maintaining contrast-to-noise and SNR. Used to improve fluid visualization (IAC), for short scan times and to increase resolution.
- Balanced FFE/TFE for high-resolution high contrast (IAC and Spine applications).
- bFFE XD expands the clinical application of bFFE towards better visualization of fine structures. It delivers robust 3D, high resolution imaging with a spatial resolution up to 0.5 x 0.5 x 0.5 mm for 3.0T systems (0.6 x 0.6 x 0.6 mm for 1.5T systems) in less than 6 minutes for inner ear applications, with reduced banding artifacts compared to conventional Philips balanced FFE.
- ProSet water and fat excitation for spinal nerve root imaging. Combines the characteristics of the high-resolution volume acquisitions with ProSet water or fat only selection.
- Multiple radial projection myelography both with 2D and 3D sequences.
- MultiVane to correct motion for multi-shot TSE examinations with radial encoding. MultiVane delivers high resolution diagnostic images even in case of patient motion for T2, IR-real & FLAIR TSE imaging as well as gradient-echo examinations.
- Dynamic multi-slice T2*-weighted sequences based on single- or multi-shot FFE-EPI methods for perfusion and fMRI sequences.
- Single-shot EPI diffusion-weighted imaging (DWI) with three diffusion directions and up to 16 b-values and robust against motion
- BolusTrak enables accurate synchronization of high-resolution CE-MRA acquisitions. BolusTrak uses a real-time fluoroscopic display of bolus arrival in the area of interest and manual start of the target acquisition. BolusTrak in combination with CENTRA minimizes venous contamination and produces optimal arterial vessel contrast and resolution.
- TRACS enables accelerated time-resolved contrast-enhanced vascular imaging. TRACS uses SENSE for image acceleration and CENTRA phase-encode ordering for optimized contrast.
- m-FFE provides unique image contrast - ranging from 2D or 3D gradient-echo sequences to the combination of echoes.
- Venous BOLD provides T2*-weighted 3D sequences compatible with SENSE. These sequences are useful for evaluating various brain anomalies associated with venous blood.
- Phase contrast (PC) sensitive imaging for the visualization of moving fluids.
- Perfusion tools package, enabling dynamic multi-slice T2*-weighted sequences based on single- or multi-shot FFE or FFE EPI methods, including the PRESTO technique.
- 3D PRESTO
- Whole brain coverage and high temporal-resolution T2*-weighted imaging for perfusion-weighted and BOLD imaging studies.
- Higher temporal resolution and coverage compared to traditional multi-slice techniques.
- Reduce sensitivity to susceptibility and flow artifacts associated with EPI techniques, enabling imaging throughout the brain and into the skull base.



PHILIPS

MSK Essential

- SE, TSE, and FFE sequences, with fat suppression provided by STIR, ProSet, SPIR and adjustable fat suppression with the SPAIR method.
- Balanced acquisitions (bFFE) for high-resolution morphology scans.
- DRIVE combined with TSE to increase sensitivity to fluids (with good T2 weighting), even with short TRs.
- Turbo-STIR for fat-suppressed evaluation of bone bruises.
- TSE with asymmetric profile ordering for proton density weighted imaging of joints with higher spatial resolution or faster scan times.
- Mixed Mode (interleaved IR/SE for combined T1 & T2 map calculation).
- Multi-Echo T2 measurements (up to 32 echoes) for T2 mapping.
- 3D FFE with ProSet for water-only (selective excitation) sequences. Optimizes cartilage and/or fluid imaging with high-resolution in all directions.
- 3D MSKVIEW delivers high resolution isotropic 3D TSE acquisitions in short scan times by employing high 3D dS SENSE factors. Isotropic acquisition allows reformats in arbitrary planes. Available in various joints with all common contrasts.
- e-THRIVE for 3D high-resolution fat-suppressed imaging for MR arthrograms and evaluation of soft tissue lesions as well as rheumatoid arthritis.
- Dynamic imaging sequences for TMJ or other joint studies.
- Includes protocols for imaging in the presence of prostheses, with improved susceptibility using SENSE, modifications of water-fat shift and user-specified bandwidth.
- 2K imaging offers a scan matrix of 2048 x 2048, providing high resolution even with large FOVs, or lower resolution scans with a 2048 matrix reconstruction. Compatible with all imaging methods.

Body Essential

- TSE sequences with respiratory triggering (in combination with breath hold or free breathing).
- MultiVane motion correction for T2w TSE diagnostic images, even in case of severe patient motion.
- In and out of phase FFE/TFE sequences.
- SPAIR for high uniformity fat saturation.
- e-THRIVE volumetric imaging with fat suppression, in short breath-hold times Keyhole for high temporal dynamic imaging.
- Diffusion-weighted sequences
- MRCP sequences, (radial) single shot and 3D acquisitions.
- High-resolution pelvic imaging.
- VISTA: isotropic 3D TSE pelvic imaging allowing volumetric acquisitions to be reconstructed in any plane.
- Dynamic scan techniques for monitoring and evaluation of contrast uptake viewing.
- High Resolution Diffusion / DWIBS package enables single or multi-station high resolution diffusion weighted imaging with background suppression. Patient and physiological motion is controlled by navigator-based motion correction.
- MotionTrak Body includes a real-time respiratory navigator to synchronize data acquisition to the respiratory cycle of the patient. Options include: gating, tracking, gating & tracking, triggering, triggering & tracking. Tracking improves slice accuracy position over multiple breath hold sequences. Designed for all Body applications, including diffusion and DWIBS.
- Whole Body Specialist enables automated multi-station head-to-toe coverage. Extended table stroke for dStream systems and table-top extender for other systems to increase total table



PHILIPS

travel*, allowing whole-body multi-station feet-first imaging studies. Single table motion by combining all imaging sequences per station. Scan align guarantees user defined overlap between stations. Whole Body Specialist extends DWIBS to whole body coverage for multi-station body oncology exams.

Breast Essential

- SPAIR for high uniformity fat saturation.
- e-THRIVE for volumetric coverage with uniform fat suppression.
- BLISS, two bilateral sagittal volumes within a single acquisition.
- Diffusion-weighted sequences
- Silicone-Only sequences optimized for breast implants.

Cardiac Essential

- Black blood prepulses to suppress blood signal for optimized myocardial and lumen visualization.
- Multi Slice / Multi Phase for function studies.
- Retrospective triggering with real-time prospective updating for full R-to-R coverage of function studies.
- Temporal profile sharing for playback frame rates higher than acquisition frame rates.
- VCG gating for robust ECG gating and triggering (includes a four-lead cable set).
- ECG-triggered STIR (inversion recovery TSE) including black blood imaging (triple IR)
- ECG-triggered Inversion Recovery (including PSIR) for myocardial tissue characterization.
- Non-invasive quantitative flow measurements of blood, including overlaid color-encoded flow maps on the console.

MRA Essential

- 3D FFE sequences for contrast-enhanced MRA, including assessment of carotids, peripherals and renal arteries.
- Quantitative flow with variable VENC values for non-invasive measurements of blood flow in three directions.
- 2D/3D Balanced TFE/FFE for fast, high-resolution non-contrast enhanced vascular imaging.
- Phase-Contrast Angio for imaging of brain vasculature.
- TRANCE for 3D high contrast TSE acquisitions without vascular contrast agents.
- Time-of-flight (inflow) sequences with TONE to improve contrast and MTC to reduce peri-orbital fat signal.
- CENTRA for 3D high-resolution contrast enhanced imaging to allow an increase in spatial resolution without venous contamination.
- Keyhole Imaging to improve temporal resolution in dynamic studies.
- BolusTrak for synchronization of high-resolution CE-MRA acquisitions with a real-time fluoroscopic display of bolus arrival in the area of interest.
- VCG gating for robust ECG gating and triggering (includes a four-lead cable set).
- The interface for Protocol Manager enables two way communication between the MR scanner and the Scanner Protocol Manager tool.



PHILIPS

SmartWorkflow Premium

The SmartWorkflow Premium bundle includes VitalScreen, VitalEye, SmartExam Brain, SmartExam Spine, SmartExam Shoulder and SmartExam Knee.

- VitalScreen provides guidance and coaching to the technologist during patient set-up.
- VitalEye captures patient physiology completely automatic using camera based sensing and AI.
- SmartTouch automates land marking for selected anatomies, eliminating the need to manually position the table and iso-center laser.
- SmartExam provides standardized exams with automated planning and post-processing of results.
- All of these Smart Workflow solutions work together seamlessly to speed up complete exams.

The SmartWorkflow Premium bundle improves every part of the exam workflow from patient set-up to post-processing. It offers a set of revolutionary workflow enhancements using smart technology and AI, to provide guidance and automation that reduces inconsistencies caused by operator variability. The SmartWorkflow Premium bundle enables to setup to the patient within 1 min for routine exams, even for the less experienced operator, with high confidence. Moreover, the SmartWorkflow Premium bundle offers the opportunity to run entire routine examinations in one smart touch.

VitalScreen

VitalScreen contains two displays mounted on the MR front covers. VitalScreen provides the MR operator with patient identification details and guidance on exam set-up. Information is provided for patient orientation, VCG positioning, coil, examination name, number of scans, and total exam time. VitalScreen is multi-touch and allows the operator the change patient position or enter patient weight. It provides access to basic exam controls like ventilation, sound and light. The integrated workflow of VitalScreen means no exam adaptations are necessary on the MR console before starting the exam, allowing the MR exam to automatically start as soon as the scanner room door is closed.

VitalEye

VitalEye provides a patient's respiratory trace. Fully automatic without interaction or accessories. The technology is based on optic detection of submillimeter breathing motion of the patient in the bore. VitalEye is fully integrated into the MR system and workflow. The detected respiratory trace is displayed on VitalScreen and the MR console and can be used for respiratory triggered scans instead of a respiratory belt.

SmartExam Brain

SmartExam Brain enables automatic planning of head examinations for consistent head studies with optimized scan quality, independent of patient, patient positioning or operator.

SmartExam Spine

SmartExam Spine enables automatic planning of spine examinations for consistent studies with optimized scan quality, independent of patient, patient positioning or operator. SmartExam Spine provides automated numbering of the vertebrae.

SmartExam Shoulder

SmartExam Shoulder enables automatic planning of shoulder examinations for consistent studies with optimized scan quality, independent of patient, patient positioning or operator.



PHILIPS

SmartExam Knee

SmartExam Knee enables automatic planning of knee examinations for consistent studies with optimized scan quality, independent of patient, patient positioning or operator.

dS IQSuite Premium

The dS IQSuite Premium delivers fast, robust scanning methods to drive image quality and speed. It includes mDIXON XD TSE, mDIXON XD FFE, MultiVane XD, 3D Vane XD and O-MAR XD.

mDIXON XD TSE Specialist brings enhanced fat-free performance, with a fast, 2-point mDIXON method, flexible echo times and a 7-peak fat spectrum algorithm. mDIXON XD TSE Specialist can be combined with Multivane XD in the head for simultaneous fat- and motion free imaging. mDIXON XD TSE can be used in various parts of the body, including MSK, head & neck, spine and pelvis.

mDIXON XD FFE Specialist provides fat-free FFE imaging with large FOV and sub-millimeter resolution, extending its use to challenging anatomies, including head, neck and spine, with access to new imaging methods such as subtractionless MRA.

MultiVane XD is an enhanced Multivane technique for Multi-slice TSE and for Multi-slice FFE techniques, suitable for all anatomies.

3D Vane XD enables a 3D radial FFE acquisition which reduces motion artefacts compared to 3D Cartesian imaging during free breathing.

O-MAR XD improves soft tissue visualization in the vicinity of MR conditional orthopedic implants. Suitable for use on patients cleared for MR exams, it uses the latest acquisition and reconstruction techniques to help reduce susceptibility artifacts caused by metal. For use with MR conditional orthopedic implants only. Contact the implant manufacturer in order to obtain the latest safety information to ensure patient safety relative to the use of an MR procedure.

dS NeuroSuite Plus

The dS NeuroSuite Plus includes 3D SWI Specialist and Black Blood imaging.

Advanced diagnostics are a crucial part of the treatment protocol for neurological disorders. With its superb 3D imaging of soft tissue, MRI can capture a wealth of structural and physiological information about the brain. Philips' neuro-diagnostic applications empower you to resolve complex questions with more certainty. Our dStream digital broadband architecture technology, which provides high-quality images at remarkable speed, helps you gain visibility into neurological anatomies and view multi-dimensional data to enable diagnostic decision support. At Philips, we understand your challenging business environment and your need to increase profitability and grow revenue. This set of advanced diagnostic applications can help you differentiate yourself from competitors and increase your referral services.

The SWI Specialist package enables a SWI sequence offering 3D high resolution and high contrast susceptibility weighted imaging of the brain, high SNR thanks to a multi-echo technology, enhanced contrast between tissues presenting susceptibility differences such as venous blood products or mineral deposits (e.g. iron or calcium) thanks to the utilization of MR phase information, and visualization of phase maps to further help diagnosis.



PHILIPS

Black Blood imaging: features pre-pulses to achieve suppression of the blood signal for myocardial and lumen visualization in cardiac and vascular imaging

dS SpectroSuite Pro

The dS SpectroSuite Pro includes Spectroscopy Specialist and Spectroscopy Specialist XD.

The 1H Spectroscopy Specialist package includes a complete set of single voxel, multi-voxel and multi-slice proton spectroscopy acquisition methods executed by ExamCards. Key features are short TE spectroscopy with STEAM volume selection (minimum TE < 10 ms), PRESS volume selection, 2D, Multiple 2D and 3D spectroscopic imaging, SENSE 2D and SENSE 3D Spectroscopic imaging, 2D and 3D Turbo Spectroscopic Imaging, combination of Turbo Spectroscopic Imaging and SENSE to even further reduce acquisition time, anisotropic matrix to reduce scan time, automated water suppression and MOIST, a unique (adiabatic) water suppression technique which is insensitive to B1 and T1, dynamic single voxel spectroscopy, multiple REST slabs suppression, including circular REST.

Spectroscopy XD is an add-on to our comprehensive Spectroscopy option. It includes VAPOR, which delivers faster MR spectroscopy examinations and more robust water suppression, up to a factor 4, than the conventional Philips water suppression technique (excitation) that uses time-consuming AWSO prescans. Furthermore, sLASER provides increased localization accuracy due to a reduction of the chemical shift displacement by a factor of 4 when compared to PRESS.

CoilSuite Plus 3.0T

The dS CoilSuite Plus delivers an integrated coil solution for general-purpose imaging. The suite includes dS Headneck, dS Torso, dS Base and dS Flex M to provide dStream digital quality and speed.

dS HeadNeck 3.0T

An integrated coil solution for head, neck and total neuro related imaging. It includes the HeadNeck coil.

Combined with the FlexCoverage Posterior coil and Base it enables:

- 45 cm coverage, using 20 channels maximum (Head-Neck)
- 90 cm coverage, using 52 channels maximum (Total Neuro)
- Coverage: 45 cm (HeadNeck) and 90 cm (Total Neuro)
- Maximum nr. of channels: 20 (HeadNeck) and 52 (Total Neuro)
- Main applications: NeuroVascular, Head, Brain, Pediatric, Total Neuro, Total spine, C-Spine, T-Spine, L-Spine
- Coil type: Integrated
- Lightweight coil(s)
- DirectDigital sampling in the coil for the purest MR signal without loss in the RF chain, enabling:
 - Enhanced SNR
 - dS-SENSE enhanced parallel imaging performance
 - dS-SENSE capable in AP, LR and FH directions
 - Cable-less connection of top coil

When used with an Ingenia, the head section can be tilted to provide optimal positioning and comfort for challenging patients such as Kyphosis patients. Note: this feature is only available with an Ingenia 70cm bore system.

dS Torso 3.0T



PHILIPS

An integrated coil solution for body and peripheral vascular related imaging. It includes the FlexCoverage Anterior coil. Combined with the FlexCoverage Posterior coil it enables 60 cm coverage, with a maximum of 32 channels.

The flexible, lightweight easy-to-position FlexCoverage Anterior coil is designed to conform both in right-left and foot-head directions for almost any patient. This enables large coverage and comfortable strap-free operation.

- Coverage: 60 cm
- Maximum nr. of channels: 32
- Main applications: Torso, Chest, Pelvis, Heart, Peripheral-vascular
- Coil type: Integrated
- Lightweight coil(s)
- DirectDigital sampling in the coil where the MR signal is at its purest, without loss in the RF chain, enabling:
- Enhanced SNR
- dS-SENSE enhanced parallel imaging performance
- dS-SENSE capable in AP, LR and FH directions
- Single FlexConnect coil connection and cable for fast and easy setup

dS Base 3.0T

An integrated coil solution for total spine related imaging. It includes the FlexCoverage Posterior and the Base coil with 90 cm coverage, using 44 channels maximum. Posterior coil, used routinely in 60% of all applications, is an integrated coil below the thin table top providing neck-to- toe coverage. This coil does not need to be carried, positioned, connected nor exchanged, thereby enhancing workflow. It is always there when you need it.

- Coverage: 90 cm
- Maximum nr. of channels: 44
- Main applications: Total spine, C-Spine, T-Spine, L-Spine
- Coil type: Integrated
- DirectDigital sampling in the coil where the MR signal is at its purest, without loss in the RF chain, enabling:
- Enhanced SNR
- dS-SENSE enhanced parallel imaging performance
- Single FlexConnect coil connection and cable for fast and easy setup

The Base coil can stay on the table for most examinations without exchanging coils and additional dS Base is ideal to improve workflow by preparing the patient outside the magnet room.

dS Flex M 3.0T

An integrated coil solution for general-purpose imaging. It includes two medium-sized flexible general-purpose coils. Combined with the FlexCoverage Posterior coil they enable 15 cm coverage, with a maximum of 6 channels.

The shape and size of the flexible coil elements enable a wide variety of applications, including imaging of medium sized anatomies. The coil can be used to locally enhance resolution of images acquired over a larger FOV, for example in pediatric applications.

- Coverage: 15 cm
- Maximum nr. of channels: 6
- Main applications: Shoulder, Foot, Ankle, Knee, Pediatric
- Coil type: Integrated



PHILIPS

- dS-SENSE enhanced parallel imaging performance

dS Head 3.0T

An integrated coil solution for head and total neuro related imaging. It includes the Head coil. Combined with the FlexCoverage Posterior coil and Base it enables:

- 30 cm coverage, using 15 channels maximum (Head)
- 90 cm coverage, using 51 channels maximum (Total Neuro)

When used with an Ingenia, the head section can be tilted to provide optimal positioning and comfort for challenging patients such as Kyphosis patients. Note: this feature is only available with an Ingenia Omega or Ingenia Omega HP.

- Coverage: 30 cm (Head) and 90 cm (Total Neuro)
- Maximum nr. of channels: 15 (Head) and 51 (Total Neuro)
- Main application: Head, Brain, Total Neuro, Total spine, C-Spine, T-Spine, L-Spine
- Coil type: Integrated
- Lightweight coil(s)
- DirectDigital sampling in the coil where the MR signal is at its purest, without loss in the RF chain, enabling:
- Enhanced SNR
- dS-SENSE enhanced parallel imaging performance
- dS-SENSE capable in AP, LR and FH directions
- Cable-less connection of top coil

NVC stability pad

The NVC Stability pad is designed to fit the head coil. The pad offers stability and comfort for the head. It is compatible with the standard mattresses and the Comfort Plus mattresses.

HA console table

Standard office table for MR-operator

- Table surface 160x100 cm
- Adjustable Height

PPU for wireless physiology

The PPU for wireless physiology package contains a peripheral pulse sensor with the following 4 different sizes: neonate, infant, pediatric and adult. This option is required to use the peripheral pulse as a means to do physiological synchronization for sequence triggering and gating. The sensor can be positioned on finger, toe or foot, and is compatible with the Ingenia, Multiva, HFO and Achieva platforms. This package is ONLY compatible with Ingenia, Achieva, Multiva, and/or Panorama systems with wireless physiology.

Comfort Plus Pack

The Comfort Plus Pack delivers a set of ultra-comfortable table mattresses designed to keep patients at ease and stable. The pack contains:



PHILIPS

- 2 Comfort Plus Mattresses large;
- 2 Comfort Plus Mattresses small;
- 1 Comfort Plus End piece;
- 1 Comfort Plus NVC pad.

Vascular positioning pack

Comprehensive set of Vascular accessories, including:

- Arm Support to provide additional support for a patients arm when injections are required. The support easily slides under the patient and can be positioned on either side of table.
- Anterior Coil Frame to create a distance between the coil and the patient thereby avoiding direct contact (e.g. for peripheral vascular disease, pediatric patients).
- Feet Immobilizer to fixate the feet and lower legs in a comfortable and reproducible fashion. It is designed to reduce patient motion in peripheral vascular and whole body imaging.
- A Knee Support that allows for comfortable positioning of the patient to reduce patient motion

One Everyday Task Chair

In-bore Connect enabled

With this option your MRI system is able to link to the AE In-bore Connect solution.

If customer orders the system quoted herein, and Philips subsequently begins commercially selling a system that it identifies as a newer version of the same model or a successor replacement model for the model purchased in this quote then at Philips discretion the order may be converted to the identified newer version of the same model system or the successor replacement model in accordance with this paragraph. This conversion can only take place up to, but not after, factory production of the originally ordered system has begun. For purposes of this paragraph, a direct successor system is intended to be a system that offers materially comparable functionality and technology to an ordered system and that is intended to serve as a competitive alternative or successor to the quoted system, provided that (i) it shall be in Philips sole and exclusive discretion to determine that a system is a new version of the same model or successor replacement system that acts as the sole upgrade path for the order system and (ii) the existence of minor differences in functionality shall not preclude a system from being deemed a newer version of the same model or a successor replacement system. To communicate this option to Customer, Philips shall present a revised quote for Customer approval, which quotation will outline the substantially similar feature configurations and options as the ordered system, and no change to the systems price, or, if Customer wants to change the configuration or options on the successor system, or avail themselves of additional functionality, then Philips will adjust the quoted price of the successor system.

(a) If the quoted system is not yet in production, to exercise this option, Customer must approve the revised quote prior to production beginning on the ordered system and prior to the deadline provided by Philips at the time of re-quoting. If customer does not approve the revised quote during this period, then Customer will be deemed to have declined the option and this system quotation will continue to apply.

1.3 **Philips MRI Education Pkg**
Article No. NNAN482

Education Package Philips Magnetic Resonance Imaging Systems:

1



PHILIPS

Philips Clinical Services Specialists (CSS) will provide a complete competency-based education including, MR pre-assessment, initial clinical consultation, clinical usage assessment, choice from five virtual offsite classes for up to four students and on-demand virtual applications. This will include one (1) onsite twenty-eight (28) hour education session and one (1) onsite sixteen (16) hour education session. It is recommended learners attend all sessions for the best possible training experience. These sessions do not cover onsite advanced imaging such as breast biopsy, cardiovascular, prostate biopsy or spectroscopy. Ideally a radiologist should also be available for image review. Please refer to training guidelines for detailed information.

Staff Modality Pre- Assessment with e-learning: Philips will provide access for up to five (5) MR technologists as selected by customer, to a modality assessment. Results are submitted to Philips and reviewed by Clinical Services Specialist. Clinical Services Specialist will recommend training modules to bridge any identified modality skills gaps. The modules will help to enhance the technologists MR knowledge. Training modules are delivered via ASRT's MR Basics: The Series online modules. A total of 16 CEUS are provided upon full completion of the series.

ImagingU: will provide three (3) self-study programs as selected by customer. There are three (3) MR programs to choose from:

MRI Post-Primary Pathway Certification: This course fulfills the post primary pathway requirements set forth by the American Registry of Radiologic Technologists for 2016 and beyond. The course is separated into modules that are designed not only to help you accomplish your goal of successfully passing the MRI registry but also to provide you with a strong foundation to excel within the field of MRI itself. This course was developed by Imaging technologists, PhD Scientists, and Radiologists. It was specifically designed for the MRI technologist with the goal of eliminating the mystery behind MRI physics and improving clinical methods and practices. To maximize understanding and retention of key concepts, this course utilizes a comprehensive set of animations, instructional videos, figures, analogies, and explanations. In addition, we offer various test preparation modes to improve confidence and give you practice in taking the MRI registry. Course progress and user comprehension are tracked automatically and readily available in the user's dashboard. This allows the user to identify strengths and target weaknesses before taking the exam. All of this combined provides an educational experience that is tailored to the user's individual learning style.

MR Clinical Cross Training Course: This course covers basic MRI safety, equipment, and physics with a main emphasis on clinical skills and practices necessary to perform the day to day responsibilities of an MRI Technologist. This course is designed to help lay the foundation for the technologist that is cross-training from other imaging modalities. This course is intended to help those cross-training to leverage what they already know about patient care and focus on getting comfortable setting up and scanning patients. To maximize understanding and retention of key concepts, this course utilizes a comprehensive set of animations, instructional videos, figures, analogies, and explanations. This course is approved for 12 Category A credits in all four categories of the ARRT post primary pathway requirements.

Advanced Concepts in MRSO Safety: Advanced Concepts in MRSO Safety is a detailed look into MRI safety and covers high level didactic concepts like Static Magnetic Field, Radiofrequency and Gradient Injuries as well as injectable contrast considerations. This course offering was developed and designed by an Engineer, MR safety officer, and a Ph.D scientist with the idea of delivering important safety knowledge necessary to deliver the highest quality of health care.

Virtual Clinical Consultation Interview: Philips Education representative(s) will conduct an assessment to evaluate site demographics, workflow, and identify the key contact personnel and decision makers.



PHILIPS

During this process, Philips conducts a remote interview with the customer to learn details of MR workflow. Additionally, a copy of the Customer's MR protocol list is requested to be made available to Philips Education representative. Customer information provided during this process is the first building block for planning educational support and Clinical Exam Card configuration. The goal of the interview is to provide a smooth transition to onsite training once the system is installed.

MR Offsite Essentials Class: Philips will provide two (2) technologists, as selected by customer, with the MR Ingenia Essentials course. This course is a prerequisite to Initial OnSite Education. This course is designed for new to Philips users. This course focuses on the daily workflow including patient registration, planning, scanning, post-processing, and archiving. Various tools are used to provide an effective and comfortable learning environment, using interactive workstations, workbook modules, and presentations. The participants will scan live scan models. It is recommended that the participant have prior knowledge of MR physics and basic MR applications.

MR Introductory E-learning Modules: Introductory electronic learnings are provided on the Philips Learning Center educational portal. These courses introduce the Philips MR systems. Course topics include examination room, User Interface Module (UIM), the two environments for planning and reviewing examinations, the double database browser, registering a new patient, starting and planning an ExamCard, and customizing image display settings. The modules will provide the customer familiarity with the workflow and software prior to onsite training.

It is recommended that this online self-paced learning be completed prior to the offsite Essentials course and initial handover.

Initial Onsite Training: The initiation of onsite training will begin with the Philips Clinical Services Specialists (CSS) providing one (1) consecutive twenty-eight (28) hour education session onsite for up to four technologists, as selected by customer. Learners should attend both sessions and should include the virtual off-site education attendees. These sessions do not cover onsite advanced imaging such as Cardiac or Spectroscopy. Ideally a radiologist should also be available for image review. Please refer to training guidelines for detailed information. Note: The customer is responsible for patient contact or operation of equipment during training sessions. Due to legal responsivity of Philips and the customer site, Philips personnel may not provide direct patient contact or handle operation of the equipment during scanning. Philips Clinical Education does not provide training on 3rd party equipment. ASRT CEU's may be available for each participant that meets the guidelines provided by Philips unless otherwise indicated.

Follow Up Onsite Training: Continuing to build on the first onsite session the Philips Clinical Services Specialist (CSS) will provide one consecutive sixteen (16) hour Follow-Up Education for up to four technologists, as selected by customer, including technologists from night/weekend shifts if necessary. For this training, the site should prepare a light caseload of volunteers and cooperative patients to evaluate ExamCards, image quality, and parameter modification. Note: The customer is responsible for patient contact or operation of equipment during training sessions. Due to legal responsivity of Philips and the customer site, Philips personnel may not provide direct patient contact or handle operation of the equipment during scanning. Philips Clinical Education does not provide training on 3rd party equipment. ASRT CEU's may be available for each participant that meets the guidelines provided by Philips unless otherwise indicated.

On Demand Clinical Support: On-demand assistance is provided via remote enabling technologies by a Remote Clinical Solutions Consultant. Topics may include image quality review/comparison, user-interface demonstration, system troubleshooting, and protocol optimization. This will provide



PHILIPS

flexible training options after the onsite sessions on a schedule that works for the customer.
On-demand hardware installed on the system is a pre-requisite for this service. Hours of support align to standard service agreement hours, 8am to 5pm, unless an after hours contract is purchased.
*****Availability of On Demand Clinical Support is contingent on market and country approval. For US Government and Health Canada customers, Philips will provide sixteen (16) hours of onsite applications at your facility in lieu of On Demand Clinical Support.**

Considerations for virtual connectivity: Philips will determine and test connectivity prior to first use.
Separate Computer or smart phone with communication software (Zoom or MS Teams)
Internet connection if separate computer is used (wired connection recommended)
USB Headset/conference speaker compatible with communication device and software (recommended).
Education expires one (1) year from equipment installation date (or purchase date if sold separately).

- | | | |
|-----|--|---|
| 1.4 | Elition Std Dimplex Chiller
Article No. NNAN339
Philips Elition MRI 120 AMB 460V Standard
Chiller Package (includes CIP and Startup Plus) | 1 |
|-----|--|---|

- | | | |
|-----|---|---|
| 1.5 | Education Package for New Philips Users
Article No. NNAF403
Education Package for New Philips Users:

Education Package for New Philips Users: | 1 |
|-----|---|---|

Initial Onsite Training Week 2: Philips Clinical Services Specialists (CSS) will provide one (1) twenty-eight (28) hour education session onsite for up to four technologists, as selected by customer. It is recommended that this second session be scheduled immediately following the initial onsite training. Learners should attend both sessions and should include the virtual off-site education attendees. These sessions do not cover onsite advanced imaging such as Cardiac or Spectroscopy. Ideally a radiologist should also be available for image review. Please refer to training guidelines for detailed information.
Note: The customer is responsible for patient contact or operation of equipment during training sessions. Due to legal responsivity of Philips and the customer site, Philips personnel may not provide direct patient contact or handle operation of the equipment during scanning. Philips Clinical Education does not provide training on 3rd party equipment. CEU credits may be available for each participant that meets the guidelines provided by Philips unless otherwise indicated.

Examcard SimpleSwitch Program: The SimpleSwitch program is designed to provide a customer that is new to Philips MR, similar or better image quality than their previous MR system regardless of vendor and make the conversion as simple as possible. Philips Customer Services Specialist will convert a total of ten MR clinical protocols scanned on the customer's previous MR system to Philips configured MR ExamCards. This process includes image quality acceptance made by the Customer's designated physician representative. Philips Customer Services Specialist, working with the Customer Lead Technologist will make requisite adjustments to the exam card database in order to meet the customer's initial image quality expectations.



PHILIPS

On Demand Clinical Support: On-demand assistance is provided via remote enabling technologies by a Remote Clinical Solutions Consultant. Topics may include image quality review/comparison, user-interface demonstration, system troubleshooting, and protocol optimization. This will provide flexible training options after the onsite sessions on a schedule that works for the customer.

On-demand hardware installed on the system is a pre-requisite for this service. Hours of support align to standard service agreement hours, 8am to 5pm, unless an afterhours contract is purchased.

*****Availability of On Demand Clinical Support is contingent on market and country approval. For US Government and Health Canada customers, Philips will provide sixteen (16) hours of onsite applications at your facility in lieu of On Demand Clinical Support.**

Considerations for virtual connectivity: Philips will determine and test connectivity prior to first use.

Separate Computer or smart phone with communication software (Zoom or MS Teams)

Internet connection if separate computer is used (wired connection recommended)

USB Headset/conference speaker compatible with communication device and software (recommended).

Education expires one (1) year from equipment installation date (or purchase date if sold separately).

1.6

Education Package for Transitioning from 1.5 to 3.0T

1

Article No. NNAN255

Education Package for Transitioning from 1.5 to 3.0T

MR 1.5T to 3.0T Transition Virtual: Philips will provide virtual training for one technologist or other system operator as selected by customer. The MR 1.5T to 3.0T Transition virtual course is a four-hour instructor-led training intended for technologists who would like to learn about the differences between working on a 1.5T MR system and a 3.0T MR system. This course includes lectures with question and answer session. Topics include MR safety, imaging physics and Philips 3.0T system features and functionality. This course is delivered, online in a virtual classroom environment. CEU credits may be available for each participant that meets the guidelines provided by Philips.

Examcard SimpleSwitch Program: The SimpleSwitch program is designed to provide a customer that is new to Philips MR, similar or better image quality than their previous MR system regardless of vendor and make the conversion as simple as possible. Philips Customer Services Specialist will convert a total of ten MR clinical protocols scanned on the customer's previous MR system to Philips configured MR ExamCards. This process includes Image quality acceptance made by the Customer's designated physician representative. Philips Customer Services Specialist, working with the Customer Lead Technologist will make requisite adjustments to the exam card database in order to meet the customer's initial image quality expectations.

On Demand Clinical Support: On-demand assistance is provided via remote enabling technologies by a Remote Clinical Solutions Consultant. Topics may include image quality review/comparison, user-interface demonstration, system troubleshooting, and protocol optimization. This will provide flexible training options after the onsite sessions on a schedule that works for the customer.

On-demand hardware installed on the system is a pre-requisite for this service. Hours of support align to standard service agreement hours, 8am to 5pm, unless an afterhours contract is purchased.

*****Availability of On Demand Clinical Support is contingent on market and country approval. For US Government and Health Canada customers, Philips will provide sixteen (16) hours of onsite applications at your facility in lieu of On Demand Clinical Support.**



PHILIPS

Considerations for virtual connectivity: Philips will determine and test connectivity prior to first use.
 Separate Computer or smart phone with communication software (Zoom or MS Teams)
 Internet connection if separate computer is used (wired connection recommended)
 USB Headset/conference speaker compatible with communication device and software (recommended).
 Education expires one (1) year from equipment installation date (or purchase date if sold separately).

1.7

3T 16CH MSK Coil Pkg

Article No. NNAN127

1

3T 16CH MSK COIL PACKAGE

dS Shoulder 16ch 3.0T

Coil designed for high image quality throughout the shoulder joint, with excellent penetration into the labrum. The coil consists of a base anterior part and an adjustable anterior part which can be raised and tilted for comfortable positioning. The coil can be positioned on the left or the right side of the table to scan the right or the left shoulder.

- Coverage: 18 cm LR
- Maximum nr. of channels: 16
- Main application: Shoulder
- Coil type: Dedicated
- dS-SENSE enhanced parallel imaging performance

dS FootAnkle 16ch 3.0T

Ski-boot shaped coil for optimum coverage of the ankle and entire foot up to the toes also in large foot sizes. The coil design and element layout allow for either large FOV imaging of the whole foot or small FOV high resolution imaging for ankle joints. The coil is easy to set up and can be used with the patient's foot vertical or up to 20 degrees plantar flexed. In Vertical position the coil can be tilted using a tilting device for maximum patient comfort.

- Coverage: 32 cm in A/P direction and 24 cm in H/F direction
- Maximum nr. of channels: 16
- Main applications: Foot, Ankle, Toes
- Coil type: Dedicated
- dS-SENSE enhanced parallel imaging performance

dS SmallExtr 16ch 3.0T

Semi-flexible coil designed for imaging of elbows, hands, small knees and shoulders. The coil has an inner diameter of 20 cm to match the size of the small extremities. It has a flexible wrap-around design for easy positioning and good fit. A mattress that supports both patient and coil is provided to increase patient comfort and avoid motion.

- Coverage: 24 cm in H/F direction
- Maximum nr. of channels: 16
- Main applications: Extremities, Elbow, Arm, Shoulder
- Coil type: Dedicated
- dS-SENSE enhanced parallel imaging performance



PHILIPS

1.8 **Enhanced Warranty Terms** 1 **Article No. NNAF891**

As an Ingenia MR customer, Philips will provide additional customer service and support benefits during the twelve (12) months warranty period, including:

- Extended service coverage hours, Monday Friday, 8 am to 9 pm
- Flexible Planned Maintenance scheduling, Monday Friday, 7 am to midnight and Saturday 8 am to 5 pm
- Expedited onsite labor response*
- Expedited parts delivery*

*dependent upon local factors and conditions

1.9 **T/R Interface 3.0T** 1 **Article No. NMRB229**

T/R Interface with connector on gantry to enable connection of Transmit/Receive coils or Multinuclear coils.

1.10 **dS DiffusionSuite Pro** 1 **Article No. NMRF521**

Introduction

dS DiffusionSuite Pro offers a unique range of innovations to address the common challenges you face to enhance the efficiency and quality of diffusion imaging. This bundle includes SmartShim, computed DWI, EPIC Brain, LOVA ADC, Diffusion XD TSE and ZOOM diffusion imaging features.

Key Benefits

- SmartShim delivers reliable fat saturation without inter operator variabilities in body DWIBS.
- Computed DWI will generate synthetic high b-value images that were not acquired.
- EPIC Brain will deliver EPI images geometrically matching anatomical images in brain,
- LOVA ADC delivers consistent ADC values without gradient linearity errors, in large FOV's.

Details

Diffusion XD TSE delivers up to 25% faster diffusion TSE imaging with improved resolution due to its multi-shot approach*. DWI XD TSE is compatible with MultiVane, contributing to robust suppression of motion artifacts**. It also delivers images with less distortion because it is less sensitive to susceptibility differences compared to Philips conventional DWI EPI sequences.

With ZOOM Diffusion imaging diffusion images with small FOV's will have reduced geometric distortion in anatomies like spine and prostate, compared to full FOV diffusion EPI scanning. The ZOOM Diffusion imaging applies non co-planar excitation and outer volume suppression to reduce fold over artifacts.



Additional Information

*Compared to Philips DWI TSE (Single-shot)

**Compared to Philips multi shot DWI TSE

1.11	dS SpineSuite Pro Article No. NMRF525	1
------	--	---

Introduction

The dS-SpineSuite Pro includes 3D SpineVIEW and IRIS ZOOM.

Details

3D SpineVIEW delivers high resolution isotropic 3D TSE acquisitions in short scan times by employing high 3D dS SENSE factors. Isotropic acquisition allows reformats in arbitrary planes.

IRIS Zoom delivers small FOV diffusion imaging with higher resolution, lower distortion and improved fat suppression than Philips Zoom DWI. Higher resolution diffusion imaging in the spine is achieved by employing 2D navigator-based motion correction integrated into the dS-SENSE framework. IRIS Zoom also delivers higher SNR in spine imaging compared to Philips MultiVane DWI XD TSE.

1.12	dS NeuroSuite Pro Article No. NMRF523	1
------	--	---

Introduction

The dS NeuroSuite Pro includes Bold Specialist, FiberTrak Specialist, FiberTrak Specialist Extension and 3D ASL Neuro Specialist.

Details

The BOLD Specialist package provides high temporal resolution dynamic single slice, multi-slice FFE or FFE-EPI sequences, protocol-controlled trigger interface for integrated BOLD analysis environment, and acquisition of up to 16,000 images.

The FiberTrak Specialist package provides advanced imaging and processing methods for assessment of white matter fiber tracts in the brain. Functionalities include Diffusion Tensor Imaging (DTI) (up to 32 directions and 16 b-values) and automatic calculation of Fractional Anisotropy (FA) maps.

FiberTrak Specialist Extension package allows diffusion imaging with up to 128 b-vectors and 16 b-values and input for very high definition fiber tracking in the brain or spine.

The 3D ASL option brings a 3D pseudo-continuous labeling technique providing high SNR quantitative perfusion measurements, using water in arterial blood as an endogenous tracer. The method will bring whole multi-slice, or 3D brain coverage with isotropic resolution.

PHILIPS

Includes

Advanced diagnostics are a crucial part of the treatment protocol for neurological disorders. With its superb 3D imaging of soft tissue, MRI can capture a wealth of structural and physiological information about the brain. Philips' neuro-diagnostic applications empower you to resolve complex questions with more certainty. Our dStream digital broadband architecture technology, which provides high-quality images at remarkable speed, helps you gain visibility into neurological anatomies and view multi-dimensional data to enable diagnostic decision support. At Philips, we understand your challenging business environment and your need to increase profitability and grow revenue. This set of advanced diagnostic applications can help you differentiate yourself from competitors and increase your referral services.

1.13

dS BreastSuite Pro **Article No. NMRF528**

1

Introduction

The dS BreastSuite Pro includes 3D BreastVIEW, SmartExam Breast and 4D-THRIVE / BLISS.

Details

3D BreastVIEW delivers high resolution isotropic 3D TSE breast acquisitions with short scan times by employing high 3D dS SENSE factors. Isotropic acquisition allows reformats in arbitrary planes.

SmartExam Breast enables consistent fat suppression and reproducible image quality of breast examinations, independent of patient or operator.

4D-THRIVE / BLISS is a time-resolved 3D technique to drastically accelerate dynamic body and breast imaging through the combination of a keyhole method with CENTRA and SENSE. Combines high spatial resolution with high temporal resolution to facilitate acquisition of multiple dynamic volumetric data sets per breath-hold.

Includes

Advanced diagnostics are a crucial part of the treatment protocol for breast diseases. SmartExam Breast enables consistent fat suppression and reproducible image quality of breast examinations, independent of patient or operator. 3D Breast VIEW delivers high resolution isotropic 3D TSE breast acquisitions with short scan times by employing high 3D dS SENSE factors. Isotropic acquisition allows reformats in arbitrary planes. 4D-THRIVE / BLISS combines high spatial resolution with high temporal resolution to facilitate acquisition of multiple dynamic volumetric data sets per breath-hold.

1.14

4D-TRANCE **Article No. NMRF087**

1

4D TRANCE is a time-resolved MRA technology that creates an ability for whole brain MRA's without the use of contrast agent by using the exogenous presence of blood signal. The multi-phase acquisition can depict the vascular structures in the brain.



PHILIPS

1.15	3D NerveVIEW Article No. NMRF088 3D NerveVIEW delivers high resolution isotropic 3D TSE acquisitions of the Brachial Plexus and Lumbar Plexus with short scan times by employing high 3D dS SENSE factors, and combining it with high bandwidth STIR fat suppression. Isotropic acquisition allows reformats in arbitrary planes. Prerequisite: black blood imaging	1
1.16	SyntAc Article No. NMRF130 SyntAc package is a feature which allows the user to acquire multi echo, multi delay brain images (MDME) in one acquisition. The sequence is based on a Turbo Spin Echo (TSE) or GraSE acquisition. This data is meant to be used with specialized 3rd party software (from SyntheticMRI), to derive synthetic brain images with specific weightings (T2, T1, FLAIR) and various parameter maps based on the single acquired data set. Dedicated protocols are delivered to ensure full utilization of the processing package.	1
1.17	4D FreeBreathing Article No. NMRF334 With 4D FreeBreathing, you can now offer free-breathing MRI liver to a broader population, while Improving imaging confidence and the patient experience. This allows you to address patients who have difficulty holding their breath or find it difficult to following breathing instructions, like the rising elderly segment that has hearing loss or having respiratory difficulties as well as children and sedated patients. 4D FreeBreathing enables multi-phase liver studies without breathhold delivering reliable results being motion robust, resulting in improved imaging confidence.	1
1.18	mDIXON Body Fat Quant Spec Article No. NMRF105 mDIXON Body Fat Quant specialist produces quantitative fat fraction maps in a single breath-hold, covering the whole liver. It is based on a 3D mDIXON sequence with multiple echoes , correcting for T2* decay and employing a multi-peak fat model. Next to the fat fraction maps, water, fat, In-phase, out-phase and T2*/R2* relaxation maps can be produced. Fat fraction maps and T2* relaxation maps can be visualized in color with quantification bar, in the MR console viewing environment or on Intellispace Portal. Note: requires mDIXON Body Specialist as a pre-requisite.	1
1.19	SmartSpeed Recon HW Article No. NMRF482 Introduction SmartSpeed Recon Hardware Details SmartSpeed Recon Hardware GPU	1



PHILIPS

1.20 SmartSpeed AI
Article No. 781126

1.21 MR SmartSpeed Training Package
Article No. NNAN480

1

MR SmartSpeed Training Package

Smartspeed training bundle

This training bundle will help a customer begin the effective use of Smartspeed in their daily clinical workflow. This bundle is made up of the following:

MR Physician's OffSite Education Pkg w/ Travel Package

Philips will provide one physician as selected by customer with a hands-on customized training for the busy technologist. This 2-day course will cover operation, optimization, workflow, and image quality review of Smartspeed on the Philips MR System based on examcards provided by the customer. The class is scheduled based on availability and equipment configuration, and is held at a Philips state-of-the-art training facility, location determined during scheduling process. Package includes tuition, ground transportation, modest airfare, lodging and meals which are coordinated through a Philips Travel Service partner.

MR Additional Training 24 Hrs OnSite

Philips will provide three (3) additional twenty-four (24) consecutive hours onsite education for up to four technologists, as selected by the customer including technologists from night/weekend shifts if necessary. For this training, further optimization of examcards with the use of Smartspeed will be scanned to evaluate image quality. Note: The customer is responsible for patient contact or operation of equipment during training sessions. Due to legal responsivity of Philips and the customer site, Philips personnel may not provide direct patient contact or handle operation of the equipment during scanning. Philips Clinical Education does not provide training on 3rd party equipment. CEU credits may be available for each participant that meets the guidelines provided by Philips unless otherwise indicated.

MR Practical Compressed SENSE Virtual

Philips will provide two tuitions for the MR Practical Compressed SENSE Virtual Course. This class is intended for imaging professionals with varied levels of experience, who are interested in continuing education specific to the Compressed SENSE application, which is the foundation of Smartspeed on Philips imaging systems. This course will be held virtually and offers detailed information from Philips MR Clinical Application Specialists. Upon course completion, the customer will have the knowledge of how Compressed SENSE works, scan compatibility of Philips Compressed SENSE, and identifying and mitigating C-SENSE artifacts. CEU credits may be available for each participant that meets the guidelines provided by Philips.

Education expires one year from equipment installation date (or purchase date if sold separately).

1.22 SmartSpeed Essential
Article No. NMRF445

1



PHILIPS

Introduction

SmartSpeed is a break-through solution leveraging a unique Compressed-SENSE based deep learning AI algorithm to take speed and image quality to the next level for a large variety of patients.

Key Benefits

- SmartSpeed Essential enables a boost in speed and image quality for neuro and spine anatomies.
- This new paradigm requires a unique implementation, enabling 2D and 3D scans cartesian acquisitions.
- SmartSpeed leverages the Compressed-SENSE acceleration engine, and an AI Deep-learning recon.
- SmartSpeed is available via MR Workspace, our automated patient centric workflow platform.
- SmartSpeed Essential enables AI accelerated Quantification for neuro (Smart Quant Neuro).

Details

SmartSpeed Essential enables a boost in productivity (up to 65% faster acquisitions¹), a boost in diagnostic confidence (up to 65% increase resolution¹) and is applicable to 97% of clinical protocols with a wide variety of advanced contrasts such as DIXON, Angiography, SWI and even quantitative imaging such as T1 or T2 mapping. It utilizes our state-of-the-art speed engine Compressed-SENSE and an award-winning AI reconstruction technology delivered at the source of the MR signal to ensure no data loss.

Features

Accelerate your imaging

SENSE as standard in parallel imaging

SENSE can be combined with virtually every scan method for clinical benefits such as reduced scan times, higher temporal resolution and enhanced spatial resolution.

Includes

SmartSpeed is a unique AI solution powered by Compressed-SENSE based acquisition and Adaptive CS Net Reconstruction applied at the source.

Additional Information

1- Compared to conventional parallel imaging acceleration

1.23

SmartSpeed Premium

Article No. NMRF451

Introduction

SmartSpeed is a break-through solution leveraging a unique Compressed-SENSE based deep learning AI algorithm to take speed and image quality to the next level for a large variety of patients.

1



PHILIPS

Key Benefits

- Boost in speed and image quality for MSK, Body & Cardiac anatomies.
- This new paradigm requires a unique solution, enabling 2D and 3D scans cartesian acquisitions.
- SmartSpeed is designed for nearly every patient including motion-free images, implants and diffusion
- SmartSpeed leverages the Compressed-SENSE acceleration engine, and an AI Deep-learning recon.
- SmartSpeed Premium enables AI accelerated Quantification for MSK, Body & Cardiac anatomies. (Smart Quant MSK, Body & Cardiac).

Details

SmartSpeed Premium enables a boost in productivity (up to 65% faster acquisitions¹), a boost in diagnostic confidence (up to 65% increase resolution¹) and is applicable to 97% of clinical protocols with a wide variety of advanced contrasts such as DIXON, Angiography, SWI and even quantitative imaging such as T1 or T2 mapping. It utilizes our state-of-the-art speed engine Compressed-SENSE and an award-winning AI reconstruction technology delivered at the source of the MR signal to ensure no data loss.

SmartSpeed is available via MR Workspace, our automated patient centric workflow platform.

Includes

SmartSpeed is a unique AI solution powered by Compressed-SENSE based acquisition and Adaptive CS Net Reconstruction applied at the source.

Additional Information

1- Compared to conventional parallel imaging acceleration

1.24 **ICAP AV**
Article No. 781334

1.25 **AV-Essential**
Article No. NMRF531

1

Introduction

AV-MR Essential upgrade package provides base clinical applications on the Full body (routine).

Key Benefits

- MobiView enables composition of data sets from multi-station acquisitions into full FOV images.
- MR Subtraction is a post-processing application enabling basic calculations between two volumes.
- MR Diffusion application generates parametric maps including standard DWI as well as ADC and eADC.



PHILIPS

- MR Echo Accumulation enables the calculation of new images based on the selected sum of echo times.

Details

AV-MR Essential available via MR Workspace, is an intuitive solution designed to simplify the path from image acquisition to diagnosis. With a focus on multi-tasking, productivity and fast Advanced Visualization results..

Includes

This package will include the following options: MR MoblView, MR Subtraction, MR Diffusion, MR T1 Perfusion and MR Echo Accumulation.

1.26	AV-Diffusion Pro Article No. NMRF459	1
------	---	---

Introduction

AV-Onco Diffusion Pro provides flexibility to generate additional computed DWI images without extra scans.

Key Benefits

- AV-Diffusion Pro package is intended to provide a computed Diffusion Weighted Images (cDWI).
- This application supports input image registration in a pre-processing step.

Details

AV-Onco Diffusion Pro is indicated for viewing, processing, and analysis of MRI Diffusion Weighted Images (DWI). Advanced Diffusion Analysis application allows the user to calculate and simultaneously display a computed Diffusion Weighted Image (cDWI) at a b-value of choice. Based on the available original DW images.

Includes

This package is indicated for viewing, processing, and analysis of MRI Diffusion Weighted Images (DWI).

1.27	AV-Neuro Plus Article No. NMRF532	1
------	--	---

Introduction

The AV-MR Neuro Plus package provides key clinical applications focused on the Neurology diseases.

Key Benefits

- T2* Neuro Perfusion application is designed to assess brain perfusion.
- The Mismatch analysis provides overlays indicating impaired perfusion and restricted diffusion areas



PHILIPS

- MR Spectroscopy automatically identifies the anatomy to preselect appropriate metabolites
- MR Spectroscopy supports automatic and manual phase adjustment.

Details

The AV-MR Neuro Plus package provides key clinical applications focused on the Neurology diseases. The package will include the following option :

- MR Neuro Perfusion supports the analysis of DSC T2* perfusion studies to generate numerical and graphical results of TTP, T0, MTT, relCBV , corrected relCBV , relCBF , Tmax and K2 (leakage). Three methods are available for analysis, including Gamma Variate, Model Free, and manual Arterial Input Function (AIF). The application supports the comparison of perfusion and diffusion information to visualize and quantify Diffusion-Perfusion Mismatch. MR SpectroView is a task-guided application providing hydrogen single voxel spectra, metabolite maps, and/or ratio maps.
- MR SpectroView displays numerical information about metabolites including Peak position and label, SNR, Peak Height, Peak Area, Full Width Half Maximum and Area Ratio of the displayed spectrum. MR SpectroView supports hydrogen spectroscopy data in an MR enhanced DICOM format.

Includes

The package will include MR Neuro Perfusion and MR Spectroscopy

1.28

AV-Neuro Pro
Article No. NMR533

1

Introduction

The AV-MR Neuro Pro package provides key clinical applications focused on the Neurology diseases.

Key Benefits

- AV-FiberTrak supports DICOM-based output with merged anatomical tractography information.
- Guidance panel suggests regions-of-interest (ROIs) for tracts identification.
- AV-iView Bold applies a generalized linear regression model to analyze paradigms.
- AV-iView Bold supports the export of functional results.

Details

The package will include the following options:

AV-FiberTrak is designed to visualize and quantify the white matter (or diffusional) structure in the brain and spinal tracts. AV-FiberTrak uses a deterministic fiber tracking method to determine the directional dependence of the diffusion coefficient in tissue. Various forms of displays and outputs like 3D visualization, 2D color cross sections, overlays, or quantitative data enable a more detailed analysis. AV-iView Bold helps identify and visualize functional regions of the brain, relying on local metabolic and hemodynamic changes that occur in activated brain areas. Functional analysis will be enabled for both block as well as event-related paradigm support, including a Hemodynamic Response Function (HRF) to ensure the best reference, enabling clear visualization of task-related areas of activation. Bookmarks can be generated for easy communication of results.



PHILIPS

Includes

The AV-MR Neuro Pro will include AV-FiberTrak and AV-View Bold.

1.29 **dS Breast 7ch Enh Acc Intv Kit** 1 Article No. NMRF357

dS Breast 7ch Enhanced Access Interventional Kit containing single use disposable grids with enhanced access (50 holes for grid block targeting) and easy one finger locking levers. The kit also contains zero maintenance sealed fiducial markers.

Enhanced Biopsy Kit includes:

- 2 Base Plates (drip tray)
- 2 Lateral Solid Plates
- 2 Medial Solid Plates
- 3 Lateral Grid Plates
- 3 Medial Grid Plates
- 4 Sealed Fiducial Assemblies
- 1 Breast Blocker Plate
- 1 Needle Blocks (12G)
- 1 Needle Blocks (14G)
- 1 Needle Blocks (16G)
- 1 Needle Blocks (18G)
- 2 Needle Block Holder
- 1 Fiducial Marker Block
- 2 Fiducial marker assembly

NOTE: Requires DynaCAD v2.1.7 for interventional planning (free of charge for DynaCAD 2.1 customers with a service contract, purchasable option for DynaCAD 2.1 customers without a service contract).

1.30 **dS Knee 16ch 3.0T** 1 Article No. NMRB249

Coil designed for ultra-high SNR imaging over an extended field of view of the knee and other extremities. The T/R design gives lower RF deposition and shorter RF pulses for increased speed and SNR. Two overlapping rings of eight elements extend the coverage area and minimize the need for precise positioning. dS-SENSE enhanced parallel imaging can be selected in all directions. The dS Knee 16ch has a split design for easy patient setup and an ergonomically ramped insert for patient comfort.

- Coverage: 20 cm
- Maximum nr. of channels: 16
- Main applications: Knee, extremities
- Coil type: Dedicated, Transmit/Receive
- dS-SENSE enhanced parallel imaging performance

1.31 **dS Breast 7ch 3.0T** 1 Article No. NMRB250



PHILIPS

A rigid, open-designed coil that can be used alone or in combination with FlexTrak Mammo. The dS Breast 7ch coil is designed for optimal coverage of the axilla region and outstanding performance. The dS Breast 7ch has an open design and will be delivered with compression plates that can be applied in either LR or FH direction. If applied mildly the compression plates will help to reduce motion of the breast therefore contributes to improved image quality. Mild compression in FH also reduces the imaging volume in FH direction which might help to shorten the scan time.

- Coverage: Bilateral
- Maximum nr. of channels: 7
- Main application: Breast
- Coil type: Dedicated
- dS-SENSE enhanced parallel imaging performance. SENSE can be applied in LR and FH direction for enhanced resolution or speed
- Very comfortable coil with optimized patient comfort ramp
- Includes immobilization plates (for both LR and FH direction) to reduce motion artifacts and accommodate a large range of patient sizes
- The dS Breast 7ch coil is compatible with Breast Biopsy Kit.
- Integrated LED light offering clear view during biopsy procedure

1.32 **dS T/R Head 3.0T** 1 **Article No. NMRB254**

Transmit/receive coil, consisting of a base, sliding coil and head support, that provides excellent spectroscopy results due to its higher B1 field. In addition, it enables imaging of patients with stereotactic frames. The open design reduces claustrophobia, while ensuring good homogeneity.

- Single channel transmit
- Single channel receive
- Main applications: Head, Brain, Spectroscopy, Extremities, Patients with stereotactic frames.

1.33 **PATIENT OBSERVATION MONITOR** 1 **Article No. NMRA113**

Images from the Patient Observation Cameras can be displayed on a Patient Observation Monitor positioned at a convenient location in the scanner control area. The monitor provides full visibility of the patient in all situations that require continuous visual monitoring, e.g. pediatric examinations and cardiac stress tests, as well as monitoring of patient setup and waiting areas.

Features:

- High brightness color LCD monitor
- Tilt, swivel and height-adjust for an ideal viewing position

1.34 **Multi Camera Color** 1 **Article No. NMRF215**

The Multi Camera Color solution provides two color cameras and a Camera interface box which allows for up to 4 cameras to be connected: 3 MR compatible cameras and 1 outside exam room camera. The patient observation cameras are color cameras including a varifocal zoom lens that can be mounted at



PHILIPS

any convenient position within the examination room to visually monitor the patient, or outside the examination room, e.g. as a surveillance camera for the prep room or the waiting area. The images are displayed on the Patient Observation Monitor (ordered separately) in the scanner control area.

Features:

- 2 MR compatible cameras
- Camera interface box
- Easy mounting to walls

1.35	FlexCaddy Article No. NMRB194	1
	Coil storage cart which stores dStream coils and accessories to enhance workflow for a large range of clinical applications. Includes:	
	• IV pole • Storage for ◦ 2x Anterior coils ◦ 1x Head Top / other coil ◦ 1x HeadNeck Top / other coil ◦ 1x Base coil ◦ Accessories	
1.36	FlexTilt Article No. FMR0340	1
	The FlexTilt is an easy to use device which allows the dS Base in combination with the dS Head and dS HeadNeck coils to be tilted. The coils can be tilted up to 18 degrees in incremental steps of 2 degrees.	
1.37	RF Coils Cabinet Article No. FMR0301	1
	Cabinet for storing RF coils and accessories. Compatible with all Ingenia, Multiva, Achieva, Intera and HFO systems.	

Line	Description	Qty
2	MR Third Party Accessories Article No. 100311	
2.1	MEDRAD MRXperion, MR Injection System Article No. 989806101076	1
	MRXperion MR injection system with integrated calculator for the eGFR and weight-adapted dosage The optional Radimetrics - Enterprise Platform from Bayer enables integration into existing IT systems, including a 24-month guarantee from the date of installation	
2.2	Staco 125kva kva MR UPS (w/out Chiller) Article No. 989801271139	1



PHILIPS

Staco 125kva MR UPS (without Chiller)
 Master HP UL 125kva MHT 125 UI
 Battery cabinet BBX 1900 480V UL 18 3U
 Includes Inside Delivery, and Startup.

2.3 **MR Stereo.** 1
Article No. 989801271128

The Yamaha R-S202 stereo comes with **Speakers:**

- 2 channels of 100 Watt high -power output
- Advanced circuitry design
- Bluetooth to your favorite streaming music services
- 40 station FM/AM preset tuning
- Brushed aluminum finish and simplistic design
- Speaker selector for two systems
- Simple remote control layout

Line	Description	Qty
3	Rigging Magnet In Article No. SP007	1

Line	Description	Qty
4	Precise Image Article No. SP101	1

Line	Description	Qty
5	CS Clinical Education MR Article No. 100347	

5.1 **MR Additional Training 28 Hours OnSite** 6
Article No. 989801256065

Clinical Education Specialist will provide twenty-eight (28) hours of MR OnSite Education for up to four (4) students, selected by customer, including technologists from night/weekend shifts if necessary. CEU credits may be available for each participant that meets the guidelines provided by Philips. Please refer to guidelines for more information.

Note: Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation.

Education expires one (1) year from equipment installation date (or purchase date if sold separately).

5.2 **MR Breast Imaging 24 Hours OnSite** 1
Article No. 989801256092



PHILIPS

A Clinical Education Specialist will provide twenty-four (24) hours of OnSite Education for up to four (4) students, selected by customer, including technologists from night/weekend shifts if necessary. These advanced applications are intended to teach your technologists how to fully utilize and customize breast imaging on your new system. For an optimal experience, it is recommended that this course be scheduled after primary system users are comfortable with the basic functioning of the system.

Note: Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation.

Education expires one (1) year from equipment installation date (or purchase date if sold separately).

Line	Description	Qty
6	Upgrades dStream to R11 Article No. 782142	
6.1	Upgrade MR Workspace for R5 Article No. NMRF443 Introduction MR Workspace provides an intuitive interface, large Image viewports, essential parameter reveal, task guidance and access to other smart features. Key Benefits • MR Console Plus includes large viewports & 4K resolution, 27" monitor. • More than 70% of the screen reserved for images. • SmartExam automates planning for 80% of scans. • 4K display provides high resolution details. • AutoView allows quality control of complete exams. Details The intuitively designed MR Workspace aims to help technologists, regardless of experience, to easily deliver consistent quality without losing focus on the patient. It does this by helping your staff manage their workload and stay on schedule enabling Artificial Intelligence* to select the right protocol**, planning for examinations and automating complex procedures and measurements. The MR Workspace upgrade will ensure that all capabilities under dS ScanSuite Essential are enabled. Including innovations like AutoVoice, ComforTone or ScanWise implant. But also including dS SENSE imaging methods for fast scan times or high resolution, or dedicated applications like PicturePlus. Moreover, a large range of sequences in the area of Neuro, MSK, Body, Breast, Cardiac or MRA will be available to ensure comprehensive clinical scanning. Includes MR Workspace is designed to simplify the path from image acquisition to diagnosis and to empower technologist to drive productivity and predictability.	1



Additional Information

*AI according to the definition of the EU High-Level Expert Group

**MR Day Manager as a pre-requisite

6.2 **ICAP AV**
Article No. 781334

6.3 **AV-Essential upgrade**
Article No. NMRF458

1

Introduction

AV-MR Essential upgrade package provides base clinical applications on the Full body (routine).

Key Benefits

- MoblView enables composition of data sets from multi-station acquisitions into full FOV images.
- MR Subtraction is a post-processing application enabling basic calculations between two volumes.
- MR Diffusion application generates parametric maps including standard DWI as well as ADC and eADC.
- MR Echo Accumulation enables the calculation of new images based on the selected sum of echo times.

Details

AV-MR Essential available via MR Workspace, is an intuitive solution designed to simplify the path from image acquisition to diagnosis. With a focus on multi-tasking, productivity and fast Advanced Visualization results.

Includes

This package will include the following options: MR MoblView, MR Subtraction, MR Diffusion, MR T1 Perfusion and MR Echo Accumulation.

Line	Description	Qty
7	Upgrades dStream to R11 Article No. 782142	
7.1	Upgrade MR Workspace for R5 Article No. NMRF443	1

PHILIPS

Introduction

MR Workspace provides an intuitive interface, large image viewports, essential parameter reveal, task guidance and access to other smart features.

Key Benefits

- MR Console Plus includes large viewports & 4K resolution, 27" monitor.
- More than 70% of the screen reserved for images.
- SmartExam automates planning for 80% of scans.
- 4K display provides high resolution details.
- AutoView allows quality control of complete exams.

Details

The intuitively designed MR Workspace aims to help technologists, regardless of experience, to easily deliver consistent quality without losing focus on the patient. It does this by helping your staff manage their workload and stay on schedule enabling Artificial Intelligence* to select the right protocol**, planning for examinations and automating complex procedures and measurements.

The MR Workspace upgrade will ensure that all capabilities under dS ScanSuite Essential are enabled. Including innovations like AutoVoice, ComforTone or ScanWise implant. But also including dS SENSE imaging methods for fast scan times or high resolution, or dedicated applications like PicturePlus. Moreover, a large range of sequences in the area of Neuro, MSK, Body, Breast, Cardiac or MRA will be available to ensure comprehensive clinical scanning.

Includes

MR Workspace is designed to simplify the path from image acquisition to diagnosis and to empower technologist to drive productivity and predictability.

Additional Information

*AI according to the definition of the EU High-Level Expert Group

**MR Day Manager as a pre-requisite

7.2 ICAP AV
Article No. 781334

7.3 AV-Essential upgrade
Article No. NMRF458

1

Introduction

AV-MR Essential upgrade package provides base clinical applications on the Full body (routine).

Key Benefits

- MobiView enables composition of data sets from multi-station acquisitions into full FOV images.

PHILIPS

- MR Subtraction is a post-processing application enabling basic calculations between two volumes.
- MR Diffusion application generates parametric maps including standard DWI as well as ADC and eADC.
- MR Echo Accumulation enables the calculation of new images based on the selected sum of echo times.

Details

AV-MR Essential available via MR Workspace, is an intuitive solution designed to simplify the path from image acquisition to diagnosis. With a focus on multi-tasking, productivity and fast Advanced Visualization results.

Includes

This package will include the following options: MR MobiView, MR Subtraction, MR Diffusion, MR T1 Perfusion and MR Echo Accumulation.

Line	Description	Qty
8	Upgrades dStream to R11 Article No. 782142	
8.1	Upgrade MR Workspace for R5 Article No. NMRF443	1

Introduction

MR Workspace provides an intuitive interface, large image viewports, essential parameter reveal, task guidance and access to other smart features.

Key Benefits

- MR Console Plus includes large viewports & 4K resolution, 27" monitor.
- More than 70% of the screen reserved for images.
- SmartExam automates planning for 80% of scans.
- 4K display provides high resolution details.
- AutoView allows quality control of complete exams.

Details

The intuitively designed MR Workspace aims to help technologists, regardless of experience, to easily deliver consistent quality without losing focus on the patient. It does this by helping your staff manage their workload and stay on schedule enabling Artificial Intelligence* to select the right protocol**, planning for examinations and automating complex procedures and measurements.

The MR Workspace upgrade will ensure that all capabilities under dS ScanSuite Essential are enabled. Including innovations like AutoVoice, ComforTone or ScanWise Implant. But also including dS SENSE imaging methods for fast scan times or high resolution, or dedicated applications like PicturePlus.



PHILIPS

Moreover, a large range of sequences in the area of Neuro, MSK, Body, Breast, Cardiac or MRA will be available to ensure comprehensive clinical scanning.

Includes

MR Workspace is designed to simplify the path from image acquisition to diagnosis and to empower technologist to drive productivity and predictability.

Additional Information

*AI according to the definition of the EU High-Level Expert Group

**MR Day Manager as a pre-requisite

8.2 ICAP AV
Article No. 781334

8.3 AV-Essential upgrade
Article No. NMRF458

1

Introduction

AV-MR Essential upgrade package provides base clinical applications on the Full body (routine).

Key Benefits

- MobiView enables composition of data sets from multi-station acquisitions into full FOV images.
- MR Subtraction is a post-processing application enabling basic calculations between two volumes.
- MR Diffusion application generates parametric maps including standard DWI as well as ADC and eADC.
- MR Echo Accumulation enables the calculation of new images based on the selected sum of echo times.

Details

AV-MR Essential available via MR Workspace, is an intuitive solution designed to simplify the path from image acquisition to diagnosis. With a focus on multi-tasking, productivity and fast Advanced Visualization results.

Includes

This package will include the following options: MR MobiView, MR Subtraction, MR Diffusion, MR T1 Perfusion and MR Echo Accumulation.

Line	Description	Qty
9	CS Clinical Education MR Article No. 100347	



PHILIPS

9.1 MR Additional Training 28 Hours OnSite Article No. 989801256065

3

Clinical Education Specialist will provide twenty-eight (28) hours of MR OnSite Education for up to four (4) students, selected by customer, including technologists from night/weekend shifts if necessary. CEU credits may be available for each participant that meets the guidelines provided by Philips. Please refer to guidelines for more information.

Note: Philips personnel are not responsible for actual patient contact or operation of equipment during education sessions except to demonstrate proper equipment operation.

Education expires one (1) year from equipment installation date (or purchase date if sold separately).





5. Local Sales Terms and Conditions

Line	Product Code	Contract Name	Contract No.	Billing Plan
1	782136 Ingenia Elition X	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20
2	100311 MR Third Party Accessories	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20
3	SP007 Rigging Magnet In	NONE	NONE	0/80/20
4	SP101 Precise Image	NONE	NONE	0/80/20
5	100347 CS Clinical Education MR	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20
6	782142 Upgrades dStream to R11	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20
7	782142 Upgrades dStream to R11	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20
8	782142 Upgrades dStream to R11	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20
9	100347 CS Clinical Education MR	VIZIENT SUPPLY LLC XR0884	XR0884	0/80/20

Payment Terms US: Net 30 Days

INCO Terms: Carriage and Insurance Paid To Destination

This is a cash price quote, which includes ACH, check, and wire transfer. Any other form of payment will result in different price, which may be higher.

Billing Terms: Are as displayed under the Billing Plan table above. For each item, X/Y/Z milestones are defined as follows (unless an Agreement specifying alternative payment terms has been negotiated between the parties):

X is the percentage invoiced upon signed acceptance of quotation or upon receipt of Customer Purchase Order

Y is the percentage invoiced upon delivery of major components to Customer designated location or Philips warehouse.

Z is the percentage invoiced upon completion of installation or product available for first patient use, whichever occurs first.

If DEMO Equipment is included in this quotation it is sold under the Contact No. Contract Name/Contract Number ("Contract") of the products/solution included in this quotation.

All amounts in this quote are in USD

Additional Terms US:

This purchase is governed by the terms and conditions applicable to Customer Member of the specific Vizient Contract number identified above, as well as any Philips Standard Terms and Conditions of Sale and Software License, set forth below, to the extent not in conflict with the applicable Vizient Contract terms.





6. Signature Page

Invoice to:

Meadowview Outpatient Center
2033 Meadowview Ln Ste 100
Kingsport, TN 37660-7569

Total Net Price

Total Price

\$ 2,282,784.10

Acceptance by Parties

Each Quotation solution is issued pursuant to and will reference a specific Contract Name/Contract Number ("Contract") representing an agreement containing discounts, fees and any specific terms and conditions which will apply to that single quoted solution. Any PO for the items herein will be accepted subject to the terms of that Contract. If no Contract is shown, Philips Terms and Conditions of Sale including applicable product warranty or Philips Terms of Service ("Philips Terms") located in the Philips Standard Terms and Conditions of the quotation shall solely apply to the quoted solution.

Each equipment system and/or service 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. This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. Except as otherwise required by state or federal law after strict compliance with any applicable notification and procedural requirements therein, it may not be disclosed to third parties without the prior written consent of Philips.

This quotation provides contract agreement discounts and does not reflect rebates that may be earned by Customer, under separate written rebate agreements, from cumulative volume purchases beyond the individual quantity being ordered under this quote. Customer is reminded that rebates constitute discounts under government laws which are reportable by Customers.

The price above does not include sales tax.

Please fill in the below if applicable:

1. Tax Status: Taxable _____ Tax Exempt _____
If Exempt, please indicate the Exemption Certification Number: _____, and attach a copy of the certificate.
2. Requested equipment delivery date _____
3. If you do not issue formal purchase orders indicate by initialing here: _____
4. Our facility does issue formal purchase orders; however, due to our business/system limitation, we cannot issue a formal purchase order until 90 days prior to standard warranty expiration. Initialed: _____

CUSTOMER SIGNATURE

by its authorized representative

Signature: _____

Print Name: _____

Title: _____

Date: _____

PHILIPS SIGNATURE

by its authorized representative

Signature: _____

Print Name: _____

Title: _____

Date: _____





7. Philips Standard Terms and Conditions

GENERAL TERMS AND CONDITIONS OF SALE AND SOFTWARE LICENSE ("Conditions of Sale") Rev 22

1. Initial Provisions.

- 1.1 The Products (equipment, service, and software) offered on the quotation by the Philips legal entity identified thereon are subject to these Conditions of Sale.
- 1.2 The purchase prices set out on the quotation excludes all taxes. All taxes on the Products will be borne by the Customer unless Customer provides a tax exemption certification.

2. Quotation, Order and Payment.

- 2.1 Any quotation on the Products will be open for acceptance within the period indicated therein and may be amended or revoked by Philips prior to Customer's acceptance. Any purchase orders shall be subject to Philips' confirmation. Any terms and conditions set forth on the Customer's purchase order or otherwise issued by the Customer shall not apply to the Products.
- 2.2 The prices and payment terms are set out on the quotation. Orders are subject to Philips' ongoing credit review and approval. If the quotation indicates net prices that are each associated with a payment method then Philips will invoice Customer, and Customer will pay the net price that corresponds to the payment method that Customer elected in its purchase order or signed quote. Prior to invoice, Customer may modify the payment method by providing Philips with an amended purchase order that reflects the new payment method and corresponding price.
- 2.3 Interest will apply to any late payments. Customer shall pay interest on any overdue amount not actively disputed paid at the annual rate of twelve percent (12%) which may be billed monthly. If the Customer fails to pay any amounts due or breaches these Conditions of Sale, Philips will be entitled to suspend the performance of its obligations and deduct the unpaid amount from any amounts otherwise owed to Customer by Philips, in addition to any other rights or remedies available to Philips. Philips shall be entitled to recover all costs and expenses, including reasonable attorneys' fees related to the enforcement of its rights or remedies.
- 2.4 Customer has no right to cancel an order, unless such cancellation right is granted to the Customer by mandatory law in which case the Customer shall pay the costs incurred by Philips up to the date of cancellation. In other cases of cancellation, Customer shall pay a 15% cancellation fee.
- 2.5 Philips may make partial or early shipments and Customer will pay such invoice based on the date of invoice for each product in accordance with the payment terms set forth in the quotation.
- 2.6 Payments may be made by check, ACH or wire. Philips does not accept transaction fees for any electronic fund transfers or any other payment method; Philips imposes a surcharge on credit cards of 2%, which is not greater than our cost of acceptance. All check payments over \$50,000 USD must be paid via eCheck or via Philips prepaid FedEx account with tracking to secure against fraud and misappropriation.

3. Philips Security Interest until Full Payment.

- 3.1 Philips is entitled to retain a security interest in the Philips products, until Philips receives full payment.

4. Technical Changes; Obsolescence of the Product.

- 4.1 Philips shall be entitled to make changes to the design or specifications of the Products at any time, provided such change does not adversely affect the performance of the Products.

5. Lease and Trade In

- 5.1 If the Customer desires to convert the purchase of any Products to a lease the Customer shall within ninety (90) prior to the delivery of the Products provide all relevant rental documents for review and approval by Philips. The Customer is responsible for converting the transaction to a lease and is required to secure the leasing company's approval of all these 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. For any lease, if the lease does not fund then: (i) Customer guarantees the payment of all monies due or that may become due under these Conditions of Sale; (ii) Philips may convert the lease back to a purchase and invoice Customer; accordingly, and (iii) Customer will pay all such invoiced amounts per the invoice terms. In the event that there are multiple Products on one quote, the Product with the longest period for converting the transaction to a lease shall prevail.
- 5.2 Philips may provide a rental agreement at its discretion.
- 5.3 In the event Customer will be trading-in equipment ("Trade-In"), the Customer will provide the following:
 - 5.3.1 Customer undertakes to possess good and marketable title to the Trade-In as of the date of the quotation and when Philips takes possession of the Trade-In from Customer's site. In the event Customer is in breach of this undertaking, Customer shall not be entitled to keep a trade-in credit for such Trade-In and shall promptly refund Philips such credited amounts upon receipt of an invoice from Philips.
 - 5.3.2 The trade-in value set forth on Philips quotation is conditioned upon Customer providing Trade-In no later than the date Philips makes the new Product listed on such quotation available for first patient use. Customer shall bear the costs of any reduction in trade-in value arising due to a delay by the Customer causing the trade-in not to occur by the expected date and promptly pay the revised invoice.



PHILIPS

5.3.3 In the event Philips receives a Trade-In having a different configuration (including software version) or model number than the Trade-In described on the Philips quotation, Philips reserves the right to adjust the trade in value and revise the invoice accordingly and Customer shall pay such revised invoice promptly upon receipt.

5.3.4 Customer undertakes to (i) clean and sanitize all components that may be infected and all biological fluids from the Trade-In; (ii) drain any applicable chiller lines and cap any associated plumbing and (iii) delete all personal data in the Trade-In. Customer agrees to reimburse Philips against any out-of-pocket costs incurred by Philips arising from Customer's breach of its obligations herein.

6. Shipment and Delivery Date.

6.1 Philips shall deliver the Products in accordance with the Incoterms set forth on the quotation. If Philips and the Customer agree any other terms of delivery, additional costs shall be for the account of the Customer. Title (subject to Section 3 entitled Philips Security Interest) to any product (excluding software), and risk of loss shall pass to the Customer upon delivery to the shipping carrier. However, Philips shall pay the cost of freight and risk insurance (during transport to destination). Customer shall obtain and pay insurance covering such risks at destination.

6.2 Philips will make reasonable efforts to meet delivery dates quoted or acknowledged. Failure to deliver by the specified date will not be a sufficient cause for cancellation nor will Philips be liable for any penalty, loss, or expense due to delay in delivery. If the Customer causes the delay, any reasonable expenses incurred by Philips will be paid for by Customer, including all storage fees, transportation expenses, and related costs. Customer shall pay the 80% installment payment upon delivery to Customer site or Philips warehouse. For the purposes of clarification, "Delay" in this section shall mean a date later than the Customer agreed delivery date identified via confirmation of the delivery date with Customer prior to releasing the Product for production.

7. Installation.

7.1 If Philips has undertaken installation of the Products, the Customer shall be responsible for the following at its sole expense and risk:

7.1.1 The provision of adequate and lockable storage for the Products on or near the installation site. Additionally, Customers shall consider the mfg. labeling requirements for environmental and storage conditions. The Customer will repair or replace any lost or damaged item during the storage period.

7.1.2 Philips or its (affiliate's) representative shall have access to the installation site without obstacle or hindrance in due time to start the installation work at the scheduled date.

7.1.3 The timely execution and completion of the preparatory works, in conformity with Philips' installation requirements. The Customer shall ensure that the prepared site shall comply with all safety, electrical and building codes relevant to the Products and installation thereof.

7.1.4 The proper removal and disposal of any hazardous material at the installation site prior to installation by Philips.

7.1.5 The timely provision of all visa, entry, exit, residence, work or any other permits and licenses necessary for Philips' or Philips' representatives' personnel and for the import and export of tools, equipment, Products, and materials necessary for the installation works and subsequent testing.

7.1.6 The assistance to Philips or Philips' representative for moving the Products from the entrance of the Customer's premises to the installation site. The Customer shall be responsible, at its expense, for rigging, the removal of partitions or other obstacles, and restoration work.

7.2 If Products are connected to a computer network, the Customer shall be responsible for network security, including but not limited to, using secure administrative passwords, installing the latest validated security updates of operating software and web browsers, running a Customer firewall as well as maintaining up-to-date drivers, validated anti-virus and anti-spyware software. Unauthorized updates, as defined in the Product Schedules, may adversely affect the functionality and performance of the Licensed Software.

7.3 If any of the above conditions are not complied with, Philips or Philips' representative may interrupt the installation and subsequent testing for reasons not attributable to Philips and the parties shall extend the period for completing the installation. Any additional costs shall be for the Customer's account and Philips shall have no liability for any damage resulting from or in connection with the delayed installation.

7.4 Philips shall have no liability for the fitness or adequacy of the premises or the utilities available at the premises for installation or storage of the Products.

8. Product Damages and Returns.

8.1 The following shall apply solely to medical consumables:

The Customer shall notify Philips in writing substantiating its complaints within ten (10) days from its receipt of the Products. If Philips accepts the claim as valid, Philips shall issue a return authorization notice and the Customer shall return the Products. Each returned Product shall be packed in its original packaging.

9. Product Warranty.

9.1 In the absence of any specific Product warranty attached to the quotation, the following warranty provisions will apply to the Product.

9.2 Hardware Products. Philips warrants to Customer that the Product shall materially comply with its product specification on the quotation and the user documentation accompanying the shipment of such Product for a period of one year from the date of acceptance or first clinical use, whichever occurs first, but under any circumstances, no more than fifteen (15) months from the date of shipment, provided the Product has been subject to proper use and maintenance. Any disposable Product intended for single use supplied by Philips to the Customer will be of good quality until the expiration date applicable to such Product.

9.3 Stand-alone Licensed Software Products. Philips warrants that the Stand-alone Licensed Software shall substantially conform to the technical specification for a period of ninety (90) days from the date Philips makes such Stand-alone Licensed Software available to the Customer. "Stand-alone Licensed Software" means Licensed Software sold without a contemporaneous purchase of a server for the Licensed Software.



PHILIPS

- 9.4 Service. Philips warrants that all services will be carried out with reasonable care and skill. Philips' sole liability and Customer's sole remedy for breach of this warranty shall be at its option to give credit for or re-perform the services in question. This warranty shall only extend for a period of ninety (90) days after the completion of the services.
- 9.5 Customer shall only be entitled to make Product warranty claim if Philips receives written notice of the defect during the warranty period within ten (10) days from the Customer discovering the defect and, if required the Product or the defective parts shall be returned to an address stated by Philips. Such defective parts shall be the property of Philips after their replacement.
- 9.6 Philips' warranty obligations and Customer's sole remedy for the Product shall be limited, at Philips' option, to the repair or replacement of the Product or any part thereof, in which case the spare parts shall be new or equivalent to new in performance, or to the refund of a pro rata portion of the purchase price paid by the Customer solely after a reasonable cure period is given to Philips.
- 9.7 Philips' warranty obligations shall not apply to any defects resulting from:
- 9.7.1 Improper or unsuitable maintenance, configuration or calibration by the Customer or its agents.
 - 9.7.2 use, operation, modification, or maintenance of the Product not in accordance with the Product specification and the applicable written instructions of Philips or performed prior to the completion of Philips' validation process.
 - 9.7.3 abuse, negligence, accident, damages (including damage in transit) caused by the Customer.
 - 9.7.4 improper site preparation, including corrosion to Product caused by Customer.
 - 9.7.5 any damage to the Product or any medical data or other data stored, caused by an external source (including viruses or similar software interference) resulting from the connection of the Product to a Customer network, Customer client devices, a third-party product or use of removable devices.
- 9.8 Philips is not responsible for the warranty for the third-party product provided by Philips to the Customer and Customer shall make any warranty claims directly with such vendors. However, if Philips, under its license agreement or purchase agreement with such third party, has right to warranties and service solutions, Philips shall make reasonable efforts to extend to the Customer the third-party warranty and service solutions for such Products.
- 9.9 During the term of the warranty and any customer service arrangement the Customer shall provide Philips with a dedicated high-speed broadband Internet connection suitable to establish a remote connection to the Products in order for Philips to provide remote servicing of the Products by:
- 9.9.1 supporting the installation of a Philips approved router (or a Customer-owned router acceptable for Philips) for connection to the Products and Customer network (which router remains Philips property if provided by Philips and is only provided during the warranty term).
 - 9.9.2 maintaining a secure location for hardware to connect the Products to the Philips Remote Service Data Center (PRSDC).
 - 9.9.3 providing and maintaining a free IP address within the site network to be used to connect the Products to the Customer's network
 - 9.9.4 maintaining the so established connection throughout the applicable period.
 - 9.9.5 facilitating the reconnection to Philips in case any temporary disconnection occurs.
 - 9.9.6 If Customer fails to provide the access described in this section and the Product is not connected to the PRSDC (including any temporary disconnection), Customer accepts any related impact on Products availability, additional cost, and speed of resolution.
 - 9.9.7 THE WARRANTIES SET FORTH IN THIS CONDITIONS OF SALE AND QUOTATION ARE THE SOLE WARRANTIES MADE BY PHILIPS IN CONNECTION WITH THE PRODUCT, ARE EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, WHETHER WRITTEN, ORAL, STATUTORY, EXPRESS, OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, QUIET ENJOYMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PHILIPS EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MOREOVER, PHILIPS DOES NOT WARRANT ANY PRODUCT USING THE CLOUD TO BE UNINTERRUPTED OR ERROR FREE.

10. Limitation of Liability.

- 10.1 THE TOTAL LIABILITY OF PHILIPS ARISING UNDER OR IN CONNECTION WITH THE PRODUCT FOR ANY BREACH OF CONTRACTUAL OBLIGATIONS, WARRANTY, NEGLIGENCE, UNLAWFUL ACT OR OTHERWISE IN CONNECTION WITH THE PRODUCT IS LIMITED TO THE ACTUAL PURCHASE PRICE RECEIVED FOR THE PRODUCT THAT GAVE RISE TO THE CLAIM.
- 10.2 PHILIPS SHALL NOT BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES AND/OR FOR ANY DAMAGES INCLUDING, LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION OR USE IN CONNECTION WITH OR ARISING OUT OF THESE CONDITIONS OF SALE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, AT LAW OR IN EQUITY. NEITHER PHILIPS NOR PHILIPS' SUPPLIERS SHALL BE LIABLE FOR ANY LOSS OR INABILITY TO USE MEDICAL OR OTHER DATA STORED ON OR BY THE PRODUCT.
- 10.3 THE EXCLUSION OF LIABILITY IN THESE CONDITIONS OF SALE SHALL ONLY APPLY TO THE EXTENT ALLOWED UNDER THE APPLICABLE LAW.
- 10.4 FOR US CUSTOMERS, THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 10.1:
- 10.4.1 THIRD PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT.
 - 10.4.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT.





10.4.3 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 PROTECTED HEALTH INFORMATION.

10.4.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION AS THE BASIS OF THE FINE/PENALTY, ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

11. Infringement of Intellectual Property Rights to the Products.

- 11.1 Philips will, at its option and expense, defend or settle any suit or proceeding brought against Customer based on any third-party claim that any Product or use thereof for its intended purpose constitutes an infringement of any intellectual property rights in the country where the Product is delivered by Philips.
- 11.2 Customer will promptly give Philips written notice of such claim and the authority, information and assistance needed to defend such claim. Philips shall have the full and exclusive authority to defend and settle such claim. Customer shall not make any admission which might be prejudicial to Philips and shall not enter a settlement without Philips' prior written consent.
- 11.3 If the Product is held to constitute infringement of any intellectual property right and its use by Customer is enjoined, Philips will, at its option and expense, either: (i) procure for Customer the right to continue using the Product; (ii) replace it with an equivalent non-infringing Product; (iii) modify the Product so it becomes non-infringing; or (iv) refund to the Customer a pro rata portion of the Products' purchase price upon the return of the original Products.
- 11.4 Philips will have no duty or obligation under this clause 11 if the infringement is caused by a Product being:
 - 11.4.1 supplied in accordance with Customer's design, specifications or instructions and compliance therewith has caused Philips to deviate from its normal course of performance.
 - 11.4.2 modified by Customer or its contractors after delivery.
 - 11.4.3 not updated by Customer in accordance with instructions provided by Philips (e.g. software updates).
 - 11.4.4 combined by Customer or its contractors with devices, software, methods, systems, or processes not furnished hereunder and the third-party claim is based on such modification or combination.

The above states Philips' sole liability and Customer's exclusive remedy in respect of third-party intellectual property claims.

12. Use and exclusivity of Product documents.

- 12.1 All documents and manuals including technical information related to the Products and its maintenance as delivered by Philips is the proprietary information of Philips, covered by Philips' copyright, and remains the property of Philips, and as such, it shall not be copied, reproduced, transmitted, or disclosed to or used by third parties without the prior written consent of Philips.

13. Export Control and Product Resale.

- 13.1 Customer agrees to comply with relevant export control and sanction laws and regulations, including the UN, EU or US ("Export Laws"), to ensure that the Products are not (i) exported or re-exported directly or indirectly in violation of Export Laws; or (ii) used for any purposes prohibited by the Export Laws, including military end-use, human rights abuses, nuclear, chemical or biological weapons proliferation.
- 13.2 Customer represents that (i) Customer is not located in a country that is subject to a UN, US or EU embargo and trade restriction; and (ii) Customer is not listed on any UN, EU, US export and sanctions list of prohibited or restricted parties.
- 13.3 Philips may suspend its obligation to fulfill any order or subsequent service if the delivery is restricted under Export Laws or an export/import license is not granted by relevant authorities.

14. License Software Terms.

- 14.1 Subject to any usage limitations set forth on the quotation, Philips grants to Customer a non-exclusive, non-transferable license, without the right to grant sub-licenses, to incorporate and use the Licensed Software (as specified on the quotation, whether embedded or stand-alone) in Licensed Products and the permitted use (as referenced in the quotation) in accordance with these Conditions of Sale.
- 14.2 The Licensed Software is licensed and not sold. All intellectual property rights in the Licensed Software shall remain with Philips.
- 14.3 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. Customer may not reproduce, sell, assign, transfer or sublicense the Licensed Software. Customer shall preserve the confidential nature of the Licensed Software and shall not disclose or transfer any portion of the Licensed Software to any third party.
- 14.4 Customer shall maintain Philips' copyright notice or other proprietary legends on any copies of the Licensed Software. Customer shall not (and shall not allow any third party to) decompile, disassemble, or reverse engineer the Licensed Software.
- 14.5 The Licensed Software may only be used in relation to Licensed Products or systems certified by Philips. If Customer modifies the Licensed Software in any manner, all warranties associated with the Licensed Software and the Products shall become null and void. Customer installation of Philips' issued patches or updates shall not be deemed to be a modification.
- 14.6 Philips and its affiliates shall be free to use any feedback or suggestions for modification or enhancement of the Licensed Software provided by Customer, for the purpose of modifying or enhancing the Licensed Software as well as for licensing such enhancements to third parties.
- 14.7 With respect to any third-party licensed software, the Customer agrees to comply with the terms applicable to such licensed software. Customer shall indemnify Philips for any damage arising from its failure to comply with such terms. If the third-party licensor terminates the third party license, Philips shall be entitled to terminate the third party license with the Customer and make reasonable effort to procure a solution.



PHILIPS

15. Confidentiality.

- 15.1 If any of the parties have access to confidential information of the other party, it shall keep this information confidential. Such information shall only be used if and to the extent that it is necessary to carry out the concerned transactions. This obligation does not extend to public domain information and/or information that is disclosed by operation of law or court order.

16. Compliance with Laws and Privacy.

- 16.1 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 employment practices federal and state anti-discrimination laws (including Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973 as amended and the Veterans Readjustment Act of 1972 as amended), E-Verify, 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]).
- 16.2 Processing of personal data: In relation to the provision of services, Philips may process information, in any form, that can relate to identified or identifiable individuals, which may qualify as personal data. Philips and/or its affiliates will: a) process any protected health information (PHI) as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) on behalf and by instruction of the Customer, the terms, rights and responsibilities of the parties for such processing of PHI are set forth in a Business Associate Agreement between the parties and b) process information such as log files or device parameters (which may contain personal data), to provide the services and to enable its compliance with and performance of its task as manufacturer of (medical) devices under the applicable regulations and standards (including but not limited to the performance of vigilance, post market surveillance and clinical evaluation related activities).
- 16.3 Customer agrees that Philips and/or its affiliates may use any data, other than personal data, generated by a Product and/or otherwise provided by Customer to Philips for Philips' own legitimate business purposes including, but not limited to, for data analytics activities to determine trends of usage and advise on the use of products and services, for research, product and service development and improvement (including the development of new offerings), substantiation of marketing claims and for benchmarking purposes.

17. Force Majeure.

- 17.1 Each party shall not be liable in respect of the non-performance of any of its obligations to the extent such performance is prevented by any circumstances beyond its reasonable control, including, but not limited to, acts of God, war, civil war, insurrection, fire, flood, labor disputes, epidemics, pandemic, cyber-attack, act of terrorism, governmental regulations and/or similar acts, embargoes, export control sanctions or restrictions, Philips' unavailability regarding any required permits, licenses and/or authorizations, default or force majeure of suppliers or subcontractors.
- 17.2 If force majeure prevents Philips from fulfilling any order from the Customer or otherwise performing any obligation arising out of the sale, Philips shall not be liable to the Customer for any compensation, reimbursement, or damages.

18. Miscellaneous

- 18.1 Any newly manufactured Product provided may contain selected remanufactured parts equivalent to new in terms of performance.
- 18.2 If the Customer becomes insolvent, unable to pay its debts as they fall due, files for bankruptcy or is subject to it, has appointed a recipient, is subject to a late fee on payments (temporary or permanent), or has its assets assigned or frozen, Philips may cancel any unfulfilled obligations or suspend its performance; provided that, however, the Customer's financial obligations to Philips shall remain in full force and effect.
- 18.3 If any provision of these Conditions of Sale is found to be unlawful, unenforceable, or invalid, in whole or in part, the validity and enforceability of the remaining provisions shall remain in full force and effect. In lieu of any provision deemed to be unlawful, unenforceable, or invalid, in whole or in part, a provision reflecting the original intent of these Conditions of Sale, to the extent permitted by the applicable law, shall be deemed to be a substitute for that provision.
- 18.4 Notices or other communications shall be given in writing and shall be deemed effective if they are delivered in person or if they are sent by courier or mail to the relevant party.
- 18.5 The failure by the Customer or Philips at any time to require compliance with any obligation shall not affect the right to require its enforcement at any time thereafter.
- 18.6 Philips may assign or novate its rights and obligations in whole or in part, to any of its affiliates or may assign any of its accounts receivable to any party without Customer's consent. Customer agrees to execute any documents that may be necessary to complete Philips' assignment or novation. The Customer shall not, without the prior written consent of Philips, transfer or assign any of its rights or obligations.
- 18.7 The Customer's obligations do not depend on any other obligations it may have under any other agreement or arrangement with Philips. The Customer shall not exercise any offset right in the quotation or sale in relation to any other agreement or arrangement with Philips.



PHILIPS

18.8 These Conditions of Sale shall be governed by the laws of the country or state wherein the Philips legal entity identified in the quotation is situated, and the parties submit to the exclusive jurisdiction of the courts of that country or state, provided that Philips will be entitled to start legal proceedings against the Customer in any other court of competent jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods and the Uniform Computer Information Transactions Act (UCITA), in any form, is expressly excluded.

18.9 Customer will report immediately to Philips any event of which Customer becomes aware that suggests that any Products provided by Philips, for any reason:

18.9.1 may have caused or contributed to a death or serious injury, or

18.9.2 have malfunctioned where such malfunctions would likely cause or contribute to a death or serious injury if the malfunction were to occur again. Additionally, Customer will also report to Philips complaints it receives from its personnel and patients or any other person regarding the identity, quality, performance, reliability, safety, effectiveness, labels, or instructions for use of the Products provided by Philips. Philips shall be solely responsible for submitting any filings or reports to any governmental authorities with respect to the Products provided by Philips hereunder, unless otherwise required by law.

18.10 To the extent applicable to your country or state, Philips and Customer shall comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and its implementing regulations (42 CFR, Part 420). Philips agrees that until the expiration of four (4) years after furnishing Products pursuant to these Conditions of Sale, Philips shall make available, upon written request of the Secretary of the Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, these Conditions of Sale and the books, documents and records of Philips that are necessary to verify the nature and extent of the costs charged to Customer hereunder. Philips further agrees that if Philips carries out any of the duties of these Conditions of Sale through a subcontract with a value or cost of ten-thousand U.S. dollars (\$10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such Products pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives the subcontract, and books and documents and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph relating to the retention and production of documents is included because of possible application of Section 1861(v) (1) (1) of the Social Security Act (42 U.S.C. 1395x (v) (1) (I) (1989)), as amended from time to time to these Conditions of Sale. If Section 1861(v) (1) (1) should be found to be inapplicable, then this paragraph shall be deemed inoperative and without force and effect.

18.11 As of the date of the sale of this Product, Philips represents and warrants that Philips, its employees and subcontractors, are not debarred, excluded, suspended or otherwise ineligible to participate in a federal or state health care program, nor have they been convicted of any health care related crime for Products provided under these Conditions of Sale (an "Excluded Provider"). Philips shall promptly notify Customer if it becomes aware that Philips or any of its employees or subcontractors providing Products hereunder have become an Excluded Provider under a federal or state healthcare program, whereupon Customer shall provide Philips with a reasonable opportunity to discuss and attempt to resolve in good faith with Customer any Customer related concerns in relation thereto, and/or will give Philips a reasonable opportunity to dispute its, or its employee's or subcontractor's, designation as an Excluded Provider. In the event that the parties are unable to resolve any such Customer concerns of the applicable party's designation as an Excluded Provider, then Customer may terminate this order by express written notice for Products not yet shipped or rendered prior to a date of exclusion.

18.12 To the extent applicable to your country or state, 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.

18.13 To the extent applicable, Customer acknowledges it shall comply with all Medicare, Medicaid or state cost reporting requirements, including discounts afforded to Customer under these Conditions of Sale, for any Products purchased hereunder.

18.14 Entire Agreement. These Terms and Conditions of Sale, the terms and conditions set forth in the quotation and the applicable Philips' product-specific warranty 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.

19. Product specific terms

Product specific schedules are incorporated herein as they apply to the Products listed in the quotation and their additional terms shall apply solely to the Products specified therein. If any terms set forth in the Product specific schedules conflict with terms set forth in these Conditions of Sale, the terms set forth in the Product specific schedule shall take precedent.



Schedule 1
Imaging Systems Portfolio (IS) Rev 22

Product Category	Products
Image Guided Therapy (IGT)	Interventional X-Ray (IXR)
	Mobile C-Arms (Surg)
	Philips Image Guided Therapy Corporation (IGTD) aka Volcano (Capital only)
Imaging Clinical Applications (ICAP)	IntelliSpace Portal (ISP)
Diagnostic Imaging	Digital X-Ray (DXR)
	Computed Tomography (CT)
	Magnetic Resonance (MR)
	OEM Imaging Components (Coils)
	Positron Emission Tomography (PET/CT)
	Advanced Molecular Imaging (SPECT & SPECT/CT)
	Radiation Oncology (PROS)

1. Payment Terms.

Unless otherwise specified in the quotation, Philips will invoice Customer and Customer will pay such Invoice based on the date of the Invoice for each of the products and integration services as follows:

1.1 For Imaging Systems Portfolio:

1.1.1 0% of the purchase price shall be due with Customer's submission of its purchase order.

1.1.2 80% of the purchase price shall be due on delivery of the major components of the Product to Customer designated location or Philips warehouse. Product installation will not begin until Customer has paid this portion of the purchase price.

Subject to Section 6.2 of the Conditions of Sale, 20% of the purchase price shall be due net thirty (30) days from the invoice date based on Product(s) availability for first patient use. Available for first patient use means the product has been installed and substantially meets Philips' systems verification functionality set forth in the Installation manual.

2. For IGT Fixed Systems.

2.1 Project management support to enable delivery and installation is provided at no additional cost. Consulting and other turnkey room preparation services are not included.

2.2 Delivery and installation are included in the purchase of the system.

3. Additional Customer Installation Obligations for Magnetic Resonance (MR).

3.1 Customer shall provide any and all site preparation and shall be in compliance with all radio frequency (RF) or magnetic shielding and acoustical suppression and building codes relevant to the Product and its installation and use.

3.2 If applicable, 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:

3.2.1 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.

3.2.2 Completed Helium Exhaust Pipe Verification Checklist (Provided by Local Philips Project Manager)

3.2.3 Picture showing the area where the Helium Exhaust Pipe will discharge.

3.3 If applicable, 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.

3.4 Costs of equipment preservation, to ensure a high-quality system, will be passed to the Customer if the installation site is not ready due to delays not caused by Philips. Additionally, climate control costs during and after equipment installation are also the responsibility of the Customer. Preservation of equipment is required to prevent exposing equipment to the negative effects of a non-climate-controlled construction environment, where there is dust or high humidity. Climate control could include costs associated with ensuring a climate-controlled environment. Activities and expenses required for preservation may include time, materials, and transportation to package and seal, and transport the equipment to a controlled environment to prevent dust from entering the equipment. For MR, as may be applicable, this includes the consumption of Helium for life support.

4. Further use of System Data.

4.1 Mandatory Data. Customer acknowledges and agrees that by executing this Agreement and using the Licensed Software, it has agreed that product inventory and crash signature data generated by the Licensed Software shall be delivered into the custody of Philips, or of systems maintained on Philips' behalf, without notice to Customer. Such data is referred to herein as "Mandatory Data" and such data is described in the Licensed Software's documentation.



PHILIPS

for each Licensed Software release; the data comprising Mandatory Data is subject to change with each release of upgrades, updates, patches and modifications to the Licensed Software.

- 4.2 Customer agrees that any Mandatory Data will be the property of Philips. Part of the Mandatory Data might constitute (non-sensitive) Personal Data, which is anonymized data or aggregate log files, device parameters and other signals collected from the equipment used by Customer and associated with Customer. Customer agrees that Philips may use and disclose Mandatory Data for Philips' own business purposes (including, but not limited to, for data analytics activities to determine trends of usage of Philips' or its affiliates' devices and services, to facilitate and advise on continued and sustained use of Philips' or its affiliates' products and services, for product and service development and improvement (including the development of new offerings), substantiation of marketing claims and for benchmarking purposes). In connection with any disclosure of Mandatory Data, Philips will not associate such data with the Personal Data of Customer's patients, consumers, or employees.





Schedule 1-B
MR Subscription Rev 21

Product Category	Products
Magnetic Resonance	MRI Software License Packages

1. Definitions.

- 1.1. **Covered System.** The Philips MRI scanner on which the subscription licenses will reside. For existing/installed MRI units, the site number is set forth in the service agreement.
- 1.2. **Covered Service Description.** Included on the Quotation under NNAN399, describes the Subscription and the applicable fees.
- 1.3. **Subscription.** Philips grants to Subscriber a time-limited, nonexclusive, nontransferable right to use Subscription Service solely for Subscriber's own Internal business purposes, subject to these terms.
- 1.4. **Software Version.** Introduces major release with significant new features and functionality.
- 1.5. **Software Update.** Provides minor enhancements or improvements to performance, maintainability and serviceability.
- 1.6. **Software Fix.** Corrects Product Defect.

2. Subscription Term.

- 2.1 The Term of this Subscription is defined in the Quotation under NNAN399 ("Term"), and shall continue unless earlier terminated in accordance with this Agreement.
 - 2.1.1 For new MRI system installations, the Subscription will commence upon completion of installation and availability for first patient use.
 - 2.1.2 For existing/installed MRI systems, the Subscription will commence on the first day of the next calendar month.
- 2.2 The Subscription is non-cancelable by Customer and will remain in effect for the Term specified in this Agreement unless terminated in accordance with Section 6.

3. Scope of Subscription Service.

- 3.1. **Software Applications.** Philips will provide the customer access to all Philips MR software applications, made generally commercially available by Philips, for the MR model/ Covered System listed under the service agreement, that have been released as of the date of execution of the contract that does not require additional hardware.
 - 3.1.1. Some software updates and upgrades may require hardware updates or upgrades. Unless included hereunder, Customer is responsible for any such hardware updates or upgrades.
- 3.2. **Annual Updates.** On an annual basis during the Subscription Term, Philips will update the Covered System with any new and additional applications, made commercially available by Philips for the Covered System model, as well as any new release of software.
- 3.3. **MR Clinical Applications Training.** If Customer subscribes to On Demand Clinical Support (ODCS), then, within a reasonable time after Philips installs updates to the application software, Philips will provide Customer with four days (28 hours) of virtual clinical application training. If Customer continues to subscribe to ODCS, then Customer will be entitled to four days (28 hours) of virtual clinical application training during each subsequent contract year.
- 3.3. **MR Marketing Support.** Philips will provide, annually, additional marketing support (for the new applications) in the form of written support that the customer can use to drive additional referrals. This can come in the form of either a MS Word or MS PowerPoint document.

4. Fees and Payment.

- 4.1. **Refunds and Cancellation.** Fees are: (i) nonrefundable; (ii) not decreased during the Subscription Term based on actual User or data storage usage; and (iii) not cancelable for the Subscription Term.
- 4.2. **Subscription Fee.**
 - 4.2.1 An annual Subscription Fee is due from the Start Date, payable in advance, according to Customer's choice and the Service Description. Choose one:
 - ☐ Quarterly Basis
 - ☐ Monthly Basis
 - ☐ Yearly Basis
 - ☐ One-Time Advance Payment
 - 4.2.2 Fees for Subscription Term renewals or Subscriptions added during a Subscription Term will be: (i) at Philips's current standard price, due beginning



PHILIPS

on the Start Date for the Subscription Term; and (ii) charged for the full calendar month in which Subscriptions are added, and coterminous for the remainder of the Subscription Term.

5. Subscription Service Requirements.

- 5.1. Customer must purchase Tech Maximizer (Plus) prior to commencement of the MR Subscription as a condition to purchase MR Subscription solution offering.
- 5.2. Customer must purchase a RightFit Service Agreement prior to commencement of the MR Subscription as a condition to purchase MR Subscription solution offering.
- 5.3. In order to receive virtual clinical education, Customer must purchase On Demand Clinical Support.

6. Termination.

- 6.1. Philips may suspend or terminate Subscription Service with 30 days written notice if Subscriber breaches its obligations including timely payment, or without notice if Philips has a good faith belief that: (i) Subscriber is using Subscription Service for illegal purposes; (ii) the integrity or security of Subscription Service is threatened; (iii) it is necessary to prevent fraud or harm to Philips or Subscriber; (iv) Subscriber has or will breach its confidentiality obligations, infringe Philips' Intellectual Property rights, or assign or transfer its rights or obligations without consent; or (v) it is required by law.
- 6.2. Upon termination (i) Subscriber's right to use Subscription Service ends, (ii) Subscriber will cease using Subscription Service and, at Philips's direction, return or destroy Philips Confidential Information and Documentation, and (iv) Subscriber will immediately pay Philips all Fees due including Fees for the balance of the Subscription Term if Subscription Service is terminated prior to the end of the current Subscription Term.
- 6.3. If Subscriber added this Subscription to a previously installed and operational MRI system, then at the time of termination, all licenses will revert to the version that was in place prior to commencement of the subscription.
- 6.4. This Agreement will terminate automatically upon termination or expiration of all Subscription Terms.

7. Installation.

- 7.1 Philips will install the product during normal working hours, 8:00 AM – 5:00 PM, in the time zone where the Customer is located.

8. Post Go-Live Support.

Subscription Service includes telephone and remote support according to the terms of this Schedule.

- 8.1. Philips' standard support generally includes: (1) commercially reasonable efforts to resolve problems which cause Application functionality not to perform substantially as described in the Documentation; (2) remote assistance and troubleshooting advice for trained Subscriber personnel to determine cause and address technical problems with Subscription Service; (3) information and status updates for known Application functionality technical issues; and (4) periodic "as available" updates or upgrades to Subscription Service. Support may address but not resolve minor or partial loss of functionality, intermittent problems or minor degradation of operations.
- 8.2. Philips will use commercially reasonable efforts to respond to support requests as soon as possible and may not respond in the same day a request is received. Subscription Service and support may be unavailable due to scheduled downtime, maintenance, or circumstances beyond Philips' reasonable control. Philips may schedule downtime at any time without notice if Philips reasonably determines that not acting immediately could be harmful to Philips or Subscriber.
- 8.3. Philips is not responsible or liable for support or Subscription Service interruption or problems due to: (1) Subscriber systems, information, content, software, scripts, data, files, application programming, web servers or service, materials, equipment, acts or omissions of Subscriber or its agents; (2) virus or hacker attacks; (3) circumstances beyond Philips' reasonable control; (4) intentional shutdown for emergency intervention or security incidents; (5) Subscriber configuration changes; (6) Subscriber's failure to comply with Philips' security and upgrade policies; (7) Internet or other connectivity between Subscriber's network and Subscription Service or Philips' network, or any other network unavailability outside of the Philips network; or (8) training questions or Subscriber's use of Subscription Service; (9) acts or omissions of a party other than Philips.

9. Software Versions and Updates.

- 9.1. If a new software version or update is made generally available by Philips for the Covered System, and the requirements of the Agreement are satisfied, then Philips will upgrade the Covered System application software during the term of the Agreement as follows:
 - 9.1.1. Philips will provide new software versions and updates of software for existing applications made generally commercially available within a reasonable period after their release.
 - 9.1.2. Functionality. Customer is entitled to additional functionality previously purchased or bundled with the software, if available, in the version or update released on or after the start date of the Agreement. Customer acknowledges that certain functionality in current and previous software versions may not be available in future new software versions.
- 9.2. To receive a new software version:
 - 9.2.1. Customer must be in compliance with all terms and conditions of this schedule and the Agreement, including access to the Covered System by Philips personnel and payment;
 - 9.2.2. Customer must identify one Customer representative, in writing to Philips, that will manage and be responsible for Customer's selection and scheduling of new software version installations under this Schedule; and



PHILIPS

9.2.3. The Covered System that will receive the version or update must meet the specifications of the new software version. Customer shall purchase or provide the Covered System hardware or software necessary to meet such specifications.

9.3. Unless specifically included elsewhere in this Agreement, software versions and updates do not include implementation services, virus protection software, security patches, custom interface software, operating system software, or software updates of third party software (e.g. Citrix) or hardware required to use the update or upgrade, unless otherwise covered under a Tech Maximizer service offering purchased for the Covered System. Philips shall have no responsibility to provide software versions or updates for minor software defects that do not impact the intended use of the software or impact patient care.

9.4. Customer may not resell, transfer, or assign the right to such versions, updates, or fixes to any third party. All versions and updates provided to the Covered System under this Schedule are subject to the terms and conditions of this Schedule, the Agreement, and any license terms and conditions included in the purchase of the product from Philips or later provided to Customer.

10. Telephone And Remote Support.

10.1. Telephone Support. Telephone and Remote Support coverage is included with MR Subscription. Technical and Clinical Telephone and Remote Support coverage services are available twenty-four hours per day, seven days per week including Philips recognized holidays.

10.2. Remote Access & Diagnostics. Philips may remotely access the Covered System to perform Services. Customer shall provide Philips remote access to the Covered System. Philips shall not be responsible for delays arising from customer's network or IT infrastructure that does not allow for remote dial into the Covered System.

10.3. On-Site Software Resolution Response. Philips primary method for software services is telephone and Philips Remote Services ("PRS"). Philips, at its sole discretion, may provide on-site software support services to resolve software issues that cannot be resolved through Philips' primary resolution method. On-site service is next business day, Monday through Friday 8:00 a.m. to 5:00 p.m. local time, excluding Philips recognized holidays, and includes labor and travel necessary for the delivery of corrective services.

10.4. InCenter Access. Philips will provide Customer access to Philips web based support tool for the system(s) covered under this Agreement.

11. Customer Success Management Services.

11.1. During the term of the Agreement Philips will assign a resource familiar with the Customer account, key stakeholders, and contract coverage to provide the following:

11.1.1. Philips will schedule and deliver a remote coverage and status review meeting annually, at a mutually agreeable date and time. The status meeting will focus on available entitlements and planning. The status review may outline all Covered System service issues resolved during the previous period, and review any open or unresolved issues.

11.1.2. Prior to delivering any new software version, Philips will coordinate with the Customer assigned resource to identify and mitigate dependencies relative to the software upgrade and other service agreement entitlements.

11.1.3. The parties will develop a dependency mitigation plan to address resource needs, hardware needs, operating system requirements, interoperability and other dependencies for the deployment of new software upgrade.

12. Clinical Implementation Services.

12.1. If included in the quotation Philips will provide on-site implementation services for new versions or updates that Customer is entitled to receive under this Agreement, at a time mutually agreed to by Philips and the Customer. Scope, duration and delivery methodology of the clinical support of installation and clinical education will vary by new version, update or fix and will be defined by Philips at Philips sole discretion.

12.2. Go-Live Support. Philips will provide clinical go-live support during the implementation for new version upgrades and updates. Go-live support will be scheduled between 7:00 a.m. – 7:00 p.m. Monday through Friday, relative to the new software version and will be virtual or on-site at Philips' discretion. Customer may request additional go-live support, or go-live support outside of standard hours, at an additional cost.

12.3. Clinical Education. Clinical services will be scheduled between 7:00 a.m. – 7:00 p.m. Monday through Friday, relative to the new software version. Customer may request additional clinical education or clinical education outside of standard hours, at an additional cost.

12.3.1. Clinical Education class size is limited to ten (10) participants;

12.3.2. If applicable, Customer will provide a suitable location for on-site classroom education; and

12.3.3. Customer will provide full and free access and use of the Covered System for training.

12.4. Scheduling. Customer must schedule all Clinical Implementation Services, except Online Education, at least eight (8) weeks prior to the desired date for Philips to deliver the applicable service. If Customer representative does not schedule the Clinical Implementations Services with Philips in accordance with this Schedule, then Philips shall not be obligated to perform such Clinical Services.

12.5. Travel Expenses. Unless otherwise stated in the quotation, Philips' travel expenses for all Clinical Implementation Services delivered at the Customer site are included in the price described in the Agreement.

12.6. Philips will provide the clinical education and product applications training ("Training") that customer has selected from the Philips' course catalog(s) ("Course Catalog(s)").



PHILIPS

- 12.7. Clinical Education training and credits will expire upon termination or expiration of the Agreement.
- 12.8. Training does not include (a) maintenance or diagnostic related technical training or (b) clinical applications training on hardware or software not installed or provided by Philips.
- 12.9. Trainee(s) must meet the minimum admission requirements set forth in the course syllabus, must satisfy all prerequisites prior to admission, and may be required to sign or acknowledge Philips safety checklist prior to receiving Training.
- 12.10. Training may be conducted at Philips' training facilities, the Customer location(s) described in this Agreement ("Customer Site(s)"), through on-line or remote training, or at a third-party location determined by Philips.
- 12.11. Direct Course Purchase. Customer may purchase Individual courses at then current prices.
- 12.12. 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 OPERATE THE SYSTEM.

13. Customer Responsibilities.

- 13.1. System Administrator. The Customer shall designate an individual(s) to serve as Customer system administrator ("System Administrator") and an alternate, who will serve as Philips' primary support contacts. These individuals should be familiar with all aspects of training provided by Philips, including end-user and system administrator training. In addition, the System Administrator shall maintain the integrity of the Covered System operation and ensure that proper backup procedures are in place as outlined in the System Installation and Reference Guides.
- 13.2. Remote Access. Customer must provide necessary uninterrupted remote access, required information, and support for the Covered System to connect to Philips Remote Service ("PRS"). PRS is the basis for Services delivered under this Schedule. Customer waives all rights to services and service deliverables under this agreement unless PRS connectivity is enabled and maintained.
- 13.3. Security. The Customer is solely responsible for providing adequate security to prevent unauthorized Covered System access to Philips (or its third party vendors) proprietary and confidential information.
- 13.4. Hardware Revision Levels. The Customer must maintain all associated Covered System hardware, firmware, and middleware at the required revision levels for the software version. To receive software versions and updates, the Customer must maintain all associated hardware to the then-current specification for the software versions and updates.
- 13.5. Data Reconstruction. The Customer shall follow the recommended daily back-up processes as outlined in the Covered System Installation or Reference Guide. Additionally, the Customer is responsible for the reconstruction, restoration, retrieval, or recovery of any lost or altered patient records, files, programs, or data. Philips is not responsible for the reconstruction, restoration, retrieval, or recovery of any lost or altered files, data, or programs.
- 13.6. Intermediate Resolutions. Customer shall implement any intermediate resolutions or workarounds as requested by Philips while Philips seeks a long-term resolution.
- 13.7. Customer shall be solely responsible to perform daily data back-ups for the Covered System and for cybersecurity protection, including malware and anti-virus for the Covered System. This is not included in Philips MR subscription service. Customer shall install and configure anti-virus software pursuant to the Installation manual for the Covered System or risk defects in the Covered Systems function such as performance degradation and slow down. If the defects arise from failure to follow such Installation manual, such defects are not covered by this agreement and Philips may require Customer to reconfigure the anti-virus to the recommended settings.

14. Service Limitations.

- 14.1. Software Restoration. If the software fails and the supported application software requires restoration, then Philips will reinstall the application software, database software, and operating system to the revision level that existed prior to the malfunction or failure and Philips will attempt to reinstall the Customer-created data backup. If the Customer-created data backup cannot be used to re-install any data to the Covered System, the Customer will hold sole responsibility for the loss of data. Custom or third-party software, custom database configurations or reports, and Customer-written product interfaces are not included. If a Covered System failure is attributed to hardware not supported under the Agreement, the Customer shall restore the software, operating system, and database software before Philips begins any software restoration efforts.
- 14.2. Non-Philips Software Assistance. Requests for assistance with hardware, operating systems, communications network, third party software, printer configuration, etc., are outside the scope of this Agreement.

15. Exclusions.

- 15.1. In addition to the any exclusions set forth in the Schedule, the following Exclusions apply to MR Subscription.
- 15.2. Any combining of the Covered System with a non-qualified device. A non-qualified device is:
 - 15.2.1. Any product (hardware, firmware, software, or cabling) not supplied by Philips, whether used internal or external to Covered System without Philips' approval. Examples include, software patches, security fixes, and service packs from the operating system, web browser, or database software manufacturer(s);
 - 15.2.2. Any product supplied by Philips that has been modified by the Customer or any third party; and
 - 15.2.3. Any product maintained under this Agreement in which the Customer does not allow Philips to incorporate engineering improvements;
 - 15.2.4. Any product that has reached its "End of Life". "End of Life" means software and/or hardware equipment that has surpassed the published end of



PHILIPS

support life date by the original equipment manufacturer.

- 15.3. Operating system software issues that manifest themselves in non-performance of another installed application and affect use or performance of the Covered System.
- 15.4. If the Covered System covered by this Schedule is software only, then notwithstanding anything to the contrary in the Agreement or this Schedule, network, hardware and parts are not included in the Services.
- 15.5. Viruses arising from a Customer network, customer client devices such as phones, tablets, laptops and desktops, and/or third party medical devices used by Customer.
- 15.6. Damage caused by fires (including watering systems), floods, and/or use of the Covered System in an environment not meeting the requirements recommended by Philips causing corrosion to the Covered System or other defects to the MR subscription software.





8. Warranty

MAGNETIC RESONANCE (MR) SYSTEMS PRODUCT WARRANTY

This product warranty document is an addition to the terms and conditions set forth in the quotation to which this warranty document is attached. Unless specifically listed below, this warranty does not apply to replacement parts. 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.

1. Twelve (12) Month System Warranty.

- 1.1 Philips Healthcare, a division of Philips North America LLC (Philips) warrants to Customer that the Philips' Magnetic Resonance Systems (System) will perform in substantial compliance with its performance specifications, in the documentation accompanying the System, for a period of twelve (12) months after completion of installation and availability for first patient use.
- 1.2 If Coils, Chiller Units, Power Conditioner Units, or Injector Units are purchased from Philips, they will be covered by the special warranty set forth below.
- 1.3 If the Quotation includes an Intellispace Portal Workstation, then the following will apply:
 - 1.3.1 Philips warrants to Customer that the Philips' Workstation will perform in substantial compliance with its performance specifications, in the documentation accompanying the Workstation, for a period of twelve (12) months after completion of installation and availability for first patient use.
 - 1.3.2 The software provided with the Workstation will be the latest version of the standard software available for that Workstation as of the ninetyeth (90th) day prior to the date the Workstation is delivered to Customer.
 - 1.3.3 Updates to standard operating software for the Workstation 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.
- 1.4 If the Quotation includes an Intellispace Portal Client Server, then the following will apply:
 - 1.4.1 Philips warrants to Customer that the Philips' Client Server will perform in substantial compliance with its performance specifications, in the documentation accompanying the Workstation, for a period of twelve (12) months after completion of installation and availability for first patient use.
 - 1.4.2 The software provided with the Client Server will be the latest version of the standard software available for that Client Server as of the ninetyeth (90th) day prior to the date the Client Server is delivered to Customer.
 - 1.4.3 Updates to standard operating software for the Client Server 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.

2. Planned Maintenance.

- 2.1 During the warranty period, Philips' personnel will schedule planned maintenance visits, in advance, at a mutually agreeable time on weekdays, between 8:00am and 5:00pm local time, excluding Philips' observed holidays.

3. System Options, Upgrades or Accessories.

- 3.1 Any Philips' authorized 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:
 - 3.1.1 upon termination of the initial twelve (12) month warranty period for the System on which the option, upgrade or accessory is installed; or
 - 3.1.2 after ninety (90) days for parts only from the date of installation.

4. Radio Frequency (RF) Surface Coils.

- 4.1 The System can be purchased with optional RF Surface Coils (coils).
- 4.2 If coils are purchased with the System, Philips will include the coils under the System Warranty.
- 4.3 Third party coils will not be covered under this warranty.

5. Special Warranty: Chiller Unit, Power Conditioner Unit or Injector Unit.

- 5.1 The System can be purchased with an optional Chiller Unit, Power Conditioner Unit or Injector Unit (units).
- 5.2 If any of these units are purchased with the System, Philips will include these units under the Twelve (12) Month System Warranty as an Original Equipment Manufacturer (OEM) warranty pass through.
 - 5.2.1 If a Chiller Unit is included in the System sale, then, during the Twelve (12) Month System Warranty, Philips shall replenish up to \$8,000 of helium (in total) for the System as needed to ensure the magnet substantially complies with its specifications. Philips will invoice Customer, and Customer will pay, for helium costs exceeding \$8,000.00. This does not apply to BlueSeal MRI systems.



PHILIPS

5.3 Authorized representatives of the OEM will perform warranty service on each of these units.

6. Helium Replenishment.

6.1 Subject to the limitations in Section 8.9 below, during the Twelve (12) Month System Warranty, Philips shall provide helium replenishment to ensure the magnet performs in substantial compliance with its performance specifications, in the documentation accompanying the System. This does not apply to BlueSeal MRI systems.

7. System Software and Software Updates.

- 7.1 The software provided with the System will be the latest version of the standard software available for that System as of the ninetyeth (90th) day prior to the date the System is delivered to Customer.
- 7.2 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.
- 7.3 All software is and shall remain the sole property of Philips or its software suppliers.
- 7.4 Use of the software is subject to the terms of a separate software license agreement.
- 7.5 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.
- 7.6 Any Philips' maintenance or service software and documentation provided with the System 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.
- 7.7 Customer agrees to restrict the access to such software and documentation to Philips' employees, those of its authorized agents and its authorized employees of Customer only.

8. Warranty Limitations.

- 8.1 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.
- 8.2 Any refund will be paid to the Customer when the product is returned to Philips.
- 8.3 Warranty service outside of normal working hours (i.e. 8:00am - 5:00pm, Monday through Friday, excluding Philips' observed holidays), will be subject to payment by Customer at Philips' standard service rates.
- 8.4 This warranty is subject to the following conditions: the product:
 - 8.4.1 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);
 - 8.4.2 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
 - 8.4.3 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.
- 8.5 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 running in connection with the Licensed Software without prior 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.
- 8.6 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.
- 8.7 The obligations of Philips described herein are Philips' only obligations and Customer's sole and exclusive remedy for a breach of a product warranty.
- 8.8 Customer is to notify Philips immediately in the event the product at any time fails to substantially meet its printed performance specifications; and only Philips' personnel acting under the direct supervision of Philips' service management are to perform all maintenance of the cryogen subsystem (including replenishment of helium).
- 8.9 Helium Replenishment is excluded if such replenishment is caused by the following: physical environment out of compliance with Customer obligations (e.g. power loss, room temperature), helium loss due to maintenance provided by a party other than Philips or Philips subcontractors, Emergency Ramp Down Unit (ERDU), and/or ramp down due to metal objects/projectiles. Any helium replenishment caused by these events shall always be billable events.
- 8.10 THE WARRANTIES SET FORTH HEREIN 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

8.11 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.

9. Philips' Remote Services Network (RSN).

9.1 Customer will:

- 9.1.1 provide Philips with a secure location at Customer's premises to store one Philips' Remote Services Network router and provide full and free access to this router, (or a Customer-owned router acceptable to Philips) for connection to the equipment and to Customer's network; or
- 9.1.2 provide Philips with outbound Internet access over SSL; at all times during the warranty period provide full and free access to the equipment and the Customer 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).

9.2 Customer's failure to provide such access 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.

9.3 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.

10. Transfer of System.

10.1 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.

10.2 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

10.3 Customer will compensate Philips for these services at the prevailing service rates in effect as of the date the inspection is performed.

10.4 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.

11. Limitation of Liability.

11.1 THE TOTAL LIABILITY OF PHILIPS ARISING UNDER OR IN CONNECTION WITH THE PRODUCT FOR ANY BREACH OF CONTRACTUAL OBLIGATIONS, WARRANTY, NEGLIGENCE, UNLAWFUL ACT OR OTHERWISE IN CONNECTION WITH THE PRODUCT IS LIMITED TO THE ACTUAL PURCHASE PRICE RECEIVED FOR THE PRODUCT THAT GAVE RISE TO THE CLAIM.

11.2 PHILIPS SHALL NOT BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES AND/OR FOR ANY DAMAGES INCLUDING, LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION OR USE IN CONNECTION WITH OR ARISING OUT OF THESE CONDITIONS OF SALE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, AT LAW OR IN EQUITY. NEITHER PHILIPS NOR PHILIPS' SUPPLIERS SHALL BE LIABLE FOR ANY LOSS OR INABILITY TO USE MEDICAL OR OTHER DATA STORED ON OR BY THE PRODUCT.

11.3 THE EXCLUSION OF LIABILITY IN THESE CONDITIONS OF SALE SHALL ONLY APPLY TO THE EXTENT ALLOWED UNDER THE APPLICABLE LAW.

11.4 FOR US CUSTOMERS, THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 11.1:

- 11.4.1 THIRD PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT.
- 11.4.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT.
- 11.4.3 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 PROTECTED HEALTH INFORMATION.
- 11.4.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION AS THE BASIS OF THE FINE/PENALTY, ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

12. Disclaimer.

12.1 IN NO EVENT SHALL PHILIPS OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY 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.

13. Force Majeure.



PHILIPS

- 13.1 Philips and Customer shall each 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, health pandemics, acts of any civil, military, or government authority, fire, floods, war, embargoes, labor disputes, acts of sabotage, riots, accidents, delays of carriers, voluntary or mandatory compliance with any government act, regulation or mandatory direction, or request. For clarity, Customer requests shall not be considered 'government' requests under this section.

Philips' system specifications are subject to change without notice.

MR Product Warranty Rev 22



Philips Medical Capital Master Lease Schedule — \$1 Purchase Option (non-Ultrasound)

LESSEE: Holston Medical Group, P.C.Lease Number: 501-50569267

This Master Lease Schedule No. 18 ("Lease Schedule"), dated as of February 2, 2024, constitutes an independent lease incorporating the terms and conditions of the Master Lease Agreement ("Agreement"), dated May 24, 2016 by and between PHILIPS MEDICAL CAPITAL, LLC ("Lessor") and Lessee. All capitalized terms in this Lease Schedule shall have the meanings ascribed to them in the Agreement. To the extent that the terms of this Lease Schedule conflict with the terms of the Agreement, the terms of this Lease Schedule shall control.

Lessee hereby acknowledges and certifies that (i) the System and each item thereof described below or in any exhibit attached hereto was selected by the Lessee, (ii) the Lessee has reviewed and approved the purchase order, supply contract or purchase agreement covering each item of the System, (iii) as between the Lessor and the Lessee, each such item is of a size, design, capacity and manufacture acceptable to and suitable for Lessee's need; and (iv) as of the Commencement Date, each item of the System has been delivered and inspected by Lessee, is in good working order, repair and condition and that Lessee unconditionally and irrevocably accepts the System and each item thereof for lease hereunder.

1. SYSTEM DESCRIPTION (quantity, make, model, description, etc.)

One (1) Philips Ingenia Elition X as more fully detailed in Philips Healthcare Quote no. Q-00253675

2. PROVIDER NAME AND ADDRESS: (if blank, the Provider is Philips Healthcare)

Name	Street Address	City	State	Zip

3. SYSTEM LOCATION: (only if different from address in Agreement)

Street Address	City	State	Zip
2033 Meadowview Lane	Kingsport	TN	37660

4. LEASE TERM: 61 months starting the first day of the first full month after the "Commencement Date" (as defined below). At the end of month 61, ("Term Expiration Date") the Lease Term will automatically end and the Lessee shall have been deemed to have purchased the System described in Paragraph 1 above by operation of prepaying the purchase price in Paragraph 8 below. For the purposes of this Lease, the Commencement Date shall mean the earliest to occur of: (i) the date on which the System is Available for First Use (as hereinafter defined); (ii) the date on which the Lessor shall have received telephonic confirmation from the Lessee that the System has been accepted; or (iii) execution by Lessee of a Delivery and Acceptance Certificate. As used herein, "Available for First Use" shall mean that the System is available for first patient or clinical use. It is agreed that if the appropriate Provider represents to Lessor that a System has been installed and is available for first patient or clinical use, such representation shall, as between Lessor and Lessee, constitute a definitive determination that such System is "Available for First Use".

5. PAYMENTS:

(a) Payment: Lessee shall make payments based on the following schedule beginning on the first day of the first month of the Lease Term.

Number of Payments	Payment	(PLUS)	Applicable Sales Tax	(EQUALS)	Total Payment
60	\$43,297.95	+	Included	=	\$43,297.95
1	\$371,070.49	+	Included	=	\$371,070.49

(b) Changes in Payment: The Payment amount is based on an interest rate equivalent to that of the like-term (or Lessor may use an interpolated rate if a like-term is not available) Secured Overnight Financing Rate (SOFR) Swap, as determined by Lessor ("Swap Rate"). The Payment shall be adjusted upward by Lessor to reflect any change in the Swap Rate set forth on 12/11/2023 and the Swap Rate in effect as of the close of the business day immediately prior to the Commencement Date.

(c) Advance Payment: \$0.00 ☐ plus / ☐ including all applicable sales taxes. The Advance Payment is due on or before the Commencement Date.

6. SECURITY DEPOSIT AND FEE: Lessee will provide Lessor with a security deposit of \$0.00 as security for its obligations hereunder and pay Lessor a processing fee of \$100.00 plus all applicable taxes for Lessor's documentation, UCC-1 financing statement filing and other administrative costs. Any security deposit is non-interest bearing and may be commingled by Lessor. Lessor may apply any security deposit upon an Event of Default and Lessee shall promptly restore any amount so applied. If Lessee is not in default on the Term Expiration Date, then Lessor shall return any security deposit not applied to Lessee without interest.

7. INTERIM RENT: If the Commencement Date is on a day other than the first day of the month Lessee shall pay interim rent ("Interim Rent") equal to one-thirtieth (1/30) of the Payment for each day from and including the Commencement Date through and including the last day of the month prior to the beginning of the Lease Term. Interim Rent is due and payable concurrently with the first regularly scheduled Payment of the Lease Term. If the Payments are not level, then the calculation will be based on the weighted average of the Payments in excess of \$0.

8. PURCHASE OPTION: In addition to all of Lessee's other obligations hereunder, Lessee shall remit to Lessor the amount of One Dollar (\$1) on the Term Expiration Date. Notwithstanding the foregoing, it is understood and agreed that title to all of the System passed to Lessee on the Commencement Date and that Lessor's interest therein consists of a security interest therein and that such is free and clear of all liens and encumbrances arising through Lessor but otherwise on an "As Is" and "Where Is" basis and without warranty or representation of any kind from Lessor. Without limiting the foregoing, Lessor disclaims any warranty of merchantability or fitness for a particular purpose. Lessee shall pay all taxes attributable to any sale other than net income taxes imposed on any gain recognized by Lessor as a direct result of such sale. Lessee shall pay all taxes attributable to any sale other than net income taxes imposed on any gain recognized by Lessor as a direct result of such sale.

In Witness Whereof, the parties hereto have executed this Master Lease Schedule No. 18 as of the date first set forth above.

- This Master Lease Schedule No. 18 dated February 2, 2024, shall not be binding upon Lessee until (i) Lessee shall have received a permit for the establishment of a health care institution, facility, or service permitting installation of the System at the System Location address; and (ii) the Commencement Date shall have occurred.

LESSEE SIGNATURE	Lessee <u>Holston Medical Group, P.C.</u>
	Signature X <u>[Signature]</u>
	Print Name <u>Scott Fowler, J.D., M.D.</u>
	Title <u>President/CEO</u>

WITNESS X Samantha Sigemore
 Print Name X Samantha Sigemore
 Title X COO

LESSOR SIGNATURE	Lessor <u>PHILIPS MEDICAL CAPITAL, LLC</u>
	Signature X _____
	Print Name _____
	Title _____

WITNESS _____
 Print Name _____
 Title _____

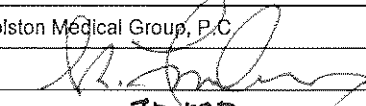
DIRECT DEBIT AGREEMENT ADDENDUM

This addendum ("Addendum") is made part of and amends that certain Master Lease Schedules 18, 19 and 20 related to Application No. _____ (the "Underlying Agreement") by and between PHILIPS MEDICAL CAPITAL, LLC ("Creditor") and Holston Medical Group, P.C. ("Obligor"). Unless otherwise defined herein, capitalized terms shall have the definition set forth in the Underlying Agreement.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound and pursuant to the terms and conditions of the Underlying Agreement, It is hereby agreed as follows:

1. The following shall be added to the Underlying Agreement as an additional event of default: "Obligor shall be in default of the Underlying Agreement in the event Obligor revokes its authorization for direct debit such that Creditor may no longer direct debit Obligor's account for all payments owing under this Underlying Agreement."
2. It is expressly agreed by the parties that this Addendum is supplemental to the Underlying Agreement which is by reference made a part hereof and all the terms and conditions and provisions thereof, unless specifically modified herein, are to apply to this Addendum and are made a part of this Addendum as though they were expressly rewritten.
3. In the event of any conflict, inconsistency or incongruity between the provisions of this Addendum and any of the provisions of the Underlying Agreement, the provisions of this Addendum shall in all respects govern and control.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed on the dates set forth below.

OBLIGOR	Lessee: <u>Holston Medical Group, P.C.</u>
	Signature: <u>X</u> 
	Print Name: <u>Scott Fowler, JD, MD</u>
	Title: <u>President/CEO</u>
	Date: <u>March 28, 2024</u>
CREDITOR	Lessor: <u>PHILIPS MEDICAL CAPITAL, LLC</u>
	Signature: <u>X</u>
	Print Name: _____
	Title: _____
	Date: _____

07PHIL670v4

Automatic Payment Authorization

By enrolling in AutoPay, your payments will be automatically sent!

✓ Easy Record Keeping ✓ Seamless Payment Experience ✓ Safe & Secure Processing ✓ Convenience

Agreement Number: 501-50569267

Additional Agreement Numbers for AutoPay: 501-50574728 and 501-50574737

CUSTOMER INFORMATION

EXISTING CUSTOMER AUTHORIZING USE OF EXISTING BANK INFORMATION

☐ I have the authority and hereby authorize Phillips Medical Capital, LLC to automatically withdraw the required payments using the same account information previously submitted and currently authorized for automatic payments.

NEW CUSTOMER or EXISTING CUSTOMER WITH NEW BANK INFORMATION.

Contact Person

Contact Person email

Customer Name
Holston Medical Group, P.C.

Phone Number

Street Address
2323 N John B Dennis Hwy

City
Kingsport

State
TN

Zip Code
37660

BANK ACCOUNT INFORMATION

Bank Name

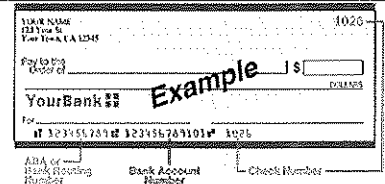
Commercial Bank

ABA Routing Number

064202983

Bank Account Number

16000796



TERMS & CONDITIONS

I have the authority and hereby authorize Phillips Medical Capital, LLC to automatically make recurring charges, using Automated Clearing House transfers, to the bank account number listed above or to the bank account associated with an existing contract for payments, fees, taxes and all other charges owed to Phillips Medical Capital, LLC pursuant to the payment schedule on the above referenced contract(s) ("AutoPay Payment Authorization"). I acknowledge that I have the option to make my payments using any method offered by Phillips Medical Capital, LLC and that I am not required to agree to repayment by this AutoPay Payment Authorization. This AutoPay Payment Authorization will remain in effect until all my obligations under the above referenced contract(s) have been satisfied or unless I terminate such AutoPay Payment Authorization. I may terminate any AutoPay Payment Authorization by calling (866) 513-4762; by emailing customermanagement@phillipsmedicalcapital.com at least three (3) business days before the scheduled AutoPay payment date. Termination of any AutoPay Payment Authorization does not relieve my obligations under my contract(s) with Phillips Medical Capital, LLC. I authorize the release of information concerning my financial condition to suppliers, other creditors, credit bureaus and other credit reporters. For information about our privacy practices, please review our privacy statement at <https://leasedirect.com/pmc/usprivacy>.

Print Name:

Scott R. Fowler, J.D., M.D.

Signature:

[Handwritten Signature]

Date:

March 28, 2024

Thank you! You will receive an email confirmation once your AutoPay authorization has been processed.

For questions contact us at (866) 513-4762

PHILIPS

PHILIPS SERVICE AGREEMENT

3T MRI/Service
Meadowview Outpatient Center
and After Warranty
to cover 6-years at
PHILIPS HEALTHCARE \$191,406.⁰⁰ pr yr.

THIS DOCUMENT IS CONFIDENTIAL. IT IS NOT INTENDED FOR USE BY ANYONE OTHER THAN REPRESENTATIVES OF PHILIPS HEALTHCARE OR MEADOWVIEW OUTPATIENT CENTER.

Billing Information

Acct: 94022359
 Meadowview Outpatient Center
 2033 Meadowview Ln Ste 100
 Kingsport, TN 37660-7569

Equipment Location

Acct: 94022359
 Meadowview Outpatient Center
 2033 Meadowview Ln Ste 100
 Kingsport, TN 37660-7569

ATTACHMENT A: PRICING SUMMARY

SITE #	SERIAL #	SYSTEM TYPE	LOCATION	CONTRACT COVERAGE	ADDED OPTIONS	CONTRACT START DATE	CONTRACT END DATE	MONTHLY BILLING VALUE	ANNUAL CONTRACT VALUE	TOTAL CONTRACT VALUE	COMMENTS
TBD1	TBD 1	Ingenia Elition 3.0T X	Meadowview Outpatient Center (BPN: 94022359)	Protection POS	Chiller Coverage M-F 8:00a.m.-9:00p.m. POS, 26-150 kVA UPS, Injector	Upon Warranty Expiration	72 Months After Warranty Expiration	\$14,919.75	\$179,037.00	\$1,074,222.00	Q-00232793
TBD 2	TBD 2	Ingenia Elition 3.0T X	Meadowview Outpatient Center (BPN: 94022359)	Protection POS	Tech Max Plus	Upon Warranty Expiration	72 Months After Warranty Expiration	\$1,030.75	\$12,369.00	\$74,214.00	Q-00232793
Totals:								\$15,950.50	\$191,406.00	\$1,148,436.00	

Pricing shown is valid for 90 days from 10/30/2023 and does not include applicable taxes.

Buying Group: VIZIENT SUPPLY LLC Contract: XR0884

Service Options:**Chiller Coverage M-F 8:00a.m.-9:00p.m. POS**

Chiller Coverage - M-F 8:00 a.m. - 9:00 p.m. excluding Philips holidays. Includes corrective and preventative maintenance of the chiller during the term this contract. Service goal is to be on-site within 4 hours. Chiller coverage is only valid when the chiller is purchased with the Philips MR system and sourced through a Philips-approved supplier. Excludes chillers in mobile MR trailers.

26-150 k VA UPS

All labor and parts (except batteries) as necessary.

Includes One UPS Module PM and One Battery PM per year during Normal Business Hours (Mon-Fri 8am-5pm) on three phase UPS

MR Experion Injector

Comprehensive parts and labor support for MR Xperion Injector

Tech Max Plus

Philips Technology Maximizer Plus is a software subscription and hardware refresh program that drives clinical performance, easy upgradeability, and optimizes equipment lifecycle by keeping your Philips system technology state of the art during term of the agreement. Technology Maximizer Plus provides the following:

- Operating system and application software will be upgraded to the latest compatible software release, as such releases become available (compatible with the Philips equipment's hardware described in the equipment quotation).
- Software upgrades will be provided and enabled for those software applications and options purchased, either with the Philips equipment purchase or after original installation of the equipment.
- Computer hardware will be refreshed one time during term of the agreement, including related monitor, keyboard and required interface. If an operating system upgrade for the host computer is required to support a Philips software upgrade, then the operating system software upgrade is also included.
- Clinical education to support clinician and technologist use of upgrade functionality. Training may be on-site or computer-based, as determined by Philips for each upgrade.

- Professional project management by a Philips Customer Delivery Manager.
- Professional installation by a Philips Field Service Engineer.
- Technology Maximizer Plus excludes clinical applications that offer new Philips innovation or workflow functionality.

Promotions:

With this promotion, Philips Services will provide an additional six months of service when you purchase an eligible RightFit service agreement with the purchase of your new or Diamond Select Philips imaging system. The additional six months of coverage includes the total service package of the agreement and all service options purchased such as tube coverage, detector coverage, etc. and will begin immediately following the end of the standard warranty period. The service payment will then begin at month 19 after installation.

ATTACHMENT B: SERVICE COVERAGE DEFINITIONS

Plan Type	Protection/Protection POS
Uptime Guarantee	Our Protection Service Agreement offers you robust security, a hands-on relationship with Philips, and open communications. 98% per contract year. This provides assurance of the equipment availability to scan patients, as described in the uptime guarantee exhibit.
Labor Coverage	Labor and travel coverage for on-site or phone support service 8am-9pm, M-F, excluding Philips published holidays.
On-site Labor Response	At customer's request, Philips service goal is to be on-site within 4 hours, or as mutually agreed to by customer and Philips
Planned Maintenance	Planned maintenance coverage from 8am-9pm, M-F, excluding Philips published holidays. Coverage includes activities performed according to a schedule to review safety, image quality, calibrations, equipment cleaning, performance trials and any other planned service prescribed by Philips or the OEM for Non-Philips equipment. Current recommendations for service depends on modality and product model. Modality ranges are: NM: 2-4 times/yr; CT: 2-6 times/yr; DXR: 1-2 times/yr; IXR: 1-2 times/yr; MR: 3-4 times/yr;
Labor Rates	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.
Labor Cap/Limits & BioMedical Engineer Training	N/A
Standard Parts Coverage	This provides coverage on parts used to maintain and repair the equipment, including both hardware and software items.
Parts Delivery	<u>Earliest next day AM parts delivery:</u> This provides delivery in most areas that can be accommodated by 8:30am to fit the urgency of your need. (Actual time depends on local shipper delivery schedule and delivery restrictions for heavyweight, oversized or hazardous parts).
Strategic Parts (By Modality)	• Magnet Maintenance Package (MMP). The MMP includes the following: • <u>Helium Replenishment Service:</u> Standard Helium Replenishment is intended to supply Customer for the normal depletion of helium experienced when the MR equipment is operated as instructed in the Agreement. Philips shall provide, as available, scheduled Standard Helium Replenishment, when required as determined by Philips operating specifications of the MR system type, including labor, transportation, management costs and taxes associated with replenishing the MR equipment with helium product. Standard Helium Replenishment is capped at \$8,000, per MR system, per contract year, as determined by Philips standard rate at the time of each helium fill. Philips will provide additional helium, billed at Philips standard rate, as available, when required as determined by Philips operating specifications of the MR system type. Standard Helium Replenishment <u>does not include</u> helium consumption caused by the following: physical environment out of compliance with Customers obligations (e.g. power loss, room temp), helium loss due to maintenance provided by a party other than Philips or Philips subcontractors, quench from ERDU, and/or ramp down due to metal objects/projectiles. Any helium replenishment caused by these events shall always be billable events. • <u>Magnet Protection Plan-</u> Replacement of the system magnet if Philips cannot complete an on-site repair. Includes labor, transportation, replacement of magnet, pump, magnet cool down, shimming, re-assembly, and performance testing as necessary to complete the magnet replacement. For Philips MRs, Magnet Protection Plan must be continuous from the end of system warranty. Magnet Protection Plan is available to Customer for no greater than 8 years from MR equipment installation date, or MR equipment end of life date as determined by Philips, whichever is sooner. Magnet Protection Plan does not provide for facility alterations that may be necessary to complete the magnet replacement. • <u>Magnet Refrigeration Service</u> - Corrective and planned maintenance service for the MR refrigeration system (Cold Head, cryo compressor and helium lines). <u>Surface Coils:</u> For Philips systems, this includes repair or exchange of surface coils purchased from Philips limited to coils that have not been misused, abused or operated outside normal operating parameters. For Non-Philips Systems, coil coverage is limited to standard surface coils associated with the MR under service contract with Philips. Coil coverage excludes the Noras head frame, other high-end speciality coils and coils sold as part of the MR-OR solution. NM: Crystals and Photomultiplier Tubes (PMT's), X-Ray Tube and the flat panel coverage (excludes mechanical damage on the grid) included for the Brightview XCT, X-Ray Tubes included for Precedence. Magnet Maintenance Package (MMP) and Surface Coils from Philips included for the Ingenuity TF PET MR. DXR: <u>X-Ray tubes</u> included on all systems except for PCR and CAD Chest Systems. <u>1 Flat Detector</u> included on Digital RAD Single Detector systems, Juno and EasyDiagnost Eleva DRF (except Rel.5). Additional coverage for second flat detector must be purchased under "Added Options". <u>2 Flat Detectors</u> included on Digital Diagnost Dual Detector. <u>Detector</u> coverage included <u>only</u> when it is specified under "Added Options" on MobileDiagnost wDR, DigitalDiagnost 3 or 4, EasyUpgrade DR, EasyDiagnost Eleva DRF Rel. 5, DuraDiagnost, ProGrade and CombiDiagnost. <u>Wireless Detector Battery</u> coverage included <u>only</u> when it is specified under "Added Options". <u>Image Intensifier</u> included on R/F systems except for Juno and CombiDiagnost. CT: X-Ray Tubes at Medium Level IXR: X-Ray Tubes, Image Intensifiers, Detectors.
Lifecycle	For Philips Systems operating system software and hardware reliability updates. These updates include onsite or remote labor, travel and parts necessary to complete safety, performance and reliability modifications to existing equipment software or hardware. Mandatory Field Change orders for Non-Philips Systems are the responsibility of the OEM.
Lifecycle Solutions Discount	20% discount on any items selected from Philips Life Solutions catalog, excluding power monitoring.
Remote Services	This supports remote system diagnostics and monitoring. Philips and Non-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.
Technical Telephone Support	Philips 24/7 Solution Center provides technical support and parts order requests during contracted hours. Support may be provided by remote or local Service representatives. Additional charges and service limitations may apply for technical support and part order requests outside of contracted hours.
Clinical Telephone Support	Clinical telephone support (for Philips systems only) from 8:00 am - 9:00 pm, Monday – Friday.

Solution Enhancements

Phillips Service Information: This contains service management reports. Information on equipment service status, historical service performance, engineer response time, and planned maintenance schedules.

Annual customer loyalty meetings: These include a review of current and future performance goals of Philips equipment and service.

GENERAL CUSTOMER SERVICE TERMS AND CONDITIONS REV 22

1. Services.

- 1.1 The services ("Service(s)") included in the quotation and/or Attachment A, as applicable (the "Quotation") will be provided by the Philips Entity ("Philips") entering into this Customer Service Agreement with Customer as identified in the Quotation. Philips will provide the Services to Customer for the equipment and software listed in the Quotation (the "Equipment") that is at the location in the Quotation (the "Site"), and certain Service deliverables will be provided for the exclusive benefit of the Site, under the terms and conditions described herein, including the Quotation, any exhibits and attachments, each of which are hereby incorporated (collectively, the "Agreement").

2. Access to Equipment.

- 2.1 Customer shall make the Equipment available to Philips at a mutually agreed date and time. If the Equipment is not available at the agreed upon time, Philips or Customer may attempt to reschedule the Service or cancel the Service. Philips may charge Customer at the then-current demand service rates for all time spent by Philips service personnel waiting for access to the Equipment.

3. Price.

- 3.1 In consideration for the Services to be performed by Philips, Customer shall pay the prices defined in the Quotation (the "Contract Price").

- 3.2 The Contract Price is a gross amount but exclusive of any value added tax (VAT), sales tax, GST, consumption tax or any other similar tax. If the transactions as described in the Agreement are subject to any applicable VAT, sales tax, consumption tax or any other similar tax, Philips will charge VAT, sales tax, consumption tax or any other similar tax to Customer, which will be paid by Customer in addition to the Contract Price. Customer shall provide Philips with an appropriate exemption certificate in advance of the date the Service is invoiced, or Customer shall pay all taxes per Philips' invoice.

- 3.3 Contract Prices are based on the price levels at the effective date of the Agreement. Except as otherwise provided on the Quotation, Philips reserves the right to adjust customer list pricing and (or) net pricing, during the term of the Agreement set forth in the Quotation and incorporated herein ("Term"). Such adjustment in pricing requires thirty (30) day written notice, will not be retroactive, cannot start before first year of contract, and will not exceed more than five percent (5%) change annually. Price adjustments shall be in accordance with:

3.3.1 For customers in the United States, the Consumer Price Index published by the United States Bureau of Labor Statistics on its website at <http://www.bls.gov/cpi>.

3.3.2 For customers in Canada, the Consumer Price Index published by Statistics Canada on its website at https://www.statcan.gc.ca/en/subjects-start/prices_and_price_indexes/consumer_price_indexes.

- 3.4 Customer shall notify Philips and Philips shall be entitled to change the Contract Price in the event that:

- 3.4.1 the location of the Equipment changes;
- 3.4.2 any ambient conditions of operation (e.g., installation or de-installation of air-conditioning system) of the Equipment at the location change;
- 3.4.3 any additional equipment is acquired by the end-user which should be added to the inventory list of Equipment;
- 3.4.4 the Equipment is (partly) removed or taken out of service by Customer; and/or
- 3.4.5 the incoming main power supply and protective earth configuration changes, becomes unreliable, or is no longer in accordance with the Equipment specifications.

- 3.5 List Price Harmonization. In an effort to simplify and harmonize Philips services and/or products portfolio pricing structure Philips may, no more than once during the term of the Agreement, unilaterally adjust the price list and discount schedule for services and/or products under this Agreement, with no impact to the current net price. Philips will:

- 3.5.1 Provide thirty (30) days' written notice prior to fixing the net price of the service(s) and/or product(s) sold under this Agreement for twelve (12) months (the "Lock Period") at the net price (the "Lock Price") of the service(s) and/or product(s) in effect at the time of Customer's receipt of the written notice.
- 3.5.2 Provide an updated Agreement price file showing the new list price and new discount, which together will not change the Lock Price set at the beginning of the Lock Period.
- 3.5.3 Upon termination of the Lock Period, the net price of the service(s) and/or product(s) will be maintained in the manner defined in the Agreement.

4. Payment.

PHILIPS PROPRIETARY & CONFIDENTIAL INFORMATION

Quote **MOC10302023** Rev 1 Date: 10/30/2023 10:59 PM; Drafted by: **K Humphrey**

Page 7 of 23

- 4.1 Customer shall pay the Contract Price to Philips within thirty (30) days from the date of invoice in accordance with the instructions on the invoice.
- 4.2 Customer shall make any payments under this Agreement without any set-off, withholdings, or any other deductions.
- 4.3 Payments may be made by check, ACH, or wire. Philips does not accept transaction fees for wire transfers or any other payment method; Philips imposes a surcharge on credit cards of two percent (2%), which is not greater than Philips' cost of acceptance. All check payments over \$50,000 USD or CAD must be paid via eCheck or via Philips prepaid FedEx account with tracking to secure against fraud and misappropriation.
- 4.4 Customer shall pay interest on any amount not paid when due at the annual rate of twelve percent (12%) in the case of the U.S., which may be billed on a monthly basis or at the maximum rate permitted by applicable law for Canada. If Customer fails to pay any amounts due or breaches these Conditions of Service, Philips will be entitled to suspend the performance of its obligations and deduct the unpaid amount from any amounts otherwise owed to Customer by Philips, in addition to any other rights or remedies available to Philips. Philips shall be entitled to recover all costs and expenses, including reasonable attorneys' fees related to the enforcement of its rights or remedies.
- 4.5 If the Quotation indicates net prices that are each associated with a payment method, then Philips will invoice Customer, and Customer will pay, the net price that corresponds to Customer's elected payment method.
- 4.6 If the Term of the Agreement is greater than one (1) year in duration, and Customer provides Philips a purchase order (PO) for a period of time less than the Term, then Customer will promptly provide Philips updated POs to fulfill the entire Term.
- 4.7 If Customer fails to pay any amount when due, Philips may, in addition to other rights it may have under this Agreement or by law, at its option:
 - 4.7.1 withhold or suspend performance under the Agreement until all payments from Customer have been received by Philips;
 - 4.7.2 deduct the unpaid amount from any amounts otherwise owed to Customer under any agreement by Philips or any of Philips' Affiliates (meaning any entity that directly or indirectly controls, is controlled by, or is under common control with Philips ("control" means direct or indirect ownership or control of more than fifty percent (50%) of the voting interests of the subject entity));
 - 4.7.3 declare all sums outstanding to become immediately due and payable under the Agreement;
 - 4.7.4 commence collection activities for all sums due or to become due hereunder, including, but not limited to costs and expenses of collection, and reasonable attorneys' fees; and/or
 - 4.7.5 if Customer does not cure its payment failure in accordance with Section 18.5.1, terminate this Agreement with ten (10) days' notice to Customer.
- 4.8 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.

5. Exclusions.

The Services do not include, unless specifically agreed otherwise in the Quotation:

- 5.1 servicing or replacing components of equipment other than those Equipment or components listed in the Quotation that is at the Site;
- 5.2 servicing Equipment if contaminated with blood or other potentially infectious substances, disposing hazardous, infectious, or biomedical waste or material;
- 5.3 service specifically excluded in the Quotation;
- 5.4 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 Equipment with other manufacturers' product or software other than those recommended by Philips; (iv) any alteration or improper storage, handling, use, or maintenance of the Equipment, including any components, e.g., detectors, transducer, or coils, 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 Equipment; or (vii) neglect or misuse of, or accident with, the Equipment, including any components, e.g., detectors, transducer, or coils;

PHILIPS PROPRIETARY & CONFIDENTIAL INFORMATION

Quote [MOC10302023](#) Rev 1 Date: 10/30/2023 10:59 PM; Drafted by: [K Humphrey](#)

Page 8 of 23

- 5.5 any cost of materials, supplies, parts, or labor supplied by any party other than Philips or Philips' subcontractors, or explicitly excluded in the Quotation;
- 5.6 providing or paying the cost of any rigging, facility, structural alteration, or accessory incident;
- 5.7 the cost of consumables, accessories, and auxiliaries, including but not limited to: batteries of any type, light bulbs, power cords/AC adapters, headlight cables, EKG cables, SPO2 sensors, BP hose/cuff, temperature probes, extension/trunk/adaptor cables, foot pedals, hand pieces, probes, nerve stimulator cables, defibrillator cables/paddles/test plugs, laser tubes, patient pads, PET calibration sources, film, cassettes, filters, catheters and/or wires, etc., as well as any item that hangs off of, or plugs into, a device, unless specifically included in the Agreement;
- 5.8 cosmetic repairs;
- 5.9 the cost of factory reconditioning or rebuilds;
- 5.10 providing any updates or upgrades other than field safety corrective actions (i.e., safety related updates); and
- 5.11 maintenance or repair, including the cost thereof, of non-Philips manufactured products, unless specified otherwise in this Agreement.

6. Customer Responsibilities.

During the Term of this Agreement, Customer shall:

- 6.1 Comply with all applicable laws, rules, and regulations; Customer's obligations do not depend on any other obligations it may have under any other agreement or arrangement with Philips. Customer shall not exercise any offset right in the Quotation or sale in relation to any other agreement or arrangement with Philips;
- 6.2 Report immediately to Philips, and reasonably cooperate with Philips in investigating, any event of which Customer becomes aware that suggests that any Services or products provided by Philips, for any reason:
 - 6.2.1 may have caused or contributed to a death or serious injury, or
 - 6.2.2 have malfunctioned where and such malfunctions would be likely to cause or contribute to a death or serious injury if the malfunction were to occur again. Additionally, Customer will also report to Philips complaints it receives from its personnel and patients or any other person regarding the identity, quality, performance, reliability, safety, effectiveness, labels, or instructions for use of the Services or products provided by Philips. Philips shall be solely responsible for submitting any filings or reports to any governmental authorities with respect to the Services or products provided by Philips hereunder, unless otherwise required by law.
- 6.3 ensure that the Site is maintained in a clean and sanitary condition, and that the Equipment, product, and/or part is decontaminated prior to service, shipping, or trade-in as per the instructions in the user manual;
- 6.4 ensure the proper removal and disposal of any hazardous material;
- 6.5 maintain operating environment within Philips specifications for the Site (including temperature and humidity control, incoming power quality, incoming water quality, and fire protection system);
- 6.6 use the Equipment in accordance with the published manufacturer's operating instructions;
- 6.7 make normal operator adjustments to the Equipment as specified in the published manufacturer's operating instructions;
- 6.8 provide Philips with broadband internet Wi-Fi access for business purposes;
- 6.9 in order for Philips to provide remote servicing of the Equipment, provide Philips, at each Site, with a dedicated high speed broadband internet connection suitable to establish a remote connection to the Equipment and facilitate the realization of the required remote infrastructure, by:
 - 6.9.1 supporting the remote connectivity with of a router or firewall or equivalent compatible service that complies with IPSec standards (router can be Customer owned or provided by Philips) for connection to the Equipment and Customer network; if the service device is provided by Philips, it remains Philips property and is only provided during the term of this Agreement;
 - 6.9.2 maintaining a secure location for hardware to connect Equipment to the Philips Remote Service Data Center (PRSDC);
 - 6.9.3 allowing Philips to connect to Customer's connected Equipment for the purpose of servicing the Equipment;
 - 6.9.4 providing and maintaining a free IP address within the Site network to be used to connect the Equipment to Customer's network;
 - 6.9.5 supporting the installation of service tools (as stipulated in Section 11) for connection to the Equipment and Customer network and by maintaining such connectivity to enable remote servicing as well as (automatic) downloads and installs of (security) updates of the service tools;

6.9.6 maintaining the established connection throughout the Term (including restraining from any temporary disconnection or disabling of such connection (e.g., by switching of the host computer of the MRI Equipment)); and

6.9.7 facilitating the reconnection by Philips in case of any temporary disconnection occurs;

6.10 If Customer fails to provide the access described in Section 6.9 and so the Equipment and/or the service tools are not connected to the PRSDC (including any temporary disconnection) and/or (security) updates are not downloaded and installed on the service tools, Customer waives its rights to Services under this Agreement and any uptime guarantee and shall be responsible for any damage due to such failure;

6.11 provide Philips and its subcontractor's service personnel with full and free access to the Equipment at the scheduled service time;

6.12 if applicable, provide invitation letters and support visa application and travel requirements in case necessary; and

6.13 timely return defective spare parts to Philips in accordance with the terms of this Agreement; and ensure that all staff working on the Equipment covered under this Agreement are trained and qualified in accordance with all applicable laws and good industry practice.

7. Warranty Disclaimer.

7.1 Philips' sole service obligations to Customer are described in this Agreement. All labor, including technical support, shall be performed in a good and workmanlike manner, subject to applicable Terms of Service, including any exclusions. Philips provides no additional warranties under this Agreement. All Services and parts provided under this Agreement are provided "as is". PHILIPS SPECIFICALLY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE.

8. Limitations of Liability.

8.1 THE TOTAL LIABILITY OF PHILIPS ARISING UNDER OR IN CONNECTION WITH THE PARTS AND SERVICES FOR ANY BREACH OF CONTRACTUAL OBLIGATIONS, WARRANTY, TORT (INCLUDING NEGLIGENCE), UNLAWFUL ACT, OR OTHERWISE IN CONNECTION WITH THE SERVICE IS LIMITED TO THE ACTUAL PURCHASE PRICE RECEIVED FOR THE SERVICE THAT GAVE RISE TO THE CLAIM.

8.2 PHILIPS SHALL NOT BE LIABLE FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES, AND/OR FOR ANY DAMAGES INCLUDING LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION OR USE IN CONNECTION WITH OR ARISING OUT OF THESE CONDITIONS OF SERVICE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, AT LAW OR IN EQUITY. NEITHER PHILIPS NOR PHILIPS' SUPPLIERS SHALL BE LIABLE FOR ANY LOSS OR INABILITY TO USE MEDICAL OR OTHER DATA STORED ON OR BY THE EQUIPMENT.

8.3 THE EXCLUSION OF LIABILITY IN THESE CONDITIONS OF SERVICE SHALL ONLY APPLY TO THE EXTENT ALLOWED UNDER THE APPLICABLE LAW.

8.4 THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 8.1:

8.4.1 THIRD-PARTY CLAIMS FOR DIRECT DAMAGES FOR BODILY INJURY OR DEATH TO THE EXTENT CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT.

8.4.2 CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING THE ACTUAL COST TO REPAIR OR REPLACE PHYSICAL PROPERTY TO THE EXTENT CAUSED BY PHILIPS NEGLIGENCE OR PROVEN PRODUCT DEFECT.

8.4.3 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 PROTECTED HEALTH INFORMATION OR PERSONAL HEALTH INFORMATION.

8.4.4 FINES/PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES CITING PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION OR PERSONAL HEALTH INFORMATION AS THE BASIS OF THE FINE/PENALTY; ANY SUCH FINES OR PENALTIES SHALL CONSTITUTE DIRECT DAMAGES.

9. Intellectual Property Indemnification.

1. 9.1 Philips shall indemnify, defend, and hold harmless Customer against any claim that Services, including any software, part, or service materials provided under this Agreement (collectively "Service Item(s)"), 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 and (b) grants Philips full and complete information and assistance necessary for Philips to defend, settle, or avoid the claim.

2. 9.2 If a Service Item is found or believed by Philips to infringe a valid patent or copyright; Customer has been enjoined from

PHILIPS PROPRIETARY & CONFIDENTIAL INFORMATION

Quote [MOC10302023](#) Rev 1 Date: 10/30/2023 10:59 PM; Drafted by: [K Humphrey](#)

Page 10 of 23

using a repaired product or Service Item 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 Service Item(s); (ii) replace or modify the Service Item(s) to avoid infringement; or (iii) refund to Customer a portion of the service fees upon the return of the Service Item(s) that are subject of such claims of infringement. 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 Service Item(s), which are not permissible hereunder; use of the covered Philips product (based on Service Item(s) delivered under this Agreement) other than in accordance with the product specifications or applicable written instructions; use of the covered Philips product, including with Service Item(s), with any other product not sold by Philips to Customer and the Philips product (including Service Items) in and of itself is not infringing; if claims of infringement would have been avoided by the use of a current unaltered release of covered Philips products, provided that, Philips makes such unaltered release available to Customer at no additional charge for use of the Philips Product (including with Service Items) after Philips has advised Customer, in writing, to stop use of the Philips Product in view of the claimed infringement (provided that this shall not be a replacement for the remedies set forth in 9.2 (i)-(iii) above). The terms in this section 9.2 state Philips' entire obligation and liability for claims of infringement and Customer's sole remedy in the event of a claim of infringement.

10. End of Life.

10.1 AFTER THE END OF LIFE DATE, PHILIPS WILL CONTINUE TO USE COMMERCIALY REASONABLE EFFORTS TO REPAIR EQUIPMENT, BASED ON PARTS AND TRAINED ENGINEER AVAILABILITY, BUT WITH NO UPTIME GUARANTEE. AFTER THE END OF LIFE DATE, PHILIPS WILL NOT CREATE OR TEST BUG FIXES, PATCHES, OR ENHANCEMENTS TO THE EQUIPMENT HARDWARE OR SOFTWARE.

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

11. Proprietary Service Materials.

11.1 In connection with the Services, Philips may deliver or transmit to the Site 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 hereby consents to this delivery, storage, attachment, installation, and use of such proprietary service materials, and Customer consents to the presence of a Philips' locked cabinet or box at the Site for storage of this property and to Philips' removal of all or any part of this property at any time, all without charge to Philips. Customer agrees to return any service tools that are no longer required on-site to Philips and to take responsibility for exportation, duties, fees, and transport cost, all in accordance with Philips' instructions; failure to do so entitles Philips to invoice Customer for the value of the respective tool. Customer will protect this property against damage or loss and to prevent any access to or use of this property by any unauthorized party and Customer will be liable for any violation thereof. Customer shall immediately report to Philips any violation of this provision.

12. Confidentiality.

12.1 Each party will maintain as confidential any information furnished or disclosed to one party by the other party, whether disclosed in writing, visually, or 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, and in the case of Philips, its Affiliates and subcontractors 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 (i) information in the public domain at the time of disclosure, (ii) information that is lawfully obtained by the receiving party from a third party without any breach of confidentiality or violation of law, or (iii) information that is required to be disclosed by law or by court order. The confidentiality obligations herein will expire five (5) years after the Agreement terminates or expires. The disclosing party maintains exclusive ownership of the confidential information that it discloses to the receiving party, and the receiving party shall be responsible for the breach of these confidentiality terms by any of its representatives or other person to whom it may disclose the confidential information. Notwithstanding the foregoing, in the event a party is required by law or court order to disclose the other party's confidential information to a court, government department/agency, or regulatory body, to the extent permitted by applicable law, it shall first inform the other party of the request or requirement for disclosure to allow an opportunity for the other party to apply for an order to prohibit or restrict such disclosure. Moreover, nothing set forth herein shall prohibit Customer from disclosing confidential information required by state or federal open records laws, to the extent disclosed in compliance with the rules and procedures applicable thereto, including notifying Philips and providing Philips an opportunity to argue certain information may be exempt as a trade secret, if applicable thereunder. The party receiving the other party's confidential information agrees and acknowledges that any breach or threatened breach of these obligations of confidentiality may result in irreparable harm to the disclosing party for which there may be no adequate remedy at law. In addition to any other remedies, in such event the disclosing party may be entitled to seek an injunction, without the necessity of posting a bond, to prevent any further breach of this Agreement by the receiving party.

13. Compliance with Laws & Privacy.

13.1 If any provision of these Conditions of Service is found to be unlawful, unenforceable, or invalid, in whole or in part, the validity and enforceability of the remaining provisions shall remain in full force and effect. In lieu of any provision deemed to be unlawful, unenforceable, or invalid, in whole or in part, a provision reflecting the original intent of these Conditions of

PHILIPS PROPRIETARY & CONFIDENTIAL INFORMATION

Quote [MOC10302023](#) Rev 1 Date: 10/30/2023 10:59 PM; Drafted by: [K Humphrey](#)

Page 11 of 23

Service, to the extent permitted by the applicable law, shall be deemed to be a substitute for that provision. The failure by Customer or Philips at any time to require compliance with any obligation shall not affect the right to require its enforcement at any time thereafter.

13.2 For customers in the United States, 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 employment practices, federal and state anti-discrimination laws (including Title VII of the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973 as amended and the Veterans Readjustment ACT of 1972 as amended), E-Verify, 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]).

13.3 To the extent applicable, Customer acknowledges it shall comply with all Medicare, Medicaid, or state cost reporting requirements, including discounts afforded to Customer under this Agreement, for any and Services or parts purchased hereunder. Omnibus Reconciliation Act (OMNI) Social Security (PL96-499, Public Law).

13.4 To the extent applicable to your country or state, Philips and Customer shall comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and its implementing regulations (42 CFR, Part 420). Philips agrees that until the expiration of four (4) years after furnishing Services or parts pursuant to these Terms and Conditions, Philips shall make available, upon written request of the Secretary of the Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, these Terms and Conditions of Service and the books, documents, and records of Philips that are necessary to verify the nature and extent of the costs charged to Customer hereunder. Philips further agrees that if Philips carries out any of the duties of these Terms and Conditions through a subcontract with a value or cost of ten-thousand U.S. dollars (\$10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such Services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary, or upon request of the Comptroller General, or any of their duly authorized representatives the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. This paragraph relating to the retention and production of documents is included because of possible application of Section 1861(v) (1) (1) of the Social Security Act (42 U.S.C. 1395x (v) (1) (I) (1989)), as amended from time to time, to these Terms and Conditions. If Section 1861(v) (1) (1) should be found to be inapplicable, then this paragraph shall be deemed inoperative and without force and effect.

13.5 Excluded Provider. As of the date of the sale of the Services, Philips represents and warrants that Philips, and its employees and subcontractors, are not debarred, excluded, suspended, or otherwise ineligible to participate in a federal or state health care program, nor have they been convicted of any health care related crime for the Services and parts provided under these Terms and Conditions of Service (an "Excluded Provider"). Philips shall promptly notify Customer if it becomes aware that Philips or any of its employees or subcontractors providing Services hereunder have become an Excluded Provider under a federal or state healthcare program, whereupon Customer shall provide Philips with a reasonable opportunity to discuss and attempt to resolve in good faith with Customer any Customer-related concerns in relation thereto, and/or will give Philips a reasonable opportunity to dispute its, or its employee's or subcontractor's, designation as an Excluded Provider. In the event that the Parties are unable to resolve any such Customer concerns of the applicable party's designation as an Excluded Provider, then Customer may terminate this order by express written notice for Services not yet rendered and parts not yet shipped prior to a date of exclusion.

13.6 To the extent applicable to your state, it is Customer's responsibility to notify Philips if any portion of the Quotation 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 Quotation is funded under ARRA on its purchase order or other document issued by Customer.

13.7 For those customers where Canadian Federal and/or Provincial privacy laws ("Canadian Privacy Laws") apply, Philips and Customer will comply with Canadian Privacy Laws in fulfilling their respective obligations hereunder. Customer acknowledges that Philips may be required, in limited circumstances, to store or grant access to Personal Data to the original equipment manufacturer (OEM) or its Affiliates located outside of Canada. Unless otherwise permitted by law, such disclosure will be limited to exceptional circumstances where it is necessary for the purposes of installing, implementing, maintaining, repairing, trouble shooting, or upgrading the Equipment, or where data recovery assistance from the OEM is necessary. Where required by law, any such disclosure will be limited to temporary access and storage for the minimum time necessary for the purpose and only as required in order to meet the requirements of this Agreement. Customer acknowledges and agrees that Customer is responsible for obtaining all required consents and providing all required notices to individuals to allow Philips and its subcontractors to process Personal Data for the purposes set out herein.

14. Processing of Personal Data.

14.1 During provision of the Services, Philips and/or its Affiliates may process information, in any form, that may qualify as personal data, which is information relating to an individual from which that individual can be directly or indirectly identified. Philips and/or its Affiliates will: (i) process any protected health information (PHI) as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) on behalf and by instruction of Customer (the terms and conditions governing Philips' handling, processing, storage, or use of PHI are set forth in the Business Associate Agreement or Addendum between the parties) and (ii) process information such as log files or device parameters (which may contain personal data) to provide the Services and to enable its compliance with and performance of its task as manufacturer of

PHILIPS PROPRIETARY & CONFIDENTIAL INFORMATION

Quote MOC10302023 Rev 1 Date: 10/30/2023 10:59 PM; Drafted by: K Humphrey

Page 12 of 23

medical devices under the applicable regulations and standards, including but not limited to the performance of vigilance, post-market surveillance and clinical evaluation related activities.

15. Use of Non-Personal Data.

15.1 Customer agrees that Philips and/or its Affiliates may use any data other than personal data generated by the Equipment and/or otherwise provided by Customer to Philips for Philips' own legitimate business purposes including, but not limited to, for data analytics activities to determine trends of usage and advise on the use of Philips products and Services, for research, product and service development and improvement (including the development of new offerings), substantiation of marketing claims, and for benchmarking purposes.

16. Export Control.

16.1 The provision of Service may be subject to the granting of governmental export licenses. In the event that such licenses or an end-user statement are required, Philips will contact Customer immediately and Customer shall provide Philips with such documents on first request. In case the provision of the Services becomes restricted or forbidden due to changed export control laws, Philips may suspend or terminate, at its option, the execution of its obligations under this Agreement without incurring any liability toward Customer other than reimbursing any amounts received for Services not yet rendered.

17. Subcontracts and Assignments.

17.1 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. Philips may, without prior notice or consent, assign this Agreement to its parent corporation, any of its Affiliates, or to a successor entity in the event of a merger, consolidation, transfer, sale, stock purchase or public offering, as long as the party who receives the assignment assumes all of Philips' obligations hereunder. 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.

18. Term and Termination.

18.1 This Agreement is non-cancelable by Customer unless as expressly set forth in this Agreement and will remain in effect for the Term.

18.2 Either party may terminate this Agreement upon written notice in the event that the other party becomes or is deemed to be insolvent, discontinues business, is unable to pay its debts, is the subject of bankruptcy proceedings, enters into liquidation whether compulsory or voluntarily or has a receiver or administrator appointed over all or any part of its assets, enters into any arrangement or agreement, or assignment with, or for the benefit of its creditors or any of them, or if the other party takes or suffers any similar action in consequence of debt or insolvency in any jurisdiction. If Customer becomes insolvent, unable to pay its debts as they fall due, files for bankruptcy or is subject to it, has appointed a recipient, is subject to a late fee on payments (temporary or permanent), or has its assets assigned or frozen, Philips may cancel any unfulfilled obligations or suspend its performance; provided that, however, Customer's financial obligations to Philips shall remain in full force and effect.

18.3 If Customer sells or otherwise transfers any of the Equipment to a third party and the Equipment remains installed and in use at the same location, and such third party assumes the obligations of Customer under this Agreement or enters into a new service agreement with Philips, the price will be equal to the price in this Agreement and a term at least equal to the unexpired/unused term of this Agreement. If such third party does not assume the obligations of Customer under this Agreement, then Customer may terminate this Agreement with respect to such Equipment upon no less than thirty (30) days' prior written notice to Philips, in which case 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 thirty percent (30%) of the remaining payments due under this Agreement for such Equipment from the date of termination through the scheduled expiration of the term of this Agreement.

18.4 Customer may terminate this Agreement, wholly or partially, upon sixty (60) days' written notice to Philips:

18.4.1 representing that any of the Equipment is being permanently removed from the Site and is not being used in any other Customer site, or

18.4.2 specifically describing a material breach or default of this Agreement by Philips, provided however that Philips may avoid such termination by curing the condition of breach or default within such sixty (60) days' notice period.

18.5 Philips may terminate this Agreement, wholly or partially:

18.5.1 if Customer defaults in the performance of any of its obligations under this Agreement, and fails to remedy the same within sixty (60) days of a written notice, or

18.5.2 as described in Section 4 (Payment) and Section 10 (End of Life).

19. Independent Contractor.

19.1 Philips is Customer's independent contractor. Nothing in this Agreement shall be construed to designate Philips or Philips' employees or Philips' subcontractor or any of its employees as Customer employees, agents, or partners. 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' or other representatives' acts or omissions related to any services that are performed by Customer's employees or representatives under this Agreement.

20. Force Majeure.

20.1 Each party shall not be liable in respect of the non-performance of any of its obligations (except for payment obligations for Services rendered) to the extent such performance is prevented by any circumstances beyond its reasonable control, including, but not limited to, acts of God, war, civil war, insurrection, fire, flood, labor disputes, epidemics, pandemic, cyber-attack, act of terrorism, governmental regulations and/or similar acts, embargoes, export control sanctions or restrictions, Philips' unavailability regarding any required permits, licenses and/or authorizations, default or force majeure of suppliers or subcontractors. If force majeure prevents Philips from performing any obligation arising out of the sale, Philips shall not be liable to Customer for any compensation, reimbursement, or damages.

21. Third-Party Products Provided by Philips.

21.1 To the extent a third-party products service plan is explicitly identified in the Quotation, Philips shall be responsible for servicing third-party products provided by Philips. Otherwise, Philips is not responsible for servicing any third-party products provided by Philips to Customer.

22. Adulterated Systems.

22.1 If Philips determines that the Equipment has been modified or adulterated in a manner not explicitly specified in the documentation accompanying the Equipment, including without limitation by including a part, component, or device not specified as compatible (an "Adulterated System"), and such modification or adulteration hinders Philips' ability to provide the Service or maintain the Equipment in a safe or effective manner, then Philips will promptly notify Customer of such Adulterated System. Following receipt of such notice, if Customer does not permit Philips (at Customer's cost) to remediate the Adulterated System, then Philips may remove the Adulterated System from the Site list, adjust the Services under this Agreement, and provide Customer with a refund of any Customer pre-payments for periods of Service not yet rendered or parts not yet provided.

23. Insurance.

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

24. Rules and Regulations.

24.1 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.

25. Miscellaneous.

25.1 Survival. Customer's obligation to pay any money due to Philips hereunder 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.

25.2 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 Service and delivery of similar or dissimilar services shall not serve as references in interpreting the terms and conditions of this Agreement.

25.3 Severability. If any provision of the Agreement 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.

25.4 Counterparts. This Agreement may be executed in one or more counterpart copies, each of equal validity, that together constitute one and the same instrument. Any photocopy or facsimile of this Agreement or any such counterpart is deemed the equivalent of an original and any such facsimiles constitute evidence of the existence of this Agreement.

25.5 Governing Law. All transactions contemplated under this Agreement shall be governed by the laws of the state in which the Equipment is located, 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, IT'S 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.

25.6 Amendment. Save and except for items where Philips has retained the right to unilaterally amend the terms of this Agreement, this Agreement may not be amended except by written instrument signed by both parties.

25.7 Communication. Notices or other communications shall be given in writing and shall be deemed effective if they are delivered in person or if they are sent by courier or mail to the relevant party.

25.8 Choice of Language. This Agreement is drawn up in English pursuant to the formal request of parties. Cette entente a été rédigée en anglais à la demande expresse des deux parties.

25.9 Entire Agreement. This Agreement, including all applicable Exhibits as attached hereto, 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 expressly 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 Quotation and the service-specific Exhibits listed on the face of this Agreement, 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 "General Customer Service Terms and Conditions," the terms set forth in the other Exhibits shall govern with the exception of Section 8 hereof. If any terms set forth in this General Customer Service Terms and Conditions or an Exhibit conflict with terms set forth in the Quotation, the terms set forth in the Quotation shall govern. For avoidance of doubt, a reference to "Imaging" or "Imaging Services" equals a reference to Services to Philips' MRI, CT, AMI, DXR, Ultrasound, or IGT-Systems devices.

25.10 Additional Terms. Service-specific exhibits 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 Service, the terms set forth in the exhibit shall govern.

26. Authority to Execute.

26.1 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. This Agreement may be executed in one or more counterpart copies, each of equal validity, that together constitute one and the same instrument. Any photocopy of this Agreement or any such counterpart is deemed the equivalent of an original and any such copy constitute evidence of the existence of this Agreement.

27. Payor Information. Please enter where invoices are to be sent for payment under this agreement.

Name:
Address:
Contact Name:
Phone Number:
Email Address:

28. Notices. Notice required to be given must be made in writing and shall be deemed given only if delivered personally or sent by registered or certified mail, postage prepaid, shall be as follows:

If to Meadowview Outpatient Center to:

Name:
Title:
Address:

If to Philips Healthcare:

Name: sc_general.support@philips.com
Title: Master Contract Coordinator
Address: 414 Union Street, 2nd Floor, Nashville, TN 37219

The parties have signed this Agreement by their duly authorized officers on the date written below.

Philips Healthcare:
(Home Office Use Only)

Accepted by:
Meadowview Outpatient Center

By: _____

By:  _____

Printed Name: _____

Printed Name: SCOTT FOWLER

Title: _____

Title: President & CEO, Hmb, P.C.

Date: _____

Date: 12/20/2023

**EXHIBIT 3A
ADDITIONAL TERMS AND CONDITIONS FOR IMAGING SERVICES**

1. Services.

- 1.1 **Initial Inspection.** Within ninety (90) days following the Effective Date of this Agreement, Philips will inspect each Equipment not previously serviced by Philips and notify Customer of any Equipment that does not meet manufacturer specifications. Philips will provide Customer a written estimate for repairs necessary to bring any of the Equipment within manufacturer specifications. Upon Customer's request, Philips will provide necessary repairs at Philips' then current labor rate. If Customer elects not to have such Equipment repaired, Philips may remove such Equipment from this Agreement.
- 1.2 **Planned Maintenance Service.** Unless otherwise indicated in the Quotation, Philips will provide planned maintenance Services including general Equipment inspection and planned remedial maintenance activities of non-emergency nature, as well as Equipment monitoring via remote network connection in order to identify potential technical issues with the Equipment and proactively initiate service action to address such potential issue. The so initiated service action will be provided, in most cases, as part of the planned service activities at the Site. Philips will provide such planned maintenance during the hours of coverage (as defined in the Quotation) at a time that is mutually agreed upon. Philips will provide Customer a planned maintenance schedule for the Equipment(s). For Ultrasound Equipment, Philips will not provide planned maintenance Services unless the Equipment's specifications explicitly require such Services and/or such Services have been explicitly included in the Quotation. Trained Philips personnel will perform the planned maintenance activities. Cost incurred through system failure after planned maintenance activities performed will be charged to Customer at the then-current Philips billable rate for parts and labor services, if not covered by the Agreement.
- 1.3 **Corrective Maintenance Service.** Unless otherwise indicated in the Quotation, Philips will provide corrective maintenance Services including repair activities due to Equipment malfunctioning and provide replacement parts, on Exchange Basis (as defined below), as necessary to repair the Equipment, all as indicated in the Quotation. Corrective maintenance can be provided remotely or on-site at Philips' discretion.
- 1.4 **Equipment Updates.** If Philips determines an Equipment update is necessary to address material Equipment performance issues, Philips will notify Customer, schedule service at a mutually agreeable date and time, and install Equipment updates made available by Philips or the Original Equipment Manufacturer (OEM). Equipment updates mean revisions to Philips or OEM proprietary system software without extending functional capabilities and without hardware changes. Philips will not install operating system software updates or upgrades, or software options or upgrades that are offered separately for sale by the OEM or Philips.
- 1.5 **User Quality Control Mode (UQCM, Image Guided Therapy interventional and surgical c-arm systems only).** If the Quotation includes UQCM, the following applies: User Quality Control Mode (UQCM) is aimed at verifying and auditing the Azurion's image quality and X-ray dose performance, as well as Image representation on the displays – fast, frequently and flexibly – via the system's user interface in the control room. The UQCM measurements comply with the global industry standard as documented in NEMA XR 27. For frequent Quality Assurance purposes, a five (5)-minute verification protocol has been developed.
- 1.6 **EasySwitch (BlueSeal MR Systems only).** If the Quotation includes EasySwitch, the following applies: If EasySwitch is used more than two (2) times within a single contract year, Philips will charge Customer for MRI recovery Services at Philips' then current standard rates for time and materials.

2. Service Coverage.

- 2.1 Philips will provide the Service elements included in the Agreement as indicated in the Quotation ("**Service Coverage**"). Customer may request service outside the Service Coverage (e.g., service outside the hours of coverage, service or repair parts that is not otherwise included in this Agreement). Subject to the availability of personnel and repair parts, Philips will provide such additional service and repair parts and invoice Customer at Philips' then-current standard rates for time and materials.
- 2.2 **Labor and Travel.** Unless indicated otherwise in the Quotation, labor, and travel hours (on-site and remote) necessary to perform the Services are included in the Agreement.
- 2.3 **Parts.** Philips will provide parts necessary for the maintenance of the Equipment on the Site, on Exchange Basis (as defined below), as indicated in the Quotation.
 - 2.3.1 Replacement parts provided by Philips may be refurbished. All components used are subject to Philips inspection and quality control procedures and are equivalent to new in performance.
 - 2.3.2 Parts removed for replacement, and any unused spare part, become the property of Philips and Philips will remove parts from the Site ("**Exchange Basis**"). Customer may not resell or exchange such parts with any third party. Customer shall make such parts available and return them to Philips or Philips' subcontractor performing the Services. Failure by Customer to return spare and used parts will result in additional invoicing by Philips of the spare part value.
 - 2.3.3 Unless priority delivery is included in the Quotation, all replacement parts will be shipped using Philips standard delivery, subject to availability. Other freight arrangements will be at Customer's request and expense.

- 2.4 **Hours of Coverage.** Philips will provide planned and corrective maintenance Services during the service window hours as indicated in the Quotation excluding Philips-recognized public holidays.
- 2.5 **Response Time.** Philips uses commercially reasonable effort to provide initial/remote response (i.e., call back by a Philips specialist to assess the problem) and on-site response (i.e., start of repair or actions related to repair by Philips on-site) within the response times as listed in the Quotation.
- 2.6 **System Availability.** Philips strives to ensure availability of the Equipment for clinical use for the percentage of time indicated in the Quotation. For the avoidance of doubt, unless "Uptime Guarantee" is included in the Quotation, nothing in this Agreement shall be interpreted as a warranty on system availability, uptime, or response time.
- 2.7 **Service Performance Manager.**
- 2.7.1 Philips aims to provide Customer with service performance and Equipment operation data for Equipment covered hereunder ("Service performance Dashboard and reporting"). The Service Performance Dashboard and Reporting shows the overall performance information for covered Equipment.
- 2.7.2 Philips will use reasonable efforts to continuously improve the accuracy of the dashboard representation of insights; however, Philips cannot be held liable in any way for any claim or liability arising due to the use of data/insights for any decisions made in reliance on the data/insight.
- 2.7.3 The dashboard and insights are delivered via cloud hosted platform and with connectivity to the Site with due care taken to comply with security requirements set forth in the Agreement. The dashboard is made available to Customer via access license for the Term of the Agreement. Philips may, in its sole discretion, make changes or cancel any access to the dashboard or features associated with it based on the terms and conditions of the Agreement.

3. Exclusions.

Unless otherwise specified in the Quotation, the Services do not include:

- 3.1 maintaining or repairing third-party products, including but not limited to 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, cryogenics), 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), lasers, klystrons and thyratrons, magnetrons, plumbicons, waveguides, attachments, and catheters and/or wires;
- 3.2 maintenance or repair, including the cost thereof, required due to any computer viruses, Trojan horse, worms, back doors, time bombs, drop dead device, or other computer programming code or routines that are designed to or that disable, damage, impair, detrimentally interfere with, surreptitiously intercept or expropriate any system, computer hard- or software, data, information or telecommunications equipment or to permit unauthorized access.

4. Customer Responsibilities.

- 4.1 During the term of this Agreement, Customer shall maintain the Site and operating environment in accordance with the Philips specifications and guidance provided by Philips from time to time.

(For MRI related Services) During the term of this Agreement, Customer shall:

- 4.2 maintain the Site and operating environment in accordance with the Philips specifications, including but not limited to:
- 4.2.1 ensuring uninterrupted facility power quality for the MR Equipment (including its cryogenic refrigerator system) and for the chilled water system;
- 4.2.2 ensuring uninterrupted facility chilled water flow, temperature and quality for the MR Equipment (including its cryogenic refrigerator system);
- 4.2.3 maintain facility temperature and relative humidity;
- 4.2.4 ensure the static and dynamic B0 environment (magnetic field environment) stability;
- 4.2.5 prevent any ferromagnetic material from entering the area of the MRI Equipment; all in accordance with the Philips specifications.
- 4.3 never switch off the host computer of the MRI Equipment.
- 4.4 accept remote, centralized magnet 'health' monitoring for all magnet related parameters such as the liquid helium level of the MRI Equipment and the functioning of the MRI Equipment refrigeration system (also known as the "Cold head and Cryo-compressor system").

- 4.5 if the remote connectivity of the MRI Equipment and/or the magnet 'health' monitoring (as described in Section 4.3 above) has not been accepted by Customer and so those have not been established, record and report to Philips on a weekly basis:
 - 4.5.1 the level of the liquid helium of the MRI Equipment; and
 - 4.5.2 the status of the MRI Magnet refrigeration system.
 - 4.6 immediately inform Philips in case:
 - 4.6.1 an on-screen message appears on the system computer that helium refill is required; or
 - 4.6.2 the liquid helium level is below the minimum operating helium level as indicated in the Instructions for Use. (In such case an on-screen message may also appear on the system computer indicating that scanning will be prohibited within certain days or immediately. In both cases Customer shall immediately inform Philips and in the latter case Customer shall also immediately cease to operate the MRI Equipment);
 - 4.6.3 a sudden, unexpected drop of liquid helium level is encountered; or
 - 4.6.4 the MRI magnet refrigeration system is out of order and/or not operational.
 - 4.7 act on alerts provided by the MRI Equipment and/or monitoring processes which apply to the operating environment condition.
 - 4.8 inform Philips timely of any planned power outages.
5. **Access to Equipment.**
- 5.1 Customer shall make the Equipment available at a mutually agreed day and time. If Philips cannot locate the Equipment, or the Equipment is not made available for planned maintenance when scheduled, Philips will notify Customer to reschedule a mutually agreeable day and time for the service. Customer's failure to make equipment available a second time may constitute Customer's waiver of the scheduled planned maintenance and shall release Philips from its obligations under the Agreement without any liability. Customer agrees to pay Philips at the then-current demand service rates for the time that Philips' or its subcontractor's personnel waits for access to the Equipment.
6. **Contract Administration.**
- 6.1 The Parties will introduce all Equipment listed in the Quotation into an inventory list to register and keep up to date the equipment coverage of the Agreement during the Term. Customer may request the addition of additional system(s) to such inventory list by contacting Philips. Customer and Philips will agree on a mutually agreeable price and contract start date. Such equipment will be added to this Agreement after receipt of the signed inventory list modification form. Customer may delete Equipment from the inventory list 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 with a sixty (60) days' prior notice. Such Equipment will be deleted from this Agreement after receipt of the signed inventory list modification form.

EXHIBIT 4
ADDITIONAL TERMS AND CONDITIONS FOR UPTIME GUARANTEE

1. Services.

- 1.1 Philips shall provide to Customer the Uptime Guarantee as specified in the Quotation in accordance with the terms and conditions of this Uptime Guarantee (the "**Uptime Guarantee**") on the Equipment listed in the Quotation as having uptime as a deliverable ("**Uptime Equipment**").
- 1.2 The Uptime Guarantee applies only, and Customer will only be entitled to the benefits of this Uptime Guarantee, if and to the extent Customer fully met all its contractual obligations, including, immediately inform Philips of any problems with the Equipment and its responsibilities set forth in Section 6 of the General Customer Service Terms and Conditions and Section 3 of the Exhibit Additional Terms and Conditions for Imaging Services.
- 1.3 In the event that the Uptime Guarantee has not been met, then Customer, as its sole and exclusive remedy, will receive the compensation of future Agreement term as described in Section 3 below.

2. Definitions for Determination of Uptime Percentage.

- 2.1 "**Base Hours**" means the hours per day and days per week over which Uptime Hours and Downtime will be calculated during the Measurement Period. The Base Hours are the contracted hours of coverage as defined in the Agreement for each particular piece of Uptime Equipment.
- 2.2 "**Downtime**" means the time that the Uptime Equipment is unable to produce diagnostic images during the Base Hours of any given Measurement Period solely due to Philips' design, manufacturing, materials, or Service performance failure. Measurement of Downtime commences when Customer notifies Philips that the Uptime Equipment is unable to produce diagnostic images. Downtime does not include time due to planned maintenance service, cryogen replenishment, installation of upgrades and updates, x-ray tube replacement, or an occurrence or condition excluded under the Agreement. Philips may verify Downtime and adjust calculations accordingly.
- 2.3 "**Measurement Period**" for determining the Uptime Percentage is 12 calendar months beginning on the Effective Date of the Agreement. Any subsequent Measurement Period will be 12 calendar months, until termination/expiration of the Agreement. In case the last Measurement Period is shorter than 12 calendar months, the measurement will take place on a pro rata basis.
- 2.4 "**Uptime Guarantee**" is the minimum Uptime Percentage as set out in the Quotation.
- 2.5 "**Uptime Hours**" is determined by subtracting the total Downtime from the Base Hours for a particular piece of Uptime Equipment: (**Uptime Hours = Base Hours – Downtime**).
- 2.6 "**Uptime Percentage**" is determined by dividing the Uptime Hours by the Base Hours and multiplying the result by 100: (**Uptime Percentage = (Uptime Hours/Base Hours) x 100**).

Example:

Base Hours = 8 AM to 5 PM Monday through Friday over the 12-month Measurement Period.*

9 hours x 5 days x 52 weeks = 2,340 Base Hours

2,340 Base Hours – 60 Downtime hours = 2,280 Uptime Hours

*(2280 / 2340) * 100 = 97.4% Uptime Percentage*

**Depending on the Service Window agreed in the Quotation*

3. Adjustment Schedule.

- 3.1 If the Uptime Percentage specified in Schedule 3(a) is not achieved for System Uptime, then the specified future contract reduction will be applied to all payments due during the next Uptime Measurement Period (one (1) year) for the System that did not achieve the Uptime Percentage.

Schedule 3(a): Agreement Payment Adjustment Schedule for System

- I. 99% Uptime Guarantee
 - a. **Uptime Percentage:** 99%-100% Equals Contract Reduction: None
 - b. **Uptime Percentage:** < 99% Equals Contract Reduction: 7%
- II. 98% Uptime Guarantee
 - a. **Uptime Percentage:** 98%-100% Equals Contract Reduction: None
 - b. **Uptime Percentage:** <98% Equals Contract Reduction: 6%
- III. 96% Uptime Guarantee
 - a. **Uptime Percentage:** 96%-100% Equals Contract Reduction: None
 - b. **Uptime Percentage:** <96% Equals Contract Reduction: 5%
- IV. 95% Uptime Guarantee
 - a. **Uptime Percentage:** 95%-100% Equals Contract Reduction: None
 - b. **Uptime Percentage:** <95% Equals Contract Reduction: 4%

4. Reports.

- 4.1 Uptime Percentage performance reports will be provided at Customer's request for any Measurement Period while this Uptime Guarantee remains in effect. To receive any applicable benefit, Customer must notify Philips in writing that the Uptime Guarantee was not achieved for a particular Equipment within sixty (60) days after the end of a Measurement Period.

5. Warranty Disclaimer.

- 5.1 Philips full Uptime Guarantee obligations to Customer are described in this Exhibit. Philips provides no warranties under this Uptime Guarantee. No warranty of merchantability or fitness for a particular purpose applies to this Uptime Guarantee.

6. Limitations of Remedies and Damages.

- 6.1 Philips total liability, if any, and Customer's exclusive remedy with respect to this Uptime Guarantee and Philips performance hereunder is limited to the remedies stated herein.

EXHIBIT 9
ADDITIONAL TERMS AND CONDITIONS FOR TECHNOLOGY MAXIMIZER

1. Services.

If Philips Technology Maximizer ("Technology Maximizer") is purchased under this Agreement and the requirements of the Agreement are satisfied, then Philips will upgrade the Equipment as is outlined below and according to the selected Technology Maximizer version.

Technology Maximizer is available in the following versions, subject to modality and market variations:

a) Technology Maximizer Essential

- i) Maintain Operating System at Philips current standard as follows:
 - (1) Philips software updates for licensed software.
 - (2) Operating system upgrades.
 - (3) Safety and security critical patches approved and communicated by Philips.
 - (4) Application training for new or enhanced functionality and on licensed software.
- ii) Computer hardware replacement to support software upgrade is not included unless specially included in the Quotation.

b) Technology Maximizer Plus

- i) Maintain system at Philips current standard as follows:
 - (1) Technology Maximizer Essential deliverables.
 - (2) Software upgrades to licensed software Application training for new or enhanced functionality on licensed software.
 - (3) Computer hardware replacement to support software upgrade, if needed. This is a one-time replacement unless specifically included otherwise in the Quotation.

c) Technology Maximizer Pro

- i) Customizable access to future clinical innovation as follows:
 - (1) Technology Maximizer Plus deliverables.
 - (2) Future features and/or applications in clinical suite, as specified in the Quotation as made available and determined by Philips.
 - (3) Advanced training for new clinical features and/or applications.

d) Technology Maximizer Premium

- i) Full access to future clinical innovation across clinical domains as follows:
 - (1) Technology Maximizer Pro deliverables.
 - (2) All future clinical features and/or applications within domain choice as specified in Quotation as made available by Philips for the Equipment.

Under any version of Technology Maximizer included in the Quotation, Philips will upgrade the Equipment (software and hardware) as follows:

- 1.1 Philips will provide the latest available upgrades, if any, when made commercially available and as determined by Philips, to the Equipment operating system software, basic application software and software options purchased with the Equipment or purchased separately from Philips for the Equipment. Philips will also provide computer hardware upgrades as included in the Quotation to the Equipment hardware component(s) when technically necessary to meet Philips' hardware requirements for the software upgrade provided under Technology Maximizer.
- 1.2 If Customer has purchased Technology Maximizer "Pro" or "Premium" (as indicated in the Quotation), in addition to the above, Philips will provide new software features and/or applications, if any, when (i) made commercially available by Philips after the Effective Date of the Agreement; (ii) supported by the Equipment hardware configuration; (iii) intended for use in the "clinical domain" identified in the Quotation or otherwise as explicitly specified in the Quotation.
- 1.3 If Philips determines that the new software features and/or application to be provided under Technology Maximizer "Pro" or "Premium" requires any additional software (for example: operating system software, basic application software, or software options) so that it can function properly ("Required Software") and Customer does not currently have a license to the Required Software, then Philips will provide, and Customer will accept, the Required Software; any such Required Software will be considered an "upgrade" for purposes of Section 2 below.

2. Conditions.

2.1 The upgrades provided under Technology Maximizer:

- 2.1.1 are available only for the Equipment at the Site;
- 2.1.2 unless explicitly described otherwise in the Quotation and except in case of Technology Maximizer Pro and Premium, do not include new functionality, applications, options or the like that were not purchased with the Equipment, or purchased separately from Philips for the Equipment;
- 2.1.3 may not be sold, transferred, or assigned to any third party;

- 2.1.4 are subject to the terms and conditions of the Agreement and any licensing terms and conditions included in the purchase of the Equipment from Philips or as communicated by Philips.
- 2.2 Parts removed for the purpose of upgrade become the property of Philips on an Exchange Basis as defined in the Exhibit Additional Terms and Conditions for Imaging Services.
- 2.3 In case Customer refuses the installation of an upgrade, or in case no upgrade is provided by Philips (for any reason, e.g., not made available commercially) during the Term of the Agreement, no credit for any already paid amounts is carried forward or eligible for refund.
3. **Termination.**
- 3.1 If the Agreement is terminated due to the fault of Customer or Customer defaults under the Agreement after any upgrades under this Technology Maximizer have been provided by Philips, then Customer shall pay Philips the list price of the so provided upgrades within thirty (30) days of such termination or default. No paid amount is eligible for refund.

OFFICIAL SERVICE HOLIDAY SCHEDULE

When a holiday falls on a Saturday it will be officially recognized the Friday prior to the holiday. When a holiday falls on a Sunday it will be officially recognized the Monday after the holiday. Designated holidays may differ on an annual basis.

HOLIDAY

New Year's Day

Martin Luther King Jr. Day

Memorial Day

Juneteenth

Independence Day

Labor Day

Veterans Day (*effective 2021*)

Thanksgiving Day

Day after Thanksgiving Day

Christmas Day

Company schedules are subject to change without notice.

Project Name : Holston Medical Group at Meadowview Lane

Supplemental Round Name : 1

Due Date : 5/28/2024

Certificate No. : CN2405-011

Submitted Date : 5/21/2024

1. 1E. Overview

Which hospitals are the 3.0T units located at?

Response : The 3.0 T MRIs are located at the following hospitals:

Bristol Regional Medical Center, Bristol, Sullivan County

Holston Valley Medical Center, Kingsport, Sullivan County

2. 2E. Rationale for Approval

Has the 6-week wait time for other service area MRIs increased over the past three years?

Has the 2.5-week wait time increased over the past three years for the applicants MRI unit?

Response : **Response:** The applicant keeps no records on this but believes the wait times have increased over the past 3 years due to increased awareness and demand for certain 3.0 T scans, particularly Prostate MRIs.

Response: The applicant keeps no records on this but believes the wait time has increased to some extent over the past three years.

3. 6N. Utilization and/or Occupancy Statistics

Are the types of scans projected to drive utilization of the 3.0T unit, i.e. prostate, small-part orthopedic, and neurological brain scans, expected to require more or less time than the types of scans currently being performed on the existing 1.5T unit?

Approximately what percentage of total procedures on the new MRI unit are projected to be represented by the three types of cases referenced in the previous question?

Are there any efficiencies associated with the 3.0T unit in procedure turnaround times?

Response : **Response:** Some scans could require less time due to improved image quality and the resulting fewer repeat sequences. Some scans could require more time due to the type of scan sequences needed for these cases compared to standard Ortho, Neuro, or Spine scans. Overall, the average scan time should be about the same as for the 1.5T unit scans.

Approximately what percentage of total procedures on the new MRI unit are projected to be represented by the three types of cases referenced in the previous question?

Response: An estimated 80% of scans performed on the 3T MRI will fall into one of those categories. The other estimated 20% will be shifted from the existing 1.5 T MRI unit.

Response: The 3T MRI has many improved efficiencies over the 1.5 T MRI, but none of those affect the procedure turn-around time.

4. 3C. Effects of Competition and/or Duplication

Does the applicant have any ownership or affiliation with the other ODC operating in the service area - Sapling Grove Outpatient Diagnostic Center?

Response : **Response:** Yes. Holston Medical Group, P.C. owns the Sapling Grove ODC.

5. 4C. Accessibility to Human Resources

What will the additional staff requirements be for the operation of the 3.0T MRI on its own?

Does the 10.6 FTE include staff required for the entire ODC operation?

Response : 1.5 FTE direct patient care employed staff and 0.25 direct patient care contractual staff will be the additional staff required for just the new 3T MRI. Please see the revised staffing table below.

Position Classification		Existing FTEs (2024) 1.5T MRI Only	Projected FTEs Year 1 (2025) Both MRIs Only
A.	Direct Patient Care Positions		
	MRI Technologists	1.5	3
	Total Direct Patient Care Positions	1.5	3
	Non-Patient Care Positions		
B.	(Entire ODC- can't be segregated by service or unit)		
	Administrator	1.0	1.0
	Financial / Billing	4.0	4.0
	Medical Records	1.0	1.0
	Total Non-Patient Care Positions	6.0	6.0
	Total Employees(A+B)	7.5	9.0
C.	Contractual Staff		
	Radiology	1.0	1.25
	Total Staff (A+B+C)	8.5	10.25

Response: That staffing table erroneously did include staff required for the entire ODC. The revised staffing table which covers only existing and proposed MRI staffing appears below. This table has been substituted for the erroneous table in the original application.

Position Classification		Existing FTEs (2024) 1.5T MRI Only	Projected FTEs Year 1 (2025) Both MRIs Only
A.	Direct Patient Care Positions		
	MRI Technologists	1.5	3
	Total Direct Patient Care Positions	1.5	3
	Non-Patient Care Positions		
B.	(Entire ODC- can't be segregated by service or unit)		
	Administrator	1.0	1.0
	Financial / Billing	4.0	4.0
	Medical Records	1.0	1.0
	Total Non-Patient Care Positions	6.0	6.0
	Total Employees(A+B)	7.5	9.0
C.	Contractual Staff		
	Radiology	1.0	1.25
	Total Staff (A+B+C)	8.5	10.25

6. 8C. Proposed Charges

Please confirm the source for the Medicare Allowable amounts listed in Attachment 8C as a search of the CMS [procedure price lookup tool](#) results in different amounts for each procedure type listed.

An image appears to have uploaded to the application incorrectly in response to Item 8C of the main application. This can be deleted and replaced with a reference to Attachment 8C.

Response : **Response:** The source for the Medicare rates is the CMS Physician Fee Schedule Look-Up Tool found at:

<https://www.cms.gov/medicare/payment/fee-schedules/physician/lookup-tool>

The site accessed through the link cited in the Question appears to be the fee schedules for ambulatory surgery centers and hospital outpatient departments.

Response : The application has been revised by deleting the uploaded image and referring the reader to Attachment 8C.

7. 4Q. TennCare MCO's

Has the applicant ever been in-network for the third TennCare MCO in the region - Amerigroup Community Care - East Tennessee?

Response : **Response:** Yes. HMG was in-network with the Amerigroup TennCar MCO in the early 2000s until approximately 10-15 years ago.

8. 8Q. Staffing

The project staffing chart appears to include positions for the entire ODC facility. Please either revise the staffing chart to reflect the additional staff required for the operations of the 3.0T unit as a standalone project or provide additional detail regarding the number of staff that will be required exclusively for the additional MRI unit in response to this supplemental question.

Response : **Response:** That staffing table erroneously did include staff required for the entire ODC. The revised staffing table which covers only existing and proposed MRI staffing appears below. This table has been substituted for the erroneous table in the original application.

Position Classification		Existing FTEs (2024) 1.5T MRI Only	Projected FTEs
			Year 1 (2025) Both MRIs Only
A.	Direct Patient Care Positions		
	MRI Technologists	1.5	3
	Total Direct Patient Care Positions	1.5	3
B.	Non-Patient Care Positions		
	(Entire ODC- can't be segregated by service or unit)		
	Administrator	1.0	1.0
	Financial / Billing	4.0	4.0
	Medical Records	1.0	1.0
	Total Non-Patient Care Positions	6.0	6.0
Total Employees(A+B)		7.5	9.0
C.	Contractual Staff		
	Radiology	1.0	1.25
	Total Staff (A+B+C)	8.5	10.25

9. 1N. Criteria and Standards

Attachment 1N, MRI Criterion #4, Pages 3 & 4

Please provide a utilization table with only the fixed MRIs located in Sullivan County for additional reference as the Hawkins County mobile MRI unit requires a separate utilization standard than the stationary units in the service area.

Response : Response : The response to Criterion #4 in Attachment 1N has been revised to include the following”

“Since mobile MRIs are subject to a different utilization standard, the table BELOW reflects the utilization of only the Sullivan County MRIs, and does not include the mobile unit in Hawkins County. The utilization rate of MRIs in Sullivan County was 100.3% of the optimum utilization standard.”

MRI UTILIZATION IN SULLIVAN COUNTY 2022

County	Provider Type	Provider	Year	Number of Units (all are Fixed except where noted)	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Sullivan	PO	Appalachian Orthopaedic Associates, PC	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				12.4	35,803	2887	100.3%	\$104,080,431.00	\$2,907.03
ODC Total Avg.				2	10,027	5014	174.1%	\$10,465,071.00	\$1,043.69

Medical Equipment Registry - 4/22/2024

10. 5N. Unimplemented services

Attachment 5N is noted. Please provide an additional utilization table with only the fixed MRIs located in Sullivan County for additional reference as the Hawkins County mobile MRI unit requires a separate utilization standard than the stationary units in the service area.

Response : Response : Attachment 5 N has been revised to also include a table showing MRI utilization in Sullivan County only:

MRI UTILIZATION IN SULLIVAN COUNTY 2022									
County	Provider Type	Provider	Year	Number of Units (all are Fixed except where noted)	Procedures	Scans per Unit	% of Optimum Utilization	Gross Charges	Charge per Procedure
Sullivan	PO	Appalachian Orthopaedic Associates, PC	2022	1	639	639	22.2%	\$904,902.00	\$1,416.12
Sullivan	HOSP	Bristol Regional Medical Center	2022	2	7231	3616	125.5%	\$27,820,799.00	\$3,847.43
Sullivan	HODC	Holston Valley Imaging Center, LLC	2022	2	6324	3162	109.8%	\$23,743,768.00	\$3,754.55
Sullivan	HOSP	Holston Valley Medical Center	2022	2	6638	3319	115.2%	\$25,519,105.00	\$3,844.40
Sullivan	HOSP	Indian Path Community Hospital	2022	1	1707	1707	59.3%	\$7,285,239.00	\$4,267.86
Sullivan	ODC	Meadowview Outpatient Diagnostic Center	2022	1	5280	5280	183.3%	\$5,468,813.00	\$1,035.76
Sullivan	ODC	Sapling Grove Outpatient Diagnostic Center	2022	1	4747	4747	164.8%	\$4,996,258.00	\$1,052.51
Sullivan	HODC	Volunteer Parkway Imaging Center	2022	1	1942	1942	67.4%	\$7,051,080.00	\$3,630.83
Sullivan	PO	Watauga Orthopaedics (Sullivan County)	2022	1	1295	1295	45.0%	\$1,290,467.00	\$996.50
Total/Avg.				12.4	35,803	2887	100.3%	\$104,080,431.00	\$2,907.03
ODC Total Avg.				2	10,027	5014	174.1%	\$10,465,071.00	\$1,043.69

Medical Equipment Registry - 4/22/2024

Project Name : Holston Medical Group at Meadowview Lane

Supplemental Round Name : 2

Certificate No. : CN2405-011

Due Date : 5/31/2024

Submitted Date : 5/29/2024

1. 1N. Criteria and Standards

Attachment 1N, MRI Criterion #4, Pages 3 & 4

Please update the Total/Avg row of the MRI Utilization table to reflect the total of 12.0 MRI units rather than 12.4 MRI units. Please also revise the number of scans per unit and % of optimum utilization columns. Please revise Attachment 1N (labeled as Attachment 1NR).

Response : The requested revision has been made to the table inserted into Attachment 1NR, which has has been submitted. The revised table was also inserted into Attachment 5NR, which has also been submitted.