



**SONOMA VALLEY HEALTH CARE DISTRICT  
BOARD OF DIRECTORS  
SPECIAL MEETING AGENDA  
Tuesday, May 20, 2014  
5:00 p.m. Special Budget Study Session**

**Basement Conference Room  
347 Andrieux Street, Sonoma CA 95476**

AGENDA ITEM	RECOMMENDATION	
<b>MISSION STATEMENT</b> <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
<b>1. CALL TO ORDER</b>	<i>Carruth</i>	
<b>2. PUBLIC COMMENT SECTION</b> <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration. At all times please use the microphone.</i>		
<b>3. CAPITAL ACQUISITION POLICY</b>	<i>Carruth</i>	Action
<b>4. AUTHORIZE PURCHASE OF CAPITAL EQUIPMENT--PORTABLE CHEST X-RAY MACHINE</b>	<i>Carruth</i>	Action
<b>5. FISCAL 2015 OPERATING BUDGET</b>	<i>Cox</i>	Inform
<b>6. ADJOURN</b>	<i>Carruth</i>	

3.

# CAPITAL ACQUISITION POLICY



SUBJECT: Capital Acquisition Policy	POLICY # LD8610-300
DEPARTMENT: Organizational	PAGE 1 OF 3
APPROVED BY: Director of Materials Management	EFFECTIVE: 1/89
	REVIEW/REVISED: 10/91,4/94,9/95,2/96,8/96, 2/99,6/07,12/07,2/10,8/12, 5/13

**PURPOSE:**

To provide clear and concise guidelines by which SVH manages the method of acquiring capital assets as delegated by the Sonoma Valley Health Care District Board of Directors and the CEO.

**POLICY:**

The Board of Directors approves the capital equipment budget for expenditures each fiscal year as part of the fiscal year budget. The attached Capital Acquisition Form will be utilized in the approval process for capital purchases. Any purchase over \$100,000 will be presented to the Finance Committee and will be brought to the District Board as a recommendation from the Finance Committee. This includes coordination of capital projects and equipment items in the budgetary process, assuring compliance with designated capital equipment procedures.

**PROCEDURE:**

Capital equipment is defined as any single item having a cost of \$2,000 or more and a useful life greater than two years, or a group of like items exceeding a cost of \$5,000.

1. To initiate a purchase transaction, a Capital Asset Acquisition Form (Exhibit A) must be completed and approved in advance of the purchase.
2. Materials Management is the only department authorized to place an order for the purchase of capital equipment from outside vendors. Materials Management will collaborate with the department initiating the Capital Acquisition Form to ensure that the best available equipment, at the best price is obtained. All necessary signature approvals must be obtained by the requestor prior to the issuance of a Purchase Order.
3. When submitting capital requests, all of the necessary requirements for operation must be considered, including the following: electrical requirements, cabling, network/Internet access, interfaces to existing systems, regulatory requirements, and construction and installation costs. Because other departments may be affected in the installation, utilization and/or maintenance of new capital equipment, all relevant departments must be included in the decision process.
4. Sonoma Valley Hospital adheres to all applicable laws as outlined in Organizational Policy LD8610-408, Bidding Regulations Governing Purchases of Materials, Supplies, and Equipment and Procurement of Professional Services and Policy LD8610-4067, Bidding for Public Works Contracts.



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	PAGE 2 OF 3
DEPARTMENT: Organizational	EFFECTIVE: 1/89
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5. Upon receipt of the approved Capital Acquisition Form, a purchase order will be generated by Materials Management and communicated to the vendor.
6. When the equipment is received, Facilities Management/Biomed will perform a safety check prior to being placed into service. Parts lists and maintenance manuals will be forwarded to Facilities Management.

Nothing in this policy shall be construed as limiting the power of the CEO to authorize the purchase of capital equipment in the event of an emergency. In such instance, the CEO or designee will attempt to secure advance approval from the Chairperson and Treasurer of the District Board and report the purchase to the District Board at the next regularly scheduled meeting.

**REFERENCE:**

Health and Safety Code:

§32121(b), §32132, §32132.5, §32132(a), §32132(b), §32132(c), §32132(d), §32132(e)  
§32133, §32136, §32138, §32138(a), §32138(c)

Public Contract Code:

§1103, §1601, §4104.5, §10167, §20150.8, §2230, §22036, §22037

Government Code:

§4526, §4529.5, §53060, §53064, §53068, §4525, §4217.10, §4217.11(f), §4217.12

Revenue and Taxation Code §23704 (“GPO”)

Health & Safety Code 32132, Public Contract Code 1103, Government Code 53060

Sonoma Valley Hospital Organizational Policy:

Bidding Regulations Governing Purchases of Materials, Supplies and Equipment and Procurement of Professional Services LD8610-408

Exhibit A

SONOMA VALLEY HEALTH CARE DISTRICT

CAPITAL ASSET ACQUISITION FORM

FY: 2012		Dept #		Dept Name:		C/A# FY2012-		
Submitted By:			Date:		<b>BUDGETED AND ACTUAL AREAS TO BE COMPLETED BY MATERIALS MANAGEMENT</b>			
Qty	Description	BUDGET PRICE		ACTUAL PRICE				
		Item Cost	Ext. Cost	Item Cost	Ext. Cost			
Vendor: _____		Sub-Total		Sub-Total				
Contact: _____		Tax 8%		Tax 8%				
Telephone: _____		Freight		Freight				
		Other		Other				
		TOTAL		TOTAL				
Justification: (Return on Investment if > \$25,000) <u>Attach Justification</u>				<p style="text-align: center;"><b>Priority</b></p> <p style="text-align: center;"> <b>1.</b>      <b>2.</b>      <b>3.</b>      <b>4.</b>  <input type="checkbox"/> Safety   <input type="checkbox"/> Business   <input type="checkbox"/> Obsolete   <input type="checkbox"/> Patient  Regulatory   Development   Equipment   Satisfaction </p>				
Equipment: <input type="checkbox"/> New <input type="checkbox"/> Replacement				What happens if we don't acquire this item?				
Number of Units in Use: Expected Usage: Age of Current Equipment:				Equipment Service History:				
Financing Option <input type="checkbox"/> Purchase <input type="checkbox"/> Rent <input type="checkbox"/> Lease <input type="checkbox"/> Other				Purchase Additional Service Now?    --Yes    --No				
Funding Sources: <input type="checkbox"/> Budgeted <input type="checkbox"/> Non-Budgeted				Warranty Ends:-- Provider:----- Cost:----- Start Date: -----				
Finance Only: Capital: <input type="checkbox"/> Yes <input type="checkbox"/> No  CIP:    -				For MM Use Only:				

Authorization – Please Initial for your Department    Dept. Mgr. \_\_\_\_\_ Plant Ops. \_\_\_\_\_ IS Mgr. \_\_\_\_\_

\\svh-fp01\shared\Materials Management\Capital Acquisition Form 2012.docx

4.

AUTHORIZE PURCHASE  
OF CAPITAL  
EQUIPMENT  
PORTABLE CHEST X-RAY  
MACHINE



**Meeting Date:** May 20, 2014

**Prepared by:** Dawn Kuwahara

**Agenda Item Title:** Portable Chest X-ray

**Recommendations:**

Replacement of 32 year old portable X-ray machine with a new digital portable x-ray machine

**Background and Reasoning:**

The Radiology department has two portable x-ray machines, 32 and 22 years old. Neither system is on a service contract due to their advanced ages. The 32 year old machine is non-functioning and the 22 year old needs repair. Two machines are required in case of urgent need in two places at once, or in case one system is down and the other needs repair. Portable x-ray machines are essential to the Radiology Department for the diagnosis and treatment of patients who are unable to be transported to the department.

Acquiring a new portable X-ray machine would allow us to upgrade to digital technology and allow us to obtain a “digital x-ray” on the floors and in the units. The impact here is that it provides instant viewing for the doctor or nurse. The image is available immediately and viewable on the console on the portable system. This allows for instantaneous decisions that could save lives.

**Consequences of Negative Action/Alternative Actions:**

At present one machine is running and in need of repair. It is essential to have two functioning machines in the event one machine goes down or there is an urgent need for both machines simultaneously. Not replacing this non-functioning machine impacts patient safety.

**Financial Impact:**

Cost of new machine	\$174,136
Service Contract to begin after 15 months	\$23,570
Physicist inspection	\$ 500
<b>Total</b>	<b>\$198,206</b>

**Attachment:** See attached quote from GE

Quotation Number: P4-C116562 V 17

Sonoma Valley Hospital  
347 Andrieux St  
Sonoma CA 95476-6811

Attn: Jackie Lyons  
Director of Radiology  
347 Andrieux St  
Sonoma CA 95476

Date: 05-15-2014

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

- 1) This Quotation that identifies the Product offerings purchased or licensed by Customer;
- 2) The following documents, as applicable, if attached to this Quotation: (i) GE Healthcare Warranty(ies); (ii) GE Healthcare Additional Terms and Conditions; (iii) GE Healthcare Product Terms and Conditions; and (iv) GE Healthcare General Terms and Conditions.

In the event of conflict among the foregoing items, the order of precedence is as listed above.

This Quotation is subject to withdrawal by GE Healthcare at any time before acceptance. Customer accepts by signing and returning this Quotation or by otherwise providing evidence of acceptance satisfactory to GE Healthcare. Upon acceptance, this Quotation and the related terms and conditions listed above (or the Governing Agreement, if any) shall constitute the complete and final agreement of the parties relating to the Products identified in this Quotation. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decisions to enter into this Agreement. No agreement or understanding, oral or written, in any way purporting to modify this Agreement, whether contained in Customer's purchase order or shipping release forms, or elsewhere, shall be binding, unless hereafter agreed to in writing by authorized representatives of both parties. Each party objects to any terms inconsistent with this Agreement proposed by either party unless agreed to in writing and signed by authorized representatives of both parties, and neither the subsequent lack of objection to any such terms, nor the delivery of the Products, shall constitute an agreement by either party to any such terms.

By signing below, each party certifies that it has not made any handwritten modifications. Manual changes or mark-ups on this Agreement (except signatures in the signature blocks and an indication in the form of payment section below) will be void.

- Terms of Delivery: FOB Destination
- Quotation Expiration Date: 06-20-2014
- Billing Terms: 80% on Delivery/ 20% on Acceptance or First Patient Use
- Payment Terms: NET 30
- Governing Agreement: Premier

Each party has caused this agreement to be signed by an authorized representative on the date set forth below. Please submit purchase orders to GE Healthcare

Please submit Purchase Orders to: General Electric Company, GE Healthcare, 3000 N. Grandview Blvd., Mail Code WT-897, Waukesha, WI 53188

GE HEALTHCARE

Dennis Peterson  
05-15-2014  
Vaso Healthcare - Authorized Manufacturer Rep  
US  
Phone: +1 916 663 8588  
dennis.9.peterson@ge.com

CUSTOMER

\_\_\_\_\_  
Authorized Customer Date

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
PO #

\_\_\_\_\_  
Desired Equipment First Use Date

GE Healthcare will use reasonable efforts to meet Customer's desired equipment first use date. The actual delivery date will be mutually agreed upon by the parties.

INDICATE FORM OF PAYMENT:

If "GE HFS Loan" or "GE HFS Lease" is NOT selected at the time of signature, then you may NOT elect to seek financing with GE Healthcare Financial Services (GE HFS) to fund this arrangement after shipment.

- Cash/Third Party Loan
- GE HFS Lease
- GE HFS Loan
- Third Party Lease (please identify financing company) \_\_\_\_\_





Quotation Number: P4-C116562 V 17



Quotation Number: P4-C116562 V 17

Qty	Catalog No.	Description
1	S2000TY	<p><b>X-Ray Customer Loyalty Trade In Program</b>  <b>Optima XR220amx</b></p> <p>Customer Loyalty Upgrade Optima XR220amx 15kW</p> <p>Customer Loyalty Upgrade Optima XR220amx Digital Mobile Radiographic system</p> <p>The Optima XR220amx is a self-contained battery operated mobile radiographic digital X-Ray imaging system designed for performing radiographic exams at the point of care</p> <p>Key Features</p> <ul style="list-style-type: none"> <li>• 15 KW generator</li> <li>• Wireless Digital Flashpad Detector with 6:1 removable grid, Back-up tether, QAP (Quality Assurance Procedure)</li> <li>• Dose Area Product Meter (DAP)</li> <li>• Capable of 100-240V nominal, 50/60Hz operation</li> <li>• Stand-by mode to eliminate boot up cycles and allow exposure within 25 seconds Exposures can be taken and processed while the unit is charging</li> <li>• Detector battery charges automatically while the detector is in the bin</li> <li>• Optimized GUI - Technique, image aquisition and display tools in a single integrated user interface</li> <li>• The detector can be used in additional wireless enabled GE radiographic systems: please refer to the current literature for system compatibility</li> </ul> <p>Productivity</p> <ul style="list-style-type: none"> <li>• Up to 1,200 w of power available to minimize charge time</li> <li>• System can be driven within 4 seconds of activation</li> <li>• Pre-programmed techniques per anatomy and patient size</li> <li>• Systems can be used without the detector</li> <li>• Modality Perform Procedure Step (MPPS; SPS/PPS configurable)</li> <li>• Automated and customizable image transfer to PACS and printers</li> <li>• Can reprocess images post acquisition and during an exam</li> <li>• Usage reporting tools by individuals and user groups</li> <li>• System Health dashboard for system status</li> <li>• Bin stores detector and grid</li> <li>• Built in storage for cleaning wipes, gloves and lead apron</li> <li>• Self-propelled single drive handle control with variable speed of up to 5km/h (3.1mph on flat surfaces) forward and reverse to automatically adjust to the operator's pace</li> </ul>



Quotation Number: P4-C116562 V 17

Qty	Catalog No.	Description
		<p data-bbox="440 394 854 420">Wireless Digital Detector Specifications</p> <ul style="list-style-type: none"> <li data-bbox="456 451 1468 512">• Detector battery can take up to 45 exposures per hour and provide enough power for 3 hours of use on a single charge</li> <li data-bbox="456 527 1382 552">• Single panel (non-tiled) amorphous silicon detector with a Cesium Iodide scintillator</li> <li data-bbox="456 567 976 592">• Image area 40.4cm x 40.4cm (15.9in x 15.9in)</li> <li data-bbox="456 606 841 632">• Active matrix 2022 x 2022 pixels</li> <li data-bbox="456 646 748 672">• 8mb raw image file size</li> <li data-bbox="456 686 740 711">• Pixel Pitch 200 microns</li> <li data-bbox="456 726 881 751">• Typical upper dynamic range 7.8mR</li> <li data-bbox="456 766 805 791">• Typical DQE @ 0lp/mm: 68%</li> <li data-bbox="456 806 621 831">• 2 handgrips</li> <li data-bbox="456 846 1268 871">• Dimensions: L-23.1in x H-17.8in, T-0.94in (L-580mm, H-452mm, T-24mm)</li> <li data-bbox="456 886 1463 947">• Wireless point-to-point network between the system and detector for transferring image data <ul style="list-style-type: none"> <li data-bbox="513 968 1365 993">- Communication over wide 500MHz channels to achieve very high data rates</li> <li data-bbox="513 1008 1227 1033">- Designed to co-exist with 802.11 networks without interference</li> <li data-bbox="513 1047 813 1073">- Frequency: 3.1-10.6 GHz</li> <li data-bbox="513 1087 870 1113">- Max Power Output: -41.3 dBm</li> <li data-bbox="513 1127 865 1152">- Max PHY Data rate: 480 Mbps</li> <li data-bbox="513 1167 911 1192">- Effective Throughput: 30-70 Mbps</li> </ul> </li> </ul> <p data-bbox="427 1213 1398 1274">Worklist can be retrieved from HIS/RIS systems and images can be transmitted through the DICOM interface to printers, archival devices (PACS), servers or review workstations.</p> <ul style="list-style-type: none"> <li data-bbox="443 1289 911 1314">• RJ45 10/100/1000 Base T Ethernet port</li> </ul> <p data-bbox="427 1335 1390 1396">Please refer to DICOM conformance statement for complete definition of supported DICOM services.</p> <p data-bbox="427 1417 532 1442">Generator</p> <ul style="list-style-type: none"> <li data-bbox="443 1463 621 1488">• 300 mA max</li> <li data-bbox="443 1503 716 1528">• kVp and mAs controls</li> <li data-bbox="443 1543 849 1568">• Less than 2% low frequency ripple</li> <li data-bbox="443 1583 1349 1608">• Frequency: greater than 100 kHz, Super resonant inverter with varying frequency</li> </ul> <p data-bbox="427 1629 561 1654">X-ray Source</p> <ul style="list-style-type: none"> <li data-bbox="443 1675 967 1701">• Nominal Tube Voltage (Radiographic) ~ 150kV</li> <li data-bbox="443 1715 862 1776">• Nominal Focal Spot size (IEC 60336): <ul style="list-style-type: none"> <li data-bbox="513 1751 756 1776">- Large Focus: 1.3mm</li> </ul> </li> </ul>



Quotation Number: P4-C116562 V 17

Qty	Catalog No.	Description
		<ul style="list-style-type: none"> <li>- Small Focus: 0.6mm</li> <li>• Anode Rotation Speed (minimal): 3200 min</li> <li>• Permanent Filtration: 0.9mm A1/75 kV IEC60522: 1999</li> <li>• Maximum X-ray Tube Current                             <ul style="list-style-type: none"> <li>- Large Focus: 500 mA</li> <li>- Small Focus: 200 mA Maximum Continuous Heat Dissipation: Without Air-circulator: 170W (238 HU/s)</li> </ul> </li> </ul> <p>Collimator A pair of independent collimator blades controls the X-ray field</p> <ul style="list-style-type: none"> <li>• 180 lux (1000 Lumen/mt2) light field lamp</li> <li>• The collimator rotates +-180 degrees with detents at -180, -90, 0, +90 &amp; +180 degrees</li> <li>• Full 43cm x 43cm (17in) coverage at a 100cm SID</li> <li>• The column may be rotated up to +- 270 degrees from the part position</li> <li>• Drive Inhibit keypad access</li> <li>• Password protected access to patient</li> <li>• information for compliance with confidentiality regulations</li> <li>• Automatic safety brake: Operator must hold drive handles to allow system movement</li> <li>• Integrated front bumper stops unit and activates brakes when activated</li> </ul>
1	S2000RE	<p>Wireless Connectivity</p> <p>Wireless Connectivity for Optima XR220amx and Optima XR200amx</p> <p>802.11 a/b/g n-compatible wireless connectivity to hospital network</p> <p>Wi-Fi Certified</p> <p>Compatible with:</p> <ul style="list-style-type: none"> <li>• 802.11i, Wi-Fi Protected Access 2 (WPA2), WPA 802.1X</li> <li>• AES - TKIP</li> <li>• 64-, 128-WEP</li> <li>• VPN: IPsec - IKE</li> <li>• Management Frame Protection (MFP) EAP Types:                             <ul style="list-style-type: none"> <li>- LEAP</li> <li>- LEAP + 128-WEP</li> <li>- LEAP + WPA</li> <li>- EAP - TLS</li> <li>- EAP-TTLS/MSCHAPv2</li> <li>- EAP-FAST</li> </ul> </li> </ul>



Quotation Number: P4-C116562 V 17

Qty	Catalog No.	Description
		- PEAP-GTC - PEAP/MSCHAPV2
1	S2000RS	Repeat/Reject Analysis Repeat/Reject Analysis for Optima XR220amx/Upgraded Optima XR200amx
1	W0112RA	Optima XR220amx Training: 4 Days Onsite Optima XR220amx Training: 4 Days Onsite (3 Days + 1 Day) One 3 day and one 1 day TiP onsite training visit for Optima XR220amx. Includes T&L expenses. Days provided in two customer visits. This training program must be scheduled and completed within 12 months after the date of product delivery.
1		<b>3-mo Extended Warranty NonProducts</b>
1		Additional 3 month warranty (\$5,495)

**Quote Summary:**

<b>Total Extended Selling Price:</b>	<b>\$190,125.00</b>
<b>Definium AMX 3 (1982) Trade In Credit</b>	<b>\$0.00</b>
<b>Customer Loyalty Trade In Credit</b>	<b>(\$30,000.00)</b>
<b>Total Quote Net Selling Price</b>	<b>\$160,125.00</b>

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



Quotation Number: P4-C116562 V 17

Options

(These items are not included in the total quotation amount)

Qty	Catalog No.	Description	Ext Sell Price	Initial To Accept
1	S2000RL	<b>X-Ray Customer Loyalty Trade In Program</b> Auto Protocol Assist Auto Protocol Assist for Optima XR200amx and Optima XR220amx	\$3,185.00	X_____

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



05-15-2014

Attn: Jackie Lyons  
Director of Radiology  
Sonoma Valley Hospital  
347 Andrieux St  
Sonoma CA 95476-6811

Jackie Lyons,

For a copy of the GPO contract or summary, please go to your GPO Membership login page [premierconnect.premierinc.com](http://premierconnect.premierinc.com). If a copy of the contract is not available on your membership page, please contact your GPO client manager.

Offer subject to the Terms and Conditions of the applicable Group Purchasing Agreements currently in effect between GE Healthcare and Premier Purchasing Partners, L.P. include PP-IM-180 (Gen Rad), PP-IM-182 (Mammo), PP-IM-184 (CV), PP-IM-185 (CT), PP-IM-186 (MRI), PP-IM-187 (Molecular Imaging), PP-IM-183 (BMD), PP-IM-188 (Ultrasound), PP-OR-642 (Anesthesia Delivery), PP-WC-093 (Microenvironments), PP-CA-194 (invasive Cardiology), PP-CA-197 (Diagnostic Cardiology), PP-MM-164 (Patient Monitoring) and PP-WC-088 (Corometrics), PP-IM-091 (Bone Densitometry).

Sincerely,

Dennis Peterson

Vaso Healthcare - Authorized Manufacturer Rep

+1 916 663 8588

[dennis.9.peterson@ge.com](mailto:dennis.9.peterson@ge.com)

Quotation Number: P4-C116562 V 17





## GE Healthcare

### NOTICE REGARDING NUCLEAR MEDICINE PRODUCTS

This notice applies to the following GE Healthcare Nuclear Medicine products only: Discovery NM 670 and Discovery NM 630 (the "Products").

GE Healthcare has reclassified several advanced software tools and associated documentation to a GE Healthcare Technical Service Technology package that we feel will bring greater value and interest to our customers. GE Healthcare will continue to provide trained customer employees with access to the GE Healthcare Technical Service Technology package under a separate agreement.

GE Healthcare will continue to provide customers and their third party service providers with access to software tools and associated documentation in order to perform basic service on the Products upon a request for registration for such access. This will allow GE Healthcare to react faster to the future service needs of GE Healthcare customers.

If you have any questions, you can contact your sales Service Specialist.





## GE Healthcare

For Third Party Products and Services Only: If GE Healthcare has agreed to provide any third party products and/or services (other than GE Healthcare accessories and supplies) to Customer as part of the Quotation, including but not limited to any Commitment Account/Non-Inventory items, (i) GE Healthcare is acquiring such products and/or services on Customer's behalf and not as a supplier of such products and/or services; (ii) GE Healthcare makes no warranties of any kind, express or implied, with respect to such products and/or services (warranties, if any, on such products and/or services will be provided by the manufacturer or service provider, as applicable); (iii) Customer is solely responsible for ensuring that the acquisition and use of such products and/or services is in compliance with applicable laws and regulations, including applicable FDA regulations; and (iv) Customer is solely responsible for any and all claims resulting from or related to the acquisition or use of such products and/or services.

For Mobile Systems Only: For products that are approved by GE Healthcare for use as transportable, relocatable and mobile systems, GE Healthcare will deliver the system to Customer's van manufacturer and furnish final assembly services to place the system in Customer's van. At the time of order, Customer must notify GE Healthcare of the van manufacturer to which the system is to be shipped. It is Customer's responsibility to make arrangements with the van manufacturer for delivery of the van and to comply with any additional planning requirements of the van manufacturer. For MR systems, GE Healthcare's product tests will be performed when assembly in the van is completed and MR system operation will be re-checked when the van is delivered to Customer.

For MR Products Only:

- a. MR Systems. Customer will provide a site and surroundings suitable for installation and operation of an MR system producing strong magnetic and electric fields, and Customer will be required to provide a water chiller meeting GE Healthcare specifications.
- b. Magnetic Resonance Imaging (MR) Site. Customer will provide a site and surroundings suitable for installation and operation of an MR system producing strong magnetic and electric fields, and Customer will be required to provide a water chiller meeting GE Healthcare specifications. Customer acknowledges that the magnetic fields of MR systems attract ferro-magnetic articles and are capable of rapidly accelerating such articles toward the magnet, creating corresponding physical danger to persons in the vicinity and possible damage to such systems. In addition, the magnetic and radio frequency fields of such systems may adversely affect the operation of pacemakers, equipment containing magnetic reed switches, and aneurysm or surgical clips.
- c. Magnet Maintenance and Cryogenics. The price of MR systems includes all cryogenics necessary for final assembly and testing of the MR system. Cryogen loss attributable to power loss or water chiller failure for the MR system's shield cooler or condenser system during installation is Customer's responsibility, and Customer will be billed for cryogen replacement plus the associated cryogen transfill labor at GE Healthcare's then applicable rates. After final assembly, Customer will be responsible to supply and install all cryogenics, unless cryogen loss is caused by a defect in material or workmanship within the scope of GE Healthcare's applicable MR system warranty. Following final assembly, provided cryogen boil-off rates have not been adversely affected by actions of Customer, its representatives or contractors, or any third party not authorized by GE Healthcare, GE Healthcare will provide a super-conductive magnet which, at the expiration of the warranty period, has cryogen boil-off rates not exceeding those stated in GE Healthcare's applicable magnet specifications. GE Healthcare has no responsibility to Customer for cryogen boil-off rates subsequent to expiration or termination of the applicable MR system warranty, unless Customer elects to receive magnet maintenance and cryogen service under a separate agreement with GE Healthcare.

For PET and PET/Cyclotron Systems Only: For PET Cyclotron/Chemistry systems, any target or gas processing system purchased with the system must be installed with the original system prior to system checkout. Installation after this time will require a separate quotation by GE Healthcare and is billable to Customer at GE Healthcare's then-current rates. Further, any system storage fees associated with this order are solely the responsibility of Customer. PET Cyclotron/Chemistry systems are sold for

use in generating radiotracers for diagnostic imaging applications only. GE Healthcare does not sell or intend such systems or any part(s) thereof for use in radiation therapy.

For PET/CT and PET Radiopharmacy Sites Only: Customer will provide a site and surroundings suitable for installation and operation of such a systems using and/or producing radiation. Further, Customer will be responsible for obtaining all required federal, state, and local licenses and permits for radioactive sealed sources and radioisotopes used with such system. If permitted under applicable licensing requirements, GE Healthcare representatives will work under Customer's license and supervision when handling any radioactive substance for which a license is required, or Customer will provide such handling itself under an appropriate license. Customer will provide all radioactive sources and radioisotopes for calibration and performance checks of such system. Customer acknowledges that such systems utilize radioactive materials. As with all systems utilizing radioactive materials, hazards exist creating possible physical danger to persons in the vicinity.

For iCenter and iLing Only: GE Healthcare will provide iCenter and/or iLing information management Services at no additional charge during the term of the applicable product warranty, subject to then-applicable terms and conditions for such services.

For Healthcare IT Products Only:

a. Payment. Unless specified separately in the Quotation, fees for non-GE Healthcare software and hardware shall be due one hundred percent (100%) on delivery of the applicable software or hardware.

b. Audit Rights. Upon forty-five (45) days notice GE Healthcare may audit Customer's use of the software. Customer agrees to cooperate with GE Healthcare's audit and to provide reasonable assistance and access to information. If the audit uncovers underpaid or unpaid fees owe to GE Healthcare, Customer agrees to pay those fees and GE Healthcare's costs incurred in conducting the audit within thirty (30) days of written notification of the amounts owed. If Customer does not pay the amounts owed, GE Healthcare may terminate Customer's license to use the applicable software. Customer agrees to permit GE Healthcare to obtain certain reasonable information regarding the users and other use information regarding the software. All of such information shall be treated as confidential information, shall be used solely for the purposes of technical support and auditing the use of the software, and shall not be disclosed to any third party (other than third-party vendors of software licensed to Customer under this Agreement) without Customer's consent.



# GE Healthcare General Terms and Conditions

## GE Healthcare

References herein to "Products" and "Services" mean the Products (including equipment and software) and Services identified on the applicable GE Healthcare Quotation ("Quotation").

### 1. General Terms

1.1. **Confidentiality.** Each party will treat the terms of this Agreement and the other party's written, proprietary business information as confidential if marked as confidential or proprietary. Customer will treat GE Healthcare (and GE Healthcare's third party vendors') software and technical information as confidential information whether or not marked as confidential and shall not use or disclose to any third parties any such confidential information except as specifically permitted in this Agreement or as required by law (with reasonable prior notice to GE Healthcare). The receiving party shall have no obligations with respect to any information which (i) is or becomes within the public domain through no act of the receiving party in breach of this Agreement, (ii) was in the possession of the receiving party prior to its disclosure or transfer and the receiving party can so prove, (iii) is independently developed by the receiving party and the receiving party can so prove, or (iv) is received from another source without any restriction on use or disclosure.

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

1.3. **Force Majeure.** Neither party is liable for delays or failures in performance (other than payment obligations) under this Agreement due to a cause beyond its reasonable control. In the event of such delay, the time for performance shall be extended as reasonably necessary to enable performance.

1.4. **Assignment; Use of Subcontractors.** Neither party may assign any of its rights or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this Agreement without the other party's consent to any person or entity (except to a GE Healthcare competitor) that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignees agree, in writing, to be bound by the terms of this Agreement. Subject to such limitation, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. GE Healthcare may hire subcontractors to perform work under this Agreement, provided that GE Healthcare will at all times remain responsible for the performance of its obligations and duties under this Agreement.

1.5. **Amendment; Waiver; Survival.** This Agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this Agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this Agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration.

1.6. **Termination.** If either party materially breaches this Agreement and the other party seeks to terminate this Agreement for such breach, such other party shall notify the breaching party in writing, setting out the breach, and the breaching party will have sixty (60) days following receipt of such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may, subject to the terms of Section 1.4.5 of the GE Healthcare Product Terms and Conditions, terminate this Agreement by written notice to the breaching party. For the avoidance of doubt, this Agreement is not terminable for convenience and may only be terminated in accordance with this Agreement. If GE Healthcare determines in good faith at any time that there are legal or regulatory compliance and/or material credit issues with this Agreement, if any, GE Healthcare may terminate this Agreement (including warranty services hereunder) immediately upon written notice to Customer.

### 2. Compliance

2.1. **Generally.** This Agreement is subject to (i) GE Healthcare's on-going credit review and approval and (ii) GE Healthcare's on-going determination that Customer and this Agreement comply with all applicable laws and regulations, including those relating to workplace safety, FDA matters, Federal Healthcare Program Anti-kickback compliance, export/import control and money laundering prevention. CUSTOMER ACKNOWLEDGES THAT THE PRODUCTS ARE OR MAY BE SUBJECT TO REGULATION BY THE FDA AND OTHER FEDERAL OR STATE AGENCIES. CUSTOMER SHALL NOT USE OR PERMIT THE PRODUCTS TO BE USED IN ANY MANNER THAT DOES NOT COMPLY WITH APPLICABLE FDA OR OTHER REGULATIONS OR FOR ANY NON-MEDICAL, ENTERTAINMENT, OR AMUSEMENT PURPOSES. Further, Customer represents that it is purchasing the Products for its own use consistent with the terms of this Agreement and that it does not intend to re-sell the Products to any other party or to export the Products outside the country to which GE Healthcare delivers the Products.

2.2. **Cost Reporting.** Customer represents and warrants that it shall comply with (a) the applicable requirements of the Discount Statutory Exception, 42 U.S.C. 1320a-7b(b)(3)(A), and the Discount Safe Harbor, 42 C.F.R. § 1001.952(h), with respect to any discounts Customer may receive under this Agreement and (b) the Warranties Safe Harbor, 42 C.F.R. § 1001.952(g), with respect to any price reductions of an item (including a free item) which were obtained as part of a warranty under this Agreement. Customer agrees that, if Customer is required to report its costs on a cost report, then (i) the discount must be based on purchases of the same good bought within a fiscal year; (ii) Customer must claim the benefit in the fiscal year in which the discount is earned or in the following year; (iii) Customer must fully and accurately report the discount in the applicable cost report; and (iv) Customer must provide, upon request, certain information required to be provided to the Customer by GE Healthcare as a seller or offeror, as appropriate. If Customer is an individual or entity in whose name a claim or request for payment is submitted for the discounted items, the discount must be made at the time of the sale of the good; and the Customer must provide, upon request, certain information required to be provided to the Customer by GE Healthcare as a seller or offeror, as appropriate. GE

Healthcare agrees to comply with the applicable requirements for sellers or offerors under the Discount Safe Harbor, as appropriate.

2.3. Site Access Control and Network Security. Customer shall be solely responsible for establishing and maintaining security, virus protection, backup and disaster recovery plans for any data, images, software or equipment. GE Healthcare's Services do not include recovery of lost data or images. Customer shall comply with all applicable laws and regulations related to site access control.

2.4. Environmental Health and Safety. Customer shall provide and maintain a suitable, safe and hazard-free location and environment for the GE Healthcare Products and Services in material compliance with any written requirements provided by GE Healthcare, perform GE Healthcare recommended routine maintenance and operator adjustments, and ensure that any non-GE Healthcare provided Service is performed by, and GE Healthcare Products are used by, qualified personnel in accordance with applicable user documentation. GE Healthcare shall have no obligation to perform Services until Customer has complied with its obligations under this Section.

2.5. GE Healthcare-Supplied Parts. GE Healthcare can make no assurances that Product performance will not be affected by the use of non-GE Healthcare-supplied parts. In some instances, use of non-GE Healthcare-supplied parts may affect Product performance or functionality.

2.6. Training. Any Product training identified in the Quotation shall be in accordance with GE Healthcare's then-current training program offerings and terms. Unless otherwise stated in the catalog description, training must be completed within twelve (12) months after (i) the date of Product delivery for training purchased with Products and (ii) the start date for Services for training purchased with Services. If training is not completed within the applicable time period, GE Healthcare's obligation to provide the training will expire without refund.

2.7. Medical Diagnosis and Treatment. All clinical and medical treatment and diagnostic decisions are the responsibility of Customer and its professional healthcare providers.

### **3. Disputes; Liability; and Indemnity**

3.1. Waiver of Jury Trial. EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT.

3.2. Limitation of Liability. GE HEALTHCARE'S (AND ITS REPRESENTATIVES') LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED: (A) FOR PRODUCTS OR SERVICES OTHER THAN SERVICES UNDER AN ANNUAL SERVICE CONTRACT, THE PRICE FOR THE PRODUCT OR SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR ANNUAL SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM. NEITHER CUSTOMER NOR GE HEALTHCARE (NOR THEIR RESPECTIVE REPRESENTATIVES) SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT (OR OTHERWISE IN CONNECTION WITH THE PRODUCTS AND SERVICES) FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, TIME, OPPORTUNITY OR DATA, WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE, EQUITY OR OTHERWISE. THE LIMITATION OF LIABILITY AND EXCLUSION OF DAMAGES SHALL APPLY EVEN IF THE LIMITED REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE.

3.3. IP Indemnification. GE Healthcare will defend, indemnify and hold harmless Customer from any third party claims for infringement of intellectual property rights arising from Customer's use of GE Healthcare manufactured equipment and/or GE Healthcare proprietary software listed in the Quotation in accordance with their specifications and within the license scope granted in this Agreement. If any such claim materially interferes with Customer's use of such equipment and/or software, GE Healthcare shall, at its option: (i) substitute functionally equivalent non-infringing products; (ii) modify the infringing Product so that it no longer infringes but remains functionally equivalent; (iii) obtain for Customer at GE Healthcare's expense the right to continue to use the infringing Product; or (iv) if the foregoing are not commercially reasonable, refund to Customer the purchase price, as depreciated (based on five (5) year straight-line depreciation), for the infringing Product. Any such claims arising from Customer's use of such infringing Product after GE Healthcare has notified Customer to discontinue use of such infringing Product and offered one of the remedies set forth in clauses (i) through (iv) above are the sole responsibility of Customer. This Section represents Customer's sole and exclusive remedy (and GE Healthcare's sole and exclusive liability) regarding any infringement claim associated with such infringing Product. The above indemnification obligation is conditional upon Customer providing GE Healthcare prompt written notice of the infringement claim after receiving notice of such claim, allowing GE Healthcare to control the defense of such claim, and reasonably cooperating with GE Healthcare in such defense. Notwithstanding any other provision in this Agreement, GE Healthcare shall not have any obligation to Customer hereunder for infringement claims based on or resulting from: (a) use of such infringing Product in combination with any computer software, tools, hardware, equipment, materials, or services, not furnished or authorized in writing for use by GE Healthcare; (b) use of such infringing Product in a manner or environment or for any purpose for which GE Healthcare did not design or license it, or in violation of GE Healthcare's use instructions; or (c) any modification of such infringing Product by Customer or any third party. GE Healthcare shall not be responsible for any compromise or settlement or claim made by Customer without GE Healthcare's written consent. This indemnification obligation is expressly limited to the GE Healthcare manufactured equipment and/or GE Healthcare proprietary software listed in the Quotation.

### **4. Payment and Finance**

4.1. Generally. The payment and billing terms for the Product(s) and/or Service(s) are stated in the Quotation.

4.2. Affiliate Billing. If Customer's order includes Products manufactured by more than one GE Healthcare affiliated company, each affiliated company may invoice Customer separately for the portion of the total price under the Quotation attributable to its Products, under the same payment terms specified in the Quotation. There shall be no additional fees or charges to Customer for such separate invoicing.

4.3. Late Payment. Failure to make timely payment is a material breach of this Agreement, for which (in addition to other available remedies) GE Healthcare may suspend performance under any or all GE Healthcare agreements until all past due amounts are brought current. If GE Healthcare so suspends, GE Healthcare will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any product downtime will not be included in the calculation of any uptime commitment. Interest shall accrue on past-due amounts at a rate equal to the lesser of one-and-one-half percent (1.5%) per month or the maximum rate permitted by applicable law. Customer will reimburse GE Healthcare for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits that may be due to Customer under an agreement may be applied first to any outstanding balance. If Customer has a good faith dispute

regarding payment for a particular Product (or subsystem thereof) or Service, such dispute shall not entitle Customer to withhold payment for any other Product (or subsystem thereof) or Service provided by GE Healthcare. GE Healthcare may revoke credit extended to Customer because of Customer's failure to pay for any Products or Services when due, and in such event all subsequent shipments and Services shall be paid for on receipt.

4.4. Taxes. Prices do not include sales, use, gross receipts, excise, valued-added, services, or any similar transaction or consumption taxes ("Taxes"). Customer shall be responsible for the payment of any such Taxes to GE Healthcare unless it otherwise timely provides GE Healthcare with a valid exemption certificate or direct pay permit. In the event GE Healthcare is assessed Taxes, interest or penalty by any taxing authority, Customer shall reimburse GE Healthcare for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.



# GE Healthcare Product Terms and Conditions

## GE Healthcare

References herein to "Products" and "Services" mean the Products (including equipment and software) and Services identified on the applicable GE Healthcare Quotation ("Quotation"). References herein to "Healthcare IT Products" are (i) those software products identified in the Quotation as a "Centricity" product, any third party software licensed for use in connection with the Centricity software, all hardware used to operate the Centricity or the third party software, and services provided with respect to the implementation, installation or support and maintenance of the Centricity or the third party software, and/or (ii) any software, product or service that is included in a Quotation which Quotation is designated as an "Healthcare IT Quotation".

### 1. Commercial Logistics

#### 1.1. Order Cancellation and Modification.

1.1.1. Cancellation and Payments. Except for Healthcare IT Products, if Customer cancels an order without GE Healthcare's prior written consent, Customer will pay a cancellation charge of fifteen percent (15%) of the price of the Products ordered. GE Healthcare will retain as a credit any payments received up to the amount of the cancellation charge. If Customer cancels an order for Products for which GE Healthcare has provided site evaluation services, Customer will also pay GE Healthcare reasonable charges for such services performed prior to cancellation. If applicable for the order, Customer will pay all progress payments (other than the final payment) prior to final Product calibration, and GE Healthcare may, at its option, delay final calibration until required progress payments are received. If Customer fails to schedule a delivery date with GE Healthcare within six (6) months after order entry, GE Healthcare may cancel Customer's order upon written notice to Customer.

1.1.2. Order Modifications. No modifications may be made to an order without GE Healthcare's prior written consent. The Product configuration listed in the Quotation is based upon information furnished to GE Healthcare by Customer, and Customer is responsible to provide and pay for modifications, if any, to the configuration due to inaccuracies or incompleteness of the information furnished to GE Healthcare by Customer, changes in Customer's needs or requirements, or for other reasons attributable to Customer.

1.2. Site Preparation. If applicable, Customer will be responsible, at its sole expense, for evaluating and preparing the site where the Products will be installed in accordance with GE Healthcare's site preparation requirements and applicable laws. Customer must provide GE Healthcare with prompt written notice if Customer is unable to prepare the site before the mutually agreed installation date. Upon receipt of such notice, GE Healthcare will reschedule the installation to a mutually agreed date. Customer shall be liable for any costs or expenses GE Healthcare or its representatives incur resulting from Customer's failure to provide GE Healthcare with timely notice of Customer's failure to properly prepare the site. GE Healthcare may, in its discretion, delay delivery or installation if GE Healthcare determines that the site has not been properly prepared or there are any other impediments to installation; provided that GE Healthcare gives Customer written notice of such delay stating the reasons therefor. If GE Healthcare provides site evaluation services, such services are intended only to assist Customer in fulfilling Customer's responsibility to ensure that the site complies with GE Healthcare's applicable site preparation requirements.

#### 1.3. Transportation, Title and Risk of Loss; Delivery; Returns.

1.3.1. Transportation, Title and Risk of Loss. Unless otherwise indicated in the Quotation, shipping terms are FOB Destination. Title and risk of loss to equipment passes to Customer upon delivery to Customer's designated delivery location. Software is licensed to Customer; no title to or other ownership interest in such software passes to Customer.

1.3.2. Delivery. When feasible, GE Healthcare reserves the right to make delivery in installments. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. At the time of such delivery, Customer will pay GE Healthcare for any amounts due upon delivery. Delivery dates are approximate. For GE Healthcare software or documentation, delivery means the first to occur of: (i) communication to Customer through electronic means, that allows Customer to take possession of the first copy or product master, or (ii) delivery to Customer's designated delivery location.

1.3.3. Product Returns. Customer shall not have any right to return Products for a refund after delivery except for products shipped in error that are different from the Products listed in the Quotation.

1.4. Installation and Certification. GE Healthcare will provide product assembly, installation and calibration, as required, at no additional charge, except for items excluded herein. GE Healthcare installation Services provided under the Quotation will be performed in accordance with applicable GE Healthcare installation guides and/or project plans. Customer will review the applicable GE Healthcare installation guides, and/or project plans, and perform Customer's obligations as set forth in those materials. Upon completion of assembly, installation and calibration, and prior to turnover of the Products to Customer for clinical use, as applicable, GE Healthcare will perform prescribed tests using its own performance specifications, instruments and procedures to verify that the Products meet GE Healthcare's applicable performance specifications.

#### 1.4.1. Customer-Supplied Items.

- Customer will install necessary system cable and assemble any necessary equipment or hardware not provided by GE Healthcare, unless agreed otherwise in writing by the parties.
- For Products that will be operated on or in connection with Customer supplied hardware or software, Customer is responsible

for ensuring that such hardware and software conform to GE Healthcare's minimum hardware and software requirements as made available to Customer.

- Unless GE Healthcare has agreed in writing to maintain responsibility for an applicable service, Customer will be responsible for enabling the connectivity and interoperability between Customer-supplied hardware or software or other systems or devices and the Product, including, without limitation, procuring and installing any modifications, interfaces or upgrades consistent with GE Healthcare's written specifications.
- Unless otherwise agreed in writing by GE Healthcare, Customer is solely responsible for the performance of and payment for any applicable rigging and/or facility costs. GE Healthcare will not install accessory items unless otherwise agreed in writing by GE Healthcare.
- If applicable for the Product, electrical wiring and outlets, computer network infrastructure, conduit, cabinetry modification, wall mounts, ventilation and any other site preparation are not included in the purchase price and are the responsibility of Customer, unless otherwise agreed in writing by GE Healthcare.

1.4.2. Network. Unless Customer has elected to purchase network preparation and certification Services from GE Healthcare as set forth in the Quotation, Customer is solely responsible for ensuring that Customer's network is adequate for the proper operation and performance of the Products and otherwise meets GE Healthcare's written network configuration requirements.

1.4.3. License, Permits, and Approvals. Customer shall obtain and maintain all licenses, permits and other approvals necessary for installation, use, and disposal/recycling of the Products provided under this Agreement, including, but not limited to, any government licenses required to use radioactive sources for Products that require the use of such sources. GE Healthcare will ship such sources to Customer only after Customer provides GE Healthcare with satisfactory evidence that Customer has obtained all required licenses for such sources. In addition, Customer will provide all radioactive sources for calibration and performance checks of Products that require the use of such sources. GE Healthcare will file any required Federal and State reports relating to its installation activities. GE Healthcare will not install, test, certify or provide its own software license or warranty for Products that are not listed in its on-line catalog or price pages at the time of sale (such Products are normally identified by NL or NW series numbers), unless otherwise agreed in writing by GE Healthcare.

1.4.4. Non-GE Healthcare Labor. If local labor conditions make it impractical to, or GE Healthcare is directed not to, use GE Healthcare's employees or pre-qualified contractors for the installation, all work will be performed by Customer's laborers or outside labor at Customer's expense; provided that GE Healthcare will, at Customer's request, furnish guidance for installation. GE Healthcare is not responsible for the quality or adequacy of any work performed by any party other than GE Healthcare or its pre-qualified contractors.

1.4.5. Non-GE Healthcare Installation. For Products that GE Healthcare is obligated to install under the terms of this Agreement, if GE Healthcare delivers the Product but fails to perform its installation obligations, then in such event Customer shall nevertheless be obligated to pay GE Healthcare an amount equal to (a) the Product purchase price set forth in the Quotation, if the Product purchase price and the installation Services price are shown as separate line items in the Quotation, or (b) if the Product purchase price and installation Services price are not shown as separate line items in the Quotation, then the Product purchase price less the fair market value of the applicable installation Services, taking into account the type of Product and level of installation required ("Installation Service FMV"). An independent third party shall determine the Installation Service FMV. Notwithstanding any other provision of this Agreement to the contrary, either the discharge of Customer's obligation to pay for installation Services shown as a separate line item(s) in the Quotation or the deduction of the Installation Service FMV, as applicable, shall be Customer's sole and exclusive remedy (and GE Healthcare's sole and exclusive liability) in the event GE Healthcare fails to perform its installation obligations under this Agreement.

1.5. Acceptance. Unless expressly provided otherwise in this Agreement, Customer shall be deemed to have accepted a Product delivered by GE Healthcare under this Agreement on the earlier of: (i) if GE Healthcare installs the Product, five (5) days after GE Healthcare notifies Customer that it has completed assembly and the Product is operating substantially in accordance with GE Healthcare's published performance specifications; (ii) if GE Healthcare does not install the Product, five (5) days after delivery of the Product to Customer; or (iii) the date Customer first uses the Product for patient use.

1.6. Warranties. Product warranties (if applicable) are set forth in the GE Healthcare warranty forms delivered with the Quotation. GE Healthcare may use refurbished parts in new Products as long as it uses the same quality control procedures and warranties as for new Products. Any part for which GE Healthcare has supplied a replacement shall become GE Healthcare property.

1.7. Data Access. If applicable, Customer shall permit GE Healthcare to connect to the Products, or to otherwise access Product performance data through a Customer-furnished telephone line or Broadband connection. The data collected by GE Healthcare will be used, during and after the term of this Agreement, in accordance with all applicable laws and regulations and in a manner that will maintain confidentiality.

## 2. Software License

2.1. License Grant. GE Healthcare grants to Customer a non-exclusive, non-transferable license to use for Customer's internal business purposes the GE Healthcare software, third-party software and Documentation at the location (or, for mobile systems, in the specific vehicle) identified in the Quotation, subject to the license scope and other restrictions set forth in this Agreement. "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer. Customer may only use third-party software provided by GE Healthcare together with the GE Healthcare software and will comply with all third-party software license terms included in any click or shrink wrap license or of which GE Healthcare otherwise makes Customer aware. To the extent permitted by applicable law, licensors of third-party software shall be third-party beneficiaries of this Agreement with respect to third-party software sublicensed under this Agreement. Customer may permit its employees, agents, independent contractors and healthcare providers with privileges at Customer's facilities to use the software and Documentation; provided, however, that Customer shall be responsible for any acts of such third parties that are inconsistent

with this Agreement. Notwithstanding the foregoing, independent contractors that supply products comparable to the software shall be provided access to the software only with GE Healthcare's prior written consent and subject to any conditions GE Healthcare deems appropriate to protect its confidential and proprietary information.

2.2. Additional License Terms. Without GE Healthcare's prior written consent, Customer may not: (i) copy, sublicense, distribute, rent, lease, loan, resell, modify or translate the software or create derivative works based thereon, except that to the extent applicable, the software may be configured as specifically permitted in the Documentation; (ii) directly or indirectly decompile, disassemble, reverse engineer or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the software; (iii) provide service bureau, time share or subscription services based on the software; (iv) remove, obscure or modify any markings, labels or any notice of the proprietary rights, including copyright, patent and trademark notices of GE Healthcare or its licensors; (v) electronically transfer the software outside Customer's intranet or network dedicated for the software, unless otherwise authorized in writing by GE Healthcare; or (vi) publicly release the results of any testing or benchmarking of the software without the prior written consent of GE Healthcare. Customer may transfer authorized copies of the software, and Documentation to a party that purchases or otherwise acquires the equipment and accepts any applicable license terms, except for software and Documentation that are (a) not a part of the base system standard operating software or Documentation for the equipment and (b) generally provided by GE Healthcare to its customers for a separate fee or charge. Advanced service software is subject to a separate fee and eligibility criteria and licensed under a separate agreement with GE Healthcare.

2.3. Backups. Customer may make a reasonable number of copies of the software in machine-readable form solely for backup, training, testing or archival purposes, so long as applicable license fees are paid. Customer shall reproduce on any such copy the copyright notice and any other proprietary legends that were on the original copy. GE Healthcare and its licensors, as applicable, retain all ownership and intellectual property rights to the software and Documentation. If Customer acquires any rights to the software or Documentation, Customer hereby assigns all of those rights to GE Healthcare or its licensors, as applicable. No license rights are granted (whether by implied license or otherwise), to Customer, except as specifically provided in this Section.

2.4. Remedies. Customer agrees that a violation of GE Healthcare's license, confidentiality or intellectual property rights will cause irreparable harm to GE Healthcare for which the award of money damages alone are inadequate. In the event of any breach of this provision, GE Healthcare shall be entitled to seek injunctive relief in addition to immediately terminating the license granted herein and requiring that Customer cease use of the software and return all copies of stand-alone software in any media in addition to seeking any other legal or equitable remedies available to GE Healthcare. This paragraph shall survive the termination of this Agreement.

### 3. **Payment and Finance**

3.1. Security Interest; Upgrade Pricing. Customer grants GE Healthcare a purchase money security interest in all items of hardware or equipment listed in the Quotation until full payment is received, and Customer shall perform all acts and execute all documents as may be necessary to perfect GE Healthcare's security interest. Except for Healthcare IT Products, prices for upgrades and revisions assume that Customer returns the replaced component and transfers title to GE Healthcare at no charge to GE Healthcare. If, after Product delivery, Customer does not make any payments for the Products within forty-five (45) days after such payments are due, GE Healthcare may, upon ten (10) days prior written notice to Customer, either (a) enter upon Customer's site and remove the Products or (b) temporarily disable the Products so that they are not operational.

3.2. Leases. If Customer is acquiring use of Products through an equipment lease (a "Lease") with an equipment lessor (a "Lessor"), certain provisions of this Agreement (including, but not limited to, terms related to payment, title transfer, warranties, and software licenses) may be modified as agreed to in writing between GE Healthcare, the applicable Lessor, and/or Customer, as the case may be. Acceptance of the equipment as between GE Healthcare and Lessor will be defined by this Agreement; acceptance of the equipment as between Lessor and Customer will be defined by the lease agreement. Notwithstanding the foregoing, if the Lessor does not comply with the terms of this Agreement, Customer shall continue to be responsible for the payment obligations hereunder.

### 4. **Product Specific Terms**

4.1. MUSE CV Information Technology Professional Services (ITPS). MUSE CV Product ITPS shall be performed within six (6) months of the date Customer orders the Services. Without limiting the foregoing, Customer agrees that, if the Services have not been performed within one (1) year of the date Customer orders the Services for reasons other than GE Healthcare's failure to perform, GE Healthcare shall be relieved of its obligation to perform the Services and the Customer shall not be entitled to a refund for such unperformed Services. ITPS Services include clinical applications training, project management, HL7/HIS systems integration, database conversion, and network design and integration (ND&I).

4.2. Pre-Owned Products. Products identified as pre-owned/refurbished/remanufactured Products have been previously owned and used; they are not new. When delivered to Customer, such Products may have received mechanical, electrical, and/or cosmetic reconditioning, as necessary, and will meet their original specifications. Since pre-owned Products may be offered simultaneously to several customers, their sale to Customer is subject to their continued availability at the time Customer offers to purchase such Products. If the pre-owned Products are no longer available, (i) GE Healthcare will attempt to identify other pre-owned Products in its inventory that meet Customer's needs, and (ii) if substitute pre-owned Products are not acceptable to Customer, GE Healthcare will cancel the order and refund any deposit Customer has paid for such Products.

4.3. CT and X-Ray Products. Certain Products that use x-ray or image intensifier tubes have been designed to recognize GE Healthcare-supplied tubes and report to the user the presence of a non-GE Healthcare-supplied tube. This will permit the user to make any adjustments to Product use that the user deems appropriate. Use of the Products with non-GE Healthcare-supplied tubes is always at the user's discretion; however, Customer acknowledges that advanced scanner functionality may be impaired or disabled by the use of non-GE Healthcare-supplied tubes. GE Healthcare assumes no liability for the use of non-GE-Healthcare-supplied tubes and disclaims any responsibility for any effect such tubes may have on Product performance.





# GE Healthcare

## GE Healthcare Additional Terms and Conditions: Uptime Commitment

This Uptime Commitment incorporates GE Healthcare's General Terms and Conditions and GE Healthcare's Product Terms and Conditions and will apply to eligible diagnostic imaging systems covered by the Quotation, as identified in the Quotation ("Eligible Systems").

**1. Scope.** GE Healthcare will provide Customer with expanded warranty protection for Eligible Systems in consideration of Customer's commitment to provide a broadband network connection to enable GE Healthcare to better provide warranty service for the Eligible Systems during the warranty period. The following provisions will apply only to Eligible Systems and only during the warranty period.

**2. Eligibility.** To be eligible for this expanded warranty protection, Customer must: (a) establish (if not previously established) and maintain a broadband network connection at Customer's site that connects to the Eligible System, which broadband connection meets GE Healthcare's minimum specifications, (b) provide GE Healthcare with access to the Eligible System through Customer's broadband network connection and maintain security for Customer's broadband network connection in accordance with appropriate industry best practices, (c) provide necessary support to maintain such broadband network connection, including designation of a primary Customer contact person, (d) provide GE Healthcare with at least two (2) business days advance notice of any planned changes to Customer's network that may impact such broadband connection and with notice of any unplanned changes (e.g., power outages, computer viruses, system crashes) to Customer's network that may impact such broadband connection within two (2) business days after the occurrence of the unplanned changes, (e) reasonably cooperate with GE Healthcare in maintaining such broadband connection during all such planned and unplanned changes, and (f) use reasonable efforts to ensure that Customer's connection to the Internet and LAN systems operate at a maximum of 75% of capacity and have an uptime rate of at least 98%.

**3. Uptime Commitment.** If Customer performs these responsibilities, GE Healthcare will provide Customer, at no additional charge and in addition to other remedies available under GE Healthcare's warranty, an uptime commitment of 97% (95% for all covered nuclear imaging systems and all covered X-ray systems except digital mammography, digital radiographic and vascular X-ray systems), and uptime remedies, as described below.

**4. Definitions.** "Uptime Commitment" means GE Healthcare's commitment on Eligible System uptime during the warranty period, as defined below. "Uptime Remedy" is, in addition to the other remedies specified in the warranty, Customer's sole and exclusive remedy if GE Healthcare fails to meet any Uptime Commitment over a 26-week measurement period during the warranty period. Should the Eligible System fail to achieve the Uptime Commitment as calculated by the Uptime Commitment Calculation, GE Healthcare will provide an extension of Customer's service agreement with GE Healthcare for the Eligible System (or, if Customer has not entered into a service agreement with GE Healthcare, the warranty period for the Eligible System) at no additional charge, as follows:

<u>% &lt; Uptime Commitment</u>	<u>Extension</u>
0	0 weeks
0.1 - 3.0	1 week
3.1 - 8.0	2 weeks
8.1 - 13.0	4 weeks
> 13.0	6 weeks

"Uptime Commitment Calculation" means the calculation used to determine achievement of the Uptime Commitment, as follows: The basis for each measurement period is GE Healthcare's standard warranty service coverage hours of A hours per day, B days per week for 26 weeks, less C hours spent on planned maintenance ("PM") during that interval:

$$\text{Hours1} = A \text{ hours per day} \times B \text{ days per week} \times 26 \text{ weeks}$$

$$\text{Hours2} = \text{Hours1} - C \text{ hours for planned maintenance}$$

$$\text{Required in-service hours at Customer's \% commitment: Hours3} = \text{Hours2} \times \text{Customer's \%}$$

**5. Eligible System.** An Eligible System will be considered inoperable and out of service under the Uptime Commitment if, due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System is unavailable for scanning patients and diagnosing images on the Eligible System display console or operator's console. Peripheral equipment such as remote consoles, magnetic tape drives, hard copy devices, and multi-format and laser cameras are excluded from the terms of the Uptime Commitment. Repair and adjustments required for anything other than Eligible System failure, and damage or inoperability due to any cause other than GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, will be excluded from the Uptime Commitment Calculation, including without limitation damage through misuse, operator error, inadequate environmental or air conditioning protection, power failure, and acts of God. PM time will not be included in the calculation of downtime. If GE Healthcare's responding representative agrees the Eligible System is inoperable due to GE Healthcare's design, manufacturing, material, or service or maintenance performance failure, the Eligible System will be considered out of service from the time the request for service was received by GE Healthcare until the Eligible System is again turned over to Customer for operation. If Customer fails to give GE Healthcare immediate and unencumbered access to the Eligible System or continues to obtain scans after notifying GE Healthcare of any Eligible System failure, the Eligible System will be considered to be in service.



## GE Healthcare Additional Terms and Conditions: Healthcare IT

### GE Healthcare

References herein to "Products" and "Services" mean the Products (including hardware and software) and Services purchased by Customer as identified on the applicable GE Healthcare Quotation ("Quotation"). References herein to "Healthcare IT Products" are (i) those software products identified in the Quotation as a "Centricity" product, any third party software licensed for use in connection with the Centricity software, all hardware used to operate the Centricity or the third party software, and services provided with respect to the implementation, installation or support and maintenance of the Centricity or the third party software, and/or (ii) any software, product or service that is included in a Quotation which Quotation is designated as an "Healthcare IT Quotation".

These Additional Terms and Conditions incorporate the GE Healthcare General Terms and Conditions as well as the GE Healthcare Product Terms and Conditions and will apply only to the license, purchase and use of Healthcare IT Products.

#### 1. Healthcare IT Product Specific Terms. The following terms apply only to the purchase of Healthcare IT Products.

1.1. **Statement of Work (SOW).** Following the effective date of this Agreement, the parties may enter into a written statement of work ("SOW") signed by the parties that describe the professional services to be provided by pursuant to the quotation, which may include, among other things, an installation and implementation project work plan, identification of installation and implementation services, and other related professional services. GE Healthcare shall perform the professional services and provide any deliverables described in any such SOW and shall use commercially reasonable efforts to do so according to any delivery schedule in the SOW. GE Healthcare is responsible for the assignment of personnel to perform all services and may make any change in staffing it deems necessary provided that such change does not compromise the level of expertise required to complete the applicable SOW. Each SOW may include descriptions of the following: (i) professional services to be performed; (ii) deliverables; (iii) Customer's additional responsibilities; (iv) project work scope, (v) estimated performance schedule and applicable milestones; (vi) Customer's site and any site preparation requirements; (vii) network, hardware or other environmental or infrastructure requirements; (viii) preliminary implementation plans; or (ix) key assumptions. The terms and conditions of this Agreement shall prevail over those of the SOW. A SOW may only be modified in writing signed by authorized representatives of both parties and must be made pursuant to mutually agreed change control procedures. Changes to a SOW may require a change in fees reflecting the change in scope and/or change in schedule of delivery of the professional services or deliverables and/or change in Customer's responsibilities. From time to time during the term of this Agreement, the parties may enter into additional SOWs relating to services purchased by Customer under Change Orders to this Agreement. Each such additional SOW shall constitute a separate and independent work engagement and contractual obligation.

1.2. **Project Managers.** If required by the SOW, Customer and GE Healthcare shall each designate a project manager who will be responsible for day-to-day communications regarding the subject matter of the applicable SOW. The project managers will be responsible for monitoring the schedules and progress of services pursuant to the Agreement and/or SOW and will have the authority to act for the respective parties in all aspects of the engagement. The project managers for the parties will meet in person or via conference call as necessary. The responsibilities of the project managers include to: (i) serve as the single point of contact for all departments in their organization participating in this project; (ii) administer the change-of-control procedure; (iii) participate in project status meetings; (iv) obtain and provide information, data, decisions and approvals, within seven working days of the other party's request unless GE Healthcare and Customer mutually agree to an extended response time; (v) resolve deviations from project plans that may be caused by the parties' respective organizations; (vi) help resolve project issues and escalate issues within the parties' respective organizations, as necessary; (vii) monitor and report project status on a regular basis to the respective organizations as appropriate; and (viii) provide and coordinate technical and specialist resources as necessary.

1.3. **HITECH Certification.** GE Healthcare will use diligent efforts to obtain certification under the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act") to the extent that certification standards are established for the applicable functionality included as part of GE Healthcare's EMR or Centricity Practice Solutions software licensed by Customer, including those product updates that GE Healthcare provides generally to Customer of such products as part of support and maintenance. If GE Healthcare fails to obtain certification for the applicable components within ninety (90) days after the beginning of the first Reporting Period in a Payment Year that Customer is actively seeking to demonstrate Meaningful Use, GE Healthcare will credit the standard support services fees for such software for each month during which the software is not certified (up to a maximum of 6 months) against future support fees. The foregoing is Customer's sole and exclusive remedy in the event GE Healthcare fails to obtain certification. For the avoidance of doubt, Customer's payment obligations under this Agreement are not conditioned on receipt of HITECH incentive payments, certification of the software or demonstration of meaningful use. GE Healthcare will keep Customer informed of GE Healthcare's certification status by posting such status at [www.gehealthcare.com/hitech](http://www.gehealthcare.com/hitech) (or some other location that of which GE Healthcare may inform Customer). It is Customer's responsibility to ensure Customer meets all the requirements to qualify for the incentive payments, including "meaningful use", and to confirm that the GE Healthcare software Customer is using is certified according to HITECH criteria. GE Healthcare's obligations under this section apply only to the then-most current version of GE Healthcare's Centricity EMR or Centricity Practice Solution software products. GE Healthcare's obligations are contingent upon Customer then-receiving and paying for support services and complying with the requirements of the GE Healthcare service policy and, if GE Healthcare so requires, upon Customer installing software fixes, patches or updates or migrating to a new or different GE Healthcare software offering, and on Customer otherwise having installed all functionality not part of the GE Healthcare software that would have been required to show Meaningful Use. All capitalized terms shall the definitions set forth in this Agreement, the HITECH Act or any applicable implementing regulations.

1.4. **Ownership Rights.** GE Healthcare shall retain ownership of all deliverables (including any intellectual property embodied in the

deliverables or related to them) and any intellectual property developed under a SOW or during the course of performing the services whether or not the services are performed by GE Healthcare alone or jointly with Customer or others. In addition, GE Healthcare shall own all improvements, enhancements and derivative works of any GE Healthcare intellectual property. Customer hereby assigns, and will cause Customer's employees and independent contractors to assign, to GE Healthcare all of Customer's rights in and to such deliverables and intellectual property. GE Healthcare grants to Customer a nonexclusive, nontransferable, license, without the right to sublicense, to use the deliverables solely for Customer's internal business purposes and subject to the limitations described in this Agreement and the relevant SOW. Customer agrees to provide reasonable assistance to GE Healthcare in obtaining and enforcing GE Healthcare's rights to such deliverables and intellectual property. GE Healthcare will acquire no rights to any of Customer's confidential information that may be included in any deliverable unless expressly agreed to otherwise by Customer.

1.5. Software Product Testing and Acceptance. Commencing on the date that GE Healthcare gives notice of installation of the GE Healthcare software (or on the date as otherwise provided for in the applicable SOW) and implementation by GE Healthcare of appropriate option and parameter selections made by Customer, Customer will have thirty (30) days to test each unit or module of the GE Healthcare software. Customer shall be deemed to have accepted GE Healthcare proprietary software the earlier of (i) Customer's written acceptance, (ii) the expiration of the test period identified in the preceding sentence without GE Healthcare receiving written notice from Customer of the existence of any errors and a reasonable description of such error(s), or (iii) the date Customer first uses the software to process actual data in the operation of Customer's business (e.g. to register a patient, to produce a bill, to record a treatment or diagnosis or to process or view a medical image). As used in this section, an "error" is the failure of the software to perform substantially in accordance with the documentation. Acceptance tests will be conducted using test data, preferably from Customer's historical operations, in a non-productive environment and according to test protocol to be mutually agreed upon by the parties. Upon discovering an error, Customer shall promptly notify GE Healthcare in writing of the error, which notice shall include a reasonable description of the error. Upon GE Healthcare's timely receipt of Customer's written notice, GE Healthcare shall promptly correct such failures identified by Customer therein. An acceptance test for amendments or alterations provided by GE Healthcare as a result of testing may be conducted by Customer for a period of not more than five (5) days after delivery of such amendment or alteration, and the test period shall be extended for this purpose. Upon the occurrence of acceptance, all payments associated with acceptance, if any, shall be due and payable.

1.6. Software Support. GE Healthcare will provide to Customer the software support services as described in the applicable GE Healthcare service policy for the GE Healthcare software and the support period as specified in the applicable quotation for which Customer has paid the applicable fees. Software that is identified on the quotation and either (i) is delivered to Customer in a third-party developer/supplier's packaging and with its labeling or (ii) for which GE Healthcare expressly indicates (either in the quotation or in the product documentation) that the software is provided with the third-party developer/supplier's software support services in lieu of GE Healthcare software support services is not covered under this Agreement unless specifically stated otherwise in the applicable quotation. GE Healthcare support services will automatically renew for another annual term upon payment of the applicable renewal support fees, unless either party provides sixty (60) days prior written notice of non-renewal. GE Healthcare may increase its charges for support and maintenance fees for each successive annual software renewal support term. In connection with any annual renewal of support services, GE Healthcare may increase its annual charges for maintenance and support by no more than CPI plus two percent (2%). CPI shall mean the U.S. City Average (December to December percent) for ALL Urban Consumers (CPI-U). If GE Healthcare announces to its customers that it will no longer offer support ("end of product life") for a product or component, then upon at least twelve (12) months' prior written notice to Customer, GE Healthcare may, at its option, remove any such item from all GE Healthcare service agreements, with an appropriate adjustment of charges, without otherwise affecting such agreements.

1.7. Medical Diagnosis and Treatment. Customer acknowledges that: (a) the software does not make clinical, or other decisions and is not a substitute for competent, properly trained and knowledgeable staff who bring professional judgment and analysis to the information presented by the software; (b) Customer is responsible for verifying the accuracy of all patient information and determining the data necessary for Customer and Customer's users to make medical and diagnostic decisions, as well as for complying with all laws, regulations and licensing requirements applicable to Customer's delivery of healthcare services; (c) Customer is responsible for establishing and maintaining reasonable quality control procedures to ensure the accuracy of input to the software; (d) Customer and Customer's staff will consider all relevant information including information presented to Customer and Customer's staff by the software and may give whatever weight Customer and Customer's staff deem appropriate to the information produced by the software in the performance of Customer's and Customer's staff's functions; (e) any and all financial and management information produced by the software must be tested for reasonableness and accuracy before any actions are taken or reliance placed on it; (f) Customer has reviewed and will communicate to users who use and access the software any software information, which may be provided to Customer by GE Healthcare from time to time; (g) although GE Healthcare and its third-party vendors have used reasonable care in obtaining information from sources believed to be reliable, Customer acknowledges that it is Customer's obligation to be informed about any changes or developments in clinical information or guidelines that may not be reflected in the software and that the absence of an alert or warning for a given course of treatment, drug or drug combination should not be construed to indicate that the treatment, drug or drug combination is safe, appropriate or effective in any given patient; (h) Customer is solely responsible for the proper, complete and accurate submission of claims, including without limitation the determination of proper billing, diagnosis and procedure codes and the maintenance of patient medical records containing appropriate documentation of the Services billed; (i) when selecting a narrative condition or coded diagnosis or procedure, Customer must make an independent and informed judgment based upon the patient's condition and symptoms and/or a physician's submitted diagnosis, to select a code appropriate for that patient (GE Healthcare does not make any representation or warranty regarding the appropriateness of any of the narrative or codes displayed for any or all patients); (j) since it is possible that a payor's local medical review policies may be in effect prior to their receipt or update by GE Healthcare or its licensors, Customer, as a provider under Federal health care programs, assumes responsibility for the accuracy of all claims submitted for Services performed for Medicare beneficiaries. Customer shall use the Products only for clinical diagnostic purposes in the diagnosis or treatment of a disease or condition, and not for any entertainment or amusement purposes. GE Healthcare will not deliver, install, service or provide training on use of the Products if GE Healthcare discovers the Products have been or are intended to be used for non-clinical purposes

in violation of the preceding sentence.

1.8 **Return of Software.** Upon termination of this Agreement for any reason, Customer shall immediately return to GE Healthcare any and all software for which license grant immediately terminates.

2. **Healthcare IT Warranty.** The following warranties apply only to Healthcare IT products and are in lieu of any other standard GE Healthcare warranties.

2.1. **Express Warranties.** GE Healthcare makes the following express warranties to Customer:

2.1.1. GE Healthcare warrants that its services will be performed by trained individuals in a professional, workman-like manner.

2.1.2. Except as indicated otherwise below, GE Healthcare warrants that (i) GE Healthcare has the right to license or sublicense the software to Customer for the purposes and subject to the terms and conditions set forth herein, (ii) for 90 days following the warranty commencement date, the software will perform substantially in accordance with the applicable documentation, (iii) it has not inserted any disabling code (as defined herein) into the software, and (iv) it will use reasonable commercial efforts consistent with industry standards to scan for and remove any software viruses before installation of the software. As used herein, (a) "disabling code" means computer code that is designed to delete, interfere with, or disable the normal operation of the software; provided, however, that code included in the software that prohibits use outside of the license scope purchased for the software will not be deemed to be disabling code, and (b) "warranty commencement date" means the date upon which Customer first uses the software to process actual data in the operation of Customer's business (e.g., to register a patient, to produce a bill, to record a treatment or diagnosis or to process or view a medical image). The warranty period for any software or component furnished to correct a warranty failure will be the unexpired term of the warranty applicable to the repaired or replaced software.

2.1.3. Except for the right to license warranty above, the above warranties do not cover equipment or third-party software delivered with the GE Healthcare software. Third-party software is identified with a separate part number on the quotation (i) delivered to Customer in the third-party manufacturer/supplier's packaging and with its labeling, or (ii) for which GE Healthcare expressly indicates (either in the quotation or in the product documentation) that the software or equipment is provided with the third-party manufacturer/supplier's warranty in lieu of a GE Healthcare warranty. Such products are covered by the third-party manufacturer/supplier's warranties, to the extent available.

2.2. **No Other Warranties.** NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY.

2.3. **Sole and Exclusive Remedies for Breach of Warranties.** The remedies set forth below are Customer's sole and exclusive remedies and GE Healthcare's sole and exclusive liability for warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare remains willing to repair or replace defective warranted products or re-perform any non-conforming services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's warranty claim.

2.3.1. If there is any breach of a warranty contained in Section 2.1.1, GE Healthcare will promptly re-perform any non-conforming services for no charge as long as Customer provides reasonably prompt written notice to GE Healthcare.

2.3.2. If there is a breach of warranty contained in Section 2.1.2(i) GE Healthcare will indemnify Customer in accordance with Section 3.3 of the General Terms and Conditions to included as part of this Agreement.

2.3.3. If there is any breach of a warranty contained in Section 2.1.2(ii) – (iv) and Customer promptly notifies GE Healthcare of Customer's warranty claim during the warranty period and makes the software available for service, GE Healthcare will, at its option, with respect to the GE Healthcare software, either correct the non-conformity or replace the applicable software. Unless agreed otherwise, warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel. For certain licensed software, GE Healthcare will perform warranty service only at an authorized service center or, in some instances, via a secure, remote connection to a GE Healthcare online center.

2.4. **Limitations.** GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (i) the use of the software in combination with any software, tools, hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (ii) the use of the software in a manner or environment, or for any purpose, for which GE Healthcare did not design or license it, or in violation of GE Healthcare's written recommendations or instructions on use; (iii) any alteration, modification or enhancement of the software by Customer or any third party not authorized or approved in writing by GE Healthcare (iv) inadequate back-up or virus protection or any other cause external to the software or beyond GE Healthcare's reasonable control. In addition, the warranties set forth above do not cover the software to the extent it is used in any country other than the country to which GE Healthcare ships the licensed software (unless GE Healthcare expressly agrees otherwise in writing). GE Healthcare does not guarantee that the software will operate without error or interruption.



## Warranty Statement (United States)

### GE Healthcare

**1. Warranted Products.** These warranties cover the purchase and use of the following GE Healthcare products:

- Magnetic Resonance
- Computed Tomography
- Mammography
- Positron Emission Tomography (including scanners, cyclotrons & chemistry labs)
- Nuclear
- X-ray
- Surgical Navigation Systems
- Cardiology
- Ultrasound
- Bone Mineral Densitometry
- Physiological Monitoring
- Small Animal Imaging
- C-Arms
- Advantage Workstation and Server
- Anesthesia Delivery
- Respiratory Care
- Gold Seal
- Phototherapy and other infant care accessories
- Microenvironments, including Giraffe®, Care Plus®, Ohio® Infant Warmer Systems and Panda™ Baby Warmers

**2. GE Healthcare Warranties.**

- 2.1 **Scope.** This warranty statement incorporates GE Healthcare's General Terms and Conditions and GE Healthcare's Product Terms and Conditions. GE Healthcare warrants that its services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will promptly re-perform any non-conforming services for no charge as long as Customer provides reasonably prompt written notice to GE Healthcare. The foregoing service remedy, together with any remedy provided herein, are Customer's sole and exclusive remedies (and GE Healthcare's sole and exclusive liability) for warranty claims. These exclusive remedies shall not have failed of their essential purpose (as that term is used in the Uniform Commercial Code) as long as GE Healthcare remains willing to repair or replace defective warranted products or re-perform any non-conforming services for no charge, as applicable, within a commercially reasonable time after being notified of Customer's warranty claim. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUIET ENJOYMENT, SYSTEM INTEGRATION AND DATA ACCURACY, WILL APPLY.
- 2.2 **Term Usage.** "Warranted Product" is a collective term which includes both the above-listed manufactured equipment and licensed software, with the exception of Healthcare IT Products, purchased by and/or licensed to (as applicable) Customer under the relevant GE Healthcare Quotation. Where an item of equipment has software code embedded in it, the code will only be considered licensed software under this warranty statement if the applicable GE Healthcare Quotation provides a separate part number for that software.
- 2.3 **Equipment Warranty.** Except as indicated otherwise below, GE Healthcare warrants the equipment will be free from defects in title and that for 1 year from the Warranty Commencement Date (as defined below) (i) the equipment will be free from defects in material and workmanship under normal use and service and (ii) except for equipment manufactured in compliance with Customer's designs or specifications, the equipment will perform substantially in accordance with GE Healthcare's written technical specifications for the equipment (as such specifications exist on the date the equipment is shipped) (the "Specifications"). This warranty covers both parts and labor and is available only to end-users that purchase the equipment from GE Healthcare or its authorized distributors. Customers purchasing through an authorized distributor must contact GE Healthcare promptly following such purchase to enable this warranty.
- 2.4 **Software Warranty.** Except as indicated otherwise below, GE Healthcare warrants for 90 days from the Warranty Commencement Date that (i) the licensed software will perform substantially in accordance with the applicable Documentation (as defined herein), (ii) it has not inserted any Disabling Code (as defined herein) into the licensed software and (iii) it will use reasonable commercial efforts consistent with industry standards to scan for and remove any software viruses before installation of the applicable Warranted Product. Except as indicated otherwise below, GE Healthcare warrants that it has the right to license or sublicense the licensed software to Customer for the purposes and subject to the terms and conditions set forth in GE Healthcare's General Terms and Conditions. As used in this warranty statement, (i) "Disabling Code" means computer code that is designed to delete, interfere with, or disable the normal operation of the Warranted Product; provided, however, that code included in the licensed software that prevents use outside of the license scope purchased for the software will not be deemed to be Disabling Code and (ii) "Documentation" means the GE Healthcare user manuals, on-line help functions, technical specifications and user instructions regarding the operation, installation and use of the software as made available by GE Healthcare to Customer.
- 2.5 **Pre-owned Equipment:** GE Healthcare's Gold Seal Preferred Products (certain pre-owned GE Healthcare equipment) and GE Healthcare's certified pre-owned Bone Mineral Densitometry Products are provided with GE Healthcare's standard warranties carrying the same duration as the new equipment warranty, but in no event exceeding 1 year (unless otherwise provided in writing by GE Healthcare). Except as expressly provided in this paragraph or in the applicable GE Healthcare Quotation, used and/or pre-owned equipment is not warranted by GE Healthcare.
- 2.6 **Healthcare IT and X-Ray Tubes.** GE Healthcare X-ray and Image Intensifier Tubes, Maxiray X-ray Tubes and GE Healthcare IT Products are covered by a separate warranty statement provided in an applicable GE Healthcare Quotation.

2.7 **Third-Party Software and Equipment.** This warranty statement does not cover Third-Party Software and Equipment (as defined herein) delivered with the Warranted Products (commonly identified by NL or NW series numbers in GE Healthcare's Quotation). "Third-Party Software and Equipment" means any non-GE Healthcare software or equipment (i) delivered to Customer in the third-party manufacturer/supplier's packaging and with its labeling or (ii) for which GE Healthcare expressly indicates (either in the GE Healthcare Quotation or in the product documentation) that the software or equipment is provided with the third-party manufacturer/supplier's warranty in lieu of a GE Healthcare warranty. Such products are covered by the third-party manufacturer/supplier's warranties, to the extent available. Anesthesia monitor mounting solutions Third-Party Software and Equipment purchased directly from GE Healthcare will not be treated as Third-Party Software or Equipment.

3. **Warranty Commencement.** Unless expressly provided otherwise in this warranty statement or the applicable GE Healthcare Quotation, the warranty period begins (the "Warranty Commencement Date") on the earlier of: (i) if GE Healthcare installs the Warranted Product, 5 days after GE Healthcare notifies Customer that it has completed assembly and the Warranted Product is operating substantially in accordance with GE Healthcare's Specifications; (ii) if GE Healthcare does not install the Warranted Product, 5 days after delivery of the Warranted Product to Customer; (iii) the date Customer first uses the Warranted Product for patient use; or (iv) if GE Healthcare is contractually required to install the Warranted Product, the 30<sup>th</sup> day following shipment to the end-user Customer if installation is delayed for reasons beyond GE Healthcare's reasonable control. The warranty period for any Warranted Product or component furnished to correct a warranty failure will be the unexpired term of the warranty applicable to the repaired or replaced Warranted Product. The warranty period for Vital Signs, Inc. Products begins on the date such products are shipped to Customer.

4. **Remedies.** If Customer promptly notifies GE Healthcare of Customer's warranty claim during the warranty period and makes the Warranted Product available for service, GE Healthcare will, at its option (i) with respect to equipment, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Warranted Product or components of the Warranted Product and (ii) with respect to GE Healthcare's licensed software, either correct the non-conformity or replace the applicable licensed software. Warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel. For certain Warranted Products, GE Healthcare will perform warranty service only at an authorized service center or, in some instances, via a secure, remote connection to a GE Healthcare online center. With respect to GE Healthcare's warranty for the services it provides to Customer, Customer's exclusive remedy is set forth in Section 2.1 above.

Warranty claims for the Warranted Products should be directed through GE CARES at 1-800-437-1171. Warranty claims for accessories and supplies items should be directed through 1-800-558-5102.

5. **Limitations.** GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (i) the use of the Warranted Product in combination with any software, tools, hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (ii) the use of the Warranted Product in a manner or environment, or for any purpose, for which GE Healthcare did not design or license it, or in violation of GE Healthcare's recommendations or instructions on use; or (iii) any alteration, modification or enhancement of the Warranted Product by Customer or any third party not authorized or approved in writing by GE Healthcare. In addition, this warranty does not cover the Warranted Product to the extent it is used in any country other than the country to which GE Healthcare ships the Warranted Product (unless GE Healthcare expressly agrees otherwise in writing). GE Healthcare does not guarantee that licensed software will operate without error or interruption.

In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Specifications and/or Documentation, as applicable) that results, in whole or in part, from any improper storage or handling, failure to maintain the Warranted Products in the manner described in any applicable instructions or specifications, inadequate back-up or virus protection or any cause external to the Warranted Products or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) the payment or reimbursement of any facility costs arising from repair or replacement of the Warranted Products or parts; (iii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iv) expendable supply items; (v) stockpiling of replacement parts; (vi) any failure of the Warranted Products to use or correctly process dates; and (vii) products not listed in GE Healthcare's Accessories and/or Supplies catalogs at the time of sale, and all service manuals are provided AS IS. For network and antenna installations not provided by GE Healthcare or its authorized agent(s), network and antenna system troubleshooting will be billable at GE Healthcare's standard service rates.

For MR systems, these warranties do not cover (i) any defect or deficiency that results, in whole or in part, from failure of any water chiller system supplied by Customer, (ii) service to any water chiller systems supplied by Customer and (iii) for MR systems with LHe/LN or shield cooler configured superconducting magnets (except for MR Systems with LCC magnets), any cryogen supply, cryogenic service or service to the magnet, cryostat, coldhead, shield cooler compressor or superconductive or resistive shim coils unless the need for such supply or service is caused by a defect in material or workmanship covered by these warranties (GE Healthcare's MR Magnet Maintenance and Cryogen Service Agreement is available to provide supplemental coverage during the warranty period). For Proteus XR/a, Definium and Precision 500D x-ray systems, these warranties do not cover collimator bulbs.

#### 6. **Exceptions to GE Healthcare Standard Warranties Described Above.**

**CT Partial System Equipment Upgrades\*:** Six (6) months

**MR Partial System Equipment Upgrades\*:** Six (6) months

**X-ray Partial System Equipment Upgrades\*;** **High Voltage Rectifiers and TV Camera Pick-Up Tubes:** Six (6) months

**PET Partial System Equipment Upgrades\* (Scanners, Cyclotrons and Chemistry Labs):** Six (6) months

**Nuclear Partial System Equipment Upgrades\*:** Six (6) months

**GE OEC New or Exchange Service/Maintenance Parts:** Ninety (90) days

**HealthNet Lan, Advantage Review — Remote Products:** Ninety (90) days

**GE Ultrasound Exchange Probes and Transducers, Ultrasound Water Path attachment Kit:** Ninety (90) days

**GE Ultrasound Service Replacement Parts:** Thirty (30) days

**LOGIQBook and Other Handheld/Compact Ultrasound Products:** Standard warranty includes (i) repair services at GE Healthcare service facilities, (ii) three (3) business day turnaround repair time for systems shipped via overnight delivery (where available), measured from the date of shipment (GE Healthcare is not responsible for delays in overnight shipment), (iii) seventy-two (72) hour loaner systems or probe replacement service via Fed Ex (shipping charges included), (iv) technical support via telephone from 7:00 am to 7:00 pm Central Time, Monday-Friday, excluding GE Healthcare holidays, (iv) field support/service is available for an additional charge and (v) preventative maintenance for an additional charge. For an additional charge, GE Healthcare will also provide the following enhanced warranty features as part of the system warranty: coverage for system damage due to accidental dropping or mishandling, with a maximum of two (2) replacement systems during the term of the warranty.

**Ultrasound Partial System Equipment Upgrades\*:** Ninety (90) days (Customer will not be credited the value of this warranty against pre-existing warranties or service agreements).

**Dash, Solar 8000M, 8000i & Tram:** Additional two (2) years of parts only coverage, excluding displays (United States only)

**DINAMAP ProCare Vital Signs Monitors:** Two (2) years

**DINAMAP Pro 100-400V2 Series Monitors:** Three (3) years

**Enterprise Access:** One (1) year parts, ninety (90) days labor

**MAC 1600:** Three (3) years

**MAC 1200:** Three (3) years (United States only)

**Batteries:** Ninety (90) days, except (i) for LOGIQBook batteries, which are warranted for twelve (12) months and (ii) for Nickel cadmium or lead acid batteries for X-ray and mammography systems (which will carry a sixty (60)-month warranty prorated as shown below). For Nickel cadmium or lead acid batteries for X-ray and mammography systems, warranty service will be performed without charge from 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then prevailing service rates and subject to the availability of personnel only during the first twelve (12) months of the sixty (60)-month warranty period. For X-ray and mammography systems, if nickel cadmium or lead acid batteries need replacement during their applicable warranty period, Customer will pay the price of the replacement battery in effect on its delivery date less a Pro Rata Credit Allowance (as defined herein). The Pro Rata Credit Allowance for batteries that fail less than twelve (12) months after the warranty begins is one hundred percent (100%). The Pro Rata Credit Allowance for batteries that fail more than twelve (12) months after the warranty begins is:

$$1 - (\# \text{ of Mos. After Warranty Commencement} / 60) \times 100\%$$

For the purpose of Pro Rata Credit Allowance, a fraction of a month less than fifteen (15) days will be disregarded, and a fraction of a month equal to or greater than fifteen (15) days will be regarded as a full month.

**Care Plus® Incubator:** Three (3) years parts, one (1) year labor

**Ohio® Infant Warmer Systems and Panda™ Warmers:** Lifetime parts warranty on heater cal rod

**BiliBlanket® Plus High Output Phototherapy System:** Two (2) years on Light Box and eighteen (18) months on Fiberoptic Pad

**Microenvironment and Phototherapy expendable components, this includes but is not limited to patient probes, probe covers and light bulbs:** Thirty (30) days

**GE OEC refurbished c-arms:** Twelve (12) months after installation

**Oximeters:** Three (3) years from installation, or thirty-nine (39) months from GE Healthcare invoice, whichever occurs sooner

**Tec 7 Vaporizers:** Three (3) years

**Tec 6 Plus Vaporizers:** Two (2) years

**X-ray and Image Intensifier Tubes and Maxiray X-ray Tubes:** See GE Healthcare Warranty Statement X-Ray an Image Intensifier Tubes

**Accessories and Supplies:** GE Healthcare's catalog and/or website includes a "Service/Warranty Code" which identifies the installation, warranty, applications and post-warranty service, if any, provided for each accessory and supply product. Following are the warranty periods for accessories and supplies:

Service/Warranty Code T.....	100 Years
Service/Warranty Code V.....	25 Years
Service/Warranty Codes X.....	15 Years
Service/Warranty Codes F.....	3 Years
Service/Warranty Codes D, J, N, O, R or Z.....	2 Years
Service/Warranty Codes A, B, C, E, G, L, P, Q, S or Y.....	1 Year
Service/Warranty Code H.....	6 Months
Service/Warranty Code K and all Vital Signs, Inc. products.....	3 Months
Service/Warranty Code M.....	1 Month
Service/Warranty Code W.....	Out of Box Failure Only

**\* NOTE: For partial system equipment upgrades, the warranty applies only to the upgraded components**





## Warranty Codes For Accessories And Supplies

### GE Healthcare

**Service / Warranty Codes.** If Customer promptly notifies GE Healthcare of its warranty claim and makes the Product available for service, GE Healthcare will provide the warranty service indicated in the applicable Service/Warranty Code description. The terms and conditions of GE Healthcare's Warranty Statement(s) apply to all warranty claims. Basic Service Premise for Products – GE Healthcare Field Engineers will take the first call for service and either provide direct support or arrange for support from the manufacturer or its dealers as indicated by the individual Service/Warranty Code. If the Service/Warranty Code calls for Product return for repair or in-warranty exchange, Customer must return the Product as GE Healthcare directs. GE Healthcare provides warranty service from 8:00 AM to 5:00 PM local time Monday-Friday EXCLUDING GE HEALTHCARE HOLIDAYS. If a Service/Warranty Code provides for warranty service to be performed on Customer's site, such service is available outside the above hours at GE Healthcare's prevailing service rates and subject to the availability of personnel.

**A GE Healthcare directly, or through a sub-contractor, provides the following:**

Installation; parts; on-site warranty service to repair, adjust or replace (at GE Healthcare's option and using new or exchange replacement parts) non-conforming products or parts; applications training in some cases (with additional charge); and post-warranty service, at prevailing hourly billed service ("HBS") rates and, in some cases, under GE Healthcare service contracts.

**B GE Healthcare directly provides the following through GE Healthcare's Global Parts Operation (GPO):**

New or exchange replacement parts at no charge to correct non-conforming products or parts during the warranty period; new or exchange replacement parts at GE Healthcare's normal prices for post-warranty repairs. **Note:** *Installation, applications training and on-site service is the Customer's responsibility. However, GE Healthcare's Field Engineers may be available at prevailing HBS rates. Contact GE CARES for availability.*

**C GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide the following:**

Installation (in some cases with an additional charge); parts; on-site warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option and using new or exchange replacement parts) non-conforming products or parts; applications training in some cases (some with additional charge); and post-warranty service at prevailing service rates.

**D GE Healthcare refers to the Product Manufacturer warranty, which provides the following:**

Basic functional troubleshooting (no technical labor) with supplier phone support and repair or replacement (at the manufacturer's or dealer's option) of defective products or parts. **Note:** *The battery for Service/Warranty Code D has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*

**E GE Healthcare directly, or through a sub-contractor, provides:**

Installation (in some cases with an additional charge); basic functional troubleshooting (no technical labor) with supplier phone support; and coordination of unit exchange or loaner program for in-factory service.

**GE Healthcare arranges for the third-party Product Manufacturer or its dealers to provide in-factory service:**

At no charge during the warranty period and at manufacturers or dealer's prevailing service rates outside of the warranty period. Products must be returned to the manufacturer or dealer, at GE Healthcare's expense during warranty and Customer's expense after warranty, for repair.

**F GE Healthcare refers to the Product Manufacturer warranty, which provides the following:**

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming products or parts, which Customer returns to the manufacturer or dealer during the warranty period. **Note:** *For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*

**G, J, O and Q GE Healthcare refers to the Product Manufacturer warranty, which provides the following:**

Start up and commissioning; basic functional troubleshooting (no technical labor) with supplier phone support 24/7; and warranty service to repair, adjust, or replace (at the manufacturer's or dealer's option) non-conforming products or parts (excluding installation, time and material). **Note:** *The UPS battery for Service/Warranty Code G has a 9-year pro-rated warranty to cover non-conforming material. Start up and commissioning for Service/Warranty Code O applies only to 10 KVA and above. The UPS battery for Service/Warranty Codes O and Q has a 1-year warranty to replace the product. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate. Warranty service for Service/Warranty Codes G and O is provided On-site. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*



**H, K, L and M GE Healthcare directly provides the following:**

Exchange of non-conforming products, which Customer returns to GE Healthcare during the warranty period. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

**N, R and S GE Healthcare refers to the Product Manufacturer warranty, which provides the following:**

Installation; Preventative Maintenance; and parts and labor. **Note:** *Post-warranty service, at manufacturer's prevailing HBS rates, and in some cases, under GE Healthcare service contracts. The battery for Service/Warranty Code R has a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*

**P GE Healthcare directly provides the following:**

Replacement of non-conforming components. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

**T, V and X GE Healthcare directly provides the following:**

Replacement of Product only; GE Healthcare will not replace patient records; and product is warranted only for image legibility. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

**W GE Healthcare directly provides the following:**

Replacement of Product only for Out of Box failure. **Note:** *Installation, parts, applications training, and on-site service is the Customer's responsibility.*

**Y and Z GE Healthcare refers to the Product Manufacturer warranty, which provides the following:**

Basic functional troubleshooting (no technical labor) with supplier phone support and replacement of non-conforming components. **Note:** *All electrical components (excluding the UPS) for Service/Warranty Code Z have a 1-year warranty. For detailed warranty information, please refer to the Product Manufacturer's warranty certificate.*



## GE Healthcare

# Warranty Statement for X-Ray And Image Intensifier Tubes (United States And Canada)

**1. Warranty Scope.** These warranties cover each GE Healthcare X-ray or image intensifier tube ("Tube") listed in the GE Healthcare Quotation. This warranty statement incorporates GE Healthcare's General Terms and Conditions and GE Healthcare's Product Terms and Conditions.

GE Healthcare warrants that, starting with the Warranty Commencement Date and for the Warranty Period (as defined below): (i) the Tube will be free from defects in title, material and workmanship under normal use and service and (ii) except for Tubes manufactured in compliance with Customer's designs or specifications, the Tube will perform substantially in accordance with GE Healthcare's written technical specifications for the Tube (as such specifications exist on the date the Tube is shipped) ("Tube Specifications"). This warranty statement defines GE Healthcare's warranty obligations for both parts and labor and is available only to end-users that purchase Tubes from GE Healthcare or its authorized distributors. The Warranty Period for all warranties, except the warranty of title and the Patent and Copyright Warranty, is limited in time as shown below.

**2. Warranty Commencement Date and Warranty Periods.** The Warranty Period start date ("Warranty Commencement Date") for Tubes supplied as part of a new system installation will be the system installation date. The Warranty Commencement Date for replacement Tubes is determined by (i) the date GE Healthcare installs the Tube or (ii) if the date of installation is unknown, then the date of GE Healthcare's invoice to Customer or GE Healthcare's authorized distributor, as applicable, and in all cases not later than six (6) months following shipment of the Tube by GE Healthcare. The Warranty Periods are determined as follows:

- Customer Receives A New Tube As Part Of A New System Installation: For Tubes furnished to Customer as part of a new system installation, the Warranty Period for the replacement Tube will be the full term of the warranty, as shown in the chart below.
- Customer Pays A Portion Of The Cost For The New Tube (Pro Rata Calculation Table Applies): For Tubes purchased by Customer with A PRO-RATA ALLOWANCE, the Warranty Period for the new Tube will be the full term of the warranty, as shown in the chart below.
- Customer Pays The Entire Cost For The New Tube: For Tubes purchased by Customer with NO PRO-RATA ALLOWANCE, the Warranty Period for the new Tube will be the full term of the warranty, as shown in the chart below.
- GE Healthcare Pays The Entire Cost For The New Tube: For Tubes furnished to Customer under terms of the FULL WARRANTY PERIOD, as described in the chart, the Warranty Period for the new Tube will be the unexpired term of the warranty applicable to the last Tube for which Customer paid all or a portion of the cost of that Tube. (Note that the Warranty Period is not "reset" for Tubes supplied when GE Healthcare pays the entire cost for the replacement Tube.)
- GE Healthcare Supplied Tubes Under A GE Healthcare Tube Contract: For Tubes furnished to Customer under terms of a GE Healthcare Tube contract, refer to the Tube contract terms for discussion of any warranty provisions for the Tube. (Note that in general, at Tube contract termination, GE Healthcare provides no warranty of any kind on the Tube(s) remaining in the system.)

### 3. Remedies

**3.1. General Remedies Terms.** If, within 10 days after Tube failure, Customer notifies GE Healthcare of Customer's warranty claim during the Warranty Period, provides GE Healthcare with the information shown below, and makes the Tube available for service, GE Healthcare will, at its option, either repair, adjust or replace (with new or exchange replacement parts) the non-conforming Tube or parts of the Tube. Customer must provide GE Healthcare in writing (i) GE Healthcare's serial number of the Tube, (ii) the location and GE Healthcare's serial number of the system on which the Tube was installed, (iii) the date the Tube failed, (iv) the date the Tube was removed from service, and (v) the exposure counter reading when the Tube was removed. Warranty service will be performed as detailed below (with some types of service for a charge and other types of service on a no charge basis, as listed below) during GE Healthcare's standard service coverage hours of 8:00 a.m. to 5:00 p.m. (local site time), Monday-Friday, excluding GE Healthcare holidays ("Standard Coverage Hours"), and outside of Standard Coverage Hours at GE Healthcare's then-prevailing service rates (except as otherwise stated herein) and subject to the availability of personnel.

Customer must: (i) use the Tube in accordance with GE Healthcare service instructions and recommendations for the Tube and the system on which it is installed (including warm up and calibration procedures); (ii) perform preventive and corrective maintenance of the Tube utilizing maintenance procedures in accordance with GE Healthcare service instructions and recommendations and using GE Healthcare replacement parts or replacements parts of equivalent quality; and (iii) keep and make available to GE Healthcare, upon request records documenting the above maintenance.

Customer's failure to (i) properly use the Tube, (ii) perform the maintenance described above, (iii) maintain the information required above, (iv) provide the above information or any other information required by this warranty within the designated time periods, or (v) permit GE Healthcare, to verify such information during GE Healthcare's normal working hours will invalidate this warranty.

- 3.2. Determining Tube Charge For Replacement Tubes. Customer will pay the price of the replacement Tube in effect on its delivery date less the applicable Pro Rata Warranty Allowance (if applicable) described in the table that follows. For the purpose of the Pro Rata Warranty Allowance, a fraction of a month less than 15 days will be disregarded, and a fraction of a month equal to or greater than 15 days will be regarded as a full month.
- 3.3. Non-CT Tubes (Radiographic, Radiographic & Fluoroscopic, Vascular, and Mammographic). For Non-CT Tubes, warranty service does not include installation of the replacement Tube in Customer's system, but upon Customer's request, GE Healthcare, will install the Tube at GE Healthcare's then-prevailing service rates. If a replacement Tube is not installed by GE Healthcare, Customer must, not later than 10 days after its installation date, provide GE Healthcare, in writing (i) GE Healthcare's serial number of the replacement Tube, (ii) the location and GE Healthcare's serial number of the system on which the replacement Tube has been installed, (iii) the date of installation, and (iv) the exposure counter reading on the installation date.
- 3.4. CT Tubes Replaced During Full Warranty Period.
- 3.4.1. Determining Labor Charges For Tubes Replaced During Full Warranty Period. No service charges for the installation of the replacement Tube will be billed to Customer for CT Tubes replaced during the Full Warranty Period when those Tubes are replaced during Standard Coverage Hours.
- 3.4.2. GE Healthcare Pays The Entire Cost For The CT Tube. For CT Tubes furnished to Customer under terms of the FULL WARRANTY PERIOD as described in the chart, there is no charge to Customer for GE Healthcare installation costs for installation during Standard Coverage Hours. For services performed outside the Standard Coverage Hours, the service will be provided at GE Healthcare's prevailing service rates at the time of service, less a credit for the comparable service had it been rendered during the Standard Coverage Hours, so that Customer will pay the net difference. No refund or payment will be issued to Customer or other parties who choose to utilize either in-house or third party service providers for installation of the replacement Tube.
- 3.5. CT Tubes Replaced During Pro Rata Warranty Period.
- 3.5.1. Determining Labor Charges For CT Tubes Replaced During Pro Rata Warranty Period: Customer will pay GE Healthcare a service charge for the installation of the replacement CT Tube in effect on the date the service is rendered, less the applicable Pro Rata Labor Allowance. (Note that the Pro Rata Labor Allowance may be applied only to charges by GE Healthcare for GE Healthcare supplied labor.) No refund or payment will be issued to Customer or other parties who choose to utilize either in-house or third party service providers for installation of the replacement Tube. GE Healthcare will make a credit allowance at the billing rate for services performed for installation during Standard Coverage Hours. For services performed outside of Standard Coverage Hours, the service will be performed at GE Healthcare's prevailing service rates at the time of service, less a credit for the comparable service had it been rendered during Standard Coverage Hours, so that Customer will pay the net difference.
- 3.5.2. Customer Pays A Portion Of The Cost For The Replacement Tube: For Tubes furnished to Customer with A PRO-RATA WARRANTY ALLOWANCE to correct the warranty failure, the labor allowance multiplier will be calculated at the same pro-rata rate as is applicable to the part that is being replaced or repaired. That allowance will be applied to the prevailing service rates at time of service. Customer will pay the service charge less the Pro-Rata Labor Allowance amount.

**4. Limitations.** GE Healthcare shall not have any obligation to Customer hereunder if the warranty claim results from or arises out of: (i) the use of the Tube in combination with any hardware, equipment, supplies, accessories or any other materials or services not furnished by GE Healthcare or recommended in writing by GE Healthcare; (ii) the use of the Tube in a manner or environment, or for any purpose, for which GE Healthcare did not design or manufacture it, or in violation of GE Healthcare's recommendations or instructions on use; or (iii) any alteration, modification or enhancement of the Tube by Customer or any third party not authorized or approved in writing by GE Healthcare. In addition, this warranty does not cover the Tube to the extent it is used in any country other than the country to which GE Healthcare ships the Tube (unless GE Healthcare expressly agrees otherwise in writing). In addition, these warranties do not cover: (i) any defect or deficiency (including failure to conform to Tube Specifications that results, in whole or in part, from any improper storage or handling, failure to maintain the Tubes in the manner described in any applicable instructions or specifications or any cause external to the Tubes or beyond GE Healthcare's reasonable control, including, but not limited to, power failure and failure to keep Customer's site clean and free of dust, sand and other particles or debris; (ii) any adjustment, such as alignment, calibration, or other normal preventative maintenance required of Customer; (iii) expendable supply items; and (iv) stockpiling of replacement parts.

**5. Warranty Periods**

TUBE TYPE OR SYSTEM DESCRIPTION (a)	FULL WARRANTY PERIOD (b)	PRO RATA WARRANTY PERIOD (c)
Radiographic	30 days	24 months
Radiographic & Fluoroscopic	30 days	24 months
Vascular	30 days	24 months
Mammographic	30 days (d)	12 months
MX150 Vascular	36 months	N/A
Performix 160A (MX160)	36 months	N/A
MX120 Fluoroscopic	30 days	18 months
CT Max	4,000 slices	40,000 slices or 12 months

TUBE TYPE OR SYSTEM DESCRIPTION (a)	FULL WARRANTY PERIOD (b)	PRO RATA WARRANTY PERIOD (c)
CT 8800/9000 Metal	4,000 slices	40,000 slices or 12 months
CT 8800/9000 Graphite	4,000 slices	40,000 slices or 12 months
GE CGR Graphite	4,000 slices	40,000 slices or 12 months
GE Technicare CT	4,000 slices	40,000 slices or 12 months
CT Pace/Sytec 2000-4000	5,000 slices	80,000 slices or 12 months
CT SRI/Synergy	6,000 slices	80,000 slices or 12 months
CT 9800 Graphite	5,000 slices	80,000 slices or 12 months
HiLight Advantage	5,000 slices	80,000 slices or 12 months
Pegasus on CT/e	5,000 slices	50,000 slices or 12 months
Pegasus on CT/e Dual	30 days	50,000 slices or 12 months
ProSpeed/Sytec 6000-8000	9,000 slices	110,000 slices or 12 months
HiSpeed Advantage on HiSpeed Advantage and CT/I	9,000 slices	140,000 slices or 12 months
Solarix on LX/I, FX/I, DX/I	10,000 slices	100,000 slices or 12 months
Solarix 630 on HiSpeed ZX/I	10,000 slices	100,000 slices or 12 months
Solarix 630 on NX/I Pro	30 days	12 months or 15,000 amp-seconds
Performix-ADV on CT/I	6 months or 100,000 slices, whichever occurs first	N/A
Performix-ADV QX/i	6 months or 30,000 amp-seconds, whichever occurs first	N/A
Performix Ultra on LightSpeed 16, LightSpeed Ultra, LightSpeed Plus, LightSpeed QX/I, HiSpeed QX/I, Discovery LS, Discovery ST	12 months or 70,000 amp-seconds, whichever occurs first	N/A
Performix Ultra on BrightSpeed 16 (Elite), BrightSpeed 8 (Edge), BrightSpeed 4 (Excel)	12 months or 6,000 patient exams, whichever occurs first	N/A
Performix Pro80 (D3634T) on LightSpeed Pro 16, LightSpeed RT	12 months or 70,000 amp-seconds, whichever occurs first	N/A
Performix Pro VCT100 (D3194T) on LightSpeed Pro16	12 months or 70,000 amp-seconds, whichever occurs first	N/A
Performix Pro VCT100 (D3194T) on LightSpeed VCT, LightSpeed VCT Select, LightSpeed RT16, LightSpeed Xtra, Discovery VCT	12 months or 6,000 patient exams, whichever occurs first	N/A
Image Intensifier	30 days	24 months

**COMMENTS**

- (a) For actual catalog numbers, please contact your local GE Healthcare representative.
- (b) Initial period of time or amount of use after warranty begins during which a full 100% warranty is provided for a Tube that fails.
- (c) Maximum period of time or amount of use during which a Pro Rata Warranty Allowance is provided for a Tube that fails. The Pro Rata Warranty Allowance and the Pro Rata Labor Allowance are calculated as follows:

$$\frac{\text{Number of months between date of warranty commencement and date of failure}}{\text{Complete Warranty Time Period}} \times 100$$

OR

$$\frac{\text{Slices Taken or Amp-Seconds}}{\text{Complete Pro Rata Warranty Slice or Amp-Second Amount}} \times 100$$

The Pro Rata Warranty period ends at the expiration of the maximum time period or the maximum usage amount identified in column (c) above, whichever occurs first.

- (d) Mammography tubes included with new systems have a full 12 month, non-prorated warranty. Mammography replacement tubes carry a 30 day full warranty/12 month prorated warranty.

Sonoma Valley Hospital

Quote expires on 6/30/2014

GE Healthcare is excited about partnering with you for all of your Diagnostic Imaging service needs. The following is a preliminary quote for your imaging equipment. The quote is for budgetary purposes and contains only a general description of the proposed Service offerings. Final pricing and terms will be solely those contained in an executed Agreement.

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Annual Price - 5 Year Agreement (Point of Sale)	Comments
System ID: TBD Billing Acct: 000108435	ADD	GE XR OPTIMA XR220AMX - DIGITAL MOBILE X- RAY SYSTEM (pure digital) (XMB202)	End of Warranty	AssurePoint Standard	INCLUDED: <input type="checkbox"/> Tube Coverage <input type="checkbox"/> Auto Exposure Control <input type="checkbox"/> Battery Replacement Coverage EXCLUDED: <input type="checkbox"/> Detector Coverage <input type="checkbox"/> Peripherals <input type="checkbox"/> Printers <input type="checkbox"/> UPS <input type="checkbox"/> Workstation	<input type="checkbox"/> FE Cov. Weekdays: Mon-Fri, 8AM-5PM <input type="checkbox"/> FE Cov. Weekends: No Coverage Hrs <input type="checkbox"/> FE Onsite Response Time: 6 Hour <input type="checkbox"/> iCenter Maintenance Reports: Silver <input type="checkbox"/> InSite / Tech. Phone Support <input type="checkbox"/> Parts Delivery: Priority <input type="checkbox"/> PM Cov.: Mon-Fri, 8AM-5PM <input type="checkbox"/> Software Updates: Safety & Quality Updates <input type="checkbox"/> TiP Answer Line <input type="checkbox"/> Uptime Commitment: 95%	\$4,790	PM's are scheduled in accordance with the system requirements.



Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Annual Price - 5 Year Agreement (Point of Sale)	Comments
System ID: TBD Billing Acct: 000108435	ADD	GE XR FlashPad - Digital Wireless Detector (X#0D7A)	End of Warranty	AssurePoint Complete	INCLUDED: <input type="checkbox"/> Battery Replacement Coverage	<input type="checkbox"/> Acc Cov: 1-replac./contract yr-\$0; ea addl replacement-\$6K <input type="checkbox"/> Replacements due to abuse, theft, loss or fire: Excluded <input type="checkbox"/> Unlimited replacements due to normal wear and tear <input type="checkbox"/> FE Cov. Weekdays: Mon-Fri, 8AM-5PM <input type="checkbox"/> FE Cov. Weekends: No Coverage Hrs <input type="checkbox"/> FE Onsite Response Time: 6 Hour <input type="checkbox"/> iCenter Maintenance Reports: Silver <input type="checkbox"/> InSite / Tech. Phone Support <input type="checkbox"/> Parts Delivery: Priority <input type="checkbox"/> PM Cov.: Mon-Fri, 8AM-9PM <input type="checkbox"/> Software Updates: Safety & Quality Updates <input type="checkbox"/> TiP Answer Line <input type="checkbox"/> Uptime Commitment: 95%	\$18,780	PM's are scheduled in accordance with the system requirements.
<b>TOTAL:</b>							\$23,570	
<b>Comments:</b>		Annual price for a 5-year agreement that begins after the warranty period.						

Please call me with any questions:  
**415.215.8881 or [jennifer.contreras@ge.com](mailto:jennifer.contreras@ge.com)**

Respectfully,

Jennifer Contreras  
 Healthcare Services Account Manager



5.

**FISCAL 2015  
OPERATING BUDGET**



**To:** SVH Finance Committee  
**From:** David Cox, Acting CFO  
**Date:** May 14, 2014  
**Subject:** Fiscal 2015 Operating Budget

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The 2015 Operating Budget is presented within the context of a rapidly changing healthcare environment, with reduction in inpatient utilization being offset somewhat by increased outpatient activity. The recent opening of our new wing will add additional cost to the organization, but will also present opportunities for growth. Also, management is reacting to these challenges through the implementation of significant cost reductions, which are reflected in the attached draft budget.

The objectives of the budget include:

- Stabilization of operating performance.
- Funding of ongoing capital needs of approximately \$1.0 million per year.
- Improvement in our liquidity position as measured by Days Cash on Hand.
- Reduction of vendor payable to a reasonable level of 45 to 60 days outstanding.

For we are proposing a budget with a positive Net Income of \$153,750 and EBIDA of \$4.4 million, which are margins of 0.5% and 8.8%, respectively. This is an aggressive target and would represent a very significant improvement in operating performance, but is necessary to accomplish our objectives, including providing capital for growth and improved liquidity. We are developing a cash forecast to go along with the budget, but it should reflect the \$4.4 million of positive cash flow above, less capital expenditures.

#### Discussion

Patient Volumes – The only area where we are budgeting growth is in our Home Care Program, due to expansion. All outpatient departments have plans to grow by 2% over prior year and we have a strong marketing program, with each leader being assigned a target to be reviewed monthly.





Gross Charges – We are including a 5% increase in gross charges to be implemented July 1, 2014. We are currently in the process of evaluating SVH’s pricing structure to ensure that we have reasonable rates in relation to the market.

Contractual Allowances – We are still in the process of evaluating net revenues and the allowances, but believe that 21.8% overall collections can be achieved through recent improvements in the revenue cycle. Also, we are evaluating contracts to determine inequities that should be addressed to improve our performance in this area.

Wages and Benefits – We have accomplished a reduction in paid FTEs to 301.6 from the current level of 315.0, but are including a 3.0% average increase in wage rates in order to maintain market equity. We are expecting an increase in benefit costs, although this may be conservative.

Medical and Professional Fees – We are able to budget a 27% reduction in this area through the commitment of our Chief Medical Officer and the entire Medical Staff. This is a very significant achievement for SVH and evidence of very strong commitment to the success of the hospital.

Supply Costs – are expected to be reduced by about 7% due to renegotiation of agreements and improved utilization.

Purchased Services are budgeted at a 15% reduction and is one of the primary areas benefitting from the recent cost reduction program. Notwithstanding the overall reduction, IT expenses continue to increase and this is an area where we are providing additional resources. We have reduced non-essential patient care expenditures significantly, including patient satisfaction vendors, MGH management fees, the Studer program, and hospital association dues.

Depreciation – we will see an approximate \$1.3 million non-cash increase in depreciation expense now that the Project has come on line.

Utilities are budgeted at only a 2.6% increase.

Insurance Costs are under review with our broker but, given current information, we are expecting a 5.9% increase in these costs to \$240,000 annually.

Interest expense will increase based on the draw of the additional \$2 million on our Line of Credit with Union Bank.

In total, we are budgeting a 1% reduction in total operating expenses, to \$53.6 million. However, the reduction in controllable costs (excludes depreciation and interest) is \$2.5 million, or 5%, which is quite significant.



The loss from operating is budgeted to decrease from \$4.2 to \$3.2 million and Net Income, as mentioned above, is slightly positive. We are very pleased to note that the subsidy for our Prima operations has been reduced to \$450,000, per agreement with Prima management (we are budgeting \$480,000).



Sonoma Valley Health Care District						
Statement of Revenue and Expenses						
Comparative Results - DRAFT						
		2012 Actual	2013 Actual	2014 Forecast	2015 Budget	% Change
	Gross Patient Revenue					
1	Inpatient	57,964,875	61,939,766	61,597,778	64,675,909	5.0%
2	Outpatient & Emergency	91,718,430	99,124,148	110,837,093	116,346,954	5.0%
3	SNF	23,548,942	25,104,020	28,639,299	29,843,396	4.2%
4	Home Care	3,118,552	3,499,514	3,199,610	4,019,732	25.6%
5	Total Gross Patient Revenue	176,350,799	189,667,448	204,273,780	214,885,991	
	Deductions from Revenue					
6	Contractual Discounts	(127,295,324)	(143,192,466)	(157,037,880)	(165,752,339)	5.5%
7	Bad Debt	(3,490,000)	(2,901,255)	(2,043,351)	(2,000,000)	-2.1%
8	Charity Care Provision	(1,773,377)	(2,040,452)	(296,018)	(300,000)	1.3%
9	Prior Period Adjustments	957,082	(836,022)	1,194,826	-	
10	Total Deductions from Revenue	(131,601,619)	(148,970,195)	(158,182,423)	(168,052,339)	6.2%
11	Net Patient Service Revenue	44,749,180	40,697,253	46,091,357	46,833,652	1.6%
12	Pure Collection Ratio	24.8%	21.9%	22.0%	21.8%	
13	Risk contract revenue	3,396,375	3,825,992	3,459,032	3,459,033	0.0%
14	Net Hospital Revenue	48,145,555	44,523,245	49,550,389	50,292,685	1.5%
15	Other Operating Revenue	167,000	268,541	413,799	165,000	
16	Total Operating Revenue	48,312,555	44,791,786	49,964,188	50,457,685	1.0%
	Operating Expenses					
17	Salary and Wages and Agency Fees	22,622,659	23,757,873	23,862,049	23,876,997	0.1%
18	Employee Benefits	8,326,784	8,796,201	8,820,667	9,107,205	3.2%
19	Total People Cost	30,949,443	32,554,074	32,682,715	32,984,202	0.9%
20	Med and Prof Fees (excl Agency)	5,760,326	4,581,763	5,059,047	3,661,479	-27.6%
21	Supplies	6,230,877	6,156,796	6,122,350	5,698,441	-6.9%
22	Purchased Services	3,897,773	5,083,928	4,701,826	3,986,412	-15.2%
23	Depreciation	1,991,127	2,132,705	1,939,910	3,266,363	68.4%
24	Utilities	854,790	899,734	942,717	966,805	2.6%
25	Insurance	230,965	243,607	226,656	240,000	5.9%
26	Interest	372,596	361,512	415,111	1,028,157	147.7%
27	Other	1,951,018	1,112,839	2,197,515	1,817,512	-17.3%
28	Operating expenses	52,238,915	53,126,958	54,287,848	53,649,371	-1.2%
29	Operating Margin	(3,926,360)	(8,335,172)	(4,323,660)	(3,191,686)	35.5%
	Non Operating Rev and Expense					
30	Electronic Health Records & Misc. Rev.	487,322	1,717,163	1,095,971	705,436	
31	Donations	149,906	118,139	76,413	120,000	
32	Professional Center/Phys Recruit	(1,550)	-	-	-	
33	Physician Practice Support-Prima	(782,817)	(787,560)	(800,259)	(480,000)	
34	Parcel Tax Assessment Rev	2,914,779	2,967,986	2,849,331	3,000,000	
35	Total Non-Operating Rev/Exp	2,767,640	4,015,728	3,221,456	3,345,436	
36	Net Income / (Loss) prior to Restricted Contributions	(1,158,720)	(4,319,444)	(1,102,203)	153,750	
37	Capital Campaign Contribution	2,043,087	3,858,852	3,800,000	675,000	
38	Restricted Foundation Contributions	-	114,334	-	360,000	
39	Net Income / (Loss) w/ Restricted Contributions	884,367	(346,258)	2,697,797	1,188,750	
40	GO Bond Tax Assessment Rev	1,842,802	1,829,105	1,827,912	1,802,886	
41	GO Bond Interest	(360,130)	(360,132)	(797,485)	(1,683,072)	
42	Net Income / (Loss) with GO Bond Activity	2,367,039	1,122,715	3,728,224	1,308,564	
43	Net Margin	0.7%	-6.4%	-0.1%	0.5%	
44	EBIDA	\$ 1,205,003	\$ (1,825,227)	\$ 1,252,817	\$ 4,448,270	
45	EBIDA margin	2.5%	-4.1%	2.5%	8.8%	
46	Bad debt %	-2.0%	-1.5%	-1.0%	-0.9%	
47	Charity %	-1.0%	-1.1%	-0.1%	-0.1%	
48	Collection %	27.3%	23.5%	24.3%	23.4%	
49	Total FTEs		317.0	315.0	301.6	

Sonoma Valley Hospital			
Operating Expense by Department			
FY2015 Operating Budget			
Department	FY 2013 Actual	FY 2014 Jan YTD Annldz	FY 2015 Budget
6010 - ICU	1,437,036	1,549,308	1,527,992
6170 - MED-SURG	2,363,965	2,563,716	2,278,237
6171 - 3RD SOUTH	1,326,961	1,253,241	1,246,590
6179 - 2nd SOUTH	709,159	16,209	-
6580 - SKILLED NURSING	2,447,528	2,514,845	2,586,170
7010 - EMERGENCY	1,814,076	1,924,325	1,900,381
7011 - EDMD	815,318	1,349,403	1,195,250
7012 - HOSPITALIST	689,871	944,496	723,400
7071 - SENIOR WELLNESS	93,758	71,122	11,338
7072 - SPEC PROC	169,323	168,386	184,582
7085 - WOMEN'S HEALTH CENTER	6,495	48,394	-
7290 - HOME HEALTH CARE	2,480,318	2,767,800	2,875,020
7420 - SURGERY	3,794,638	3,633,739	3,192,588
7427 - RECOVERY	334,126	302,095	318,691
7430 - AMB CARE UNIT	485,767	403,413	410,988
7450 - ANESTHESIOLOGY	1,076,812	1,024,687	774,250
7470 - CENTRAL SERVICES	238,564	186,062	194,921
7471 - CENT SVC STERILE	144,287	99,924	96,005
7500 - CLINICAL LAB	2,339,811	2,372,018	2,231,535
7520 - PATHOLOGY LAB	76,245	47,099	47,101
7540 - BLOOD BANK	209,772	161,262	153,840
7560 - ECHO	148,024	147,370	83,336
7590 - EKG	67,356	75,717	62,837
7630 - RADIOLOGY	1,259,837	1,313,888	1,165,382
7631 - MAMMOGRAPHY	255,290	245,477	246,414
7650 - NUCLEAR MEDICINE	132,053	187,819	182,737
7660 - MRI	269,380	244,988	237,591
7670 - ULTRASOUND	358,055	363,869	370,095
7680 - C.T. SCAN	315,219	308,811	307,304
7721 - RESPIRATORY THER	583,922	588,178	586,468
7730 - PULM FUNCT LAB	20,710	20,924	21,035
7740 - WOUND CARE	81,534	102,933	122,809
7770 - PHYSICAL THERAPY	524,200	677,110	616,225
7771 - O-P PHYSICAL THERAPY	757,601	774,906	763,469
7775 - OCCUPATIONAL HEALTH	320,514	285,008	318,412
7780 - SPEECH THERAPY	116,056	114,473	115,730
7790 - OCCUP THERAPY	344,854	364,758	329,306
7871 - IV THERAPY	91,338	126,757	82,916
7873 - EHR TRAINING	110,719	77,038	15,364
8310 - PRINTING & DUPL	68,281	74,168	92,139
8340 - DIETARY SVC	1,447,420	1,381,136	1,319,216
8350 - LAUNDRY & LINEN	284,758	223,676	224,247
8360 - SOCIAL SERVICES	70,586	98,530	81,574
8390 - PHARMACY	2,441,765	2,701,141	2,632,617
8400 - PURCHASING	286,485	406,582	444,941
8410 - GROUNDS	36,557	24,175	24,175
8440 - ENVIRON SVCS	796,776	830,680	628,451
8450 - PLANT OPERATIONS	2,170,330	2,220,132	1,943,264
8452 - FACILITIES PLANNING	199,806	-	-
8455 - INFECTIOUS WASTE	31,990	33,680	34,136
8470 - COMMUNICATIONS	112,100	1,450	-
8480 - INFORMATION SYST	2,556,689	2,095,851	2,469,047
8490 - MESSENGER	17,074	57,061	36,787
8510 - ACCOUNTING	561,942	745,385	820,509
8530 - PATIENT ACCNTG	929,092	968,780	947,056
8560 - ADMITTING	407,626	652,263	645,990
8610 - HOSPITAL ADMIN	1,564,928	1,995,939	985,131
8612 - PUBLIC RELATIONS	202,418	201,791	177,529
8620 - GOVERNING BOARD	97,396	138,487	158,552
8650 - HUMAN RESOURCES	381,325	372,323	393,175
8660 - EMPL HLTH SVC	78,254	51,061	54,657
8661 - BACK TO WORK PROGRAM	38,272	53,941	40,008
8670 - AUXILIARY	1,506	602	5,000
8700 - MEDICAL RECORDS	492,001	461,655	507,474
8710 - MEDICAL STAFF	163,554	281,933	281,782
8720 - NURSING ADMIN	1,012,104	927,680	1,040,136
8740 - HOSPITAL EDUC	31,553	115,319	105,353
8750 - QUALITY	678,312	943,510	925,340
8770 - FOUNDATION SUPPORT	109,459	90,772	-
8771 - FOUNDATION CAPITAL CAMPAIGN	198,774	185,054	73,547
8772 - ROUNDTABLE	-	19,843	10,000
8880 - MISC OVERHEAD	6,847,333	6,430,715	8,908,385
9550 - COMMUNITY HEALTH	-	80,968	62,845
<b>TOTAL</b>	<b>53,126,958</b>	<b>54,287,848</b>	<b>53,649,371</b>

Sonoma Valley Hospital			
FTEs by Department			
FY2015 Operating Budget			
Department	FY 2013 Actual	FY 2014 Jan YTD Annlzd	FY 2015 Budget
6010 - ICU	10.71	11.04	10.90
6170 - MED-SURG	22.51	20.82	19.13
6171 - 3RD SOUTH	8.45	8.01	7.47
6179 - 2nd SOUTH	1.85	-	-
6580 - SKILLED NURSING	28.61	27.85	27.13
7010 - EMERGENCY	14.56	14.25	14.24
7071 - SENIOR WELLNESS	1.10	1.02	0.14
7072 - SPEC PROC	0.29	0.23	0.46
7290 - HOME HEALTH CARE	22.49	24.59	24.23
7420 - SURGERY	11.69	10.09	8.38
7427 - RECOVERY	2.11	1.69	1.59
7430 - AMB CARE UNIT	4.60	3.83	3.83
7450 - ANESTHESIOLOGY	1.00	0.98	0.95
7470 - CENTRAL SERVICES	0.97	1.00	1.00
7471 - CENT SVC STERILE	1.66	1.37	1.20
7500 - CLINICAL LAB	17.17	16.19	14.65
7560 - ECHO	1.04	0.93	0.50
7590 - EKG	1.04	1.11	0.50
7630 - RADIOLOGY	11.51	11.53	11.53
7631 - MAMMOGRAPHY	1.95	1.97	1.90
7650 - NUCLEAR MEDICINE	0.91	0.78	0.60
7660 - MRI	1.83	1.85	1.20
7670 - ULTRASOUND	2.56	2.63	2.50
7680 - C.T. SCAN	1.08	0.68	0.71
7721 - RESPIRATORY THER	6.78	6.78	6.41
7730 - PULM FUNCT LAB	0.13	0.14	0.14
7740 - WOUND CARE	0.61	0.84	1.00
7770 - PHYSICAL THERAPY	6.26	6.79	6.40
7771 - O-P PHYSICAL THERAPY	7.43	7.62	6.80
7775 - OCCUPATIONAL HEALTH	2.76	2.67	2.60
7780 - SPEECH THERAPY	1.10	1.09	1.06
7790 - OCCUP THERAPY	3.09	3.27	3.00
7871 - IV THERAPY	0.06	0.12	-
7873 - EHR TRAINING	1.04	0.51	0.13
8340 - DIETARY SVC	18.52	18.55	17.87
8350 - LAUNDRY & LINEN	0.45	0.46	0.45
8360 - SOCIAL SERVICES	0.99	0.87	0.85
8390 - PHARMACY	7.85	8.33	8.28
8400 - PURCHASING	3.92	4.41	4.90
8440 - ENVIRON SVCS	14.64	15.62	12.87
8450 - PLANT OPERATIONS	6.87	7.96	6.74
8452 - FACILITIES PLANNING	1.04	(0.03)	-
8470 - COMMUNICATIONS	1.83	-	-
8480 - INFORMATION SYST	7.48	7.12	8.82
8490 - MESSENGER	0.45	-	-
8510 - ACCOUNTING	5.25	4.52	5.10
8530 - PATIENT ACCNTG	8.99	8.82	11.50
8560 - ADMITTING	8.58	13.97	13.55
8610 - HOSPITAL ADMIN	3.64	2.67	2.00
8612 - PUBLIC RELATIONS	0.36	0.62	1.00
8620 - GOVERNING BOARD	0.14	1.01	1.00
8650 - HUMAN RESOURCES	3.13	3.11	3.09
8660 - EMPL HLTH SVC	0.57	0.39	0.39
8661 - BACK TO WORK PROGRAM	0.47	0.67	0.50
8700 - MEDICAL RECORDS	5.36	4.98	4.50
8710 - MEDICAL STAFF	0.83	1.33	1.40
8720 - NURSING ADMIN	6.84	6.02	6.44
8740 - HOSPITAL EDUC	0.05	0.02	0.67
8750 - QUALITY	5.69	6.29	6.75
8759 - INFECTION CONTROL	0.01	-	-
8760 - QUALITY REVIEW	0.03	-	-
8770 - FOUNDATION SUPPORT	1.52	0.96	-
8771 - FOUNDATION CAPITAL CAMPAIGN	0.49	0.86	-
9550 - COMMUNITY HEALTH	-	0.73	0.60
<b>TOTAL</b>	<b>316.99</b>	<b>314.52</b>	<b>301.57</b>

<b>Sonoma Valley Hospital Statistics by Department FY2015 Operating Budget</b>				
<b>Department</b>	<b>Statistic</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Jan YTD Annlzd</b>	<b>FY 2015 Budget</b>
6010 - ICU	IP Patient Days	1,034	1,284	1,284
6170 - MED-SURG	IP Patient Days	3,269	2,859	2,859
6171 - 3RD SOUTH	Patient Days + Deliveries	737	578	578
6171 - 3RD SOUTH	OP Tests	409	363	363
6179 - 2nd SOUTH	IP Patient Days	261	-	-
6580 - SKILLED NURSING	IP Patient Days	7,624	7,339	7,339
7010 - EMERGENCY	IP ED Visits	1,246	1,205	1,205
7010 - EMERGENCY	OP ED Visits	8,149	8,001	8,001
7071 - SENIOR WELLNESS	OP Visits	2,549	4,149	346
7072 - SPEC PROC	IP Procedures	1,800	67	67
7072 - SPEC PROC	OP Procedures	7,225	317	317
7290 - HOME HEALTH CARE	Visits	12,072	10,406	12,500
7420 - SURGERY	IP Minutes	53,415	49,157	49,157
7420 - SURGERY	OP Minutes	70,808	75,753	75,753
7427 - RECOVERY	IP Minutes	29,879	45,381	45,381
7427 - RECOVERY	OP Minutes	33,844	26,227	26,227
7430 - AMB CARE UNIT	OP Cases	1,790	1,299	1,299
7450 - ANESTHESIOLOGY	IP OR Minutes	53,415	49,157	49,157
7450 - ANESTHESIOLOGY	OP OR Minutes	70,808	75,753	75,753
7500 - CLINICAL LAB	IP Billed Tests	34,795	31,481	31,481
7500 - CLINICAL LAB	ER Billed Tests	20,373	20,806	20,806
7500 - CLINICAL LAB	OP Billed Tests	85,036	91,083	91,083
7500 - CLINICAL LAB	SNF Billed Tests	8,161	8,273	8,273
7520 - PATH LAB	IP Billed Tests	315	254	254
7520 - PATH LAB	ER Billed Tests	6	-	-
7520 - PATH LAB	OP Billed Tests	745	737	737
7520 - PATH LAB	SNF Billed Tests	25	36	36
7540 - BLOOD	IP Billed Tests	1,238	1,056	1,056
7540 - BLOOD	ER Billed Tests	140	149	149
7540 - BLOOD	OP Billed Tests	706	650	650
7540 - BLOOD	SNF Billed Tests	63	69	69
7560 - ECHO	IP Procedures	204	233	233
7560 - ECHO	ER Procedures	3	22	22
7560 - ECHO	OP Procedures	664	636	636
7560 - ECHO	SNF Procedures	11	15	15
7590 - EKG	IP Procedures	1,067	929	929
7590 - EKG	ER Procedures	1,423	1,461	1,461
7590 - EKG	OP Procedures	1,155	1,322	1,322
7590 - EKG	SNF Procedures	56	51	51
7630 - RADIOLOGY	IP Procedures	2,488	2,484	2,484
7630 - RADIOLOGY	ER Procedures	2,641	2,686	2,686
7630 - RADIOLOGY	OP Procedures	5,090	5,439	5,439
7630 - RADIOLOGY	SNF Procedures	235	291	291
7631 - MAMMOGRAPHY	OP Procedures	5,846	6,125	6,125
7650 - NUCLEAR MEDICINE	IP Procedures	74	41	24
7650 - NUCLEAR MEDICINE	ER Procedures	3	5	5
7650 - NUCLEAR MEDICINE	OP Procedures	847	694	550
7650 - NUCLEAR MEDICINE	SNF Procedures	8	17	5

<b>Sonoma Valley Hospital Statistics by Department FY2015 Operating Budget</b>				
<b>Department</b>	<b>Statistic</b>	<b>FY 2013 Actual</b>	<b>FY 2014 Jan YTD Annlzd</b>	<b>FY 2015 Budget</b>
7660 - MRI	IP Procedures	64	84	84
7660 - MRI	ER Procedures	30	15	15
7660 - MRI	OP Procedures	1,086	1,171	1,171
7660 - MRI	SNF Procedures	17	29	29
7670 - ULTRASOUND	IP Procedures	320	345	345
7670 - ULTRASOUND	ER Procedures	340	305	305
7670 - ULTRASOUND	OP Procedures	3,022	3,087	3,087
7670 - ULTRASOUND	SNF Procedures	48	60	60
7680 - C.T. SCAN	IP Procedures	862	926	926
7680 - C.T. SCAN	ER Procedures	1,438	1,574	1,574
7680 - C.T. SCAN	OP Procedures	1,322	1,425	1,425
7680 - C.T. SCAN	SNF Procedures	47	62	62
7721 - RESPIRATORY THER	Respiratory APD	13,437	4,514	4,514
7721 - RESPIRATORY THER	Respiratory APD	1,692	861	861
7721 - RESPIRATORY THER	Respiratory APD	390	165	165
7721 - RESPIRATORY THER	Respiratory APD	5,450	7,339	7,339
7730 - PULM FUNCT LAB	IP Tests	1,215	1,029	1,029
7730 - PULM FUNCT LAB	ER Tests	103	96	96
7730 - PULM FUNCT LAB	OP Tests	398	339	339
7730 - PULM FUNCT LAB	SNF Tests	1,161	1,570	1,570
7740 - WOUND CARE	IP Procedures	57	89	89
7740 - WOUND CARE	ER Procedures	4	5	5
7740 - WOUND CARE	OP Procedures	1,197	2,112	2,112
7740 - WOUND CARE	SNF Procedures	65	159	159
7770 - PHYSICAL THERAPY	IP 15 Minutes Sessions	4,594	5,006	5,006
7770 - PHYSICAL THERAPY	ER 15 Minutes Sessions	13	26	26
7770 - PHYSICAL THERAPY	OP 15 Minutes Sessions	343	477	477
7770 - PHYSICAL THERAPY	SNF 15 Minutes Sessions	18,868	20,563	20,563
7771 - O-P PHYSICAL THERAPY	IP 15 Minutes Sessions	14	-	-
7771 - O-P PHYSICAL THERAPY	OP 15 Minutes Sessions	25,561	27,070	27,070
7775 - OCCUPATIONAL HEALTH	OP 15 Minutes Sessions	6,071	7,663	7,663
7780 - SPEECH THERAPY	IP Sessions	451	442	442
7780 - SPEECH THERAPY	OP Sessions	317	550	550
7780 - SPEECH THERAPY	SNF Sessions	1,342	1,387	1,387
7790 - OCCUP THERAPY	IP 15 Minutes Sessions	130	199	199
7790 - OCCUP THERAPY	OP 15 Minutes Sessions	4,942	5,422	5,422
7790 - OCCUP THERAPY	SNF 15 Minutes Sessions	10,259	12,981	12,981
7871 - IV THERAPY	IP Procedures	11,723	10,517	10,517