



Medtronic, Inc
826 Coal Creek Circle
Louisville, CO 80027 USA
www.medtronic.com
tel: 888.580.8860

Purchase Orders and Signed SSA Proposals can be faxed to: 720-890-3701

SERVICE AND SUPPORT PROPOSAL

PREPARED FOR:

Arrowhead Regional Medical Center CA

Date: 02/12/2014

Quote #: SSA-06313-0001106317-1-0

This Service and Support Proposal ("SSA Proposal"), dated 02/12/2014 is by and between Medtronic USA, Inc. for its ENT Products, and Medtronic Navigation, Inc. (collectively, 'Medtronic ST') with a business address of 826 Coal Creek Circle, Louisville, Colorado 80027 and Arrowhead Regional Medical Center, located at 400 North Pepper Avenue, Colton CA, 92324-1801, UNITED STATES.

The pricing contained in this proposal is valid until 07/01/2014

Please indicate the option below ("Term"):

☐ **Option 1: Effective 07/01/2014 - 06/30/2015**

Serial #	System Type	Current Expire Date	Part Number	List Price	<u>Year 1 Price</u>
N04018152	S7 w AxiEM	06/30/2014	SERVICEC1-MCT 21	\$76,500	\$68,500

Total Price of Option: \$68,500

☐ **Option 2: Effective 07/01/2014 - 06/30/2016**

Serial #	System Type	Current Expire Date	Part Number	List Price	<u>Year 1 Price</u>	<u>Year 2 Price</u>
N04018152	S7 w AxiEM	06/30/2014	SERVICEC1-MCT 21	\$76,500	\$66,500	\$66,500

Total Price of Option: \$133,000 (\$66,500 invoiced annually)



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☐ **Option 3: Effective 07/01/2014 - 06/30/2017**

Serial #	System Type	Current Expire Date	Part Number	List Price	<u>Year 1 Price</u>	<u>Year 2 Price</u>	<u>Year 3 Price</u>
N04018152	S7 w AxiEM	06/30/2014	SERVICEC1-MCT 21	\$76,500	\$64,500	\$64,500	\$64,500

Total Price of Option: \$193,500 (\$64,500 invoiced annually)



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Service & Support Proposal

Terms and Conditions

1. Offer and Acceptance: This SSA Proposal is an offer by Medtronic ST to provide service and support to products previously purchased by Customer (the "Covered Products") which are identified on this SSA Proposal. The Medtronic Surgical Technologies Master Terms and Conditions are incorporated into this SSA Proposal by reference, in their entirety. Customer accepts this SSA Proposal and agrees to purchase service and support as described herein by signing this SSA Proposal at the signature block by an individual authorized to bind the Customer and returning the SSA Proposal with an appropriate purchase order to Medtronic ST. Upon receipt of the signed SSA Proposal and purchase order, an authorized representative of Medtronic ST will sign the SSA Proposal on behalf of Medtronic ST whereupon this Proposal and the Medtronic Surgical Technologies Master Terms and Conditions will become a binding Agreement (the "Agreement") between the parties.

2. DEFINITIONS.

- a. "Component" means a smaller, self-contained part of the larger Covered Product.
- b. "Covered Product" means any Product covered by a valid warranty or, if the warranty had expired or become void, any such Product which has been subsequently inspected and approved for service and support coverage by Medtronic ST in writing.
- c. "Location" means the site where the Covered Products were originally installed or where they were relocated with the prior approval of Medtronic ST, which is identified in this Agreement.
- d. "Normal Coverage Hours" means that Services will be performed by Medtronic ST at the Customer Location Monday through Friday from 7:00 a.m. to 4:00 p.m., excluding holidays observed by Medtronic ST. Services performed outside Normal Coverage Hours are considered Optional Services.
- e. "Notice" means providing written notice that includes facts sufficient to describe the issue to the other party by certified mail, facsimile, or standard overnight delivery service at the address identified on the signature page.
- f. "Optional Services" means services performed or provided by Medtronic ST that are outside the scope of this SSA Proposal, including but not limited to: services performed outside the Normal Coverage Hours, relocation of Covered Products, surgical support visits provided by Medtronic ST, additional system planned maintenance, system inspections or corrective maintenance required, due to unauthorized relocation, modification, lapse of warranty, or for other exclusions, which will be billed as set forth in the Payment Terms.
- g. "Product" means previously purchased Medtronic ST equipment and/or software.
- h. "Services" means the services set forth in the supplemental terms and conditions below.

3. PAYMENT TERMS. Fees for the Covered Products identified in this Agreement are payable net **forty-five (45)** days after the invoice date.

- a. Fees are billed and payable in US Dollars.
- b. Notwithstanding the foregoing, fees for Optional Services will be billed at the current standard rate for time and materials for a minimum of four (4) hours to include travel time, which will be payable net thirty (30) days after the invoice date.
- c. Prices in the Agreement and/or invoices do not include sales, use or other similar taxes, which Customer will pay unless a tax exemption certificate is provided to Medtronic ST.
- d. The initial payment for Services or Optional Services will be accompanied by a purchase order or equivalent Customer purchase record.

4. TERMINATION.

- a. Termination without Cause. Either party may terminate this Agreement for any reason or no reason, with thirty (30) days prior written notice to the other party.
- b. Termination for Cause. Either party may terminate this Agreement immediately, without prior written notice to the other party, if the other party: 1) makes an assignment for the benefit of creditors, or a receiver, trustee in bankruptcy or similar officer is appointed to take charge of all or any part of the other party's property or business; 2) is adjudicated bankrupt; and 3) neglects or fails to perform or observe any of its obligations under this Agreement and does not cure such neglect or failure within thirty (30) days after receipt of written notice from the party alleging such non-compliance (hereinafter, collectively referred to as "Cause").
- c. Termination for License Misuse. Medtronic ST may terminate this Agreement immediately, without prior notice to Customer if Customer misuses the Licensed Material and/or uses the Licensed Material in violation of any license provided under this Agreement. If Medtronic ST terminates this Agreement under this section, Customer shall not be entitled to a refund of any portion



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of any fees paid by Customer under this Agreement.

d. Result of Termination. 1) If Medtronic ST terminates this Agreement for any reason other than for Cause, Medtronic ST will pay Customer a pro-rata refund of the fees that Customer paid for the year in which the Agreement is terminated based on the remaining period in such year; 2) If Customer terminates this Agreement for any reason other than for Cause, Customer shall not be entitled to a refund of any portion of any fees paid by Customer under the Agreement Customer shall be excused from any obligation to pay any future fees beyond the year in which the Agreement was terminated; 3) If Customer terminates this Agreement for Cause, Medtronic ST will pay Customer a pro-rata refund of the fees that Customer paid for the year in which the Agreement is terminated based on the remaining period in such year.

e. Hardware Upgrade. If Customer terminates this Agreement due to a hardware upgrade, (e.g., from one Medtronic ST system to the newest Medtronic ST platform), Customer shall not be not entitled to a pro-rata refund of the fees and Medtronic ST's obligations under this SSA Proposal shall terminate. Notwithstanding the foregoing, Medtronic ST shall extend the length of the warranty period of new equipment purchased under the Hardware Upgrade by the remaining period of the year in which this Agreement is terminated.

5. EXCLUSIONS. Upon Customer's request, any service, support or maintenance for exclusions may be performed at the discretion of Medtronic ST as Optional Services. The following items shall be considered exclusions and are not included as or part of the Services under this Agreement:

- a. Providing any service or replacement part specifically excluded under the Agreement, including its exhibits;
- b. Maintenance or repair of third-party or non-Medtronic ST products or software, even if packaged or sold with Medtronic ST Products and recommended by Medtronic ST;
- c. Problems caused by unauthorized modifications, maintenance or repairs of the Products or any other modification, maintenance or repair of the Products not performed by Medtronic ST;
- d. Problems caused by external power sources, including the incoming power supply;
- e. Repair of damage caused by accident, negligence or any cause other than ordinary use, including Customer's failure to follow operation instructions, failure to provide a reasonably suitable environment for Products, or use of the Products for purposes other than those for which they were designed;
- f. Damage to the Products caused by disaster, such as, fire, flood, wind, earthquake, terrorism, lightning or natural disaster;
- g. Movement of the System from the Location unless performed by Medtronic ST as an Optional Service;
- h. Expendable materials and accessories, such as straps, fabric, as well as Corrective Maintenance necessary to repair accessories;
- i. Future Software Upgrades, Software Features and Software Applications or any other Software that was not originally part of this Agreement, unless otherwise entitled in the Sales and Support Proposal;
- j. Optional services.

6. QUALIFYING. To qualify for this Agreement, the following conditions must be met:

- a. The Covered Products must be used in accordance with any product labeling or any product documentation provided and as solely determined by Medtronic ST;
- b. Products must not have been altered or subjected to misuse, modification, abuse, accident or improper handling;
- c. Medtronic ST must be notified within thirty (30) days following discovery of a defect;
- d. The Covered Product(s) must be returned to Medtronic ST without shipping damage within thirty (30) days of Medtronic ST receiving notice as provided above; and
- e. The Covered Product(s) must not have been repaired or altered outside of Medtronic ST's supervision or by non-Medtronic ST personnel in any way which, in the judgment of Medtronic ST, affects its stability or reliability.



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Supplemental Terms and Conditions

StealthStation® System S7® with AxiEM™ Technology Service & Support

HARDWARE COVERAGE

- a. Replacement Parts: Medtronic ST agrees to provide, at no cost to Customer, all replacement parts necessary to return Covered Products to good working order. 1) As determined by Medtronic ST, replacement parts may be refurbished. 2) Replaced parts will become the property of Medtronic ST. Customer agrees to return all replaced parts to Medtronic ST. In the event that Customer does not return the replaced part to Medtronic ST, Customer agrees to pay the full retail price of the replaced part. 3) Medtronic ST may provide functionally comparable replacement parts if required. 4) The warranty term on replacement parts expires with the expiration of the term of this Agreement. 5) Standard Overnight shipping will be used for replacement parts, when available.
- b. Corrective Maintenance: Medtronic ST agrees to provide Corrective Maintenance, including diagnostics, labor, and repair to any Covered Product during the term of this Agreement. Should any Covered Product fail to function within Medtronic ST's published specifications within the term of this Agreement, Medtronic ST will, at its option, repair or replace any required part or parts of the Covered Products.
- c. Response Time: Medtronic ST will use all commercially reasonable efforts to offer Corrective Maintenance of reported problems within the estimated Response Time.
- d. This Agreement is extended only to the Customer that purchased the Service and Support Agreement directly from Medtronic ST.
- e. AxiEM™ Electromagnetic Navigation: the AxiEM box, emitter, and cables are not considered Covered Products unless specifically included under Covered Products section of this Agreement. Negligent abuse of AxiEM cables and emitter are not covered under any Service and Support Agreement.

SOFTWARE COVERAGE

- a. Software Maintenance Releases: as deemed necessary by Medtronic ST, Software Maintenance Releases will be included at no charge to Customer.
- b. Software Upgrade Releases: when available, Software Upgrade Releases will be offered at no charge to Customer for Covered Products.

CLINICAL AND PROFESSIONAL SERVICES

- a. Surgical Support: Upon request by Customer, Medtronic ST will provide up to six (6) surgical support visits per system, per year of this SSA Proposal. 1) The Medtronic ST surgical support representative will provide support and training for the Covered Product, but will not run the Covered Product, provide medical advice, or participate in any way in delivering medical or surgical care to a patient. 2) Surgical support visits are not to exceed eight (8) hours. 3) Surgical support visits will be provided during Normal Coverage Hours. 4) Surgical support visits must be scheduled in advance and are based on Medtronic ST personnel availability. 5) Surgical support visits beyond the six (6) per system, per year, are considered Optional Services and will incur additional fees. 6) Any surgical support visit, including the initial six (6), that are requested with less than forty-eight (48) hours notification, scheduled beyond Normal Coverage Hours, or scheduled on a weekend or Medtronic ST Holiday, will incur additional fees.

ON-GOING PRODUCT MAINTENANCE

- a. Planned Maintenance: At a mutually agreed upon time during Normal Coverage Hours, Medtronic ST will provide all necessary Planned Maintenance as defined in the system technical manual.

EDUCATION AND TRAINING

- a. StealthStation® University (Education Center Training) 1) Education: Additional training courses on the Covered Product(s) are available through Medtronic ST's StealthStation® University in Louisville, Colorado. Upon request by Customer for its surgeons, surgical staff, and radiologic technologists ("Trainees") to attend StealthStation® University training courses, Medtronic ST will pre-arrange and pay hotel room fees for up to ten (10) nights lodging at Medtronic ST's designated hotel. The ten (10) nights lodging is allocated per Customer Location regardless of the number of Covered Product(s) owned or operated by Customer. Customer is solely responsible for all other costs, including without limitation, travel arrangements, transportation, meals and incidental costs for Trainees. 2) Select courses may include continuing education ("CE") credits (as governed by California Board of



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Nursing), for nursing staff. A nurse may obtain CE credits for a specific Medtronic ST course only once annually.

b. On-site Training 1) Product Training: Upon request by Customer, product training will be provided at the Location during Normal Coverage Hours and based upon availability of Medtronic ST personnel.

ACCEPTANCE

This SSA Proposal sets forth the entire understanding between the parties and supersedes any prior or oral. An authorized representative of Arrowhead Regional Medical Center and Medtronic ST have signed and executed the Agreement below.

Medtronic ST

Signature: _____

Print Name: Richard Kliner

Title: Senior Manager Sales Operations

Date: _____

Arrowhead Regional Medical Center

Signature: _____

Print Name: _____

Title: _____

Date: _____